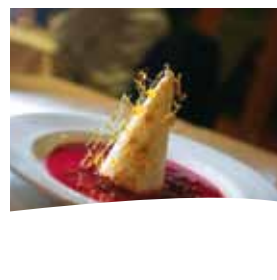




Tourism Tasmania | Annual Report |



| 2008-2009



Tourism Tasmania



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ISSN: 1836-2966

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Hendrickson, Andrei Jewell, Garry Moore,
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Paul Sinclair, Tim Dub, Gary Lisbon,
Nigel Honey, Geoff Murray, David Webb,
William Stotzner, Peter Whyte, Michael Walters,
Mark Roper, Geoffrey Lea, Rick Eaves,
Lap Fung Lam, Darran Leal, Maki Kawakita,
TasVacations, Warren Steptoe, Greg Willson,
John de la Roche, Brian Dullaghan,
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Letter to the Minister

The Hon. Michelle O'Byrne MP | Minister for Tourism



Dear Minister

In accordance with Section 41 of the *Tourism Tasmania Act 1996*, I have pleasure in submitting to you the 2008-2009 Annual Report for Tourism Tasmania.

A handwritten signature in blue ink, which appears to read 'Bob Annells'.

Bob Annells

Chairman

Board of Directors

October 2009

About our Annual Report



Tourism Tasmania's 2008-2009 Annual Report details the Authority's performance during the year in review, describes core priorities and strategies that have shaped and contributed to that performance, explains how the Authority has achieved its stated goals within budget, and provides a comprehensive financial report.

The Annual Report is available online and distributed in print to Government, the tourism industry and key stakeholders.

This year's Tourism Tasmania 2008-2009 Annual Report has been produced from a selection of recycled, Australian-made, carbon neutral, elemental chlorine free and sustainable forest practices paper stocks.

Our selected printery has been awarded for its environmental and recycling activities including the collection of paper waste and printing plates for recycling, the use of eco-friendly inks, and environmentally approved papers recommended to all clients.



Who we are

Tourism Tasmania is a statutory authority operating under the *Tourism Tasmania Act 1996*. It has a Board appointed by the Governor on the recommendation of the Minister. The Board has strong expertise in tourism development, marketing and commerce (see Our Board on page six).

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

How to contact us

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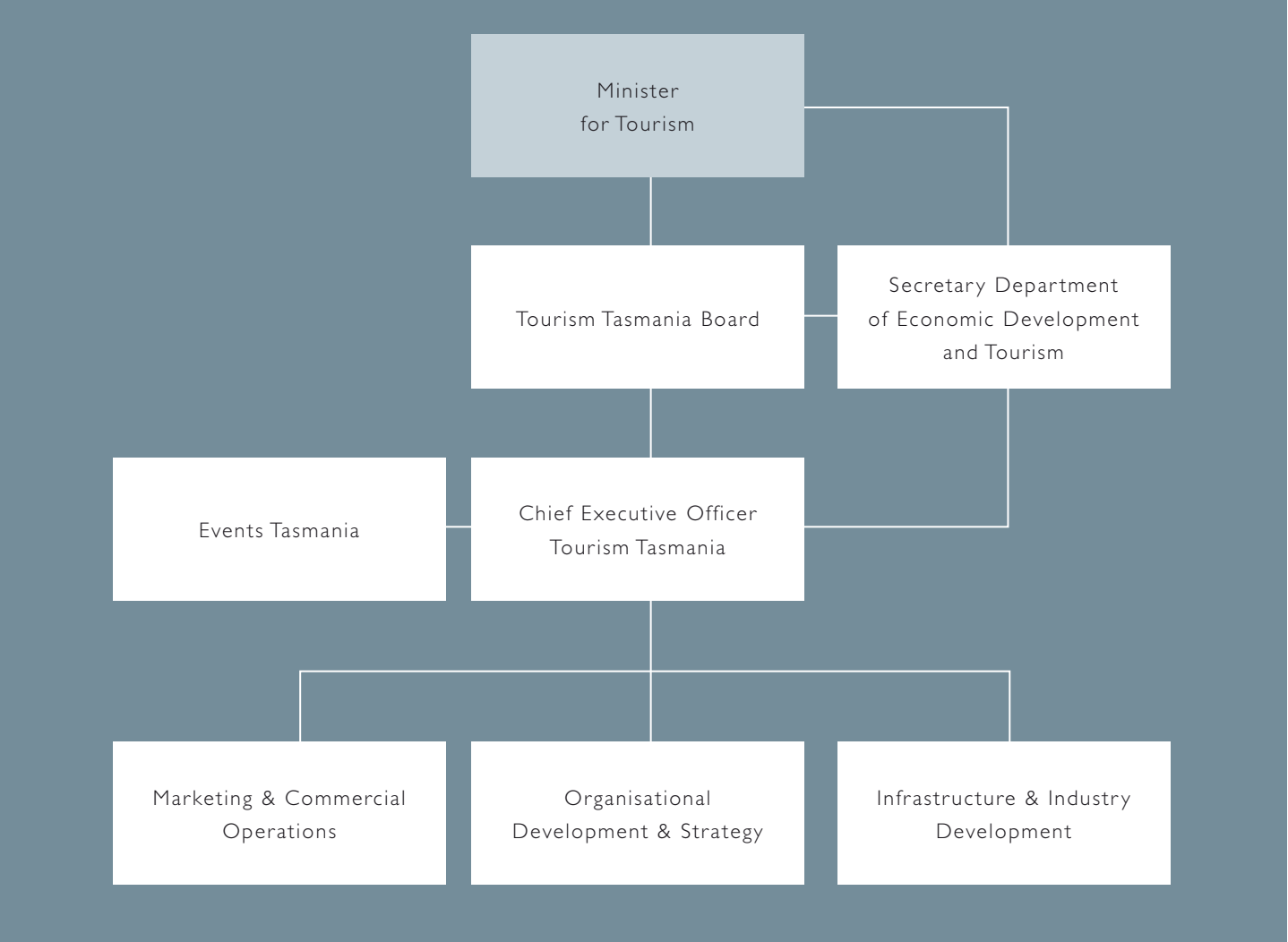
Website: www.tourism.tas.gov.au



The full event portfolio supported by Events Tasmania in the 2008-09 financial year delivered 47,000 visitors to the state and realised an economic benefit of close to \$50 million.



Our Structure



Chairman's Report

As another year draws to a close it is apparent that despite prevailing conditions being as complex and apparently unfavourable as many of us can remember, Tasmanian tourism has performed remarkably well.

There are many views as to why. In comparative terms we have outperformed the broader Australian industry on virtually all indicators, however; what is plain to see is that the Tasmanian experience continues to resonate with our core markets – especially when international travel is an option less people are prepared to entertain.

As an organisation Tourism Tasmania has performed particularly well with a number of critical projects and programs being brought to a successful conclusion. In particular the Tas e-Connect project – the end result of a serious commitment of effort by the whole organisation. To have this program recognised as an industry leading example in the Jackson Report was particularly pleasing for all involved.

We have continued to benefit from a strong relationship with the Tourism Industry Council Tasmania that remains committed to representing the broader industry with passion and effectiveness.

In conclusion, I want to thank the Minister for Tourism, the Hon. Michelle O'Byrne MP, who has demonstrated great commitment to the portfolio and has been of tremendous support to the entire organisation. It has been a great privilege to have worked with her this past year.

The management and staff of Tourism Tasmania, under the leadership of Felicia Mariani as Chief Executive, have been outstanding and the inclusion of Tourism Tasmania within the broader Department of Economic Development and Tourism has brought many advantages, including the recent addition of the Secretary of that Department Mark Kelleher to the Board.

To my fellow Board members I say a heartfelt thank you for your dedication and contribution during a momentous year. Tasmania is indeed fortunate that so many talented people are prepared to contribute their time, effort and energies to the cause of advancing its tourism industry as a whole, and the performance of Tourism Tasmania in particular:



Bob Annells
Chairman



Chief Executive Officer's Report

Meeting the expectations of consumers in today's shifting tourism marketplace remains crucial to Tourism Tasmania's success. Matching these expectations, however, is no longer adequate – that's just the cost of entry to be in the tourism game. Today's consumer requires us to exceed their expectations. And all of this needs to occur within a global tourism marketplace that is dynamic – often volatile – and most certainly filled with challenges around every corner.

This is just one of several important objectives that have driven Tourism Tasmania over the past 12 months. Our current strategic model has aimed to address the issues of development, support and delivery to grow the tourism offering in Tasmania.

I am pleased to report we have delivered on many of the objectives we set out to achieve.

The past year represents the culmination of an incredible three-year journey of re-shaping Tourism Tasmania and how we work with the industry here in Tasmania. The result: we have recently celebrated achieving over one million visitors in a single year – and we are very close to achieving the \$2.2 billion milestone for visitor expenditure that was also set as an objective of the current Tourism 21 three-year plan.

And although we should rightly celebrate these achievements, more importantly we must now ask, 'Where to from here?'

The rapidly changing global environment has required us to stay focused on our core strategies and work to effectively tackle the changing market conditions.

With the introduction of our Digital and Distribution Strategy through the Tas e-Connect initiative, we are now capitalising on the impact technology continues to have on how we engage with our customers by providing them with the 24-hour access to Tasmanian tourism products and experiences that they expect.

We are also distributing Tasmanian tourism products in more places, through more channels, than ever before. We have also focused on developing our international offering by refining our export market-ready products that form Team Tasmania.

These achievements form significant building blocks for us as we look to the future, but it is time now to re-assess what we have achieved and redefine the work still needing to be done.

When looking forward, we can be reassured that the broad strategies outlined in 2006 with the release of our three-year business strategy, *New Directions for our Island*, are still relevant and contemporary. We will simply now look to test its continued relevance and determine where refinements might be required to lead us through the next three years.

We will be looking to strike an appropriate balance between supply and demand. We will also look to the recommendations of the National Long-Term Tourism Strategy to frame our thinking and ensure that we continue to maintain pole position in the tourism race at a national level.

In that process, we also recognise that the brand proposition Tasmania has continually presented to its markets is now even more attractive to consumers who are increasingly looking to escape the madness of a world in financial crisis, creating personal turmoil and stress.

The vision of Tasmania as a place to escape, an exotic and isolated destination has never looked more inviting. With good access, short travel times and a variety of booking options, we're very well placed to take advantage of the changing preferences of tomorrow's consumer:

Tasmania has managed to out-perform our national counterparts in the face of incredible change. These world events have created an exceptional opportunity for Tasmania, and we need to rise to the challenge. Now, more than ever, solidarity and commitment will be necessary to drive change and create success.



Felicia Mariani
Chief Executive Officer



Our Board

2008/2009 Board Members



Left to right:

Juanita von Stieglitz

Simon Currant

Felicia Mariani

Bob Annells

Wayne Kirkpatrick

Alison Stubbs

Kim Seagram

Bob Annells

Bob Annells has held a number of senior positions in Tasmania including Director General of the Lands Department and Secretary of the Department of Tourism, Sport and Recreation. He is currently a Director on the Tasmanian Development Board and has held senior positions in the tourism industry including Chief Executive of Tourism Victoria, Chairman of the Melbourne Convention and Exhibition Trust, Chair of the Northern Territory Tourist Commission, Chairman of the Australian Standing Committee on Tourism (twice), and Board Member of the former Australian Tourist Commission. Bob brings marketing, events, public and private sector tourism experience at the highest level, as well as issues and strategic management. He was awarded the Public Service Medal in 2001 and a Centenary of Federation Medal. He was inducted into the National Tourism Hall of Fame in 2004 and awarded the 'Outstanding Contribution by an Individual' award at the 2005 Victorian Tourism Awards.

Felicia Mariani

Felicia Mariani is CEO of Tourism Tasmania and her experience in the public and private sectors spans everything from family businesses to multi-national corporations. Felicia has spent the past 15 years working in key marketing and communications roles in the tourism, leisure and entertainment industries. She introduced ground-breaking campaigns in Sydney and regional New South Wales, and orchestrated the establishment of the Olympic Media Servicing Unit in the leadup to the Sydney Olympics in 2000. Her earlier background includes major branding, marketing and public relations roles with Connex Group Australia and orchestrating senior marketing and communications projects for major Australian domestic tourism initiatives.

Simon Currant

Simon Currant is Chairman of the Tourism Industry Council Tasmania, a Director of TT-Line, and leading developer and operator of tourism infrastructure. His past and present developments – among them Cradle Mountain Lodge, Franklin Manor, Strahan Village, Peppermint Bay and Hobart Cruises – have won 11 State and nine national tourism awards. In addition to his current ventures of Peppermint Bay and Hobart Cruises, he is developing the World Heritage Area site of Pumphouse Point, at Lake St Clair. He also runs a tourism consultancy specialising in remote and natural area tourism. Simon has won national and State Best Small Business awards, a Churchill Fellowship, was State winner and national finalist in the 2004 Entrepreneur of the Year, and was the 2004 Tasmanian of the Year. In 2006 Simon was honoured with a Member of the Order of Australia Award for service to the community and the Tasmanian tourism industry.

Tourism Tasmania's Board is responsible to the Minister for Tourism for the Authority's performance against the activities detailed in the corporate plan and for ensuring that the Authority is functioning in a manner that is lawful and consistent with sound business practice.

Wayne Kirkpatrick

Wayne Kirkpatrick has extensive business, financial, marketing, sales, tourism, resort management and property development experience. As Managing Director/CEO he has successfully led some of Australia's most significant resorts over the past 25 years, among them Thredbo Alpine Resort, the two Mirage Resorts in Queensland, Ayers Rock Resort and Hamilton Island. He has been a Commissioner of the Northern Territory Tourist Commission, a Director of the Central Australian Tourist Industry Association and past Chairman of Tourism Whitsundays. He was a Director of the Association of Marine Park Tourism Operators (Great Barrier Reef), a member of the Tourism Recreation and Reef Advisory Committee and the National Oceans Advisory Group. He has served as Chairman of Tourism Council Australia, a Director of Tourism Task Force and Tourism Australia. In 2003, the Australian Tourism Export Council (ATEC) recognised Wayne's contribution to the Australian tourism industry with an award, namely Outstanding Contribution to the Industry by an Individual, for Excellence in Exporting the Australian Tourism Experience to the World. Tourism Whitsundays also recognised his work in growing the success of Hamilton Island and the Whitsundays generally, with a similar Outstanding Contribution by an Individual Award. Wayne is Chairman of Tourism Tasmania's Audit, Finance and Risk Committee. Wayne also presently runs his own tourism and business advisory practice with a number of select clients. He has served as Chairman of Tourism Council Australia, a Director of Tourism Task Force and Tourism Australia. In 2003, the Australian Tourism Export Council (ATEC) recognised Wayne's contribution to the Australian tourism industry with an award, namely Outstanding Contribution to the Industry by an Individual, for Excellence in Exporting the Australian Tourism Experience to the World. Tourism Whitsundays also recognised his work in growing the success of Hamilton Island and the Whitsundays generally, with a similar Outstanding Contribution by an Individual Award. Wayne is Chairman of Tourism Tasmania's Audit, Finance and Risk Committee.

Kim Seagram

Kim Seagram is co-owner and co-developer of the award-winning Stillwater River Café, Restaurant and Wine Bar in Launceston and Black Cow Bistro. She is currently Deputy Chair of Brand Tasmania, Chair of the Launceston, Tamar and the North Zone Marketing Group, and an Executive Committee member of the Launceston Chamber of Commerce. Prior to Stillwater, Kim and her husband owned and operated Lalla Gully Vineyard and Ripples Café in the Pipers River region of north-east Tasmania. In 1997, Kim was elected to the Vineyards Association of Tasmania Committee of Management and she continues her high level of involvement with the wine industry, where she has made a significant contribution to strategy and marketing development. Prior to living in Tasmania, Kim held a number of positions in the Canadian tourism industry in operations, sales and promotion.

Juanita von Stieglitz

Juanita von Stieglitz has over 25 years experience in Travel Agency Distribution and Travel Products Marketing. She started her working career in the travel agency sector in Tasmania, and more recently has held Senior Regional Positions for American Express with responsibility for the managing travel and lifestyle agencies across many markets: Japan, Hong Kong, India, Singapore, Thailand, Taiwan, Malaysia, Australia and New Zealand. Key responsibilities during this time were negotiation, development and sales and marketing of specialist premium travel products, and full Profit and Loss responsibilities of all travel and lifestyle businesses for American Express Premium Card members. She is a past Board Member of American Express Wholesale Currency Business and a past Chairman of Tourism Tasmania Audit Committee. She has also been a member of the Tourism Council of Australia, and a judge of the National Tourism Awards. She is currently a member of the Australian Institute of Company Directors, and also a member of the Audit, Finance and Risk Committee for the Tourism Tasmania Board.

Alison Stubbs

Alison Stubbs is co-founder and General Manager of the award-winning Freycinet Adventures with business partner and husband, Simon. They established Freycinet Adventures with a passion for delivering exceptional service and their achievements have been recognised with two Telstra Tasmanian Small Business Awards and six Tasmanian Tourism Awards (including the induction into the Awards Hall of Fame in 2004 for Adventure Tourism). Alison was awarded the 2005 Minister's Young Achiever Award at the Tasmanian Tourism Awards and the Tasmanian Telstra Young Business Woman of the Year in 2003. Alison is also member of the Audit, Finance and Risk Committee for the Tourism Tasmania Board and has recently been appointed as a Director of the Marine and Safety Tasmania Board.

Statement of Corporate Intent

Tourism is of vital importance to the Tasmanian economy. It directly contributes \$950 million or about 6.4 per cent to Gross State Product (GSP). It comprises approximately 2,400 separate businesses.

In a period of growing concern over climate change, the diminishing strength of various world economies and the radical growth in the cost of fuel, Tourism Tasmania will remain focussed on helping to grow the Tasmanian economy through targeting new markets and segments that represent the greatest potential for growth, while maintaining existing markets and segments that continue to be of value to us. By acknowledging the gaps in knowledge of Tasmania with potential visitors to our island and developing new marketing approaches such as the Zone Marketing Strategy, the adoption of digital distribution as an effective route for conversion and supporting industry by providing the capability to understand the opportunities for growth and investment, Tourism Tasmania can effectively facilitate industry to gain an increase in our overall share of domestic and international tourism.

We also recognise the need to balance these economic goals with care for our community and our staff, protection of the environment, and preservation of our heritage assets. Our approach is to support the development of an industry that is truly sustainable into the future and which is supported by the people of Tasmania.

Our Role

The role of Tourism Tasmania in the coming years is to:

Lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.

To fulfil that role we will actively intervene in the tourism market to:

1. Create new knowledge and understanding for industry and stakeholders about tourism through research, analysis and insights
2. Address the barriers to conversion and travel to Tasmania by identifying and taking effective, consistent action with those who can make a difference
3. Establish, articulate and maintain the Brand and Brand Values, particularly through creative and innovative marketing
4. Achieve alignment of Tasmania's tourism product, experiences and infrastructure to match market expectations of the Brand.

Tourism Tasmania and the tourism industry must have a clear understanding of what our island can offer a potential visitor (and our own residents) that makes it both different and appealing. We collectively must confirm our competitive advantage and position ourselves as a desirable 'must go' destination in the hearts and minds of potential visitors. We will also focus strongly on convincing Tasmanians to consider their own island for holidays first, and converting that consideration into choice.



A report released by the national Tourism and Transport Forum ranked Greater Hobart as the eleventh top tourism region in the country in terms of export dollars – higher than New South Wales' Hunter Valley and Queensland's Whitsunday Islands.



We will work with industry to further define our clear and motivating brand positioning – one based on the unique experiences on offer and targeted to those potential visitors who offer the best prospects for visiting. We will enter into true partnerships with the regions of Tasmania to add both depth and breadth to our brand promise.

Tourism Tasmania will target key domestic markets by geographic area and market segment including:

- Melbourne and regional Victoria
- Sydney, Canberra and regional New South Wales
- Brisbane and South East Queensland
- Tasmanians – to take at least some of their holidays at home
- Other opportunities at a national level including Adelaide.

Our key international markets will include:

- United Kingdom and Germany
- North America
- New Zealand
- Singapore
- Japan.

Our Goals

Tourism Tasmania has set ambitious, but achievable, goals for the next three years which will need the continued full support of industry for success.

Our seven key goals focus on:

1. Growing our domestic tourism market share
2. Growing our international tourism market share
3. Growing the number of Tasmanians holidaying on the island
4. Attracting high yield visitors
5. Strengthening our relationship between our brand and consumers
6. Increasing stakeholder satisfaction with our performance
7. Increasing customer satisfaction with their Tasmanian experience.

We will set measures and milestones for these goals for the next three years and provide regular updates on our progress. We will set our sights high and will work to bring the individual efforts of the tourism industry together with a new emphasis on partnerships and creating joint business and promotional opportunities including:

- Working together to create a shared vision for the future
- Developing new products and services to meet untapped market needs
- Joint advertising and promotional programs which provide a shared platform for building our brand and converting awareness, preference and intention to visitation
- Sharing information about our markets, how we are performing as a tourism destination and what is happening in our industry.

Our Contribution

A tourism destination is supported by a system of organisations, businesses, governments, people, activities, information and resources involved in moving tourism information, products or services in physical or virtual manner from the supplier/ operator to the consumer:

This is often referred to as a 'supply chain'. The primary objective of supply chain management is to fulfil customer demands through the most efficient use of resources, including distribution capacity, inventory and labour:

Each of the participants in the supply chain contributes the best value-adding activities for their organisation. Outlined opposite is where we contribute to the overall tourism supply chain for Tasmania.



Supply Chain



Our Operating Environment

The 'new normal' in travel and tourism, indeed in all business, offers up a less predictable horizon than has previously been the case. Change is the constant and to deal with that comes our need to be more alert, responsive, strategic and more focused than ever.

Tourism Tasmania recognises the world we live in has changed dramatically in the past few years – in particular the global financial upheaval of the last 12 months. Increasingly, we compete as a destination, not just with other parts of Australia and overseas, but with changing patterns of Australian consumer behaviour and spending.

In a period of growing concern over climate change, the diminishing strength of various world economies and the growth in the cost of fuel, Tourism Tasmania remains focussed on helping to grow the Tasmanian economy. It does so through targeting new markets and segments that represent the greatest potential for growth, while maintaining existing markets and segments that continue to be of value to us.

Independent studies have found that the leading trends driving new models of consumer demand and behaviour include an increasing desire for customised individual experiences, the use of holiday time to reconnect with friends and family, or to rest and rejuvenate.

We also know that Australians have accumulated huge reserves of holiday time. The impacts these trends will have on travel are obvious; people leave home less frequently, spend more when they do, increasingly they travel in small groups and are determined to have holidays that are special and personal.

Tourism Tasmania has shaped its new strategic direction in recognition of this changed world of tourism around the globe.



Tasmania joined new destinations Nova Scotia (Canada) and Cape Town (South Africa), alongside established locations Santa Cruz (California) and Scotland, by securing a round of surfing's 2009 O'Neill Coldwater Classic World Tour Series.



Visitors to Tasmania

The Tasmanian Visitors Survey is a systematic sample survey of departing passengers conducted at the airports in Hobart, Launceston, Devonport and Burnie as well as the Spirit of Tasmania terminal in Devonport. In addition to the Tasmanian Visitor Survey, data is collected from the National Visitor Survey and the International Visitor Survey conducted by Tourism Research Australia.

The following tables provide a summary of the 2008-2009 results.

KEY INDICATORS			
	12 months ending Jun 08	12 months ending Jun 09	% Change
Visitors			
Total Visitors: (all air and sea visitors including Cruise and Navy)	932,700	1,012,600	9%
<i>Following data includes scheduled air and sea visitors – and does not include Cruise ships or Navy Ships.</i>			
Total Nights	7,170,600	7,859,900	10%
Average Length of Stay (nights)	8.4	8.7	3%
Expenditure (billion)	\$1.389	1.451	4%
Purpose of visit			
*Leisure	631,100	676,800	7%
*Leisure Nights	5,501,700	6,038,200	10%
Average Length of Stay (nights)	8.7	8.9	2%
*Leisure Expenditure (million)	\$1,157,500	\$1,221,700	6%

Source: Tasmanian Visitor Survey, Tourism Tasmania

*Leisure: includes both Holiday and Visit to friends and relatives

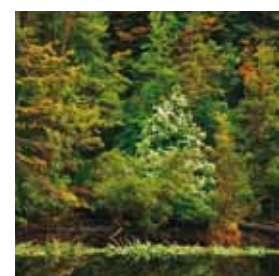
INTERNATIONAL VISITATION			
	12 months ending Jun 08	12 months ending Jun 09	% Change
International Visitors	155,900	149,500	(-4%)
Total Nights	3,057,400	2,851,600	(-7%)
Average Length of Stay (nights)	19.6	19.1	(-3%)
Modelled International – Excluding package expenditure (\$million)	\$245	\$253	3%
Purpose of visit			
*Leisure	138,700	134,600	(-3%)
*Leisure Nights	1,571,900	1,571,900	0%
Average Length of Stay (nights)	11.3	11.7	3%
*Leisure Expenditure (\$million)	\$114	\$138	21%

Source: International Visitor Survey, Tourism Research Australia

*Leisure: includes both Holiday and Visit to friends and relatives



The 271 teams that started Targa Tasmania 2009 generated a direct investment of over \$6 million into the Tasmanian economy.



Visitors to Tasmania

Marketing Performance (Holiday Tracking Survey)

Without any prompting on advertising for holidays and travel, 16.2 per cent of all Australians (interstate and intrastate residents) had read, seen or heard some form of Tasmanian holiday/travel advertising in the year ending June 2009, down from 17.0 per cent of all Australians recorded in 2008. Tasmania had the second highest level of prompted advertising awareness for the year at 28.2 per cent, following Queensland (51.7 per cent).

ADVERTISING AWARENESS, PREFERENCE AND INTENTION TO VISIT TASMANIA			
	2007-08 % of Aust. Population	2008-09 % of Aust. Population	% Change
Marketing Performance			
¹ Advertising Awareness (Unprompted)	17.8	16.2	-9%
¹ Advertising Awareness (Prompted)	32.2	28.2	-12%
² Preference to visit Tasmania	17.2	17.6	2%
³ Intention to visit Tasmania	4.7	4.6	-2%
⁴ Behaviour	4.8	5	4%
⁵ Tagline Awareness – 'Island of Inspiration'	13.2	12.2	-8%

Source: *Holiday Tracking Survey, Roy Morgan Research*

¹Advertising Awareness – Percentage of Australians with un-prompted and prompted advertising awareness for holidays in Tasmania.

²Preference – Percentage of Australians that would like to visit Tasmania in the next 2 years.

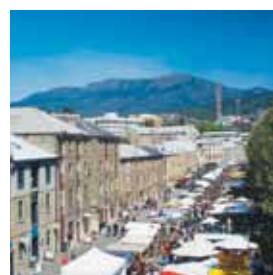
³Intention – Percentage of Australians planning or intending to visit Tasmania on their next trip.

⁴Behaviour – Percentage of Australians that visited Tasmania in the last 12 months.

⁵Tagline Awareness – Percentage of Australians with an awareness of Tasmania's advertising tagline 'Island of Inspiration' launched in January 2007.



Over the four days of the 2009 Australian Wooden Boat Festival, there were over 40,000 visitors, 550 boats (28 per cent from interstate or international), 200 entertainers, 300 volunteers, 34 marine trade exhibitors, 16 specialist display sites and 15 food outlets.



Highlights 08-09

- For the first time ever, Tasmania reached the historic milestone of one million visitors in a single year.
- With the introduction of Tas e-Connect, Tourism Tasmania was one of the first states in Australia to fully implement Open Booking Exchange technology, allowing operators to present consumers with real time availability and rates, to take bookings and transact payment instantly online.
- Over the previous year Tourism Tasmania's Public Relations and Visiting Journalist Program delivered 575 articles or programs with an equivalent advertising value of \$45.4 million – an increase of over 60 per cent from the 2007-08 financial year.
- Events Tasmania's four grants programs – the National and Special Interest Grant Program, the Touring Grant Program, Your Club Our Island, and the Regional Events Assistance Program (REAP) – delivered an estimated \$24 million and 18,500 visitors to the state. The Regional Event Assistance Program (REAP) supported 13 local community events in partnership with the three regional tourism authorities.
- At G'Day USA 2009 – the largest foreign country promotion in the United States – Tourism Tasmania secured high-profile exposure through strategic media, trade and consumer events in San Francisco, New York and Los Angeles.
- Following the introduction of the five marketing zones in 2007-08, Tourism Tasmania produced over 200,000 Zone Holiday Planners that were distributed nationally. In the five months to 30 June, a combined total of more than 47,000 Holiday Planners were viewed, downloaded and distributed both online and via the Launceston Contact Centre. Interest in the content of the interactive Holiday Planners was exceptionally high, with more than 427,000 pages of the Planners viewed on www.discovertasmania.com.
- Tourism Tasmania worked collaboratively with Virgin Blue to successfully introduce a daily direct air service between Hobart and Canberra.
- The Mark Webber Pure Tasmania Challenge generated over \$8 million of media exposure in sport and lifestyle print publications and online. A documentary of the 2008 Challenge aired nationally and in Tasmania's key international markets of North America, the United Kingdom, Europe, New Zealand and Asia.
- Tourism Tasmania worked collaboratively with Jetstar to increase the number of direct flights between Sydney and Hobart, resulting in two services daily.



AFL legends Leigh Colbert (L) and Glenn Archer (R) joined Mark Webber (centre) for the 2008 Pure Tasmania Mark Webber Challenge.

- Tourism Tasmania's management of the Tasmanian Government's sponsorship of the 2008 AFL Premiers Hawthorn Football Club generated an economic impact of \$15.14 million, including \$7.79 million in direct expenditure from approximately 24,000 visitors to the state for matches played at Aurora Stadium. Total media exposure for the 2008 season was valued at \$3.4 million – a 76 per cent increase on 2007. A total of 299 fulltime equivalent jobs were created in Tasmania, with 197 of these a direct result of increased tourism visitation.
- Events supported by Events Tasmania delivered 47,000 visitors to the state and realised an economic benefit of close to \$50 million on an investment of just over \$2 million.
- Tourism Tasmania produced a second series of the popular television program *Discover Tasmania*. The series proved extremely popular with Tasmanians, rating number one in its timeslot each week and reaching a total of 1,387,000 viewers (138,700 viewers per episode). This equated to 45.3 per cent of the total Tasmanian television viewers and 61.9 per cent of all commercial viewers.
- Over 105,400 cruise ship passengers and crew visited Tasmania in the 2008-09 year. This represented approximately 11 per cent of all visitors to Tasmania and was an increase of 27 per cent on the preceding 2007-08 year.
- The 2008-09 cruise ship season capped a period of significant growth over the past decade, with the total number of visitors to Tasmania increasing by 600 per cent from the 16,400 passengers and crew that visited on cruise ships in 1997-98.



Performance Against Priorities

This section provides a comprehensive report on Tourism Tasmania's performance against the priorities and strategies articulated in Tourism Tasmania's three year business strategy *New Directions for Our Island 2006-2009*.

Priority 1: Understand the Market

- To be the knowledge leader on consumer behavior; products, services and experience characteristics; and the performance of the tourism industry as the basis for decision making
- To influence key stakeholders and the tourism industry to value and use research insights in their decision making.

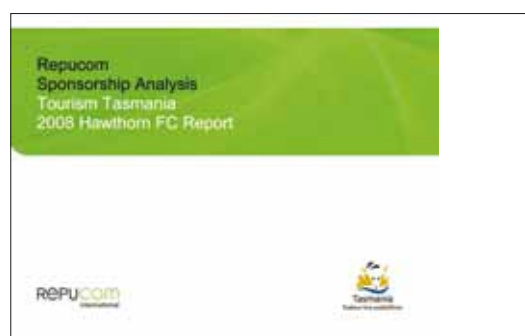
Programs to address this priority:

1. Conduct targeted market research.

Tourism Tasmania commissioned BDA Marketing Planning to develop the Consumer Confidence Tracking Survey, an online survey designed to understand how shifting consumer confidence, job security and a dynamic and uncertain economy were influencing Australians' intention to travel. By monitoring and understanding trends in consumer attitudes and intended travel behaviour on a regular basis, Tourism Tasmania improved its overall marketing strategy and responded to the market with relevant and timely offers.

Tourism Tasmania also commissioned broadcast and sponsorship evaluation specialists Repucom International to undertake an evaluation of the Tasmanian Government's sponsorship of the Hawthorn Football Club for the 2008 AFL Premiership Season. Repucom was briefed to conduct an analysis across three specific components including brand exposure analysis, consumer research and economic impact. Analysis of the economic benefits and direct expenditure components of the analysis were outsourced to PricewaterhouseCoopers.

Tourism Tasmania used this research to inform the ongoing marketing and promotional activity undertaken around the sponsorship, which continued to bring increased numbers of interstate tourists and greater economic benefit to the State.



Repucom Report

2. Monitor consumer behaviour, analyse changes and where appropriate conduct research and provide insights.

Tourism Tasmania monitored consumer behaviour using three major visitor surveys: the Tasmanian Visitor Survey (TVS), the National Visitor Survey (NVS) and the International Visitor Survey (IVS). The information generated from these surveys allowed Tourism Tasmania to profile visitor characteristics, expenditure and market share.

An analysis of the survey results and associated insights were reported quarterly. Results were provided to the Tasmanian tourism industry and to government agencies to facilitate and promote the development of the industry.

The reports from these visitor surveys were also made available to the public on Tourism Tasmania's corporate website. As well, Tourism Tasmania provided free access to detailed results from the TVS via the online data analysis tool, WebReporter.

Tourism Tasmania continued to subscribe to the Holiday Tracking Survey, an ongoing survey conducted by Roy Morgan Research that tracks the holiday and leisure travel preference, intention and activity of Australian residents.

The Holiday Tracking Survey provided critical insights about domestic consumer behaviour, the future visitor market, and the performance of the tourism industry to Tourism Tasmania and key industry stakeholders. Due to its large sample size, the Holiday Tracking Survey offers significant travel, leisure and tourism-specific data that underpins Tourism Tasmania's marketing initiatives.

Tourism Tasmania also undertook broad online marketing measurement and analysis. This activity measured the marketing and distribution performance of the consumer website www.discovertasmania.com and related digital activity including email newsletters, online brochure downloads and views, and the number of products viewed by consumers.

Since the integration of www.discovertasmania.com to the Open Booking Exchange (OBX) and the launch of Tas e-Connect, a vast array of new information on Tourism Tasmania's total digital performance has become available. Combined with Tourism Tasmania's existing analysis of other travel websites selling Tasmania, we were able to provide industry access to information on the digital distribution landscape and have been able to undertake a comprehensive audit of the market-leading digital distributors.

This audit is being used to develop a strategy and forward calendar of co-operative distribution activity between Tourism Tasmania and the leading online sellers of Tasmanian travel.

Tourism Tasmania also managed and tracked the performance of www.discovertasmania.com in search engine results, ensuring that over time Tourism Tasmania retains its optimum search engine performance. Analysis allowed us to ensure that new content on the website was search engine friendly and captured the most popular keywords related to Tasmania, or specific campaign initiatives.

We also tracked our relative performance against competitors such as other state Tourism Organisations (STOs), and measured and disseminated information via major partner websites in order to inform the industry of the total reach of our marketing messages via all online sellers of Tasmania.

Tourism Tasmania also undertook a number of 'Pay per Click' (PPC) campaigns throughout the year designed to support our two major seasonal campaigns and our zone marketing activity. These PPC campaigns were based on analysis of the most popular consumer search words and their relevance to each of the major campaigns. This enabled us to purchase exposure on search result pages in Google that drove targeted traffic to www.discovertasmania.com.

3. Identify and analyse strategic international market opportunities.

Tourism Tasmania conducted ongoing assessment, audit and industry engagement to ensure its strategic choices were consistent with the priorities and objectives of Tourism 21 – the joint industry and government business plan developed by Tourism Tasmania in partnership with the Tourism Industry Council Tasmania.

Tourism Tasmania worked strategically with contracted regional managers and public relations agencies in the core markets of North America, the United Kingdom, Germany, Singapore, Hong Kong, Japan, and New Zealand. Our international marketing activities focused on three core areas: trade partnership, media and public relations, and digital marketing and conversion.

Tourism Tasmania worked to develop and expand the group of export-ready tourism operators – known as Team Tasmania – to enhance the products being sold via travel trade in key markets and maximise the return on investment for these operators. Members of Team Tasmania were provided support and partnership through business development, access to international markets, communication and networking, and marketing opportunities.

4. Monitor, analyse and provide insights on tourism performance and future trends.

Tourism Tasmania used sophisticated tracking and modeling techniques developed by BDA Marketing Planning to monitor progress against targets identified in the Tourism 21 strategic business plan. This information is essential in helping the industry achieve the plan's objectives for 2010 and 2017.

Tourism Tasmania, in partnership with social research company Colmar Brunton, undertook research to identify global trends impacting travel. The outcomes of the research were considered in terms of its implication for individual operators and the broader Tasmanian tourism industry.

In addition, qualitative and quantitative research conducted at the Australian Wooden Boat Festival provided insights into visitor demographics and development opportunities.



Qualitative and quantitative research conducted at the Australian Wooden Boat Festival provided insights into visitor demographics and development opportunities.

5. Establish a work program with stakeholders for priority research.

Tourism Tasmania is an industry partner in the Co-operative Research Centre for Sustainable Tourism (CRC). The CRC delivers a range of research projects of relevance to Tasmanian tourism businesses and the broader Tasmanian tourism industry. Over the past 12 months, Tourism Tasmania participated in several industry reference groups for projects that produced reports of value to the industry.

We also worked with Tourism Research Australia on key survey work to measure the impact tourism has on local communities around Tasmania. Surveys were undertaken at Richmond, Dorset, Bruny, Flinders and King Islands. A final report was delivered to Tourism Tasmania and forums were scheduled with each community to discuss the findings. This ongoing work built on a pilot previously undertaken at Coles Bay and contributed to an increased understanding of the social costs and benefits associated with tourism activity.

Performance Against Priorities

6. Communicate results to key stakeholders and industry.

Tourism Tasmania staff provided business intelligence on emerging trends and opportunities in the tourism industry in several key ways to numerous stakeholders. Presentations were regularly conducted for regional and local tourism associations, tourism sector associations, Tasmanian Visitor Information Networks, local government and tourism operators. Staff also provided relevant and timely information to assist decision making by potential investors and other parts of government. These business intelligence presentations addressed consumer behaviour, the future visitor market, the products, services and experiences on offer and the performance of the tourism industry.

Tourism Tasmania regularly communicates research intelligence and knowledge to key stakeholders and industry through a range of e-newsletters, dedicated industry advisories and articles in industry publications.

Tourism Tasmania redeveloped its corporate website, www.tourismtasmania.com.au. The new site presents comprehensive and relevant information for the tourism industry and stakeholders through an easily navigated platform.

Tourism Tasmania has introduced Industry Advisories, a new communication format to advise the state's tourism industry of matters of vital interest on an 'as needs' basis.

Tourism Tasmania has also redesigned Tourism Talk, its fortnightly newsletter to industry, making it more visually appealing and easier to use.



Tourism Tasmania supported the continued development of the cruise market in Tasmania through dedicated cruise industry information workshops in Hobart and Burnie.

Priority 2 – Respond to the Market

Corporate Objectives

- To deliver competitive advantage for Tasmania through identified products, services and events
- To support the development of infrastructure that enables tourism development
- To build tourism industry capability to meet the brand promise and meet visitor expectations
- To build awareness, capability and community support for the future of tourism in Tasmania.

Programs to address this priority:

I. Lead development of a product and experience portfolio that meets the needs of targeted segments.

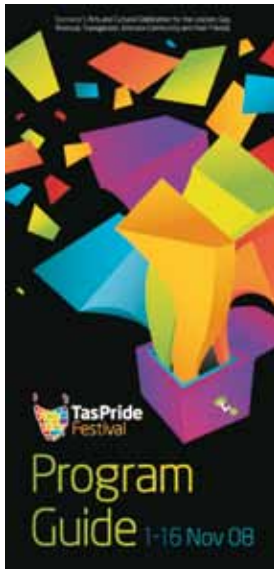
Tourism Tasmania undertook significant work to develop the State's heritage, culture, arts and food experiences as strong core appeals to complement our nature positioning. Furthermore, we undertook significant development work in the golfing, gardening, walking and fishing sectors.

Tourism Tasmania supported the continued development of the cruise market in Tasmania through dedicated cruise industry information workshops in Hobart and Burnie. Tourism Tasmania also facilitated pre-season and post-season meetings for operators involved in the cruise season, and showcased experiences suitable for the cruise market to staff from a leading cruise operator on a familiarisation tour of the North-West.

Tourism Tasmania completed a Mountain Bike Tourism Market Profile, which will enhance strategic market planning in support of ongoing development and investment. The profile provided insights into the market potential of mountain bike tourism, and will be the foundation of a Mountain Bike Industry Development Strategy to be completed in partnership with industry and key stakeholders including Forestry Tasmania, the Parks and Wildlife Service, Hydro Tasmania and interested local government councils. This strategy will support Sport and Recreation Tasmania's Recreational Cycling Strategy and the Tasmanian Mountain Bike Plan.



Tourism Tasmania completed a Mountain Bike Tourism Market Profile, which will enhance strategic market planning in support of ongoing development and investment.



Events Tasmania's development work with the TasPride Festival Committee resulted in a new look program and wider distribution.

Tourism Tasmania delivered the Tasmanian Caravan and Holiday Park Market and Product Analysis which provided current market information to assist planning for caravan and holiday park developments and expansions. Tourism Tasmania also supported the production and distribution of the annual Caravan and Camping Guide to Tasmania.

Through Events Tasmania, we supported the delivery of sporting, touring, cultural and special interest events with a strong regional spread. Examples include MONA FOMA, the Cygnet Folk Festival, MS Fest, the TasPride Festival, the Point to Pinnacle, Targa Tasmania, the Australian Wooden Boat Festival, the Falken Tasmanian Challenge V8 Supercars championships, O'Neill Cold Water Classic, Crowded House concert and the Da Vinci Machines Exhibition in Parliament Gardens.

Tourism Tasmania also worked in partnership with the Tourism Industry Council Tasmania to sponsor six award categories at the Tasmanian Tourism Awards and facilitated workshops in Hobart and Launceston to support prospective entrants with their applications.

2. Develop partnerships to deliver infrastructure that supports tourism.

Tourism Tasmania initiated the Supporting Tourism Investment in Tasmania project, which examined tourism investors' experiences in Tasmania in an effort to improve the State's ability to meet emerging demand and attract further tourism investment.

The final report contained a number of recommendations to improve the support tourism investors receive from government through the provision of best practice tourism development support materials and the provision of high quality market data.



Events Tasmania supported the delivery of sporting, touring, cultural and special interest events including Targa Tasmania.



The Cygnet Folk Festival transforms the entire town into an open-air festival venue.

Tourism Tasmania also worked in partnership with local government through the Council and state Government Partnership Agreements to address specific local infrastructure issues that impact on tourism. Tourism Tasmania worked with the Kingborough Council on infrastructure issues affecting tourism on Bruny Island, and local government on the Central Highlands Economic Development Plan and the Oatlands Integrated Development Strategy.

3. Significantly build industry capability, particularly with regard to electronic marketing and distribution.

As part of its Digital and Distribution Strategy, Tourism Tasmania developed and initiated Tas e-Connect – a comprehensive program aimed at increasing the knowledge of and access to the digital distribution channels available to the Tasmanian tourism industry.

The connectivity of Tasmania's tourism operators and their products to consumers were also facilitated through improvements to the TigerTOUR database. The restructure and enhancement of the consumer website www.discovertasmania.com to reflect Tourism Tasmania's strategic shift to the arena of electronic marketing and distribution, has improved the connectivity of tourism operators to consumers.

Events Tasmania's Event Development Strategy supported professional development by presenting an initial round of the Australian Business Arts Foundation's flagship professional development product Business Case Approach. Events Tasmania staff also facilitated events management advice and coaching sessions to assist with governance, business operations and event growth and continued to support the professional development of Tasmanian event organisers through the ACEM Scholarship – a bursary to support attendance at the Australian Centre for Event Management and study towards an Executive Certificate in Event Management.

Performance Against Priorities

Tas e-Connect

Tas e-Connect is an initiative of Tourism Tasmania aimed at creating more opportunities for consumers to purchase Tasmanian tourism products online, in real time, all the time.



Underpinned by Tourism Tasmania's Digital and Distribution Strategy, Tas e-Connect is about growing the number of distribution channels for Tasmanian tourism products and increasing the number of tourism businesses accessing these channels. The strategy has been developed to better position Tourism Tasmania and the State's tourism industry to inspire, engage and enable potential visitors to Tasmania to plan and book their travel arrangements online.

The strategy aims to achieve growth in the visibility of price and availability of Tasmanian tourism product across as many digital distribution channels as possible including Tourism Tasmania's consumer website www.discovertasmania.com.

Driving the strategy is the exponential growth in the number of consumers who seek to plan and book their holiday travel online, in favour of traditional methods including street-front travel agents.

Australian company V Cubed Pty Ltd was successful in the public tender process that Tourism Tasmania initiated to secure a provider of an open booking platform for the Tasmanian tourism industry. V Cubed's Open Booking Exchange (OBX) provides tourism operators with a highly efficient means of distributing their product via multiple travel websites.

The OBX technology also enables consumers to see real-time availability and rates and book and purchase Tasmanian travel product instantly online.

Tas e-Connect is helping the Tasmanian tourism industry get their tourism products to the online market through the Open Booking Exchange (OBX) gateway – connecting them to more distributors and more consumers online.

Critical to the success of the strategy is growth in the total number of Tasmanian tourism businesses who are e-commerce enabled and, therefore, able to conduct business online.

Supporting the objective of growing the total number of Tasmanian tourism products able to be booked in real time (including but not limited to www.discovertasmania.com) is a comprehensive industry learning and development program. This program aims to assist tourism businesses to become e-commerce enabled, and to clearly outline the commercial benefits of displaying all of their products on as many digital channels as possible.

The new digital strategy provides further recognition of the value of accreditation, specifically by providing clear display of accredited versus non accredited tourism products on www.discovertasmania.com.

Tas e-Connect has already attracted industry recognition and praise. Of particular note, the Steering Committee convened to inform the development of the Federal Government's National Long Term Tourism Strategy (The Jackson Report, released June 2009) commended the initiative as leading the national industry in the development of a program that expands the uptake of cost-effective digital platforms for the distribution and booking of tourism product.

4. Establish local government partnership agreements.

Tourism Tasmania regularly engaged with local government through partnership agreements to progress specific activities regarding tourism product development, infrastructure and investment attraction, sector development, as well as the revision of local tourism development plans, marketing and promotional support, and access to research and insights appropriate to local government activity.

During the year, agreements were established with the Glenorchy, King Island, Meander Valley, Break O'Day, Dorset and West Coast Councils.

5. Continue the Team Tasmania development globally.

Tourism Tasmania introduced a Team Tasmania membership project which resulted in the implementation of a restructured international industry program. A total of 87 operators were accepted into the program and are actively participating in membership activity and receiving support in business development, access to international markets, communication and networking, and marketing opportunities, and participation in sales missions and trade events.

Priority 3 – Stimulate the Market

Corporate Objectives

- To build brand awareness and appeal for Tasmania as a holiday destination
- To convert consumer intention to holiday in Tasmania.

Zone Marketing Strategy

Tourism Tasmania's Zone Marketing Program successfully delivered co-operative and industry-supported marketing campaigns.

Central to this success were the Zone Marketing Groups, the management groups comprising industry representatives from within each of the five zones.

Each Zone Marketing Group developed and implemented its own marketing plan in partnership with Tourism Tasmania. The groups were responsible for developing and implementing their zone campaigns, being active local advocates and points of liaison for the campaigns and marketing plans, and for leading the development of an annual zone marketing plan.

Each Zone Marketing Group achieved a high level of industry buy-in – in excess of \$500,000 state-wide in total – to their respective Holiday Planners that are now used as part of Tasmania's national campaign activity.

Planned cooperative opportunities for Zone Marketing Groups to consider during 2009-10 include the capacity to buy into seasonal campaigns, nationally aired television commercials, innovative advertisements in key Australian travel and lifestyle publications as well as online promotions, PR activity and workshops.

Programs to address this priority:

I. Build a strong and distinctive Brand for Tasmania and its regional areas.






Tourism Tasmania's Zone Marketing Strategy formed the foundation for the continued growth of Tasmania's brand strength, with communications throughout our campaigns reinforcing the key benefits and attributes of the five individual Zones while supporting the core 'Island of Inspiration' brand message.

Tourism Tasmania undertook major integrated marketing campaigns in spring and autumn, with advertising, public relations, promotions, online activity, event promotion and partner activity supporting Tasmania's distinctive brand. The campaigns were executed in a retail-based arena as a fully integrated advertising campaign with television, print and online advertising and a major competition. This provided scope for cooperative marketing relationships with travel and non-travel partners.

Ongoing analysis of research and statistical information – including Tourism Tasmania's Perceptions Study – has resulted in more defined target markets and deeper understanding of consumer needs and triggers to convert interest in Tasmania to a holiday booking.

As a result, five Zone Holiday Planners were launched during the autumn campaign, and promoted through television, print and online advertising. A micro-site was also developed for each of the five zones. In the five months to 30 June, a combined total of nearly 50,000 Holiday Planners were viewed, downloaded and distributed both online and via the Launceston Contact Centre. Interest in the content of the interactive Holiday Planners was exceptionally high, with more than 427,000 pages of the Planners viewed on www.discovertasmania.com.

Table 1: Overnight Interstate Leisure Visitors to the Five Zones

		Year ending June 2008	Year ending June 2009	% Change
	Visitors in the Hobart and Surrounds Zone	435 400	457 800	5.1%
	Nights Spent in the Hobart and Surrounds Zone	2 023 600	2 109 200	4.2%
	Visitors in the East Coast Zone	173 900	175 100	0.7%
	Nights Spent in the East Coast Zone	427 300	463 100	8.4%
	Visitors in the Launceston, Tamar and the North Zone	274 000	280 500	2.4%
	Nights Spent in the Launceston, Tamar and the North Zone	870 600	927 700	6.6%
	Visitors in the North West Coast Zone	154 300	166 800	8.1%
	Nights Spent in the North West Coast Zone	531 200	632 100	19.0%
	Visitors in the Western Wilderness Zone	169 600	172 600	1.8%
	Nights Spent in the Western Wilderness Zone	473 500	462 400	-2.3%

Source: Tasmanian Visitor Survey

Performance Against Priorities

In addition to the zone brochures, Tourism Tasmania produced a motivational 'holiday ideas' brochure to support the transition from Tasmania's Temptations Holidays wholesale program to our Zone Marketing Strategy. Domestic and selected international market editions of the brochure were published. A total of 150,000 motivational brochures were produced for the Australian domestic and New Zealand markets.

The brochure was designed to read like a travel magazine, with previously published articles from notable travel journalists featuring alongside information on specific zone destinations, events and itinerary suggestions.

2. Develop and deliver highly differentiated communications (including advertising) to promote the destination.

Following on from the success of the first series of the *Discover Tasmania* television program, Tourism Tasmania produced a second series as part of a strategic and integrated campaign to encourage Tasmanians to holiday at home. The series ran for a total of 11 weeks and consisted of 10 unique half-hour episodes and one, one hour wrap-up episode with hosts Ed Halmagyi and Jack Campbell showcasing over 50 of Tasmania's finest experiences.



Jack Campbell (L) and Ed Halmagyi (R) hosted the highly successful second series of *Discover Tasmania*.

Viewing of the second series, aired on Southern Cross Television, increased by almost 50 per cent from the first series with a total of 1.4 million viewers across the season equating to 45.3 per cent of the total Tasmanian viewers and 61.9 per cent of all commercial viewers in its time slot.

Tourism Tasmania devised the 'Tasmania the Movie' marketing campaign to coincide with the international release of Baz Luhrmann's *Australia*. The campaign replicated all the publicity normally associated with a Hollywood release – cinema trailers, press advertisements, outdoor advertising, a movie micro-site, and a viral and social online media campaign.

Domestically, the campaign reached over 4.1 million readers of the *Sydney Morning Herald* and *The Age*, over 53,200 unique views on YouTube, over 17 500 visitors to the movie micro-site, and almost 500,000 through cinema advertising. The campaign also received attention in the international media including the *LA Times* online (USA), *Telegraph* (UK) and *Travel One* (Germany).



Tourism Tasmania devised the *Tasmania the Movie* marketing campaign to coincide with the international release of Baz Luhrmann's *Australia*.

Tourism Tasmania maintained its presence at G'Day USA 2009, the largest foreign country promotion in the US market. In addition to the scheduled events in the 2009 program, Tourism Tasmania hosted five exclusive 'Tasmania' events aimed at strategically targeted media, trade and consumer audiences. We also held 37 one-on-one meetings and interviews with notable publications including *Conde Nast's Portfolio*, *Town & Country* magazine, *Audubon* magazine, *National Geographic Adventure*, *Travel + Leisure*, *Departures*, the *New York Times* and *Forbes Life*.

Through our Visiting Journalist Program, Tourism Tasmania identified a targeted list of journalists, publications and websites and approached them to visit Tasmania as part of our campaigns and for special events. As a result, the total value of media exposure during the 12 months of the 2008-09 year increased to \$45.4 million from \$25.7 million in 2007-08.

The Last Paradise – a five-episode series dedicated to Tasmania and hosted by celebrity entertainer Eason Chan and produced in 2007-08 – was sold by TVB network Hong Kong to Astro WLT, a Cantonese general entertainment channel in Malaysia. The average weekly viewership for the program was approximately 45,000. We structured a comprehensive campaign

around the series' broadcast, with online promotions, trade marketing and television and print advertising.



At G'DAY USA, Tourism Tasmania's television commercial was aired on Macy's 'jumbotron' in New York City to a pedestrian audience in excess of 100,000.



Mount Wellington

A group of ten Koreans were selected to participate in the Korean Youth Expedition 2008 that travelled to Tasmania to walk the Overland Track. Interviews and articles on the expedition appeared in three of Korea's major hiking publications, which assisted in establishing Tasmania as a premium international walking destination.

The Korean Broadcasting System (KBS TV) visited Tasmania twice to film its popular Sunday television program *Mountains*. The first program featured the Overland Track and Freycinet National Park, with the second focusing on Frenchman's Cap, Mount Field National Park and Mount Wellington.

In New Zealand, Tourism Tasmania enlisted expatriate Tasmanian and television celebrity chef, Allyson Gofton, as an ambassador for Tasmania. Ms Gofton hosted a media event to showcase Tasmania's appeal as a tourist destination and assisted with Tourism Tasmania's presence at Tourism Australia's consumer and travel trade expo in New Zealand, OZTalk.

Tourism Tasmania partnered with Qantas Holidays in the United Kingdom to work with their High Achievers Program. The program is designed to stimulate high yielding travel agents with destination incentives, with an objective to raise awareness of Tasmania as a key Australian destination, improve participant's knowledge of Tasmania and incorporate Tasmania within the 2009 High Achievers VIP familiarisation trip.

Tourism Tasmania promoted our autumn season to the Japanese market for the third consecutive year through our Autumn Tours program. We also participated in a joint branding promotion with The Suit Company and Natural Tasmanian Wool for their new range of Tasmanian Wool suits. The Suit Company has over 32 stores across Japan and produced public transport and print publication advertisements, storefront displays and a website detailing that they had sourced their wool from eighth generation Tasmanian wool farmers.

During February 2009, an exhibition was hosted in Seoul's largest bookstore by Tourism Tasmania's Friend of Tasmania in Japan, Mr Masaaki Aihara. Sponsorship was shared by Pentax Japan, Tourism NT, Tourism Australia and Tourism Tasmania, with the exhibition attracting the attention of each of Korea's hiking publications as well as daily newspapers and travel publications.

3. Build digital capacity to stimulate and convert the market.

Tourism Tasmania continued to build the scope and capability of its consumer website www.discovertasmania.com.

The introduction of the Tas e-Connect initiative and Open Booking Exchange (OBX) technology enabled over 300 e-commerce enabled Tasmanian tourism operators to offer their product for sale in real time through www.discovertasmania.com.

The www.discovertasmania.com website continued to uphold a competitive market share position in the travel sector on the search engine websites of Google, MSN and Yahoo as a result of refining keyword usage and employing search engine marketing techniques.

Additional projects increased the interactivity and provided improved search capabilities and applications for the website. Tasmania continued to expand its international online presence through the maintenance of seven different language websites designed to service core target international markets and tailored to their language and individual market requirements.

Tourism Tasmania also worked with the Falls Festival, providing destination information for its website and negotiated links from the festival site back to www.discovertasmania.com with the objective of broadening our reach to a new online audience.

Tourism Tasmania's *Discover Tasmania* TV series represented an example of the power of combining online and offline marketing channels to leverage the greatest possible audience reach. Each of the 10 *Discover Tasmania* TV series produced for television was re-cut specifically for display on a campaign section of www.discovertasmania.com website. The campaign site was developed by Tourism Tasmania as the central destination for consumer's to head to find out more about what they saw on TV, and to convert that interest into a desire to plan or book Tasmanian travel.

A prominent link from the official Hawthorn Football Club website directly to www.discovertasmania.com generated significant traffic to our site and served to distribute our destination information to a large audience group throughout the year and particularly during the AFL season.

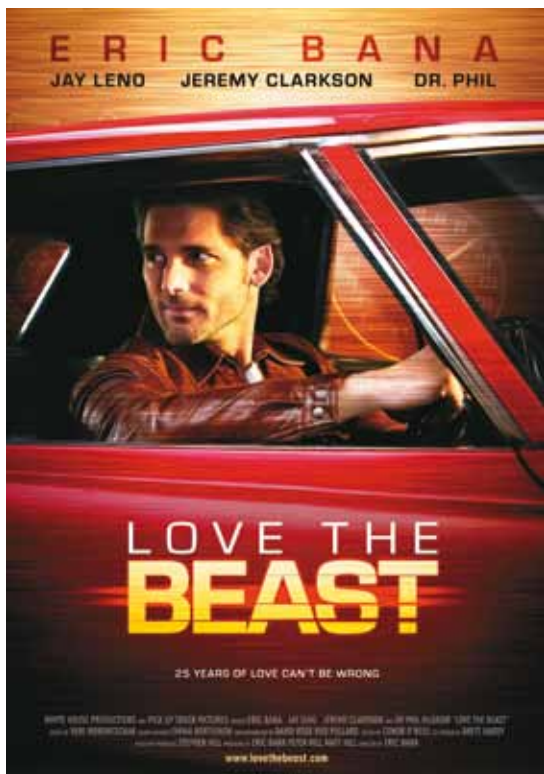
Performance Against Priorities

Tourism Tasmania also provided tailored destination content to the Pure Tasmania Mark Webber Challenge website, assisting the event to distribute the highest possible quality motivational information on Tasmania to a large and high-yield online audience. www.discovertasmania.com also received exposure via live links on the official Mark Webber website, once again driving a new online audience to www.discovertasmania.com.

4. Deliver highly distinctive and effective information to assist the conversion process.

Tourism Tasmania contributed to the development and launch of Eric Bana's movie, *Love the Beast*, which featured Eric's involvement in Targa Tasmania 2007. Tourism Tasmania assisted with an aerial shoot at Targa Tasmania 2008 to capture additional footage for the film. As a result we have acquired six hours of high definition aerial footage that has become an invaluable addition to our image library. In conjunction with Targa Tasmania, we provided the prize for a competition run by the distributors of *Love the Beast* where the winners participated in the Targa VIP tour at the 2009 event.

The producers also provided tickets to the New York premiere of *Love the Beast* at the Tribeca Film Festival. Tourism Tasmania's North American representative escorted key media to the event. Tourism Tasmania worked with the Australian distributors of the film and Targa Tasmania to offer a competition prize to compete



Tourism Tasmania contributed to the development and international launch of Eric Bana's movie, *Love the Beast*, which features Eric's involvement in Targa Tasmania 2007.

in the Targa VIP Tour in 2010. The competition was promoted through Blockbuster video and via their consumer magazine. In addition, the distributors provided an opportunity to include a segment on Tasmania and Targa in the bonus features of the DVD.

Tourism Tasmania worked with the Trout Guides and Lodges Association of Tasmania (TGALT) and Anglers Alliance Tasmania (AAT) to develop a marketing plan to promote fishing in Tasmania to key intrastate, interstate and international markets.

Tasmania was promoted as a premier fly-fishing destination to thousands of devotees through *The Source – Tasmania*, the feature film of Rise – Fly Fishing Film Festival 2009, the largest single fly-fishing event in the Southern Hemisphere. The Rise Festival toured over 35 destinations across Australia and New Zealand. Tourism Tasmania's Business Development Advisors represented Tasmania at the Australian venues.



Tasmania was promoted as a premier fly-fishing destination to thousands of devotees through *The Source – Tasmania*, the feature film of Rise – Fly Fishing Film Festival 2009.

5. Deliver targeted marketing programs to increase conversion.

Tourism Tasmania's spring campaign featured a range of integrated marketing activities including advertising, public relations, online activity, event promotion and partner activity. Fairfax online and print publications were used as the main channels of communication, with editorials, advertorials, press advertising, online banners and links supporting the conversion process.

Partnership-based cooperative activities resulted in the provision of consumer prizes and co-branded, integrated advertising and promotional activities. Major partners for the campaign included Fairfax Media, Virgin Blue, Innkeepers Tasmania, Red Spot Car Rentals, Flight Centre, Harvey World Travel, Spirit of Tasmania (TT-Line), Tiger Airways, Travelscene American Express and Jetset Travelworld Group.

The 'Gone to Tassie' promotion featured yellow sticky notes as the entry mechanism to the campaign's competition. The notes appeared on the front of the *Sydney Morning Herald* and *The Age* newspapers in New South Wales (NSW), Victoria, the Australian Capital Territory (ACT) and Brisbane metropolitan



Tourism Tasmania's Spring Campaign featured the Gone to Tassie promotion in Fairfax Media publications.

region. Residents of NSW, Victoria and the ACT were eligible to enter to win one of 125 holidays for two to Tasmania including flights, accommodation and car rental, with readers directed to the micro-site www.gonetotassie.com. Over 50 per cent of winners added elements to their prize package, and 25 per cent extended their stay in Tasmania by an average of three nights. As a direct result of the promotion, Tourism Tasmania increased the size of its database for future marketing activities by 38 per cent.

Additional campaign activity included advertising and editorials in a range of magazines including *Good Weekend*, *Holidays Away* and *Travelways*. The *Sydney Morning Herald* and *The Age* featured an eight page lift-out and a double-page feature that reached 2.1 million readers.

Stories featuring Tasmania appeared in a range of television programs and magazines including ABC Television, *TravelOz*, SBS Television, *Top Gear Australia*, *Mercurio's Menu*, *ABC Life*, *Outdoor Australia*, *Qantas Magazine*, *Australian Country Style*, *RM Williams Outback*, *Senior Lifestyle*, and *Caravanning Australia*. The first series of the popular television series *Discover Tasmania* was also re-run nationally on the Seven Network during the campaign period. The national screening of the series resulted in a total audience of 6.6 million viewers.



Tourism Tasmania's Colours of Tasmania Autumn campaign was launched with a wrap-around feature on the cover of Fairfax Media's *Good Weekend* magazine.

Tourism Tasmania's autumn campaign made use of the timing and visually distinct change of season as a strong point of difference and creative theme.

The Colours of Tasmania phase was launched with a feature that wrapped around the cover of *Good Weekend*. The feature generated a large volume of interest in Tasmania from consumers and agents in the three days following, with visitation to www.discovertasmania.com increasing by 32 per cent in comparison to the same period in the previous year.

Fairfax Media (online and print) and SBS Television were the primary media communications channels for the launch of the Zone Holiday Planners and the Colours of Tasmania phase.

Partner participation in campaign cooperative activity was valued at nearly \$200,000, and included Virgin Blue, Pure Tasmania, Voyages, Big 4 Holiday Parks, Red Spot Car Rentals and Spirit of Tasmania (TT-Line). Aligned activity was also undertaken nationally by Travelscene American Express, Flight Centre, Escapes Travel, Travel Associates and Jetset Travelworld.

Zones were clearly highlighted on the campaign micro-site www.coloursoftasmania.com with click-through opportunities directly to the Zone micro-sites.



Themed installations in Melbourne's Collins Place supported Tourism Tasmania's Autumn marketing campaign Colours of Tasmania.

Installations showcasing each of the five Zones featured in Collins Place, Melbourne over a five-day period. They were used to deliver key messages and give the pedestrian audience a taste of Tasmania during their working day.

Specially created travel packages with Escape Travel in Collins Place were sold throughout the period of the installations and in the weeks following.

Targeted media visits took place in each of the five Zones, with representatives from *Voyeur* (Virgin Blue), *Australian Country Style*, *Luxury Traveller Magazine*, *Herald Sun*, *The Courier Mail*, *Good Weekend*, and *Brisbane News*.

In addition, the combined investment in the campaign by the five Zone Marketing Groups enabled significant extended reach of print and additional online activity.

Performance Against Priorities

6. Extend the value of the Government contribution to tourism marketing with significant cooperative partnerships.

Tourism Tasmania maintained and established a range of industry and trade partnerships to support its activity through cooperative advertising and marketing. Partnership involvement in the seasonal marketing campaigns, as well as through the Marketing Together program, allowed for industry involvement at a range of levels. Through a formal Partnership Marketing Program, Tourism Tasmania worked with a range of wholesale distributors including Qantas Holidays, TasVacations, AAT Kings, APT and Tasmania's Temptations Holidays. The program focused on a range of marketing activities aimed at extending the contribution of Tourism Tasmania's marketing and stimulating the target markets of the partner and Tourism Tasmania.

We also focused on the development and implementation of a trade support strategy to ensure a successful transition from operating our own wholesale program. New partnerships were formed with all major domestic wholesalers including Infinity Holidays, Travelpoint, Creative Holidays and Discover Australia.

Tourism Tasmania maintained valuable relationships with key retail travel network partners including Flight Centre, Harvey World Travel, Travelscene American Express and Jetset Travelworld. We supported these trade partners through a range of strategies including familiarisations and educational activities, hosting and attending conferences, staff training, the Tourism Tasmania Roadshow, the Tasmania Book and cooperative advertising.

Through its Business Development team, Tourism Tasmania has continued to service the retail travel network throughout Australia and has broadened other relationships to include other wholesalers, niche and sector groups and other key trade distributors. Tourism Tasmania worked with access partners to increase brand exposure and the access options available to consumers. Outcomes of this activity included additional access capacity and new route development. Airline partners included Virgin Blue, Jetstar, Tiger Airways, Qantas, Qantas Link and Regional Express (REX). We also worked closely with TT-Line through our involvement in the Spirit of Tasmania Open Day at Port Melbourne and the provision of resources for the Spirit of Tasmania's consumer roadshow program.

7. Increase our value and attractiveness to trade partners.

Tourism Tasmania worked closely with a range of trade partners as a direct result of the Digital and Distribution Project. Our decision to cease the operations of the government-owned wholesale operation, Tasmania's Temptations Holidays, allowed us to engage with a wide range of commercial distributors, in particular other domestic travel wholesalers, to extend the

distribution of Tasmanian tourism products and broaden the reach of Tourism Tasmania's marketing in shared target markets.

Tourism Tasmania worked with a range of wholesale distributors including Qantas Holidays, TasVacations, AAT Kings and Australian Pacific Touring (APT) through Partnership Marketing Programs (PMPs). A key focus in the second half of the financial year was on the development and implementation of a trade support strategy to ensure a successful transition from operating a commercial wholesaling business. New partnerships were formed with all major domestic wholesalers including Infinity, Travelpoint, Creative Holidays and Discover Australia Holidays.

8. Fully leverage the Meetings, Incentives, Conventions and Events opportunities for increasing visitation, particularly in the low season.

Events Tasmania leveraged opportunities for increasing visitation during the low season by delivering a winter strategy for events.

Incentive and grant programs administered by Events Tasmania supported the strategy by offering significantly increased funding to events conducted during the winter shoulder period.

Events Tasmania provided event development opportunities to existing and proposed winter events in order to build capacity and sustainability. Event Development workshops were also delivered to 45 event organisers and community members who presented their events in winter. A total of 18 winter events also received intensive event coaching.

Events funded through Events Tasmania's funding and grant rounds also received access to tourism and destination content including imagery, existing marketing materials, web links and introductions, and advice on wholesaling and public relations.

Tourism Tasmania also worked in partnership with the Tasmanian Convention Bureau (TCB) to maximise and extend delegate visitation. Tourism Tasmania and the TCB prepared a successful bid for Hobart to host the 2010 Australian Tourism Export Council (ATEC) Symposium – an annual four-day event representing the largest conference on the Australian tourism calendar, attracting over 600 representatives of the Australian tourism export industry.

We also jointly hosted a corporate event at one of three Sydney performances by the Tasmanian Symphony Orchestra (TSO) designed to showcase Tasmania's cultural offering to the important business and conference community.

Furthermore, Tourism Tasmania's CEO sits on the Board of the Tasmanian Convention Bureau in order to maximise collaboration on all possible opportunities. Through these combined efforts, a 33 per cent increase to convention visitors to the state was recorded in the year to June 2009.

Priority 4 - Open the Market

Corporate Objectives

- To extend marketing penetration through partnerships
- To distribute Tasmanian tourism information and product through the most effective distribution channels
- To ensure reliable and competitive air and sea access for visitors to Tasmania.

Hawthorn Football Club

In 2007, The Tasmanian Government commenced a five-year agreement (2007 – 2011) with the Hawthorn Football Club to be its naming rights sponsor and to play four home games and one pre-season game at Aurora Stadium.

The annual value of the naming rights sponsorship is \$1.8 million, with an additional \$1.2 million for the game component to leverage the investment and drive economic return for the State. Tourism Tasmania facilitates the sponsorship to ensure that all sponsor benefits are efficiently delivered and leveraging opportunities that arise as a result of the partnership are fully maximised. An intergovernmental group was also formed to ensure cross-departmental opportunities were maximised, particularly in the portfolios of Premier and Cabinet, Education, Economic Development, Sport and Recreation and Community Services.

The 2008 AFL season was extremely successful for Hawthorn, winning the AFL premiership for the first time in recent years. This on-field success has had a positive impact for the Tasmanian Government as a commercial partner, which is reflected in the growth of all key measurement indicators – most particularly the media exposure generated in the finals series.

Hawthorn is the first Victorian football club to reach 50,000 members. Tasmanian members are now a record 14 per cent of total membership (up 74 per cent from the end of the 2007 premiership season). This reflects the level to which Tasmanians have embraced AFL games being played live in Tasmania and Hawthorn choosing Tasmania as their 'second home'.

An independent analysis of the sponsorship was commissioned by the Tasmanian Government at the conclusion of the 2008 season. Conducted by Repucom International, the results were positive with Tasmania performing strongly in media exposure to the value of \$3.429 million throughout the season (a 76 per cent increase on 2007).

Hawthorn Football Club fans showing their support.



Clinton Young from Hawthorn holds the premiership cup aloft after the 2008 Toyota AFL Grand Final at the MCG. Image courtesy The Slattery Media Group.

A total of 80 per cent of all AFL fans were aware that Hawthorn played matches at Aurora Stadium. In its second year of the sponsorship, Tasmania is now the brand most associated with Hawthorn, generating unprompted sponsor awareness of 42 per cent, up from 32 per cent in 2007 and overtaking long time sponsor HSBC. Importantly, positive results were recorded in relation to people intending to travel to Tasmania in the coming 12 months.

According to economic impact experts, PricewaterhouseCoopers, the sponsorship generated an economic impact of \$15.14 million, including \$7.79 million in direct expenditure from AFL fans visiting the state to attend home games at Aurora Stadium throughout the 2008 season.

A total of 299 full-time equivalent employment positions were created in the state, with 197 of these a direct result of increased tourist visitation – most of which resulted from accommodation, cafés and restaurants.

The outcomes of the sponsorship delivered on the objectives outlined in the Tourism 21: Strategic Business Plan 2007-2010 to create strong partnerships based on goodwill, clarity of purpose and a willingness to work closely together for the common good.

The depth of the partnership is demonstrated through Hawthorn's commitment to Tasmania, with players visiting for community activities outside the season and the ongoing word-of-mouth support for the destination as their sponsor.



Performance Against Priorities

Programs to address this priority:

1. Work with Inbound Tourism Operators, trade, suppliers, and new commercial partners to develop new opportunities.

Tourism Tasmania participated in the 2009 Australian Tourism Exchange (ATE), Australia's premier tourism trade event and the largest international travel trade show of its kind in the Southern Hemisphere. The business-to-business event provides a forum for Australian tourism businesses to showcase their products, meet overseas contacts and negotiate business deals.

Tourism Tasmania provided coordination and management of the Tasmania representation at the event, allowing participating Tasmanian tourism businesses access to resources and expertise to ensure they capitalised on their investment. We also hosted several exclusive events at ATE enabling Tasmanian products and experiences to be showcased to key international trade delegates and partners.

Paddy Pallin's 2008 winter catalogue photographic shoot was conducted exclusively in Tasmania. Fifty-five thousand catalogues were produced and distributed nationally, with images also used for all store merchandising. A competition with a prize package provided Tourism Tasmania with access to the Paddy Pallin database and four weeks of exposure for the Tasmanian brand and imagery in store displays nationally.

Tourism Tasmania partnered with Wine Industry Tasmania to actively promote their Brisbane, Sydney and Melbourne industry roadshow 'Tasmania Unbottled' to our key partners including the Hawthorn Football Club and associated AFL clubs. Our Business Development Advisors attended the roadshows and distributed postcards that featured Tasmanian packages.

Tourism Tasmania also partnered with the Tasmanian Convention Bureau to jointly host a corporate event at one of three Sydney performances by the Tasmanian Symphony Orchestra (TSO).



Tourism Tasmania partnered with Southern Cross Television and Subaru Australia to produce a second series of the popular television program Discover Tasmania.

A consumer competition was developed to target the TSO's Sydney patrons, promotional brand material was inserted into concert programs, and branded promotional material was provided to corporate guests attending the pre- and post-concert functions.

Tourism Tasmania also supported the Tasmanian Symphony Orchestra by hosting key corporate guests at the Brand Tasmania event held at Tetsuya's restaurant, Sydney.

Tourism Tasmania worked in partnership with Subaru Australia on projects including a nine-page editorial featuring the Targa Tasmania route distributed to the national Subaru database via *Symmetry* magazine, a nine-page Tasmanian feature within the *Amazing Australian Journeys* publication in association with Tourism Australia, and the second *Discover Tasmania* television series for which Subaru provided two vehicles.

2. Develop and review an ongoing access strategy that delivers reliable and competitive access.

Tourism Tasmania's aviation strategy continued to focus on the key priorities of enhancing capacity, frequency, competitive pricing and route development.

We appointed aviation specialist Garry Saunders to lead the ongoing development of partnership-based business cases with Tasmanian airports and key stakeholders for new route opportunities.

We worked in partnership with Hobart and Launceston airports to present business cases for route maintenance and growth to all Australian-based carriers. These proposals have seen the introduction of direct Adelaide to Hobart services by Tiger Airlines, an additional direct flight from Sydney to Hobart by Jetstar, and a new direct Canberra to Hobart service by Virgin Blue.

Tourism Tasmania continued to enhance its relationship with TT-Line through the development of closer partnership-based marketing opportunities including participation at the 2008 Spirit of Tasmania Open Day at Port Melbourne and representation at the Spirit Roadshows nationally.

Tourism Tasmania is a member of the National Tourism and Aviation Advisory Committee, a federal committee co-chaired by the Departments of Resources, Energy and Tourism, and Infrastructure, Transport, Regional Development and Local Government.

A priority has been to ensure that Tasmania's interests are well-represented in the development of the Federal Government's White Paper on Aviation.

Aviation Strategy

Under the joint *Tourism 21* Strategic Business Plan, the state Government and the tourism industry work cooperatively to monitor air and sea access to and from Tasmania.

Tourism Tasmania works closely with the airlines and TT-Line to identify relevant new route, capacity, frequency or pricing opportunities to ensure the delivery of competitive and reliable services.

Tourism Tasmania also participates in the Federal Government's National Tourism and Aviation Advisory Committee, which brings together industry stakeholders and Commonwealth departments with responsibility for aviation matters including airports, customs and quarantine.

Tourism Tasmania has strong links with each of the airlines currently servicing Tasmania (Qantas, Jetstar, Virgin Blue, Tiger), and meets frequently with their senior representatives on matters of strategic interest and presenting opportunities for aviation growth. Through its strategic approach to improving aviation services Tourism Tasmania has developed and maintains significant relationships with all of the major carriers servicing the state.

These relationships are based on business partnerships that focus on joint marketing and sharing strategic intelligence including business case development work.

The strategic relationships have been important in understanding the pressure airlines are now experiencing and how Tourism Tasmania can assist their business objectives while pushing for improved outcomes for Tasmania.

Tourism Tasmania works to lead the development of business cases for sustaining or improving air access arrangements into and out of Tasmania, including code sharing and interlining opportunities with international carriers flying to Australia.



The Friars, Bruny Island Cruises

3. Develop and manage distribution operations to respond to changes in the distribution marketplace.

Tourism Tasmania responded to rapid changes in consumer behaviour and online technologies through the development and implementation of its Digital and Distribution Strategy.

Multiple streams of activity within the project included the implementation of Open Booking Exchange (OBX) technology, a comprehensive learning and development program for tourism operators, a wholesale transition program designed to transition tourism operators to new channels of distribution, the decommissioning of Tasmania's Temptations Holidays, and the establishment of Tourism Tasmania's new Launceston Contact Centre.

Tourism Tasmania's digital marketing strategy also benefited from leveraging the Tasmanian Government's sponsorship of the Hawthorn Football Club. A prominent link to www.discovertasmania.com from the official Hawthorn website generated significant traffic, and during the year served to distribute our destination information to a large domestic audience. During the AFL season, consumer awareness of our brand was heightened significantly due to prominent www.discovertasmania.com signage at the playing venues, on players' clothing and as backdrops to coaches and players addressing the media.

Tourism Tasmania also provided tailored destination content to the Pure Tasmania Mark Webber Challenge, assisting the event to distribute high-quality motivational content to a large and high-yield online audience.

The website www.discovertasmania.com also received exposure via active links on the official Mark Webber Pure Tasmania Challenge website, once again driving a new online audience to www.discovertasmania.com.

Tourism Tasmania worked to broaden the reach of our destination message to a large and valuable audience via the Falls Festival. We provided destination information for the Falls Festival website, and negotiated links from this site back to www.discovertasmania.com with the objective of broadening our reach to a new online audience.

Each of the ten *Discover Tasmania* programs produced for the second television series was re-cut specifically for display on a campaign section of the www.discovertasmania.com website. The campaign site was developed by Tourism Tasmania as the central destination for consumers wishing to learn more about segments from the series, and to convert that interest into a desire to plan or book Tasmanian experiences.

Performance Against Priorities

Tourism Tasmania is a shareholder in the Australian Tourism Data Warehouse (ATDW), a company owned by each of Australia's state Tourism Organisations (STOs). Tourism Tasmania provides a director for the ATDW Board, and also has representation on the sub-committees the National Online Strategy Committee (NOSC, the ATDW user group and the ATDW content group). The core role of the ATDW is to provide centralised tourism product for any digital distributor that wishes to sell Australian tourism.

In addition to this role, the ATDW carries out a wide range of digital marketing and distribution functions for the collective benefit of each STO and their respective industries, and also the wide range of distributors who are consumers of the ATDW. Australian Tourism Data Warehouse maintains dedicated information technology and digital marketing resources which deliver web development services covering initiatives such as mobile device booking systems, plug-in OBX booking systems for distributors to use on their website, and digital intelligence gathering and reporting products to be purchased by STOs and other distributors.

The ATDW board and management have responded to the need for distribution of live price and availability by implementing the Tourism Exchange Australia initiative.

Tourism Tasmania's call centre continued to provide online and telephone services to retail trade partners and consumers. A total of 136 010 contacts were received in the 2008-09 year, with 43 per cent of these being online contacts and 57 per cent telephone contacts. Visitor numbers booked by the call centre totaled 31 440 with an associated value to industry of \$13.52 million.



Tourism Tasmania's call centre generated 31,440 visits with an industry contribution of \$13.525 million.

Priority 5 – Satisfy the Market

Corporate Objectives

- To understand key factors that influence the visitor experience
- To utilise research resources and industry feedback to understand and communicate back the strengths and weaknesses of Tourism Tasmania's contribution to tourism.

Programs to address this priority:

1. Build industry capability to deliver quality visitor experiences (especially through accreditation).

Tourism Tasmania supports the Tourism Industry Council Tasmania (TICT) in the delivery of the tourism accreditation program. Participation in the program enables industry operators to build business sustainability, establish better business processes and enhance visitor experiences. Accreditation also communicates to consumers an operator's commitment to achieving the highest of industry standards. Approximately 1200 Tasmanian tourism businesses are currently participating in the TICT's program.

Tourism Tasmania has been an active participant in the establishment of a National Tourism Accreditation Framework. The concept of a national framework is being championed by the Australian Government.

As part of a three-year strategy, we worked closely with the Tasmanian Visitor Information Network (TVIN) and Visitor Information Centres to develop quality information and booking services relevant to visitor needs. Improved governance and funding models resulting from the strategy contributed to maximising visitor dispersal and spend throughout Tasmania.

The 2008-09 TVIN Grant Program provided funding to support visitor information centres in Devonport, Launceston and Hobart, regional projects and individual visitor information centres. The projects funded aimed to enhance the visitor experience and improve the business practices of visitor information centres.

2. Build industry capability to deliver brand aligned visitor experiences.

Tourism Tasmania's Zone Marketing initiative continued to use market knowledge and insights to provide regional Tasmania with new brand-aligned growth opportunities, and consumers with a more logical and accessible holiday offer.

Through regular presentations and discussions, Tourism Tasmania also assisted the Local Tourism Associations to capitalise on the Tas e-Connect digital distribution initiative and the opportunities presented by digital distribution.

The program also provided marketing assistance in maximising operator's online presence, and practical tips on utilising social networking media to promote local area tourism.

3. Adopt an effective system to monitor, measure and report market feedback about the destination.

Tourism Tasmania continued to monitor, measure and report market feedback about Tasmania through a number of established systems.

Through the Tasmanian Visitor Survey (TVS), Tourism Tasmania develops a profile of the characteristics, travel behaviour and expenditure of international and domestic visitors to Tasmania.

Tourism Tasmania's online survey reporting tool – WebReporter – contains the most up-to-date Tasmanian Visitor Survey and Holiday Tracking Survey information available. The results are formatted in easy-to-read tables, with trend indicators from previous years. Users can also download sections of the data in excel format for local manipulation, comparison and charting.

4. Share knowledge with industry and other stakeholders.

Tourism Tasmania continued to produce quarterly 'Snapshots', which detail the latest trends and statistics on interstate, international, and intrastate visitation in Tasmania, as well as information on preference and intention to visit Tasmania.

Statistics contained in the Tasmanian Tourism Snapshots are gathered from the Tasmanian Visitor Survey (Tourism Tasmania), the National Visitor Survey and International Visitor Survey (Tourism Research Australia), the Holiday Tracking Survey (Roy Morgan Research), the Tasmanian Ports Corporation, and the Tasmanian headquarters of the Royal Australian Navy. A number of stakeholder workshops and presentations were undertaken around the state to assist in the interpretation and understanding of this research.



Barnbougle Dunes Golf Links

Priority 6 – Organisational Effectiveness

Corporate Objectives

- To deliver effective support to the organisation and stakeholders
- To create and maintain a workplace that values people

Programs to address the priority:

1. Develop an integrated approach to performance measures and performance improvement.

Tourism Tasmania developed a suite of operational Key Performance Indicators (KPIs) for tourism projects and continued to adopt the latest government guidelines on project management.

The Management Action Group, consisting of senior staff, continued to facilitate project management within the organisation.

These approaches to managing and evaluating projects were supported by the ongoing development of tailored project management tools to suit the organisation's very specific requirements.

Tourism Tasmania also continued to facilitate organisational Key Performance Indicators and a transparent internal reporting system.

In addition, we continued to produce comprehensive monthly and quarterly dashboard-style reporting to the Tourism Tasmania Board.

2. Gain increased stakeholder support and commitment to sustainable tourism through effective communication.

Tourism Tasmania continued to provide a range of communication consultancy services to internal and external stakeholders that support the organisation's strategic priorities and objectives.

These included the ongoing distribution of a fortnightly industry newsletter – *Tourism Talk* – to industry operators. The newsletter is distributed directly to subscribers via email and fax and is published on Tourism Tasmania's corporate website.

We provided communications services to the Minister for Tourism with the preparation of communications plans, speech notes and media releases highlighting news announcements, launches of new products and significant industry events.

Performance Against Priorities

Tourism Tasmania's corporate website was reviewed and redeveloped to ensure it continues to reflect the organisation's strategic direction and meet the needs of its audiences.

Events Tasmania also reviewed its website to incorporate the newly established Event Development Program and to reflect changes in how we interact with the events marketplace.

3. Create a workplace that fosters and recognises teamwork, creativity and innovation.

Tourism Tasmania management and executive staff continued to participate in the Department of Economic Development and Tourism's *Take the Lead* program, a leadership program administered by professional consultants in the field, Dattner Grant.

The project management methodology adopted by Tourism Tasmania continues to bring staff from disparate operational units together to foster a homogenous approach to project achievement.

These initiatives continue to help assess the organisation's work culture and values and aim to balance its business performance with its support for staff.

4. Engender support for the business strategy and build capability to deliver outcomes against it.

The *New Directions for Our Island* three-year business strategy established a clear need for Tourism Tasmania to intervene in the marketplace with seven key roles and four points of intervention. Tourism Tasmania continued to recognise that the development of staff is essential for the plan's fulfilment.

Tourism Tasmania's adoption of the wider department's Plan on a Page staff performance development program provided a framework that focused on all aspects of personal and organisational development.

Tourism Tasmania continued to develop initiatives to improve organisational communications, performance and culture. We continued to produce a fortnightly internal newsletter and share business unit achievements through formal and informal events.



Sam Mitchell (L) and Alastair Clarkson (R) of Hawthorn raise the premiership cup after the 2008 Toyota AFL Grand Final at the MCG. Image courtesy The Slattery Media Group.

5. Provide efficient, accurate and timely support services to our internal and external clients.

Business consultancy service has been provided through our strategic planning system and our implementation of project management methodology across the agency. Both of these systems have supported more detailed budget development processes, providing the agency with a solid basis for performance analysis and reporting.

Event Tracker – Event Tasmania's grant administration and management system – was refined and continues to be upgraded in order to build functionality.

We continue to work with departmental records and IT business units to best integrate information management systems and processes.



V8 Supercars.

Statutory Information

BOARD OF DIRECTORS ATTENDANCE 2008-2009				
Board	Current Term	Number of Board Meetings	Number of Out of Session Board Meetings	Audit, Finance & Risk Committee
Bob Annells	14/2/06 – 1/3/12 (2nd Term)	6	6	
Simon Carrant	14/2/06 – 1/3/11 (4th term)	4	6	
Wayne Kirkpatrick	14/2/06 – 10/7/09 (1st Term)	6	6	5
Kimberly Seagram	1/1/07 – 10/7/10 (2nd Term)	6	5	
Alison Stubbs	14/2/06 – 1/3/12 (2nd Term)	6	6	4
Juanita von Stieglitz	14/2/06 – 10/7/10 (3rd Term)	6	5	5
Felicia Mariani	30/1/06 – ongoing	6	6	

* Felicia Mariani is the Chief Executive Officer and her representation on the Board is for the term of her appointment.

Audit, Finance and Risk Committee

This is an established Committee of the Tourism Tasmania Board, consisting of three Board members, with representation from staff of Tourism Tasmania, the greater agency of the Department of Economic Development and Tourism, and the internal auditors (Deloitte).

The main functions of the Committee are to provide the Board with advice on the internal audit charter and to monitor risk management financial and internal control systems.

Our Staff

As at June 2008, Tourism Tasmania had 118.80 full-time equivalent (FTE) employees with a head count of 143 including 103 females and 40 males.

Contracts

Tourism Tasmania 2008-2009 Tender Report >\$50 000

Tourism Tasmania, as part of the Department of Economic Development and Tourism ensures that Tasmanian businesses are given every opportunity to compete for agency business. It is our policy to support Tasmanian businesses whenever they offer best value for money for the government. The table below provides a summary of the level of participation by local businesses for contracts, tenders or quotations with a value of \$50,000 or over (excluding GST).

Summary of participation by local businesses (contracts, tenders or quotations of \$50 000 or over; excluding GST)	
Total number of contracts awarded	11
Total number of contracts awarded to Tasmanian suppliers	1
Total value of contracts awarded	\$7,263,113
Total value of contracts awarded to Tasmanian suppliers	\$495,000
Total number of tenders called and written quotation processes run	11
Total number of bids and/or written quotations received	106
Total number of bids and/or written quotations received from Tasmanian businesses	14



Lonely Planet, the world's leading authority on travel destinations, rated Tasmania's Bay of Fires as number one in the guidebook's 10 Must-See Regions for 2009.



Statutory Information

Contracts with a value of \$50,000 or over (ex GST) and excluding consultancy contracts				
Name of contractor	Location of contractor	Description of contract	Period of contract	Total value of contract (\$)
Whybin TBWA Pty Ltd	VIC	Advertising Account Services for Tourism Tasmania	01/07/2009 to 30/06/2012	\$4,500,000
Roy Morgan Research Pty Ltd	VIC	Australian Holiday Travel Survey	01/01/2008 to 31/12/2010 Plus optional extension provision 01/01/2011 to 31/12/2013	\$952,445 \$1,000,000
Southern Cross Television (TNT9) Pty Limited	Tas	Production and broadcast of an intrastate television series	24/07/2008 to 01/07/2009 Plus optional extension provision 01/07/2009 to 01/07/2011	\$495,000 \$500,000
Eyes2market UK Ltd	United Kingdom	International Marketing Representation in the United Kingdom	01/09/2008 to 31/08/2010 Plus optional extension provision 01/09/2010 to 31/08/2012	\$381,008 \$381,008
Eyes2market GmbH	Germany	International Marketing Representation in Europe	01/09/2008 to 31/08/2010 Plus optional extension provision 01/09/2010 to 31/08/2012	\$211,016 \$211,016
Media Moguls Communications Pty Ltd	VIC	National Public Relations Representation for Tourism Tasmania	21/08/2008 to 21/08/2009 Plus optional extension provision 21/08/2009 to 21/08/2010	\$120,000 \$120,000
Kleber PR Network GmbH	Germany	International public relations representation in Germany	01/01/2007 to 31/12/2009	\$234,513
Finsbury Green Pty Ltd	SA	Production of Zone Marketing Holiday Planners	01/11/2008 to 01/05/2009	\$176,127
Professional Public Relations (NZ) Limited	New Zealand	New Zealand public relations representation for Tourism Tasmania	01/01/2009 to 31/12/2009 Plus optional extension provision 01/01/2010 to 31/12/2010	\$50,004 \$49,950
Juicy Communications Ltd	United Kingdom	International Public Relations Representation in the UK	01/10/2008 to 30/06/2009	\$78,000
MacroPlan Australia Pty Ltd	VIC	Tourism Infrastructure Investment Project	15/07/2008 to 01/12/2008	\$65,000

Consultancy contracts with a value of \$50,000 or over (ex. GST)

Nil



Tasmania joined Italy's Amalfi Coast and host Mexico City as one of only three locations worldwide to be invited by the Organisation for Economic Cooperation and Development to speak at a seminar on Building Destination Attractiveness through Cultural Tourism.



Freedom of Information

Tourism Tasmania has a legal obligation to respond to requests for information in accordance with the *Freedom of Information Act 1991*, which came into effect on 1 January 1993. The Act provides members of the public with the right to access information held by the Government and its agencies, with the exception of information deemed by the Act to be exempt.

The Act also gives people the right to seek amendment to personal information held by agencies that is considered to be incorrect.

In 2008-09 Tourism Tasmania received three requests for the release of information under the Act. All three requests were granted in a part, with certain information deemed exempt from release.

Tasmania Together

The Tasmania Together goals and benchmarks are an integral part of the state Government's strategic policy framework and provide a basis for setting government priorities and the allocation of resources.

As at 30 June 2009, Tourism Tasmania, within the Department of Economic Development and Tourism, shared the coordinating Agency responsibility for certain sections of Goal 10, namely 'Thriving and innovative industries driven by a high level of business confidence'.

Standard 10.8 (what we are trying to achieve under this goal) is to co-promote our island advantages including our clean green image, natural resources, location and people.

Indicators used to measure progress are 10.8.1 Tourism expenditure and 10.8.2 Visitor numbers.

Performance in the twelve months to June 2009 was as follows:

- 907,200 visitors as passengers on scheduled air and sea transport (up 7 per cent)
- Total visitor spend of \$1.451 billion (up 4 per cent)
- Average length of stay of 8.7 nights (up 3 per cent)

A Whole-Of-Government Framework for Tasmanians with a Disability

Activities undertaken by Tourism Tasmania in 2008-09 that contributed to commitments in the Disability Framework for Action included:

- Providing a database of tourism operators (TigerTOUR) with disabled access and including this information on www.discovertasmania.com
- Displaying an 'assisted access' symbol against relevant operators or accommodation in online and print publications.

Accessible Tourism

Tourism Tasmania participated in an Accessible Alpine Tourism project funded by AusIndustry and managed by Disabled WinterSport Australia. Consequently an Accessible Tourism Toolkit was developed to assist in developing products and services focused on the accessible tourism and seniors market. A pilot Accessible Tourism workshop was also held with Scuba Tasmania Inc. and the Australian Disabled Divers Association.

Tourism Tasmania has prepared an Accessible Tourism Strategy for improving the number and quality of accessible tourism products and services. A series of workshops in 2009-10 will utilise resource kits to facilitate the development of innovative products and services catering to the accessible and seniors market. This will also enable operators to provide quality information online for the accessible component of their product or service.



Statutory Information

Climate Change

Developing a sustainable tourism industry is a goal of Tourism Tasmania that impacts on all aspects of our work. The global growth in responsible tourism was noted in the recent review of Tourism Tasmania's Experience Strategy and identified as a potential growth area for Tasmania.

It is critical to ensure the Tasmanian tourism industry delivers on the clean, green, nature-based brand and maintain its competitive advantage by demonstrating its commitment to reducing carbon emissions and protecting the environment.

Tourism Tasmania acknowledges the substantial level of commitment and work on climate change occurring among other stakeholders.

Tourism 21: 2007-2010 commits Tourism Tasmania to the development of a climate change strategy in consultation with the Tourism Industry Council Tasmania.

Tourism Tasmania is building a consumer-oriented strategy around climate change as part of our work to determine the most effective points of intervention that will build responsible tourism and continue to build on our brand and reputation. In addition, costs associated with rising energy and fuel prices have rapidly focused the tourism industry's attention on this area.

Relevant work to date includes:

- The National Tourism and Climate Change Taskforce, of which Tourism Tasmania is represented on the Carbon Offsetting and Environmental Performance and Communications sub-groups. This Committee commissioned a scoping study recently released by the Sustainable Tourism Cooperative Research Centre on the impact of climate change on Australian tourism destinations. The study looks at adaptation and response strategies for five Australian regions.
- Tourism Tasmania launched an information portal to assist the industry to introduce climate change adaptation and mitigation strategies. The website includes checklists of easy actions for reducing energy, water and waste; comparison information on the available tourism environmental certification schemes; how to use a green event policy; green marketing ideas including advice on how to tell your climate change story without 'greenwash'; and linkages to a range of relevant resources.
- Tourism Tasmania contributed to the development of the Tasmanian whole-of-government Climate Change Strategy, as well as the state Government's Reducing Government's Carbon Footprint Framework.



Wineglass Bay, Freycinet National Park.

- Sustainability measures are embedded in all of the industry development, business development and destination development work undertaken by Tourism Tasmania such as a sustainability module being included as part of the Signature Experiences Development Program.
- Tourism Tasmania has supported the federally funded Green Tea Project (Tourism Environmental Audit) – an initiative of the Huon Valley Kingborough Tourism Association. This 18-month program is guiding 40 tourism operators through a process that monitors waste production, and energy and water consumption, against international benchmarking.
- Tourism Tasmania supports the Qantas Sustainability Awards as part of the state and national tourism awards. Tourism Tasmania are also a sponsor of the Tasmanian Environment Awards recognising the role this plays in raising awareness of sustainable issues across the state.
- Tourism Tasmania also works with the Tasmanian Climate Change Office in facilitating a whole-of-government response to climate change issues, including managing the impact of the Carbon Pollution Reduction Scheme legislation on the tourism industry.



List of Publications



Brochures

North American Motivational Brochure
Domestic Motivational Brochure
Hobart and Surrounds Holiday Planner
East Coast and Flinders Island Holiday Planner
Launceston, Tamar and the North Holiday Planner
The North West Coast and King Island Holiday Planner
Western Wilderness Holiday Planner
Discover Tasmania Book
Tasmania's 60 Great Short Walks
Australian Geographic Great Walks of Tasmania
Tasmania's Wildlife
Blooming Tasmania
Tasmania Adventure Island
Golf Tasmania
Tasmania Gay and Lesbian Visitors Guide
National Parks, Forest and Waterways Tasmania
Tasmania's Angling Guide
Caravan and Holiday Park Guide
Tasmania's Dive Trail
Singapore/Malaysia Itinerary

E-Newsletters

Discover Tasmania eNewsletter (consumer)
Natural State News
Tourism Talk (corporate)
Team Talk (staff)

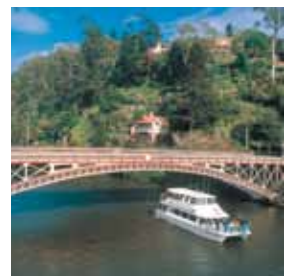
Events Tasmania

Events Tasmania Grant & Incentive Program 2010
Events Tasmania Industry Development Program
Your Club Our Island
Take your Event to new heights in Tasmania!
(DL wrap advertising campaign)

Corporate

Tourism Tasmania Annual Report 2007-2008
Corporate Plan 2008-2011
Corporate Intent 2008-2011





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Certification of Financial Statements

The accompanying financial statements of Tourism Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and paragraph 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2009 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.



Felicia Mariani
Chief Executive
Date: 14 August 2009



Robert Annells
Chairman of the Board
Date: 14 August 2009



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

TOURISM TASMANIA

Financial Statements for the Year Ended 30 June 2009

Report on the Financial Statements

I have audited the accompanying financial statements of Tourism Tasmania (the Authority), which comprise the balance sheet as at 30 June 2009, the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certification by the directors of the Board.

The Responsibility of the directors for the Financial Statements

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

Auditor's Responsibility

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

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

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

• Professionalism • Respect • Camaraderie • Continuous Improvement • Customer Focus •

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

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

Auditor's Opinion

In my opinion the financial statements of Tourism Tasmania:

- (a) present fairly, in all material respects, the financial position of Tourism Tasmania as at 30 June 2009, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



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

HOBART
30 September 2009

Tourism Tasmania Income Statement

for the year ended 30 June 2009

	NOTES	2009 Actual \$'000	2008 Actual \$'000
Revenue and other income			
Attributed Appropriation revenue – recurrent	1.6(a), 3.1	28,768	28,517
Revenue from Special Capital Investment Funds	3.2	6,709	9,174
Grants and sponsorship	1.6(b), 3.3	-	-
Sales of goods and services	1.6(c), 3.4	3,684	4,611
Gain on sale of non-financial assets	1.6(d), 3.5	-	-
Other revenue	1.6(e), 3.6	197	28
Total revenue and other income		39,358	42,330
Expenses			
Attributed Employee benefits	1.7(a), 4.1	11,874	10,302
Depreciation and amortisation	1.7(b), 4.2	202	190
Grants and subsidies	1.7(c), 4.3	9,180	7,897
Borrowing costs	1.7(d), 4.4	30	20
Impairment losses (reversals)	1.7(e)(f), 4.5		-6
Information technology	1.7(g)	1,157	1,420
Travel and transport	1.7(g)	865	866
Advertising and promotion	1.7(g), 4.6	9,968	18,824
Other expenses	1.7(g), 4.7	4,462	3,886
Total expenses		37,738	43,411
Net surplus (deficit) attributable to the State		1,620	(1,081)

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

Tourism Tasmania Balance Sheet

for the year ended 30 June 2009

	NOTES	2009 Actual \$'000	2008 Actual \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.8(a), 9.1	3,445	3,305
Receivables	1.8(b), 5.1	113	94
<i>Non-financial assets</i>			
Property, plant and equipment	1.8(c), 5.2	550	319
Intangibles	1.8(d), 5.3	530	351
Other assets	1.8(e), 5.4	1,078	617
Total assets		5,716	4,686
Liabilities			
Payables	1.9(a), 6.1	1,333	1,353
Provisions	1.9(b), 6.2	619	548
Attributed Employee benefits	1.9(c), 6.3	2,137	1,878
Other liabilities	1.9(e), 6.4	642	1,542
Total liabilities		4,731	5,321
Net assets (liabilities)		985	(635)
Equity			
Accumulated funds		985	(635)
Total equity	8.1	985	(635)

This Balance Sheet should be read in conjunction with the accompanying notes.

Tourism Tasmania Statement of Cash Flows

for the year ended 30 June 2009

	NOTES	2009 Actual \$'000	2008 Actual \$'000
Cash inflows		Inflows (Outflows)	Inflows (Outflows)
Appropriation receipts - recurrent		28,404	28,881
Receipts from Special Capital Investment Funds		6,709	7,623
Grants and sponsorship		-	-
Sales of goods and services		3,150	4,150
Other cash receipts		197	28
Total cash inflows		38,460	40,682
Cash outflows			
Attributed Employee benefits		(11,615)	(10,312)
Other cash payments		(26,093)	(31,005)
Total cash outflows		(37,708)	(41,317)
Net cash from (used by) operating activities	9.2	752	(635)
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		-	299
Total cash inflows		-	299
Cash outflows			
Payments for acquisition of non-financial assets		(612)	(99)
Total cash outflows		(612)	(99)
Net cash from (used by) investing activities		(612)	200
Net increase (decrease) in cash held		140	(435)
Cash and deposits at the beginning of the reporting period		3,305	3,740
Cash and deposits at the end of the reporting period	9.1	3,445	3,305

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

Tourism Tasmania Statement of Recognised Income and Expense for the year ended 30 June 2009

	2009 \$'000	2008 \$'000
Income and expenses recognised directly in equity		
Increase (decrease) in asset revaluation reserve	-	-
Gains (losses) on revaluation of financial assets available for sale	-	-
Net income recognised directly in equity	-	-
Net surplus (deficit) for the financial year	1,620	(849)
Net effect of correction of errors	-	(232)
Total recognised income and expense for the financial year	1,620	(1,081)

This Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009

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Note I Significant Accounting Policies

1.1 Objectives and Funding

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

Tourism Tasmania's vision is for Tasmania to be a world leader in sustainable tourism. Its mission is to develop and market compelling and unforgettable natural experiences that:

- maximise economic, community and environmental benefits for Tasmanians;
 - enhance the experience of visitors by fulfilling their physical and emotional needs; and
 - create a profitable environment for the tourism industry.
- Tourism Tasmania activities are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by Tourism Tasmania in its own right. Administered activities involve the management or oversight by Tourism Tasmania, on behalf of the Government, of items controlled or incurred by the Government.

Tourism Tasmania forms part of the Department of Economic Development and Tourism. The activities of Tourism Tasmania are predominantly funded through attributed Parliamentary appropriations. It also provides services on a fee for service basis, as outlined in Note 3.4. The financial report encompasses all funds through which Tourism Tasmania controls resources to carry on its functions.

1.2 Basis of Accounting

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

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

The financial statements were signed by the Chief Executive and Chairman of the Tourism Tasmania Board on 14 August 2009.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance

with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.5 below.

1.3 Reporting Entity

The financial statements include all the activities of Tourism Tasmania. The financial statements consolidate material transactions and balances of Tourism Tasmania. For the financial year ended 30 June 2009, transactions for Events Tasmania were included from 1 July 2008 to 30 June 2009 as a result comparative figures for the financial year ended 30 June 2008 have been adjusted accordingly.

1.4 Functional and Presentation Currency

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

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

- AASB 2008-10 *Amendments to Australian Accounting Standards: Reclassification of Financial Instruments* permits the reclassification of certain non-derivative financial assets. Tourism Tasmania does not intend on reclassifying its financial assets in the current period, accordingly there will be no financial impact.
- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* – The primary focus of this Standard has been on relocating, where necessary, the requirements in AASs 27, 29 and 31, substantively unamended (with some exceptions), into topic-based Standards. The Standard will not have a material financial impact on the Financial Statements.
- AASB Interpretation 14 *AASB 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – The interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.

The impact of the changes has been adjusted in the comparative information presented in the financial statements and associated notes.

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

The following new standards have been issued by the AASB and are yet to be applied:

- AASB 2007-6 *Amendments to Australian Accounting Standards Arising from AASB 123* – revised Standard to be applied in reporting periods beginning on or after 1 January 2009. Eliminates the option of expensing borrowing costs directly attributable to the construction or production of qualifying assets, instead requiring capitalisation. The transitional provisions apply for prospective application as a result there will be no retrospective financial impact on the 2009 Financial Statements.
- AASB 2007-8 *Amendments to Australian Accounting Standards Arising from AASB 101* – revised Standard to be applied in reporting periods beginning on or after 1 January 2009. The Standard will not have a financial impact on the Financial Statements but will require a number of changes in disclosures.
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* revised Standard to be applied from reporting periods beginning on or after 1 January 2009. This Standard changes the term 'general purpose financial report' to 'general purpose Financial Statements' and the term 'financial report' to 'Financial Statements', where appropriate, in Australian Accounting Standards (including Interpretations) and the Framework to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
- AASB 2008-3 *Amendments to Accounting Standards arising from AASB 3 and AASB 127* – revised Standard to be applied to annual reporting periods beginning on or after 1 July 2009. The focus of the Standard is to reduce alternatives in accounting for subsidiaries in consolidated Financial Statements and in accounting for investments in the separate Financial Statements of a parent. The Standard will not have a material financial impact on the Financial Statements.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on Tourism Tasmania's Financial Statements.
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation. The Standard will not have a financial impact on the Financial Statements.
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* – revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The Standard removes the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate and to include recognising a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, as an indication that the investment in the subsidiary, jointly controlled entity or associate may be impaired. The Standard will not have a financial impact on the Financial Statements.
- AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* – revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. The amendments are in respect of the classification, presentation and measurement of non current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial Statements are authorised for issue, respectively. The Standard will not have a material financial impact on the Tourism Tasmania's Financial Statements.

(c) Voluntary changes in accounting policy

Tourism Tasmania has not adopted any new accounting policies voluntarily.

(d) Correction of Error

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, Tourism Tasmania is required to correct material prior period errors in respect of the recognition, measurement, presentation or disclosure of elements of financial statements retrospectively in the first financial

statements authorised for issue after the discovery by restating the comparative amounts for the prior period in which the error occurred.

During 2008-09, it was identified that Events Tasmania activities were not reported under Tourism Tasmania and thus Events transactions were not included in the 2007-08 Tourism Tasmania financial statements. However Events activities directly relate to Tourism Tasmania's vision and mission.

In addition, it was also identified that expenditure that related to rental and accommodation expenses was incorrectly excluded from the 2007-08 Tourism Tasmania financial statements.

The impact of the corrections is as follows:

	2007 \$'000
Income Statement	
Net operating surplus (deficit)	(849)
Net operating surplus (deficit) – Events Tasmania activities	(166)
Rental and accommodation expenses	(66)
Net operating (deficit) surplus including impact	(1,081)
Balance Sheet	
Net assets (liabilities)	(469)
Net assets (liabilities) – Events Tasmania activities	(166)
Net assets (liabilities) including impact	(635)

1.6 Income

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

(a) Attributed Appropriation Revenue

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

(b) Grants

Grants payable by the Australian Government are recognised as revenue when Tourism Tasmania gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

(c) Sales of Goods and Services

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

(d) Gain (Loss) from the Sale of Non-financial Assets

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

(e) Other Revenue

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

1.7 Expenses

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

(a) Attributed Employee Entitlements

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

(b) Depreciation and Amortisation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

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

Plant and equipment 2-10 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.

Major amortisation rates are:

Software 5 years

(c) **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.

(d) **Borrowing Costs**

All borrowing costs are expensed as incurred using the effective interest method.

Borrowing costs include:

- interest on bank overdrafts and short term and long term borrowings;
- unwinding of discounting of provisions;
- amortisation of discounts or premiums related to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

(e) **Impairment – Financial Assets**

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the Income Statement

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in Income Statement. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

(f) **Impairment – Non-Financial Assets**

All non financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than

its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. Tourism Tasmania's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in the Income Statement.

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

(g) **Other Expenses**

Other expenses from ordinary activities, including Information technology, Travel and transport, and 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.

1.8 Assets

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

(a) **Cash and Deposits**

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

(b) **Receivables**

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

(c) **Property, Plant and Equipment**

(i) **Valuation basis**

Land, buildings and heritage and cultural assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including long lived plant and equipment and work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

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

(ii) *Subsequent costs*

The cost of replacing part of an item of property, 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 property, plant and equipment are recognised in Income Statement as incurred.

(iii) *Asset recognition threshold*

The asset capitalisation threshold adopted by Tourism Tasmania is \$5,000. Assets valued at less than \$5,000 are charged to the Income Statement in the year of purchase (other than where they form part of a group of similar items which are material in total).

(d) *Intangibles*

An intangible asset is recognised where:

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

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

(e) *Other Assets*

Other assets comprise prepayments, tax assets, and an operating lease make good asset. Prepayments and tax assets relate to actual transactions that are recorded at cost. The operating lease make good asset corresponds to the provision, less any accumulated amortisation.

1.9 Liabilities

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

(a) *Payables*

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

(b) *Provisions*

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

(c) *Attributed Employee Benefits*

That share of the employee benefits liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those attributed employee benefit liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other attributed employee benefits are measured as the present value of the benefit at 30 June 2009, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(d) *Superannuation*

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

(e) *Other Liabilities*

Other liabilities include employee benefit on-costs, revenue received in advance relating to amounts received from the sale of whole-sale travel product

prior to the date of travel. On the commencement of travel, such amounts are recognised as user charges revenue net of associated supplier costs.

1.10 Leases

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

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

1.11 Judgements and Assumptions

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

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

Judgements made by Tourism Tasmania that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

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

1.12 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.

1.13 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

Amendments to comparative figures arising from correction of an error are also disclosed at Note 1.5(d).

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

1.14 Rounding

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

1.15 Taxation

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

1.16 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. 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 Balance Sheet.

In the Cash Flow Statement, 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.

Note 2 Events Occurring After Balance Date

The following event occurring after balance date has no impact on these financial statements:

Thirty years ago, when the Government established Tasmania's Temptations Holidays as a wholesale business, there were limited opportunities for Tasmanian travel and tourism products to be seen and bought in the travel marketplace. The world today is very different, and consumers are now connecting with holiday information in a range of ways and through a variety of distribution channels. We have significantly realigned the organisation in order to remain competitive in the global tourism market. Despite our best endeavours, the rate of decline in sales

through Tasmania's Temptations Holidays has been much more dramatic than projected, with losses to the business over the current and subsequent two financial years likely to aggregate to \$10 million if the business were to continue.

These losses are despite bookings and visitation to the state continuing to grow to record levels over the past three years, further testament to the decline in domestic travel being accessed through traditional wholesale channels. Consequently, the Government has made the decision to cease operating Tasmania's Temptations Holidays as a commercial business from 30 September 2009.

Note 3 Income

3.1 Attributed Appropriation Revenue

Revenue from Appropriations includes revenue from appropriations, appropriations carried forward under section 8A2 of the *Public Account Act 1986* and Items Reserved by Law.

	2009 Actual \$'000	2008 Actual \$'000
Attributed Recurrent Appropriation	28,404	28,881
Attributed Appropriation carried forward under section 8A2 of the <i>Public Account Act 1986</i> taken up as revenue in the current year	364	(364)
Total revenue from Government	28,768	28,517

Section 8A(2) of the Public Account Act allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

3.2 Revenue from Special Capital Investment Funds

Funding for major infrastructure projects is provided through Special Capital Investment Funds managed by the Department of Treasury and Finance. Tourism Tasmania is allocated funding for specific projects from the Special Capital Investment Funds as part of the Budget process.

	2009 Actual \$'000	2008 Actual \$'000
Tourism Promotion Plan, AFL – Hawthorn and Urban Renewal Heritage	6,709	9,174
Total	6,709	9,174

Details of total Special Capital Investment Funds revenues and expenses are provided as part of Notes 3.2 and 4.3.

3.3 Grants

	2009 \$'000	2008 \$'000
Other grants		
Other grants and sponsorship	-	-
Total	-	-

3.4 Sales of Goods and Services

	2009 \$'000	2008 \$'000
Travel sales revenue	16,708	19,451
Less: supplier costs	(14,278)	(16,263)
	2,430	3,188
Advertising and user charges	1,254	1,423
Total	3,684	4,611

The reduction in Travel sales revenue and associated supplier costs is as a result of a decline in travel sales through Tasmania's Temptations Holidays.

3.5 Gain (Loss) on Sale of Non-financial Assets

	2009 \$'000	2008 \$'000
Proceeds from sale	-	-
Gain (loss) on sale	-	-

3.6 Other Revenues

	2009 \$'000	2008 \$'000
Recoveries, reimbursements and other revenue from ordinary activities	197	28
Total	197	28

Note 4 Expenses

4.1 Attributed Employee Benefits

	2009	2008
	\$'000	\$'000
Wages and salaries	8,758	8,367
Annual leave	591	528
Long service leave	203	(229)
Sick leave and other related expenses	302	325
Superannuation	988	1,019
Other employee expenses	1,032	292
Total	11,874	10,302

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account (SPA) held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a 'gap' payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

Other employee expenses increased in 2009 as a result of separation payments made to Tasmania's Temptations staff with the closure of the call centre in Launceston.

4.2 Depreciation and Amortisation

(a) Depreciation

	2009	2008
	\$'000	\$'000
Plant, equipment and vehicles	92	61
Total	92	61

(b) Amortisation

	2009	2008
	\$'000	\$'000
Intangibles	110	129
Total	110	129
Total depreciation and amortisation	202	190

4.3 Grants and Subsidies

	2009	2008
	\$'000	\$'000
Special Capital Investment Funds	4,115	4,630
Regional tourism support	999	951
Convention program support	870	889
Other tourism development assistance	14	123
Sponsorship	256	230
Urban Renewal Heritage Fund	284	-
Spirit of the Sea	180	-
Other events grants and investment attraction	2,462	1,074
Total	9,180	7,897

4.4 Borrowing Costs

	2009	2008
	\$'000	\$'000
Operating Lease Make Good Provision		
Borrowing cost	30	20
Total	30	20

4.5 Impairment losses (reversals)

	2009	2008
	\$'000	\$'000
Non-financial assets – impairment losses		
Property, plant, and equipment	-	6
Total	-	6

4.6 Advertising and promotion

	2009	2008
	\$'000	\$'000
Advertising and promotion	9,968	18,824
Total	9,968	18,824

Advertising and promotion has decreased in 2009 as a result of the cessation of a two year State Government Initiative – the Tasmanian Promotion Plan.

4.7 Other Expenses

	2009	2008
	\$'000	\$'000
Audit fees – financial audit	26	47
Audit fees – internal audit and risk management	83	70
Operating lease costs	16	30
Buildings and infrastructure maintenance	106	48
Communications	652	581
Rental and other accommodation expenses	940	1,026
Other operating expenses (Including minor asset purchases)	1,925	1,449
Salary on costs	714	635
Total	4,462	3,886

Note 5 Assets

5.1 Receivables

(a) Carrying amount

	2009 \$'000	2008 \$'000
Receivables	113	94
Less: Provision for impairment	-	-
Total	113	94
Settled within 12 months	113	94
Total	113	94

(b) Reconciliation of movements

	2009 \$'000	2008 \$'000
Reconciliation of movement in provision for impairment of receivables		
Carrying amount at 1 July	-	2
Amounts written off during the year	-	(2)
Carrying amount at 30 June	-	-

5.2 Property, Plant and Equipment

(a) Carrying amount

	2009 \$'000	2008 \$'000
Plant, equipment and vehicles		
At cost	992	784
Less: Accumulated depreciation	(442)	(465)
Total property, plant and equipment	550	319

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

	2009 \$'000	2008 \$'000
Carrying amount at 1 July	319	170
Additions at cost	323	211
Depreciation expense	(92)	(62)
Carrying amount at 30 June	550	319

5.3 Intangibles

(a) Carrying amount

	2009 \$'000	2008 \$'000
Intangibles with a finite useful life		
At cost – Software	814	525
Less: Accumulated amortisation	(284)	(174)
Total intangibles	530	351

(b) Reconciliation of movements

	2009 \$'000	2008 \$'000
Carrying amount at 1 July	351	444
Additions at cost	289	43
Movement on restructure	-	(73)
Amortisation expense	(110)	(63)
Carrying amount at 30 June	530	351

5.4 Other Assets

(a) Carrying amount

	2009 \$'000	2008 \$'000
Prepayments	1,012	545
Tax	33	39
Other current assets	33	33
Total	1,078	617
Settled within 12 months	1,048	587
Settled in more than 12 months	30	30
Total	1,078	617

Note 6 Liabilities

6.1 Payables

	2009	2008
	\$'000	\$'000
Creditors	1,167	968
Accrued expenses	166	385
Total	1,333	1,353
Due within 12 months	1,333	1,353
Due in more than 12 months	-	-
Total	1,333	1,353

Settlement is usually made within thirty days.

6.2 Provisions

(a) Carrying amount

	2009	2008
	\$'000	\$'000
Operating lease rentals	129	87
Operating Lease make good	490	461
Total	619	548
Due within 12 months	207	87
Due in more than 12 months	412	461
Total	619	548

(b) Reconciliation of movements in provisions

	Operating lease rentals		Operating lease make good		Total Provisions	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	87	0	461	386	548	386
Increases	42	87	30	76	72	163
Charges against provision	-	-	-	-	-	-
Changes in discounting	-	-	(1)	(1)	(1)	(1)
Balance at 30 June	129	87	490	461	619	548

6.3 Attributed Employee Benefits

	2009	2008
	\$'000	\$'000
Accrued salaries	466	109
Annual leave	556	606
Long service leave	1,115	1,163
Total	2,137	1,878
Due within 12 months	1,173	874
Due in more than 12 months	964	1,004
Total	2,137	1,878

6.4 Other Liabilities

	2009	2008
	\$'000	\$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	-	364
Other revenue received in advance	526	1,040
Other liabilities		
Employee benefits – on-costs	121	123
Other liabilities	(5)	15
Total	642	1,542
Due within 12 months	580	1,476
Due in more than 12 months	62	66
Total	642	1,542

Note 7 Commitments and Contingencies

7.1 Schedule of Commitments

	2009	2008
	\$'000	\$'000
By type		
<i>Lease Commitments</i>		
Operating leases	2,357	3,071
Total	2,357	3,071
By maturity		
<i>Operating lease commitments</i>		
One year or less	830	822
From one to five years	1,527	2,249
More than five years	-	-
Total	2,357	3,071

7.2 Contingent Assets and Liabilities

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

As at 30 June 2009, Tourism Tasmania did not have any contingent assets or liabilities.

Note 8 Equity and Movements in Equity

8.1 Reconciliation of Equity

	Accumulated Funds		Total Equity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	(635)	446	(635)	446
Net surplus (deficit)	1,620	(1,081)	1,620	(1,081)
Balance at 30 June	985	(635)	985	(635)

Note that accumulated funds include both contributed capital on formation of Tourism Tasmania and accumulated surpluses or deficits in subsequent years.

Note 9 Cash Flow Reconciliation

9.1 Cash and Cash Equivalents

Cash and Deposits includes the balance of the Special Deposits and Trust Fund Accounts held by Tourism Tasmania, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2009	2008
	\$'000	\$'000
Special Deposits and Trust Fund balance		
T522 DEDT Operating Account	240	134
T659 Tourism Trading Account	3,185	3,121
Total	3,425	3,255
Other cash held		
Cash accounts other than in Special Deposits and Trust Fund	20	50
Total	20	50
Total cash and cash equivalents	3,445	3,305

9.2 Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities

	2009	2008
	\$'000	\$'000
Net operating surplus (deficit)	1,620	(1,081)
Depreciation and amortisation	202	190
(Gain) loss from sale of non-financial assets	-	-
Bad and doubtful debts	-	-
Borrowing cost	-	20
Impairment losses	-	6
Decrease (increase) in Receivables	(20)	145
Decrease (increase) in Other assets	(461)	287
Increase (decrease) in Attributed employee entitlements	259	(125)
Increase (decrease) in Payables	(20)	184
Increase (decrease) in provisions	71	105
Increase (decrease) in Other liabilities	(899)	(366)
Net cash from (used by) operating activities	752	(635)

Note 10 Financial Instruments

10.1 Risk exposures

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

- credit risk;
- liquidity risk; and
- market risk.

The Chief Executive 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.

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	9.1	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues. Cash is measured at nominal amounts and is also the net fair value.	Cash includes cash deposits which are readily convertible to cash on hand plus cash available in Treasury's Special Deposit and Trust Fund. Tourism Tasmania does not earn any interest on funds held.
Receivables for user charges	5.1	These receivables are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. The net fair value of receivables is the nominal amount.	Debtor's terms are 30 days.
Financial Liabilities		Liabilities are recognised when it is probable that the future sacrifice of economic benefits will be required and the amount of the liability can be measured reliably.	
Creditors	6.1	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having being invoiced). The net fair value of payables is the nominal amount.	Settlement is usually made within 30 days.

(a) 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. Tourism Tasmania is not materially exposed to any individual overseas country or individual customer. The credit risk on financial assets of Tourism Tasmania which have been recognised on the Balance Sheet is the carrying amount, net of any provision for doubtful debts. Tourism Tasmania extends 30 day credit terms for sundry receivables, and receives standard commercial credit terms for sundry creditors except for travel related sales where full payment is due at least thirty days prior to the travel.

Concentrations of credit risk on Accounts Receivable are: Travel related services – 100%.

(b) 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.

The tables below detail the undiscounted cash flows payable by Tourism Tasmania by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

(c) Market Risk

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

10.2 Categories of Financial Assets and Liabilities

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

	2009 \$'000	2008 \$'000
Financial assets		
Cash and deposits	3,445	3,305
Loans and receivables	113	94
Total	3,558	3,399
Financial Liabilities		
Financial liabilities at amortised cost	1,333	1,353
Total	1,333	1,353

Financial Assets

The net fair values of cash and deposits are recognised at amortised cost, being their face value. Receivables are recognised at the nominal amounts due.

Financial Liabilities

The net fair values of payables approximate their carrying amounts.

2009

Maturity analysis for financial liabilities

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	1,333	-	-	-	-	-	1,333	1,333
Total	1,333	-	-	-	-	-	1,333	1,333

2008

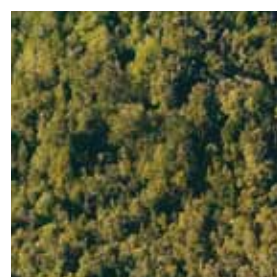
Maturity analysis for financial liabilities

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	1,353	-	-	-	-	-	1,353	1,353
Total	1,353	-	-	-	-	-	1,353	1,353

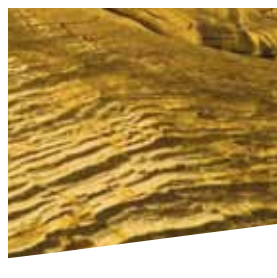
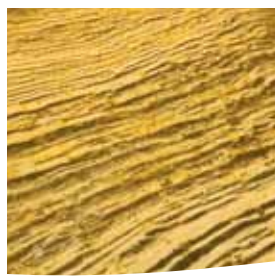
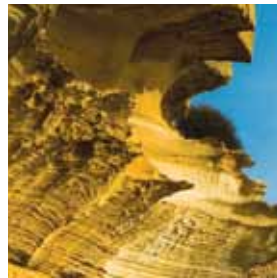
Note 11 Administered Transactions

Tourism Tasmania has administered the following programs and the following payments made:

	2009	2008
	\$'000	\$'000
Expense		
Tasmanian Icon Program (Tasmanian Symphony Orchestra and the Tasmanian Cricket Association)	1,000	1,000
Total	1,000	1,000
Revenue		
Recurrent Appropriation	1,000	1,000
Total	1,000	1,000
<hr/>		
Net operating surplus (deficit from ordinary activities	-	-



Designed & printed
in Tasmania



Tourism Tasmania
October 2009

