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TOURISM TASMANIA

2011

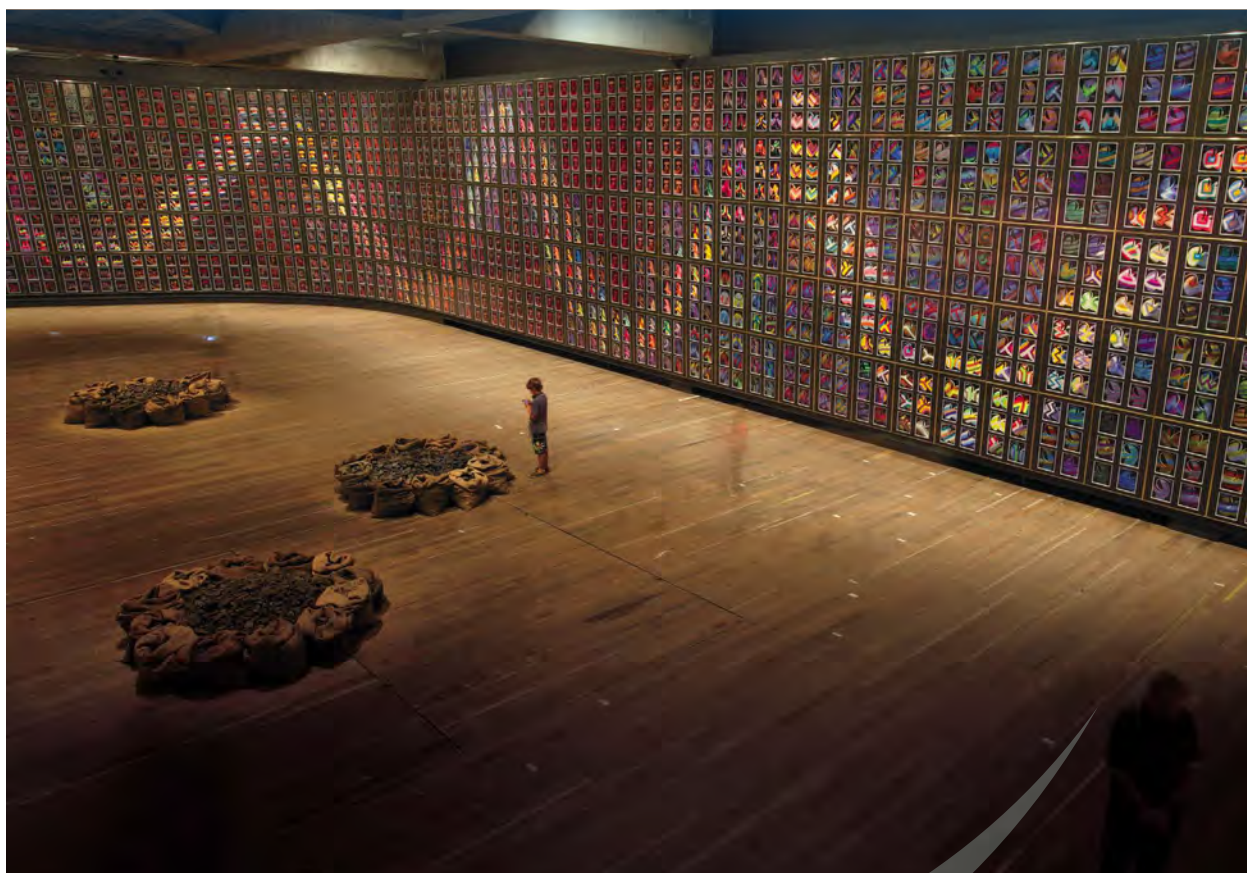
ANNUAL REPORT

2012

ABOUT OUR ANNUAL REPORT

Tourism Tasmania's Annual Report 2011-12 details the Authority's performance during the year in review, describes core priorities that have shaped and contributed to that performance, explains how the Authority has achieved its stated goals within budget and provides a comprehensive financial report.

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



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Tourism Tasmania, Stuart Crossett, MONA, Alastair Bett and Michael Walters.

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SUBMISSION TO THE MINISTER



The Hon. Scott Bacon MP
Minister for Tourism

Dear Minister

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

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

Accordingly, I have pleasure in submitting to you for presentation to Parliament, this report on the affairs and activities of Tourism Tasmania for the financial year ended 30 June 2012.

A handwritten signature in black ink, appearing to read 'Grant Hunt'. The signature is fluid and cursive.

Grant Hunt

Chairman

Board of Directors

October 2012

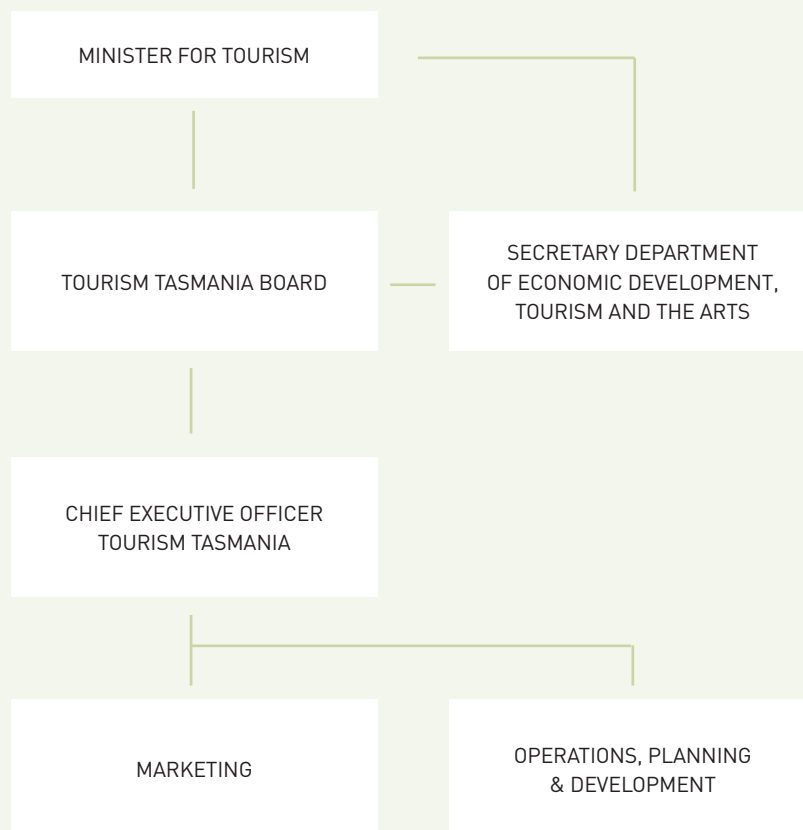
OUR STRUCTURE AND WHO WE ARE

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

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

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

STRUCTURE AS AT JUNE 2012



CHAIRMAN'S REPORT

Despite strong overall economic growth, Australian consumers over the past 12 months have shown a resurgence in caution driven by continued global economic uncertainty and an uneven distribution of domestic growth. This increased reluctance of people to spend, along with a strong Australian dollar, has seen tourism businesses across the country struggling to maintain their bottom line. While this is likely to continue in the short to medium term, the longer term outlook remains strong.



A handwritten signature in black ink, appearing to read 'Grant Hunt'.

Grant Hunt
Chairman

Three major trends are shaping Australia's long-term future; trends that will have a profound impact on our industry. Over the coming years we expect to see a change in our country's demographic, the rise of an urban Asian middle class, and a relentless demand for Australia's mineral resources. These three trends are all good news for Tasmania.

Australia's demographic is undergoing significant change. In 2002, there were more than five people of working age to support every person aged over 65. By 2042, there will be half that number. This demographic shift towards an older age group will have a profound impact on Australian tourism, influencing the pattern and level of demand for tourism services.

For Tasmania, our strongest growth market is domestic visitors in the 45+ age bracket. This older market is also the most profitable as it represents Tasmania's largest market; it has the greatest value; and has the highest growth in arrivals.

A second trend sees Australia shifting away from our traditional trading partners of Europe and the USA and into the Asian sphere of influence. The rapid economic growth of China and the Asian region poses a unique opportunity for Australia; the effects of this are already evident in the tourism industry with the growth in visitor numbers and expenditure now being driven by emerging Asian economies.

And arrivals to Tasmania from two of Australia's fastest growing international markets - China and Malaysia - are increasing approximately three times faster than arrivals growth from these markets to Australia. Similarly, expenditure from these markets in Tasmania is growing significantly faster than it is in Australia as a whole.

Finally, the emergence of a large aspirational middle class in Asia will be built upon the rapid urbanisation of these countries and will require resources like steel, aluminium and coal. This resource demand, primarily from China, has led to Australia's current mining boom.

Although the boom has diverted potential tourism investment into other resources and curtailed sector growth in the short term, it has nevertheless allowed Australia to avoid the more dramatic consequences felt by other countries around the world in the face of the financial crises.

As a result, Australia's domestic travel market remains better positioned than most other countries and Tasmania is claiming a healthy share of Australia's largest domestic growth markets - Northern Territory, South Australia, and Queensland - with higher growth in arrivals and expenditure in all of these markets than overall national growth.

Together, these trends point to a positive future for tourism in Tasmania.

Harnessing these longer term trends will of course depend on us working together to implement effective programs to secure the sustained growth of our industry. With a new strategic vision and a realigned structure for Tourism Tasmania, along with a portfolio of new projects commenced this year, I'm confident that Tasmania's tourism industry will remain competitive in the short to medium term and continue to deliver sustainable growth prospects long into the future.

CHIEF EXECUTIVE OFFICER'S REPORT

With new membership on the Board and new leadership in the organisation, Tourism Tasmania has reassessed the services it delivers to ensure we continue to meet the needs of our industry in challenging economic times.



A handwritten signature in black ink, appearing to read 'Tony Mayell', written in a cursive style.

Tony Mayell
Chief Executive Officer

A portfolio of new projects commenced this year highlights our realignment from a full-service State Tourism Organisation to one that focuses on marketing and distribution. These projects include the development of a new tourism brand for Tasmania, the establishment of four regional tourism organisations across the state and an increased emphasis on research and the competitive advantage it can bring our industry.

This year saw us commence a review of Tasmania's tourism brand with the intention of taking a new brand to market in early 2013. The new brand will give Tasmania a unique competitive position in the tourism marketplace and will underpin our marketing campaigns over the coming years. This brand review is one of the most important strategic initiatives ever undertaken by Tourism Tasmania.

A second priority commenced this year addresses the structural issues that hamper the efficient distribution and delivery of marketing resources in Tasmania. To that end, we are working closely with industry partners to develop a new regional tourism model that will see four regional tourism organisation established across the state.

These organisations will be accountable to industry and will have the autonomy to plan and deliver tourism programs in their region. The result will be a more effective coordination of marketing resources across the state and increased industry participation in emerging marketing opportunities.

A third priority will extend the capability of our research to give our industry the information it needs to make sound business decisions and better compete in the marketplace. New research will complement the existing Tasmanian Visitor Survey and will provide a more detailed picture of what consumers want in a holiday destination as well as inform our own marketing and promotional campaigns.

These three priorities are supported by other major projects aimed at developing the long-term sustainability of our industry. We've commenced a review of Tourism Tasmania's official 'Discover Tasmania' travel website in advance of a full website rebuild to ensure it best meets the needs of its visitors and encourages travel to and around Tasmania.

We are reviewing our international operations to ensure we make the most of our engagement in our international markets.

We remain committed to the use of social media to entice potential and past visitors to the state and are working to fully integrate this growing communication channel into our marketing effort.

And we are extending our engagement with our distribution partners to ensure they are motivated and have the necessary resources to sell the state and its experiences to our domestic and international markets.

Achieving these goals will have a long-term impact on tourism in Tasmania. They are ambitious but achievable, with all on-track for completion over the coming year. Together, they give us the best opportunity to address a challenging tourism environment in the short term, as well as secure the sustainable long-term growth of our industry.

I thank the Minister for Tourism, the Tourism Tasmania Board, the staff at Tourism Tasmania and our industry partners for their strong commitment to this progressive agenda and I look forward to seeing these objectives brought to fruition and contributing to the sustainable growth of tourism in Tasmania.

OUR BOARD 2011-12

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



GRANT HUNT

Grant Hunt is the chairman of the Tourism Tasmania Board. He is Executive Chairman of Anthology, a boutique nature-based tourism management and marketing company and of Hunt Tourism Services, a tourism advisory business, both of which he owns and operates.

Grant is also a member of the CSIRO Stakeholder Group on Climate Change. He has held a number of board roles in the past, including as Chairman of Tourism Northern Territory, Director of Tourism Australia, ATEC, the Uluru Kata Tjuta National Park Board of Management, and Voyages Hotels and Resorts.

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

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



TONY MAYELL

Tony Mayell is the Chief Executive Officer of Tourism Tasmania. Mr Mayell has extensive experience in tourism and travel industry organisations in the private and public sectors and has worked in the areas of travel, tourism operations and distribution, transport logistics and tourism policy development and implementation.

Prior to joining Tourism Tasmania in May 2011, Tony was Executive Director Southern Region, with the Northern Territory Department of Chief Minister; and before this held the position of Resort General Manager at Voyages Ayers Rock Resort. He has held a number of other senior positions including Managing Director, Online and Domestic for the AOT group and General Manager Europe for the Australian Tourism Commission, based in London.

Previous to this Tony spent five years as Managing Director of the Northern Territory Tourism Commission, during which time he was Chair of the Northern Territory Aviation Committee, a Board member of the Northern Territory Conservation Commission and a member the Government Central Coordination Committee, the Chief Ministers' Aboriginal Development Forum and the Australian Standing Committee on Tourism.

Tony also spent five years with Tourism Victoria holding the positions Assistant Director of Product Marketing and General Manager of International Marketing, and worked with both TAA and Ansett Airlines.



MARK KELLEHER

Mark Kelleher was appointed to the position of Secretary of the Department of Economic Development, Tourism and the Arts in May 2009. Mark is the Chief Executive of the Tasmanian Development Board and a member of the Tourism Tasmania Board. He is also a member of the Ten Days on the Island Board, the Tasmanian Renewable Energy Industry Development Board, and the Tasmanian Infrastructure Advisory Council.

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

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

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

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



KIMBERLY SEAGRAM

Kimberly 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 and was chair of the Launceston, Tamar and the North Zone Marketing Group. 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 a 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.



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. He was also a member of the Events Committee for the Tourism Tasmania Board.

Simon has also been appointed as the first Chair of the Tourism Quality Council of Australia, a new national body. 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.

Simon also runs a tourism consultancy specialising in remote and natural area tourism. He 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.



BRETT TOROSSİ

Brett Torossi is a Tasmanian property developer and business woman whose major tourism project is Avalon Coastal Retreat on Tasmania's east coast. Other projects include the completion of Rocky Hills Retreat and refurbishing a commercial office building in the Hobart CBD. Her current major development project is 'The Green', an innovative and sustainable development that will house around 500 families in the northern suburbs of Launceston. The Green was recognised with an Excellence in Urban Planning Award from the Planning Institute of Australia and a Chairman's Award for Excellence in Urban Planning from the Institute's Tasmanian Chapter.

Brett is the founder, owner and Managing Director of New Ground Network. Her board appointments include Wallis Watson Capital Ltd - an unlisted property development company based in Victoria, the Tasmanian Development Board and the Tasmanian Early Years Foundation. Brett is completing a Masters Degree in Sustainability Studies.

Brett is currently the Chair of Tourism Tasmania's Audit Finance and Risk Committee.



DALLAS NEWTON

Dallas Newton is the owner and Managing Director of APT Day Tours in Sydney and Melbourne. Prior to that, Dallas was the Director of Sales and Marketing with APT Pacific Touring from 2001 to 2006. Dallas began as a trainee accountant with APT Touring in 1980 before moving to AAT Kings in 1984 where he eventually became Managing Director.

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

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



KAREN SCOTT DAVIE

Karen Scott Davie is a Director of the CIO Advisory Board of Australia and a former Chief Information Officer of NSW Business Chamber. She is passionate about the internet, social media and digital technology and its application in business.

Karen is one of Australia's high profile speakers and leading training providers. She has taught leadership and communication skills for business and helped businesses adapt to new technologies. Karen has trained and presented in Alaska, Chicago, New York, Hong Kong, Europe, London, Hawaii and around Australia. She has presented e-commerce strategy and web design topics live on TV and radio and has written for newspapers including the Australian Financial Review.

Karen has successfully managed her own training and internet company for five years, achieving Finalist in the Telstra Business Women's awards in 1999 and 2000. Karen is a Fellow of the Institute of Chartered Accountants and holds a Bachelor of Economics. She is a member of the Australian Institute of Management, Director of Read to Lead and on the board of the Hills Grammar School.

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

STATEMENT OF CORPORATE INTENT

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

While this publication looks back over the past twelve months, the *Tourism Tasmania Act 1996* states that the Annual Report is to include the Statement of Corporate Intent relating to the Corporate Plan that takes effect at the beginning of the next financial year. As a result, this Statement takes a look forward to our role over the next three years.

STATEMENT OF CORPORATE INTENT: JULY 2012 TO JUNE 2015

This Statement of Corporate Intent is a summary of the *Tourism Tasmania Corporate Plan June 2012 to July 2015*. It recognises the authority's role as a leader in the tourism sector and seeks to align its overarching goals with the organisational priorities for the forthcoming three-year period. *The Corporate Plan 2012-2015* recognises the dynamic nature of the global tourism landscape and the important role Tourism Tasmania plays in fostering the sustainable growth of Tasmanian tourism, while developing innovative and informed marketing initiatives that drive visitation to Tasmania.

OUR ROLE

Tourism Tasmania's clearly defined role is to:

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

OUR GOALS

Tourism Tasmania's four goals are to:

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

These goals are the result of a comprehensive and detailed analysis of the current environment and future trends in tourism and firmly establishes Tourism Tasmania's vision for the three-year period 2012-2015.

To achieve these four goals we have articulated our priorities for 2012-2015 and the strategic initiatives we will undertake to deliver benefits for the Tasmanian tourism industry. These can be found in full in the *Tourism Tasmania Corporate Plan 2012-2015*, available online at www.tourismtasmania.com.au/publications/corporate_plan

VISITORS TO TASMANIA

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

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

The following tables summarise the 2011-2012 results.

Key Indicators			
Visitors	12 months ending June '11	12 months ending June '12	% change
Total visitors*	895 400	855 200	-4%

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

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

Total Nights	8.05 million	7.86 million	-2%
Average length of stay	9.0 nights	9.2 nights	2%
Expenditure (million)	\$1 558	\$1 372	-12%
Holiday			
Visitors	379 100	345 700	-9%
Nights	3.83 million	3 46 million	-3%
Average Length of Stay	10.1 nights	10.0 nights	-1%
Expenditure (million)	\$857	\$717	-16%

Source: Tasmanian Visitor Survey, Tasmanian Cruise and Navy Ship Survey

International Visitors

Key Indicators			
International Visitors	12 months ending June '11	12 months ending June '12	% change
Total visitors	149 000	141 200	-5%
Total Nights	2.84 million	2.87 million	1%
Average length of stay	19.0	20.3	7%
Expenditure (million)	\$243	\$253	4%
Holiday			
Visitors	103 100	100 900	-2%
Nights	1.09 million	1.09 million	0
Average Length of Stay	10.6	10.8	2%
Expenditure (million)	\$108	\$123	14%

HIGHLIGHTS 2011-12

Over the year, co-operative tactical campaigns were taken to market with a total media value of \$1 485 664. Tourism Tasmania's partner campaign investment was \$427 000.

Tourism Tasmania worked to secure Tasmanian participation in four episodes of *MasterChef*. Five Tasmanian locations were highlighted on the show. Each episode attracted around 1.3 million viewers and showcased Tasmania to an affluent national and international audience that enjoys fine food and travel.

A record 71 industry partners offering 86 separate products took up digital opportunities within the www.discovertasmania.com autumn *There's a Place* campaign. Suppliers had the opportunity to purchase a listing within a campaign page that included an interactive map, associated regional campaign pages and a suite of suggested itineraries.

Tourism Tasmania sponsored *Gourmet Farmer* series II on SBS, consisting of 10 episodes that aired consecutively each week. The series had an average weekly audience of 470 186 and rated as the ninth most watched television in its timeslot nationally.

Tourism Tasmania hosted 83 domestic and 77 international media visits. These visits generated \$64 million in equivalent advertising value, consisting of \$33 million for national media and \$31 million for international media.

Tourism Tasmania contributed content to more than 500 media results from print, television and online channels.

More than 600 media and trade outlets attended consumer events over a 10-day United Kingdom - Europe road show.

Tourism Tasmania worked closely with councils, the Tasmanian Visitor Information Network, zone marketing groups, local tourism organisations, regional tourism operators and other stakeholder groups to establish four regional tourism organisations across the State.

Tasmania hosted the Swisse Mark Webber Tasmania Challenge in December 2011. As principal sponsor, Tasmania gained significant coverage throughout Australia, the UK, Italy, Germany, Asia, Brazil and New Zealand. A documentary of the Challenge aired on 30 stations in over 42 countries with a combined potential viewing audience of 1.6 billion.

Social media has continued to be a priority and has grown over the year with Tourism Tasmania's Facebook page boasting a community of 13 605 and 2 415 followers on Twitter.

Tourism Tasmania's new Tourism Information Monitor (TIM) provides exclusive research into changes in the characteristics, behaviours, perceptions, motivations and intentions of travelling Australians and in particular those who are considering travel to Tasmania.

Tourism Tasmania ran a third round of the Digital Coach Program. A total of 180 participants enrolled in this year's Digital Coach Program taking the total number of participants in the program to 644 operators over the past three years.

A total of 60 tourism industry partners engaged in Tourism Tasmania's Save a Mainlander marketing campaign - the highest level of participation ever achieved for a Tourism Tasmania campaign.



PERFORMANCE AGAINST OUR GOALS

GOAL 1 MAXIMISE TASMANIA'S TOURISM POTENTIAL

ACCESS

In response to capacity constraints, the Department of Economic Development, Tourism and the Arts, led by Tourism Tasmania, partnered with private sector operators to begin the formulation of a Tasmanian Access Strategy.

Over the past twelve months, Tourism Tasmania has analysed capacity opportunities, developed business cases and undertaken specific analysis on new capacity development opportunities. Tourism Tasmania presented business cases to Jetstar, Qantas, Tiger Airways and Virgin Australia, all of which were undertaken in partnership with the respective airport. From December 2012, Tasmania will enjoy the highest level of aviation capacity ever into and out of the state.

REGIONAL TOURISM INITIATIVE

In early 2010, Tourism Tasmania and the Regional Tourism Associations initiated a review of Tasmania's regional tourism sector to identify how the state's regional tourism industry could work together to create effective partnerships, shared goals and make the best use of available resources. This and other independent reviews, along with further industry input, have informed a new approach to regional tourism in Tasmania.

This new approach will see four regional tourism organisations established to cover the North West and West Coast region, the Southern region, the Northern region and the East Coast. Tourism Tasmania has been instrumental in supporting the transition to the new regional tourism structure. It has worked closely with councils, the Tasmanian Visitor Information Network, zone marketing groups, local tourism organisations, regional tourism operators and other stakeholder groups on the transition to the new arrangement.

While each region is currently at a different stage in its development the formation of the new bodies is on track with East Coast and Northern regional bodies establishing inaugural board positions, while the Cradle Coast Tourism Executive and Destination Southern Tasmania are now functioning as established organisations. These organisations will set the strategic direction for tourism in their region, identify annual priorities and deliver programs that engage and attract the participation of their industry and stakeholders. They will have the autonomy to plan and deliver programs that effectively develop and market the region and will be accountable to the industry and key stakeholders.

DESTINATION AND PRODUCT TRAINING

Tourism Tasmania works with travel wholesalers, retailers, online travel distributors and airlines to help them access relevant information for their business needs and encourage them to sell the destination and Tasmanian products and experiences.

Over the past financial year, Tourism Tasmania engaged in partnership activities with 25 retail, wholesale, access (air and sea) and online partners. The initiatives included destination training events to showcase the destination and Tasmanian products, product gap reviews of wholesale programs, the provision of destination content for both print and digital channels and the hosting of co-operative partner events.

These partnerships saw dedicated Tasmania brochures retained by three of Australia's top wholesale travel companies - Infinity Holidays, Travelpoint and Qantas Holidays - and the development of a new gourmet touring brochure produced in partnership with Travelscene American Express and Sunlover Holidays.

The AOT group, one of Australia's largest travel wholesale companies, brought 130 of its top selling domestic retail travel agents, high achieving sales staff and key decision makers to Tasmania for a four-day incentive program. Tourism Tasmania supported the event through an investment of \$100 000 that was allocated against airline seats and Tasmanian products and services, ensuring that a significant level of Tourism Tasmania's dollars were reinvested back into the local economy.

A major travel incentive saw over 100 retail agents and wholesale managers undertake a series of four self-drive famils across Tasmania.

Opportunities for engagement included a mainland product road show that enabled 15 Tasmanian suppliers to meet with over 200 front-line retail travel agents in regional Victoria and New South Wales; a mega famil that brought 60 retail and wholesale agents to Tasmania over a four-day period to undertake regional touring, and a major travel incentive that saw over 100 retail agents and wholesale managers undertake a series of four self-drive famils across Tasmania.

In addition, Infinity Holidays undertook call centre training and presentations were given to front-line travel agents at the Harvey World Travel and Travelscene American Express national retail conferences.

TRADE SUPPORT WEBSITE

Tourism Tasmania launched a trade resources website in 2010 to help travel partners better sell Tasmania. The website, www.tassietrade.com.au, provides concise, sales-focused information including a calendar of events, a breakdown of regional destination descriptors, a distance drive-time calculator, product search and a suite of suggested itineraries.

- Nearly 600 front-line travel agents were directly engaged by Tourism Tasmania through the delivery of destination and product information and experiences.

Over the last financial year Tourism Tasmania expanded the website to collect distributor and industry registrations for trade events and famils, including the Talkabout Tasmania product road show and the September 2011 Mega Famil. Tourism Tasmania also used the website to distribute collateral and supplier information in support of the Australian Tourism Exchange.

In addition, a collection of product videos were added to the website along with supporting product information. The website received nearly 12 500 visits with over 35 000 pages viewed.

HISTORIC HERITAGE TOURISM STRATEGY

Tourism Tasmania developed and released an *Historic Heritage Tourism Strategy 2012-2015*. The strategy outlines a plan to grow Tasmania's historic heritage tourism and increase the diversity of quality historic heritage tourism experiences. It also aims to enhance the integration of historic heritage products and experiences into the marketing of tourism experiences.

ARTS TOURISM STRATEGY

Tourism Tasmania completed an *Arts Tourism Strategy 2012-2015* to ensure Tasmania benefits from a growth in arts tourism experiences. With the success of the private Museum of Old and New Art and redevelopment of the Tasmanian Museum & Art Gallery, the strategy aims to maximise the benefits of Tasmania's higher profile and positioning in the arts, further adding to the depth and breadth of the Tasmanian brand and enhancing the visitor experience.

CRUISE TOURISM STRATEGY

Tasmania's appeal as a cruise destination remains strong, with cruise ship arrivals rebounding after a decline in the previous two seasons. Tourism Tasmania completed a *Cruise Tourism Strategy* that describes a framework for engaging with the industry for future planning, development and growth of cruise ship visitation. In particular, it provides a framework for collaboration between major partners including Tasports, Hobart City Council and Burnie City Council.



Spirit of Tasmania partnership



Tassie Mega Famil



Talkabout Tasmania Roadshow 2012

PERFORMANCE AGAINST OUR GOALS

GOAL 2 DRIVE DEMAND FOR TASMANIA

THERE'S A PLACE...

MARKETING CAMPAIGN PHASES II AND III

The second phase of Tourism Tasmania's marketing campaign, *There's a place* (Aug-Oct 2011) built on phase one delivered in autumn 2011. The campaign aimed to increase consideration to travel to Tasmania in spring in our key markets of New South Wales, Victoria and South East Queensland. Campaign tracking indicated that the campaign successfully increased potential travellers' intentions to visit Tasmania. In the previous 12 months, only 7 per cent of the target market actually visited Tasmania. After seeing the campaign, future intentions of the target market showed 23 per cent intending to visit in the next 12 months and 43 per cent intending to visit in the next two years.

Phase III of *There's a place* (Feb-Jun 2012) continued to build on the learning from phase I and phase II and was also delivered in our domestic markets of New South Wales, Victoria and South East Queensland. The campaign continued the planned move into the online environment and used online regional itineraries and touring maps to promote Tasmania as a touring destination and provide the consumer with an understanding of 'what to do' in Tasmania. The campaign provided direct conversion opportunities alongside this message.

Campaign tracking indicated that 76 per cent of people took action after seeing the campaign, with the majority speaking to friends and family or looking for special deals online. Of those who saw the campaign, the intention to visit in the next 12 months was high at 61 per cent.

INTERNATIONAL MARKETING AND PUBLIC RELATIONS

Tourism Tasmania's international marketing efforts in 2011-12 focussed on North America, United Kingdom, Germany, Hong Kong, China, Singapore, Malaysia, Japan and Korea.

Tourism Tasmania secured the scheduling of seven group tours to Tasmania with the prestigious US Tour Company, Adventures by Disney, generating over 644 accommodation room nights and associated touring expenditure.

Tourism Tasmania's *LOVE! Tasmania* campaign was the first digital campaign to run simultaneously across four markets: Hong Kong, China, Singapore and Malaysia. The campaign saw leading social media commentators (bloggers) from Singapore, Malaysia and Hong Kong join print media journalists, bloggers and TV crew from China to travel around Tasmania with eight winners of a campaign competition. Major partners in the campaign included Pure Tasmania and Red Spot Car Rentals. In total, *LOVE! Tasmania* achieved equivalent advertising value in excess of \$1 million.

SAVE A MAINLANDER CAMPAIGN

As part of its marketing program for 2011-12, Tourism Tasmania ran a quirky two-month online promotion to encourage Tasmanians to invite their friends and relatives to visit the state for a holiday or break. The domestic marketing campaign targeted the growing interstate visiting friends and relatives travel market and was timed to take advantage of the exposure gained by the state in the airing of four Tasmanian episodes of MasterChef.

Partners in the promotion included Virgin Australia with a contribution of \$11 000 worth of airline seats and the Tasmanian tourism industry with a contribution of prizes worth \$24 000. With 60 tourism industry partners in the campaign, the level of participation in this promotion by the state's tourism operators was the highest ever achieved for a Tourism Tasmania campaign.

Other contributions also included additional bonus advertising worth more than \$100 000 from the state's various media outlets. The campaign also received considerable coverage via local radio, TV, online sites and our regional newspapers.

Tourism Tasmania designed the campaign to harness the capacity of social media to communicate to potential travellers and encourage them to visit the state. To the end of June, the Save a Mainlander website – the means by which Tasmanians and interstate visitors could invite a friend and win a prize – had received nearly 21 000 visits.

An integrated marketing partnership with Sierra Club, North America's largest outdoor adventure club, allowed Tourism Tasmania to engage with Sierra Club's 650 000 + membership base to choose Tasmania as their vacation destination of choice. Components of the campaign included full-page advertisements in Sierra Magazine, digital ads, newsletters and leads for more information from members.

More than 500 000 copies of Signature Travel Network's May issue of *The Travel Magazine* containing a six-page Australian feature with Tasmanian content was distributed by Signature Travel Network agents to their clients. Signature Travel Network is a co-operative of 6 000 leading retail travel agencies with more than 375 office locations serving thousands of clients from around the world.

Tourism Tasmania partnered with Tourism Australia to support the production of a second series of *My Kind of Place*, the highly successful television travel series for the New Zealand market hosted by entertainer and personality Judy Bailey.

An ongoing partnership with one of Japan's leading landscape photographers, Masaaki Aihara, continued to showcase

Tasmania in worldwide exhibitions and tradeshows. Aihara's Tasmanian imagery has also headlined print and online advertising by Fujifilm, the world's largest photographic and imaging company.

Tasmania participated in Tourism Australia's inaugural online drama series *Heartbeat Love*. Directed by award-winning movie director Chen Zheng Dao and starring Asian 'dancing king' Show Lo and Taiwanese actress Rainie Yang, the online drama was filmed in Tasmania, Melbourne and Sydney.

A comprehensive Tasmania guidebook written in Traditional Chinese was published in Hong Kong. The 248-page Sky guidebook profiles over 200 Tasmanian attractions and is available from major retail outlets across Hong Kong. The publication features endorsements from high-profile celebrity chefs Eason Chan and 'Iron Chef' Wong Wing Chee (Chef Wong) and includes Chef Wong's 'Top 10 Must See' attractions in Tasmania.

Tourism Tasmania's partnership with Great Golf Courses of Australia and Golf Digest Korea, Korea's leading specialist golfing publication, resulted in an eight-page feature article that showcased Tasmania's world-class golfing opportunities.

A United Kingdom-Europe road show ran from the 11-21 July 2011 and was attended by five operators. Over the 10 days, operators networked with more than 600 media and trade outlets and attended consumer events.

Media coverage included a three-page travel feature in the *Mail on Sunday*, a feature in *The Times* travel section, and a double page spread in *Time Out London* magazine, all to the value of \$500 000. In addition, Tourism Tasmania arranged a television interview with Mark Webber for CNBC to be aired worldwide as well as interviews with British Airways' *Highlife* magazine and *Country Walking*.

VISITING JOURNALIST PROGRAM

Tourism Tasmania's Visiting Journalist Program (VJP) hosts journalists and key media outlets including bloggers to showcase Tasmania as a holiday destination. VJP activities support and broaden the reach of our marketing messages through editorial and advocacy.

In 2011-12, Tourism Tasmania hosted 83 domestic and 77 international media visits. These visits generated \$64 million in equivalent advertising value, consisting of \$33 million for national media and \$31 million for international media.

Tourism Tasmania contributed content to more than 500 media results from print, television and online channels. The launches of MONA's *Wim Delvoe* exhibition and *Theatre of the World* exhibition also provided numerous opportunities to generate coverage in key publications and media in all markets.

- *Sixty tourism industry partners participated in The Save a Mainlander campaign, the highest level of participation by the state's tourism operators ever achieved for a Tourism Tasmania campaign*

Tourism Tasmania's national media coverage included numerous television opportunities, partnering with Gourmet Farmer, Sunrise, iFish, Adventure Angler, Adventure Racing World Championships and Getaway and the largest television broadcast secured for the year was MasterChef Australia.

Over the financial year, Tourism Tasmania secured coverage in target newspapers including the *Sydney Morning Herald*, *The Australian*, *The Age*, *Australian Financial Review*, *The Telegraph*, *Herald Sun* and *Brisbane Courier Mail*. Extensive coverage was also achieved in *Qantas Magazine*, *Australian Gourmet Traveller*, *Harpers Bazaar*, *Jetstar Magazine*, *Australian Traveller*, *Masterchef Magazine*, *Belle Magazine*, *Australian Geographic* and *Vogue Australia*.

MASTERCHEF AUSTRALIA

Tourism Tasmania encourages other organisations to run promotions and campaigns that support and extend Tasmania's marketing efforts. This year saw Tourism Tasmania work with production company, Shine Australia, to secure the right to feature in the popular television reality cooking series MasterChef Australia. As a result, Tasmania featured in four episodes of Masterchef with five Tasmanian locations highlighted on the show.

Each episode attracted around 1.3 million viewers and showcased Tasmania to an affluent national and international audience that enjoys fine food and travel. As well, Tasmania received significant editorial (in-program) endorsement by MasterChef Australia's respected judges. Tourism Tasmania also provided logistical and operational support on the ground in Tasmania to enable the filming to take place.

Tourism Tasmania also developed an extensive leveraging program to maximise the opportunities generated by the MasterChef visit. The project saw strong state-wide co-operative support from local government, regional associations and industry operators. Leveraging partnerships also saw the production of a dedicated gourmet touring brochure highlighting the areas visited by MasterChef and distributed through Travelscene American Express travel agencies nationally. The series also resulted in the creation of new supply opportunities for Tasmanian food products to mainland restaurants owned by MasterChef judges.

DIGITAL MARKETING

During the year, digital marketing increased Tourism Tasmania's reach in fostering community engagement across a number of social media platforms, including Facebook, Twitter, Pinterest and Instagram.

Tourism Tasmania implemented improvements to Tasmania's official travel website, Discover Tasmania (www.discovertasmania.com.au), to increase site usability and improve the information available to travellers. Changes included a relaunch of site-wide search, a revamp of the itineraries section, increased use of Google maps, new advertising opportunities, a re-skin in a new look-and-feel and a Hong Kong international site relaunch.

Social media has continued to be a priority and has grown over the year with Tourism Tasmania's Facebook page boasting a community of 13 605 and 2 415 followers on Twitter. Tourism Tasmania's bi-monthly Discover Tasmania newsletter continues to maintain an open rate of 23 per cent - well above industry average.

AUSTRALIAN TOURISM EXCHANGE 2012

The Australian Tourism Exchange (ATE) is Australia's premier tourism industry trade event and the largest annual tourism trade show of its kind in the southern hemisphere. Tourism Tasmania facilitated the participation of 16 Tasmanian tourism businesses at ATE 2012.

TIGER AIRWAYS

Tourism Tasmania, in partnership with Tiger Airways and Hobart International Airport, hosted 85 guests including interstate media, VIPs, crew and support team, on a flight to Hobart to announce Tiger's reintroduction of flights to Hobart. The launch included a joint media conference and 'Taste of Tasmania' event.

GOURMET FARMER

Following the sponsorship success of the television series *Gourmet Farmer* series I on SBS, Tourism Tasmania sponsored *Gourmet Farmer* series II, consisting of 10 weekly episodes. The series had a state-wide focus with host Mathew Evans travelling around Tasmania exploring the 'slow food' opportunities that the state has to offer. The sponsorship investment provided strategic leverage opportunities as well as effective audience and brand alignment. The series had an average weekly audience of 470 186 and rated as the ninth most watched television in its timeslot nationally.

BUSINESS EVENTS TASMANIA

Tourism Tasmania works in partnership with Business Events Tasmania to fully leverage business event opportunities and increase visitation and length of stay. The business events



Masterchef

industry in Tasmania is worth over \$100 million to the economy and contributes educational, social, trade and innovative benefits to the Tasmanian community.

Over the 2011-12 financial year, Business Events Tasmania received a State Operating Grant of \$540 000. In addition, Business Events Tasmania received a State grant of \$170 000 for the Meet in Tasmania Incentive Scheme, bringing the total funding for 2011-12 to \$710 000.

Tourism Tasmania worked with Business Events Tasmania and Wine Tasmania to secure the hosting of the 2012 International Cool Climate Wine Symposium.

STATE ICONS FUNDING

Tourism Tasmania supports two Tasmanian Government icons – the Tasmanian Symphony Orchestra and Cricket Tasmania.

Tourism Tasmania continued to work with the Tasmanian Symphony Orchestra to leverage opportunities offered through Tourism Tasmania's Visiting Journalist Program. This year, Tourism Tasmania worked with the Tasmanian Symphony Orchestra to record the sound track for the spring marketing campaign cinema advertisement, gaining significant exposure for this world-class orchestra.

Cricket Tasmania's success continued in the 2011-12 season with the PKFTasmanian Tigers finishing as runners up in both the One Day Competition and Sheffield Shield and generating significant exposure for the state. Tasmania also hosted the CBA One Day International matches between Australia v Sri Lanka and India v Sri Lanka and gained national and international exposure on television and signage at the ground.

DISTRIBUTION PARTNERSHIPS

Tourism Tasmania works in partnership with travel distributors that sell Tasmanian travel products, increase depth and quantity of Tasmanian destination information, and communicate the Tasmanian brand to their respective audiences.

Tourism Tasmania undertook cooperative tactical campaigns to convert interest into travel outside of peak seasons. The campaigns generated visibility for Tasmania and bookings opportunities for product suppliers during a difficult domestic trading environment. Campaign partners included Flight Centre, Jetstar, Virgin Australia (incorporating Blue Holidays), Expedia, Webjet, Wotif, Zuji/Travelocity, Tas Vacations, Travelscene American Express, Harvey World Travel and more.

The total combined spend by Tourism Tasmania for co-operative advertising with retail, wholesale, online and airline partners was \$427 000, delivering a total media value of \$1 485 664.

Co-operative advertising with retail, wholesale and online distributors and airline partner marketing activities saw 6 195 visitors booked and over 17 000 room nights generated as a direct result of campaigns run between August and April. In addition, 23 779 seats were sold during two Jetstar campaigns and over 350 Tasmanian products were given visibility in national retail and online media tactical campaigns.

Airline partnerships helped generate bookings to Tasmania and were important in reinforcing destination messages through their communications channels as well as providing in-kind campaign support. Virgin provided \$80 000 in media value in support of the Say Media campaign in August 2011 and contributed \$11 000 worth of airline seats and a further \$12 000 in exposure through its own consumer communications channels for the Save a Mainlander campaign.

- *In 2011-12 Tourism Tasmania hosted 83 domestic and 77 international media visits generating \$64 million in equivalent advertising value*
- *Tourism Tasmania sponsored the television series *Gourmet Farmer series II* on SBS, with an average weekly audience of 470 186*

Qantas supported the visit to Tasmania of 60 front-line retail travel agents in September during a four-day Mega Famil. Qantas provided transport for around half of the travel agents and had naming rights and brand ownership of the dinner at the end of the famil.

INDUSTRY PARTNERSHIPS

Tourism Tasmania works in partnership with Tasmania's tourism industry to promote Tasmania in our domestic markets. Encouraging industry investment in Tourism Tasmania's marketing activity increases campaign reach, provides tourism businesses with an affordable investment in national media coverage and provides purchasing opportunities for customers.

Tourism Tasmania welcomed a record level of industry participation in campaign activity this past financial year as large numbers of operators contributed to the Autumn and Save a Mainlander campaigns. Three of Tasmania's largest accommodations suppliers entered into co-operative campaigns with Tourism Tasmania using print and digital channels to reach potential customers.

A record 71 industry partners offering 86 separate products took up digital opportunities within the discovertasmania.com autumn campaign. Suppliers had the opportunity to purchase a listing within a campaign page that included an interactive map, associated regional campaign pages and a suite of suggested itineraries.



ATE

- A record 71 industry partners offering 86 separate products took up digital opportunities on the Discover Tasmania website during the autumn campaign.

EXPERIENCE MARKETING

Tasmania has global destination appeal to niche and sector audiences interested in travelling to pursue their passions. Experiences include walking, fishing, golf, backpacking, caravan and motorhomes, wine, gardens, cycling and adventure.

Tourism Tasmania works with peak industry associations, other government departments, and iconic products, to promote Tasmania's experiences to relevant targeted audiences.

Tourism Tasmania incorporates the best experiences into integrated brand campaign messages, global PR and media strategies and distribution partnerships.

Great Golf Courses of Australia

Tasmania has two of Australia's six World Top 100 courses in Barnbougle Dunes and Barnbougle Lost Farm. Tourism Tasmania invested in the Great Golf Courses of Australia marketing group, formed by Tourism Australia to raise the profile of Australia's premier golf courses and market Australia as an international golfing destination. Tourism Tasmania worked with Great Golf Courses of Australia to secure marketing, media, PR and distribution opportunities in our key markets of North America, UK, Germany, China and New Zealand.

Unbottled Tasmania

- Tasmanian Cellar Door wine documentary

Tourism Tasmania partnered with Southern Cross Television and Wine Tasmania to produce a 60-minute TV program on Tasmanian wine and cellar door experiences. The program aired in Tasmania on Southern Cross TV at 7:30pm on Friday 15 June. Ed Halmaygi, the host of the show, interviewed the Chief Executive Officer of Wine Tasmania and wine makers



Tasmanian Breath of Fresh Air Film Festival entrant Michael Veitch

from seven wineries around Tasmania. TasVacations was the conversion partner. The total investment of \$40 000 included \$21 000 from Tourism Tasmania, \$5 000 from the Investment Trade and Sectors unit in DEDTA and a further \$14 000 from industry operators participating in the program. The program is expected to be broadcast nationally in the coming months.

COOL CLIMATE WINE SYMPOSIUM

Tasmania hosted the 8th International Cool Climate Wine Symposium in Hobart from 31 January – 4 February 2012. Organised and underwritten by Wine Tasmania, the Australian Wine Research Institute and the Tasmanian Institute of Agriculture, the conference presented the results of a major national research project undertaken by the Tasmanian wine sector. The conference attracted over 250 viticulturists, winemakers and researchers from around the world.

Delegates enjoyed an exclusive viewing of the Museum of Old and New Art (MONA), an informal welcome function at the Moorilla Winery, a Hobart restaurant showcase and a gala dinner at Wrest Point with local chefs joined by world-renowned chef and Tasmanian ambassador Tetsuya Wakuda to showcase Tasmania's produce and a best cool climate wines. Conference delegates also participated in a Tasmanian Wine Show Tasting, a Tasman Island cruise and a visit to the Port Arthur Historic Site.

Tourism Tasmania secured the initial bid and the key note speaker at the conference, Jancis Robinson from the United Kingdom. Tourism Tasmania was active on the conference marketing sub-committee and provided support and general marketing assistance through its Visiting Journalist Program financing the travel arrangements for three media representatives from Australia, New Zealand and the United States of America.

Tasmanian Breath of Fresh Air Film Festival 'Essence of Tasmania' short film competition

Tourism Tasmania, in partnership with the Tasmanian Breath of Fresh Air Film Festival (BOFA), ran a worldwide competition to create an innovative series of short films for online and social media that would run parallel with Tourism Tasmania's campaigns and continue throughout the year. The competition was publicised nationally and internationally including through the film industry, film schools, and through social, digital and traditional media channels. Winning and commended films were published on Discover Tasmania's YouTube channel and incorporated into a broader marketing strategy. Additionally, the films will feature in the Tasmanian Breath of Fresh Air Film Festival, 8-11 November 2012.

Spirit Magazine

Tourism Tasmania has a commitment with *Spirit Magazine*, QantasLink's in-flight magazine, that includes a co-operative advertorial feature on Tasmania in each quarterly edition. The editorial provides an opportunity for operators to provide conversion opportunities through the inclusion of advertisements alongside the features.

EVENT MARKETING

Tourism Tasmania works in partnership with events that support our tourism brand and that encourage visitors from interstate.

Wild Racers

Tourism Tasmania hosted the World Adventure Racing Championships in November 2011 with the filming of the event included alongside other world racing events in the program *Wild Racers*, aired nationally on Fox Sports over 24 weeks with Tasmania featuring in the first four episodes.

Mark Webber Challenge

As the principal sponsor for the Mark Webber Challenge, Tourism Tasmania gained significant media coverage for the state throughout Australia and internationally including Germany, Italy, the UK, Asia, Brazil and New Zealand. Media value of the coverage during and immediately following the event in Australia alone totalled over \$430 000 and reached an estimated 6 497 100 people. A documentary of the challenge aired on 30 stations in over 42 countries with a combined potential viewing audience of 1.6 billion.

HAWTHORN FOOTBALL CLUB

Tasmania is the principal sponsor of the Hawthorn Football Club and is allocated a Melbourne-based home game – the Tasmania Game of the Year – that provides significant promotional opportunities. Tourism Tasmania used the opportunity to promote Tourism Tasmania's spring marketing campaign to a crowd of over 42 000 at the ground and nearly 426 000 watching the game on television. The promotion featured Tasmania's enticing experiences of wilderness, heritage and culture, adventure and quality produce.

LUMINA – LIGHT UP YOUR WINTER 2011

Tourism Tasmania delivered the *Lumina, Light up your Winter 2011* campaign to an intrastate market over the winter months. The campaign focused on hero events as well as showcasing more than 250 additional events that provided broader niche interest appeal - a considerable increase on the previous year's 100 events. Industry partners included Business Events Tasmania, Tasmania Hospitality Association and Tourism Industry Council Tasmania.



Australian Tourism Exchange (ATE)

PERFORMANCE AGAINST OUR GOALS

GOAL 3 FOSTER THE SUPPLY OF TOURISM PRODUCTS AND EXPERIENCES

DESTINATION DEVELOPMENT PLANS

Tourism Tasmania prepared Destination Development Plans for Launceston and the Municipality of Dorset in partnership with local and regional stakeholders. The plans outlined goals, strategies and prioritised actions for achieving tourism development that is economically, socially and environmentally sustainable.

Work with stakeholders continued throughout the year on the implementation of the Tasman Peninsula Tourism Plan, Mount Roland Precinct Project, Lake Margaret Project, Bruny Island Tourism Strategy and the Triabunna-Orford and Maria Island Plan.

Tourism Tasmania also helped the Cradle Coast Authority develop a State of the Region report to assist in the formation of an industry-led regional tourism organisation and has undertaken specific product and industry development activities with industry stakeholders on Flinders Island, King Island and the West Coast.

ACCREDITATION AND QUALITY IMPROVEMENT

Tourism Tasmania supports the National Tourism Accreditation Framework as the principal means to address business and service standards. The Tourism Industry Council Tasmania introduced tourism accreditation in the late 1990s and in 2011-12 received funding support of \$120 000 from Tourism Tasmania to deliver the Australian Tourism Accreditation Program (ATAP).

The ATAP program aims to raise the quality of the industry and encourage better business management practices and standards. It now has around 920 members accredited in Tasmania with another 60 engaged in the application process – about half the number of operators listed on the TigerTOUR database – and a higher percentage of tourism businesses than any other state. In addition, niche sectors within the industry, including eco-tourism operators, coach operators and tours guides, have their own specialist accreditation programs that are recognised by Tourism Tasmania.

FOOD AND BEVERAGE

Tourism Tasmania works with tourism businesses to develop quality local and regional food experiences that build on Tasmania's competitive advantage in the market place and that contribute to the food and beverage offering in our brand.

Tourism Tasmania completed a Food and Beverage Market Assessment that subsequently provided the basis for a series of workshops focusing on the development of local food experiences and the identification of unique selling propositions to help engage this market. This year Tourism Tasmania conducted a workshop on the Tasman Peninsula, generating new products and innovative packaging.

VOLUNTEER TOURISM

Tourism Tasmania partnered with Tasmanian Parks and Wildlife Service and Tasmanian tourism businesses to deliver a program to create new volunteer tourism experiences. The Green Guardians program provides relevant experiences

in Tasmania's national parks for tourists on commercially-operated guided trips. Activities include wildlife surveys, clearing marine debris, eradicating coastal weeds and monitoring sustainability indicators on the Overland Track.

Tourism Tasmania organised workshops around the state, providing information and advice on developing special interest and niche market tourism experiences. These included two volunteer tourism workshops.

RAIL TOURISM

Following the outcomes of a Rail Tourism Market Assessment in 2010-11, Tourism Tasmania funded a grant deed in 2011-12 to develop sector marketing initiatives, marketing tools and collateral for the rail sector. A *Rail Tourism Strategy* identifying market opportunities and issues impeding further development was completed as part of the assessment. The grant deed also included website development, integrated branding, and logo and collateral development that resulted in the 'Great Rail Experiences of Tasmania' marketing campaign, as well as significant advertising and an economic impact study of mainline access for tourist rail operations. An independent economic assessment of the value of tourism operations to the state economy is also underway.

TASMANIAN VISITOR INFORMATION NETWORK

Tourism Tasmania continued to work with and contribute funding to the Tasmanian Visitor Information Network. For the first time, an arrangement was brokered with the state-wide network and zone marketing groups for paid distribution of the holiday guides. Tourism Tasmania proposed a collateral distribution arrangement with the network for brochures including the *Blooming Tasmania Guide*, *Caravan and Camping Guide*, *Parks and Reserves Guide* and the *Angling Guide*.

INVESTMENT AND INFRASTRUCTURE

Tourism Tasmania continued to strengthen its working relationship with the broader Department of Economic Development, Tourism and the Arts – particularly with Invest Tasmania and the Investment, Trade and Sectors division – in order to better facilitate tourism investment around the state.

Tourism Tasmania also liaised with Tourism Australia and its Investment Attraction Partnership Group to ensure that Tasmanian investment opportunities were included in investment attraction activity and collateral such as the new Australian Tourism Investment Guide and website.

DIGITAL COACH PROGRAM

Tourism Tasmania delivered the Digital Coach Program to build the industry's capacity to understand and benefit from the digital environment. Tourism Tasmania ran a third round of the Digital Coach Program before the program was integrated into the business training and development activities offered by the broader Department of Economic Development, Tourism and the Arts. A total of 180 participants enrolled in this year's program, taking the total number of participants to 644 operators over the past three years.

PERFORMANCE AGAINST OUR GOALS

GOAL 4 ENHANCE INDUSTRY'S COMPETITIVE POSITION WITH MARKET-LEADING RESEARCH AND ANALYSIS

TASMANIAN VISITOR SURVEY

The Tasmanian Visitor Survey (TVS) continues to provide data on visitation to Tasmania. Work undertaken to ensure the on-going accuracy and reliability of the TVS included the development of an improved survey method to address changes in traveller behaviour and airline check-in procedures at Hobart airport, a two-week trial of the new method that included an online questionnaire, and the development of an alternative survey benchmarking technique to provide further insights into Tasmania's source markets.

Tourism Tasmania has also commenced a tender process to identify a preferred provider for the delivery of the TVS, in anticipation of the conclusion of the existing contractual arrangements in December, 2012.

TOURISM INFORMATION MONITOR

The Tourism Information Monitor (TIM) is a new market research tool used by Tourism Tasmania to monitor the state's tourism performance and gain a deeper understanding of potential interstate visitors to Tasmania. The survey uses current market information rather than historical data and as a result, provides a regular snapshot of changes in the characteristics, behaviours, perceptions, motivations and intentions of travelling Australians and in particular those who are considering travel to Tasmania. Global research specialists, TNS Global, conduct the survey. The tool supersedes the earlier Holiday Tracking Survey, now discontinued.



Willem Dajoe and Sam Neill in The Hunter

DOMESTICATE REPORT

Research specialists, TNS Global, undertook a study to determine why Australians do or do not travel. The Domesticcate report was purchased by Tourism Tasmania and the results presented to operators in two half-day workshops. The workshops communicated the latest views and predictions for domestic tourism in 2012 and introduced the research available to operators through the Tasmanian Visitor Survey and the new Tourism Information Monitor. Both workshops were well attended and included participants from the accommodation, attractions and car rental sectors, as well as representatives from the Regional Tourism Associations.

INTERNAL RESEARCH SERVICES

Tourism Tasmania undertakes research to better understand the environment in which it works with the aim of improving its internal business processes. Tourism Tasmania undertook a survey of industry operators to better understand the various distribution channels they use to sell their product.

NATIONAL AND INTERNATIONAL VISITOR SURVEYS

Tourism Research Australia delivers visitor statistics at the national level. Tourism Tasmania, along with the other State Tourism Organisations, provided input to Tourism Research Australia in order to maintain their survey validity.

TOURISM RESEARCH COMMITTEE

Tourism Tasmania is a member of the Tourism Research Committee. The committee consists of tourism research personnel from each State Tourism Organisation along with members from Tourism Research Australia, Tourism Australia and the Australian Bureau of Statistics. The committee aims to ensure relevant and reliable research information is delivered to all tourism related stakeholders at the national level.

MARKET INSIGHTS

Tourism Tasmania commissions research to ensure Tasmanian operators are equipped with an understanding of our current markets and contemporary consumer behaviour.

In 2011-12, Tourism Tasmania secured global research agency Taylor Nelson Sofres (TNS) to deliver the data and insights necessary for informed business decision making and marketing and promotional campaign development. Securing the services of TNS reflects Tourism Tasmania's commitment to evidence-based planning and to ensuring that Tasmania's tourism operators have the best market intelligence available to grow their business.

In addition to market insights, the agreement will see TNS provide tracking and reporting capability for major marketing campaigns as well as forecasting to improve our understanding of Tasmania's operating environment. TNS will also deliver four presentations a year based on quarterly data gathered from multiple surveys for the Tourism Information Monitor (TIM).

PERFORMANCE AGAINST OUR GOALS

GOAL 5 BE A HIGHLY EFFECTIVE ORGANISATION

STAKEHOLDER ENGAGEMENT

Tourism Tasmania regularly communicates with Tasmania's tourism industry and associated stakeholders using a range of channels including through the distribution of the Tourism Talk e-newsletter; Industry Advisories - email news notifications distributed to the TigerTOUR database and select stakeholders - and through website publishing, RSS broadcasting and Twitter.

During the financial year, a total of 36 Industry Advisories were distributed on topics including campaign launches, announcements from the CEO and Tasmania Visitor Survey results.

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

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

VALUES WORKSHOPS

The Department of Economic Development, Tourism and the Arts developed a whole of agency values team in September 2010. Tourism Tasmania has seven representatives on this team. In order to help align and embed the values within the organisation, the larger Department recognises values in the recruitment and selection process and through ongoing forums and briefings with the Agency Executive Team and the CEO of Tourism Tasmania.

ORGANISATION REFOCUS AND RESTRUCTURE

The restructure of Tourism Tasmania, undertaken during 2011-12 included a review of the division's functions and identification of roles no longer pertinent to Tourism Tasmania's business operations. This resulted in the creation of a leaner and more focussed business structure and the realignment of staff to new roles within the new structure.

RISK AND ASSURANCE

Tourism Tasmania conducts its own internal audit program using contracted auditors, Deloitte. Audits are agreed to by the Audit Finance and Risk Committee (AFRC) and programs of work and timelines developed with input from the internal auditors. The results are reported back to the AFRC with agreed management actions. The progress of the agreed recommendations is reported to the AFRC in a traffic light report at each meeting.

Audits commenced and overseen by the committee in 2011-2012 were Business Intelligence and Stakeholder Management Report; Procurement of Goods and Services with value under \$100,000; and Fraud Control.

RISK MANAGEMENT

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

In early 2012, over 90 per cent of staff participated in a risk workshop that focussed on the new and emerging risks Tourism Tasmania faced following its restructure and its changed external environment. Following this, a selection of staff and management worked with the auditors to update previously identified risks in response to Tourism Tasmania's new focus on marketing and away from industry development.

FINANCIAL REPORTING SYSTEM

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



Mark Webber Challenge – 6.5km fun run held as part of the greater challenge

STATUTORY INFORMATION

BOARD COMMITTEES

Audit, Finance and Risk

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

OUR STAFF

As at 30 June 2012, Tourism had 55.04 full-time equivalent (FTE) employees with a head count of 106. The FTE count was made up of 36.02 females and 9.02 males.

CONTRACTS AND CONSULTANTS

Tourism Tasmania did not enter into any contracts or consultancies in this financial year as all contracts and consultancies were procured by the Department of Economic Development, Tourism and the Arts.

RIGHT TO INFORMATION

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

In 2011-12, Tourism Tasmania received three applications under the Act. All three applications resulted in the information being released in full.

BOARD OF DIRECTORS ATTENDANCE 1 JULY 2011 TO 30 JUNE 2012

Board	Current Term	Number of Board Meetings	Finance, Audit & Risk Committee
Simon Currant	20/6/2011 – 19/6/2013 (5th term)	8	
Grant Hunt (Chair)	1/6/2011 to 31/5/2014 (1st term)	9	3
Mark Kelleher	21/8/09 to 20/8/12 (1st term)	8	
Dallas Newton#	2/3/2012 to 1/3/2015 (1st term)	3	3
Tony Mayell*	9/5/2011 ongoing (1st term)	9	
Kimberly Seagram	13/9/2010 to 12/9/2012 (3rd term)	8	
Karen Scott Davie#	2/3/2012 to 1/3/2014 (1st term)	3	3
Brett Torossi	30/8/2010 to 29/8/2013 (1st term)	9	3

No longer serving on the Tourism Tasmania Board Directors

Wayne Kirkpatrick	12/9/2011 to 1/3/2012 (4th term)	6	6
Alison Stubbs	2/3/2009 to 1/3/2012 (2nd term)	6	6

*Tony Mayell is the Chief Executive Officer and his representation on the Board is for the term of his appointment.

Dallas Newton and Karen Scott Davie replaced Wayne Kirkpatrick and Alison Stubbs with their terms beginning in March 2012.

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 2012, Department of Economic Development, Tourism and the Arts 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 2012 was as follows:

- Total spend down 4 per cent to \$1.372 billion
- 855 200 visitors as passengers on scheduled air and sea transport (down 4 per cent)
- Average length of stay 9.2 nights

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

Tourism Tasmania continues to develop the Tourism Tasmania consumer website www.discovertasmania.com in accordance with the Tasmanian Government's accessibility standards with due attention paid to the principles laid down by World Wide Web Consortium (W3C). Tourism Tasmania publishes the website with a content management system that is widely used by a range of government organisations, universities, art galleries, large museums and commercial enterprises in Australia and worldwide. On the website, Tourism Tasmania provides accessible product, attractions and tours to ensure they are easily found by this market segment.

ACCESSIBLE TOURISM PROJECT

The Accessible Tourism project is delivered on a community basis and includes tourism related businesses and councils that provide services and facilities for the visitors including for Tasmanians travelling intrastate. These services and facilities are an asset to visitors with accessible needs including the growing seniors market.

Accessible Tourism workshops were available on request and used the Accessible Tourism Resource Kit to facilitate the ongoing development of innovative products and services catering to the accessible and seniors market. The resource kit provides templates to help operators deliver quality information online for the accessible component of their product or service. The Accessible Tourism Resource Kit is available on the Tourism Tasmania corporate website www.tourismtasmania.com.au.

TOURISM TASMANIA FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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TOURISM TASMANIA STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 ACTUAL \$'000	2011 ACTUAL \$'000
Continuing operations			
Revenue and other income from transactions			
Attributed Revenue from Government			
Appropriation revenue – recurrent	1.6(a), 3.1	24,075	30,724
Appropriation revenue – section 8A of the <i>Public Account Act 1986</i>	1.6(a), 3.1	–	–
Revenue from Special Capital Investment Funds	3.2	10	3,568
Sales of goods and services	1.6(b), 3.3	715	769
Other revenue	1.6(c), 3.4	1	178
Total revenue and other income from transactions		24,801	35,239
Expenses from transactions			
Attributed employee benefits	1.7(a), 4.1	8,254	10,205
Depreciation and amortisation	1.7(b), 4.2	219	273
Supplies and consumables	1.7(c), 4.3	4,440	5,765
Grants and subsidies	1.7(d), 4.4	2,073	8,963
Advertising and promotion	1.7(e), 4.5	8,794	9,561
Financing costs	1.7(f), 4.6	62	–
Other expenses	1.7(g), 4.7	603	858
Total expenses from transactions		24,445	35,625
Net result from transactions (net operating balance)		356	(386)
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables	1.8(b), 5.1	–	(22)
Total other economic flows included in net result		–	(22)
Net result from continuing operations		356	(408)
Comprehensive result		356	(408)

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

TOURISM TASMANIA STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	NOTES	2012 ACTUAL \$'000	2011 ACTUAL \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.9(a), 10.1	372	798
Receivables	1.9(b), 6.1	16	46
<i>Non-financial assets</i>			
Plant and equipment	1.9(c), 6.2	5	70
Leasehold improvements	1.9(c), 6.3	299	365
Intangibles	1.9(d), 6.4	115	220
Other assets	1.9(e), 6.5	810	1,260
Total assets		1,617	2,759
Liabilities			
Payables	1.10(a), 7.1	282	492
Provisions	1.10(b), 7.2	542	563
Attributed employee benefits	1.10(c), 7.3	1,082	1,708
Other liabilities	1.10(e), 7.4	70	109
Total liabilities		1,976	2,872
Net assets/(liabilities)		(359)	(113)
Equity			
Accumulated funds/(deficit)		(359)	(113)
Total equity/(deficit)		(359)	(113)

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

TOURISM TASMANIA STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 ACTUAL \$'000	2011 ACTUAL \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Attributed Appropriation receipts – recurrent		24,075	30,724
Receipts from Special Capital Investment Funds		10	3,568
Sales of goods and services		745	833
Other cash receipts		1	44
Total cash inflows		24,831	35,169
Cash outflows			
Attributed employee benefits		(8,787)	(10,000)
Supplies and consumables		(4,649)	(5,633)
Grants and subsidies		(2,073)	(8,963)
Advertising and promotion		(8,827)	(9,547)
Other cash payments		(921)	(1,008)
Total cash outflows		(25,257)	(35,151)
Net cash from (used by) operating activities	10.2	(426)	18
Net increase (decrease) in cash held and cash equivalents		(426)	18
Cash and deposits at the beginning of the reporting period		798	780
Cash and deposits at the end of the reporting period	10.1	372	798

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

TOURISM TASMANIA STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2011		(113)	(113)
Total comprehensive result		356	356
Transactions as owners in their capacity as owners:			
Internal Divisional Restructure net assets relinquished	9.1	(602)	(602)
Balance as at 30 June 2012		(359)	(359)

		Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2010		295	295
Total comprehensive result		(408)	(408)
Balance as at 30 June 2011		(113)	(113)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVES AND FUNDING

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

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

Tourism Tasmania's priorities are to:

- Maximise Tasmania's tourism potential
- Drive demand for Tasmania
- Foster the supply of tourism products and experiences
- Enhance industry's competitive position with market-leading research and analysis
- Be a highly effective organisation.

Tourism Tasmania activities are classified as either controlled or administered.

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

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

1.2 BASIS OF ACCOUNTING

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

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

The Financial Statements were signed by the Chief Executive and Chairman of the Tourism Tasmania Board on 15 August 2012.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.5 below.

The Financial Statements have been prepared on the basis that Tourism Tasmania is a going concern. The continued existence of Tourism Tasmania in its present form, undertaking its current activities, is dependent on Government policy and on continuing attributed funding by the Department of Economic Development, Tourism and the Arts.

1.3 REPORTING ENTITY

The Financial Statements include all the activities of Tourism Tasmania.

As a result of a departmental divisional restructure, Events Tasmania was transferred from the Department's Tourism Division to its Culture, Recreation and Sport Division effective 1 July 2011. Further disclosure is provided at Note 9.1.

1.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

1.5 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

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

- AASB 1054 *Australian Additional Disclosures* – This Standard in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2009-12 *Amendments to Australian Accounting Standards* [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] – This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASBs 1, 7, 101, & 134 and Interpretation 13] – This Standard amends a range of Australian Accounting Standards and Interpretation as a consequence of the annual improvements project.
- The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired, whose terms have been renegotiated, is no longer required to be disclosed. There is no financial impact.
- The amendments to AASB 101 clarify the presentation of the Statements of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact.
- AASB 2010-5 *Amendments to Australian Accounting Standards* [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] – This Standard makes editorial amendments to a range of Australian Accounting Standards. There is no financial impact.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project* [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011-15 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation* [AASBs 127, 128 & 131] – this Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not for profit non reporting entities that comply with Australian Accounting Standards. There is no financial impact.

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

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

- AASB 9 *Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. Tourism Tasmania has not yet determined the potential financial impact of the standard.
- AASB 10 *Consolidated Financial Statements* – This Standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments. The standard was issued in August 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.
- AASB 11 *Joint arrangements* – this Standard supersedes AASB 131 *Interest in Joint Ventures*, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.
- AASB 12 *Disclosure of Interests in Other Entities* – This Standard supersedes disclosure requirements under AASB 127 *Consolidated and Separate Financial Statements* and AASB 131 *Interests in Joint Ventures*. The Standard was issued in August 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.

- AASB 13 *Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.
- AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 Employee Benefits, introducing a number of changes to accounting treatments. The Standard was issued in September 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.
- AASB 127 *Separate Financial Statements* – This standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.
- AASB 128 *Investments in Associates and Joint Ventures* – This Standard supersedes AASB 128 Investments in Associates and introduces a number of changes to accounting treatments. The Standard was issued in August 2011. Tourism Tasmania has not yet determined the application or the potential impact of the Standard.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on Tourism Tasmania, however, it may affect disclosures if reduced disclosure requirements apply.
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASBs 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052]* – This Standard makes amendments to Australian accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]* – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.
- AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project – Reduced Disclosure Requirements [AASBs 101 & 1054]* – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes as Tourism Tasmania is a Tier 1 entity.
- AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASBs 127, 128 & 131]* – This Standard extends relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. It is not expected to have a financial impact.
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASBs 1, 2, 3, 5, 7, 9, 2009 11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17]* – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is not expected to have a financial impact.
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASBs 1, 2, 3, 4, 5, 7, 9, 2009 11, 2010 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]* – This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASBs 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). It is not expected to have a financial impact.
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASBs 1, 8, 101, 124, 134, 1049 & 2011 8 and Interpretations 14]* – This Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.
- AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.

1.6 INCOME FROM TRANSACTIONS

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

(a) Attributed Revenue from Government

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

(b) Sales of goods and services

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

(c) Other revenue

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

1.7 EXPENSES FROM TRANSACTIONS

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

(a) Attributed employee benefits

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

(b) Depreciation and amortisation

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

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

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

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

Software	5 years
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(c) Supplies and consumables

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

(d) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

(e) Advertising and promotion

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

(f) Financing costs

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

(g) Other expenses

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

1.8 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

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

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

(b) Impairment – Non financial assets

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

All impairment losses are recognised in the Statement of Comprehensive Income.

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

1.9 ASSETS

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

(a) Cash and deposits

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

(b) Receivables

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

(c) Plant and equipment and Leasehold improvements

(i) Valuation basis

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(d) Intangibles

An intangible asset is recognised where:

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

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

(e) Other assets

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

1.10 LIABILITIES

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

(a) Payables

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

(b) Provisions

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

(c) Attributed employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2012, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(d) Superannuation

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(e) Other liabilities

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

1.11 LEASES

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

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

1.12 JUDGEMENTS AND ASSUMPTIONS

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

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

Judgements made by Tourism Tasmania that have significant effects on the Financial Statements are disclosed in Note 7.2 Provisions, no other significant judgements, estimates or assumptions warranting separate disclosures were made.

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

1.13 FOREIGN CURRENCY

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

1.14 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 1.5.

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

1.15 ROUNDING

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

1.16 TAXATION

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

1.17 GOODS AND SERVICES TAX

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

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

NOTE 2

EVENTS OCCURRING AFTER BALANCE DATE

There have been no events subsequent to balance date which would have a material effect on Tourism Tasmania's Financial Statements as at 30 June 2012.

NOTE 3

INCOME FROM TRANSACTIONS

3.1 ATTRIBUTED REVENUE FROM GOVERNMENT

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

	2012 ACTUAL \$'000	2011 ACTUAL \$'000
Attributed Appropriation revenue - recurrent		
Current year	24,075	30,724
Total	24,075	30,724
Revenue from Government - other		
Attributed Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	-
Total	-	-
Total Attributed revenue from Government	24,075	30,724

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

3.2 REVENUE FROM SPECIAL CAPITAL INVESTMENT FUNDS

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

	2012 ACTUAL \$'000	2011 ACTUAL \$'000
Economic and Social Infrastructure Fund	10	3,568
Total	10	3,568

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

3.3 SALES OF GOODS AND SERVICES

	2012 \$'000	2011 \$'000
User charges including advertising	715	769
Total	715	769

3.4 OTHER REVENUE

	2012 \$'000	2011 \$'000
Recoveries, reimbursements and other revenue from continuing operations	1	178
Total	1	178

NOTE 4

EXPENSES FROM TRANSACTIONS

4.1 ATTRIBUTED EMPLOYEE BENEFITS	2012 \$'000	2011 \$'000
Wages and salaries	5,773	7,714
Annual leave	300	635
Long service leave	(268)	199
Sick leave	229	305
Superannuation – defined benefit scheme	81	140
Superannuation – contribution schemes	604	804
Other post-employment benefits	1,366	223
Other employee expenses	169	185
Total	8,254	10,205

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, Tourism Tasmania is also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of contribution schemes.

4.2 DEPRECIATION AND AMORTISATION

(a) Depreciation	2012 \$'000	2011 \$'000
Plant and equipment	65	66
Total	65	66
 (b) Amortisation	 2012 \$'000	 2011 \$'000
Intangibles	105	150
Leasehold Improvements	49	57
Total	154	207
Total depreciation and amortisation	219	273

4.3 SUPPLIES AND CONSUMABLES	2012 \$'000	2011 \$'000
Audit fees – financial audit	40	41
Audit fees – internal audit	95	102
Operating lease costs	775	963
Consultants and contracted services	1,563	2,252
Property expenses	142	130
Maintenance	19	25
Communications	243	387
Information technology	811	798
Travel and transport	520	694
Other supplies and consumables	232	373
Total	4,440	5,765

4.4 GRANTS AND SUBSIDIES	2012 \$'000	2011 \$'000
Special Capital Investment Funds	285	3,170
Regional tourism support	721	1,295
Convention program support	768	741
Sponsorship	299	477
Urban Renewal Heritage Fund	-	70
Other events grants and investment attractions	-	3,210
Total	2,073	8,963

The decrease relates to the transfer of Events Tasmania from the Tourism division effective 1 July 2011, as well as ESIF AFL Arrangement (Hawthorn Football Club) no longer administered by Tourism Tasmania (Events Tasmania).

4.5 ADVERTISING AND PROMOTION	2012 \$'000	2011 \$'000
Advertising and promotion	8,794	9,561
Total	8,794	9,561

4.6 FINANCING COSTS	2012 \$'000	2011 \$'000
Unwinding of discounting of provisions	62	-
Total	62	-

4.7 OTHER EXPENSES	2012 \$'000	2011 \$'000
Salary on costs	475	642
Seminars and conferences	53	59
Other	75	157
Total	603	858

NOTE 5

OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

5.1 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES	2012 \$'000	2011 \$'000
Receivables written-off during the year	-	(22)
Total net gain/(loss) on financial instruments	-	(22)

NOTE 6

ASSETS

6.1 RECEIVABLES	2012	2011
	\$'000	\$'000
Receivables	12	22
Tax assets	4	24
Total	16	46
Settled within 12 months	16	46
Settled in more than 12 months	-	-
Total	16	46
6.2 PLANT AND EQUIPMENT		
(a) Carrying amount	2012	2011
	\$'000	\$'000
Plant and equipment		
At cost	277	287
Less: Accumulated depreciation	(272)	(217)
Total plant and equipment	5	70
(b) Reconciliation of movements		
	2012	2011
	\$'000	\$'000
Carrying amount at 1 July	70	136
Additions	-	-
Disposals	-	-
Depreciation expense	(65)	(66)
Carrying amount at 30 June	5	70
6.3 LEASEHOLD IMPROVEMENTS		
(a) Carrying amount	2012	2011
	\$'000	\$'000
Leasehold improvements		
At cost	534	550
Less: Accumulated amortisation	(235)	(185)
Total	299	365
(b) Reconciliation of movements		
	2012	2011
	\$'000	\$'000
Carrying amount at 1 July	365	287
Additions	-	152
Disposals	-	(17)
Net assets relinquished on internal divisional restructure	(17)	-
Amortisation expense	(49)	(57)
Carrying amount at 30 June	299	365

6.4 INTANGIBLES	2012	2011
	\$'000	\$'000
(a) Carrying amount		
Intangibles with a finite useful life		
Software at cost	719	814
Less: Accumulated amortisation	(604)	(594)
Total	115	220
(b) Reconciliation of movements		
	2012	2011
	\$'000	\$'000
Carrying amount at 1 July	220	370
Amortisation expense	(105)	(150)
Carrying amount at 30 June	115	220
6.5 OTHER ASSETS	2012	2011
	\$'000	\$'000
(a) Carrying amount		
Other current assets		
Prepayments	809	1,260
Other	1	-
Total	810	1,260
Settled within 12 months	810	1,260
Settled in more than 12 months	-	-
Total	810	1,260

NOTE 7

LIABILITIES

7.1 PAYABLES	2012	2011
	\$'000	\$'000
Creditors	249	229
Accrued expenses	33	263
Total	282	492
Settled within 12 months	282	492
Settled in more than 12 months	-	-
Total	282	492

Settlement is usually made within 30 days.

7.2 PROVISIONS

	2012 \$'000	2011 \$'000
(a) Carrying amount		
Operating lease provisions	149	216
Operating lease make-good provisions	393	347
Total	542	563
Settled within 12 months	352	216
Settled in more than 12 months	190	347
Total	542	563

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

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease provisions		Total Provisions	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balance at 1 July	347	499	216	120	563	619
Increases	16	9	-	96	16	105
Changes against the provision	-	(152)	-	-	-	(152)
Changes in discounting	46	(9)	-	-	46	(9)
Reversals	-	-	(63)	-	(63)	-
Net liabilities relinquished on internal divisional restructure	(16)	-	(4)	-	(20)	-
Balance at 30 June	393	347	149	216	542	563

7.3 ATTRIBUTED EMPLOYEE BENEFITS

	2012 \$'000	2011 \$'000
Accrued salaries	157	247
Annual leave	361	490
Long service leave	564	971
Total	1,082	1,708
Settled within 12 months	558	819
Settled in more than 12 months	524	889
Total	1,082	1,708

7.4 OTHER LIABILITIES

	2012 \$'000	2011 \$'000
Other liabilities		
Employee benefits – on-costs	70	109
Total	70	109
Settled within 12 months	36	51
Settled in more than 12 months	34	58
Total	70	109

NOTE 8

COMMITMENTS AND CONTINGENCIES

8.1 SCHEDULE OF COMMITMENTS	2012 \$'000	2011 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	7,536	9,387
<i>Total lease commitments</i>	7,536	9,387
<i>Other Commitments</i>		
Program commitments	4,262	2,013
<i>Total Other commitments</i>	4,262	2,013
Total	11,798	11,400
By maturity		
<i>Operating lease commitments</i>		
One year or less	479	837
From one to five years	2,339	2,541
More than five years	4,718	6,009
<i>Total lease commitments</i>	7,536	9,387
<i>Other commitments</i>		
One year or less	2,939	1,313
From one to five years	1,323	700
More than five years	-	-
<i>Total Other commitments</i>	4,262	2,013
Total	11,798	11,400

Operating leases are associated with rental costs for leased premises occupied by the Tourism Tasmania, office equipment and motor vehicles leased through the Government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 15 years.

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

8.2 CONTINGENT ASSETS AND LIABILITIES

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

As at 30 June 2012, Tourism Tasmania did not have any contingent assets or liabilities.

NOTE 9

INTERNAL DIVISIONAL RESTRUCTURE

9.1 INTERNAL DIVISIONAL RESTRUCTURE

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

The net assets and liabilities relinquished are as follows:

	2012 \$'000	2011 \$'000
Net assets relinquished on Internal Divisional Restructure		
Leasehold Improvements	(17)	-
Intangibles	-	-
Prepayments	(704)	-
Total assets relinquished	(721)	-
Net liabilities relinquished on Internal Divisional Restructure		
Attributed employee benefits	93	-
Provisions	20	-
Other liabilities	6	-
Total liabilities relinquished	119	-
Net (assets) liabilities relinquished on Internal Divisional Restructure	(602)	-

NOTE 10

CASH FLOW RECONCILIATION

10.1 CASH AND DEPOSITS

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

	2012 \$'000	2011 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	371	358
T659 Tourism Trading Account	-	439
Total assets relinquished	371	797
Other cash held		
Cash on hand and at bank	1	1
Total	1	1
Total cash and deposits	372	798

10.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2012 \$'000	2011 \$'000
Net result from transactions (net operating balance)	356	(408)
Depreciation and amortisation	219	273
Impairment adjustments	-	22
Derecognition of provisions	-	(152)
Decrease (increase) in Receivables	(4)	82
Decrease (increase) in Other assets	(255)	(94)
Increase (decrease) in Attributed employee benefits	(532)	205
Increase (decrease) in Payables	(210)	133
Increase (decrease) in Provisions	(1)	(57)
Increase (decrease) in Other liabilities	(33)	14
Net cash from (used by) operating activities	(426)	18

NOTE 11

FINANCIAL INSTRUMENTS

11.1 RISK EXPOSURES

(a) Risk management policies

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

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

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

(b) Credit risk exposures

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

The credit risk on financial assets of Tourism Tasmania which have been recognised in the Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. Tourism Tasmania extends 30 day credit terms for sundry receivables, and receives standard commercial credit terms for sundry creditors except for travel related sales where full payment is due at least thirty days prior to the travel.

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

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

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

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

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

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

Analysis of financial assets that are past due at 30 June 2011 but not impaired

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

(c) Liquidity risk

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

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

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

2012

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

2011

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

(d) Market risk

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

11.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2012 \$'000	2011 \$'000
Financial assets		
Cash and deposits	372	798
Loans and receivables	16	46
Total	388	844
Financial liabilities		
Financial liabilities measured at amortised cost	282	492
Total	282	492

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

	Carrying Amount 2012 \$'000	Net Fair Value 2012 \$'000	Carrying Amount 2011 \$'000	Net Fair Value 2011 \$'000
Financial assets				
Cash at bank	1	1	1	1
Cash in Special Deposits and Trust Fund	371	371	797	797
Receivables	16	16	46	46
Total financial assets	388	388	844	844
Financial liabilities (Recognised)				
Payables	282	282	492	492
Total financial liabilities (Recognised)	282	282	492	492

NOTE 12

NOTES TO ADMINISTERED STATEMENTS

12.1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES	2012	2011
	\$'000	\$'000
Administered revenue and other income from transactions		
Revenue from Government		
Appropriation revenue - recurrent	1,000	1,000
Total administered revenue and other income from transactions	1,000	1,000
Administered expenses from transactions		
Grants and subsidies		
Tasmanian Icon Program	1,000	1,000
Total administered expenses from transactions	1,000	1,000
Administered net result from transactions	-	-

Tourism Tasmania does not have any administered assets or liabilities.

12.2 SCHEDULE OF ADMINISTERED COMMITMENTS	2012	2011
	\$'000	\$'000
By type		
<i>Other commitments</i>		
Grants and subsidies	1,000	2,000
<i>Total other commitments</i>	1,000	2,000
Total	1,000	2,000
By maturity		
<i>Other commitments</i>		
One year or less	1,000	1,000
From one to five years	-	1,000
More than five years	-	-
<i>Total other commitments</i>	1,000	2,000
Total	1,000	2,000

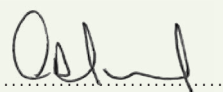
CERTIFICATION OF FINANCIAL STATEMENTS

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 2012 and the financial position as at the end of the year:

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



Tony Mayell
CHIEF EXECUTIVE OFFICER
Date: 15 August 2012



Grant Hunt
CHAIRMAN OF THE BOARD
Date: 15 August 2012

Independent Auditor's Report

To Members of the Parliament of Tasmania

Tourism Tasmania

Financial Report for the Year Ended 30 June 2012

I have audited the accompanying financial report of Tourism Tasmania (the Authority), which comprises the statement of financial position as at 30 June 2012, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Directors of the Authority.

Auditor's Opinion

In my opinion the Authority's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2012, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards.

The Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility

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

...1 of 2

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

Strive | Lead | Excel | To Make a Difference

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

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

Independence

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

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

Tasmanian Audit Office



H M Blake
Auditor-General

HOBART
24 September 2012

...2 of 2

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

Strive | Lead | Excel | To Make a Difference

LIST OF PUBLICATIONS

BROCHURES

Tasmanian Visitors Map
Golf brochure
60 Great Short Walks brochure
Blooming Tasmania
Caravan and Camping brochure
Your Island of Inspiration motivational brochure
Tasmanian Wildlife Map
National Parks and Reserves brochure
Angling Guide
Gay and Lesbian brochure

RESEARCH

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

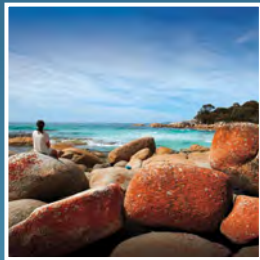
CORPORATE

Tourism Tasmania Annual Report 2010-2011
Tourism Tasmania Corporate Plan 2011-2014
Statement of Corporate Intent 2011-2014
Tourism Tasmania: Summary of Services and Resources 2012

E-NEWSLETTERS

Discover Tasmania e-newsletter
Natural State News (Media)
Tourism Talk (Corporate)
International /Domestic Newsletters (Trade)





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