

Tourism Tasmania Annual Report 2009 | 2010





About our Annual Report

Tourism Tasmania's 2009-2010 Annual Report details the Authority's performance during the year in review, describes core priorities and strategies that have shaped and contributed to that performance, explains how the Authority has achieved its stated goals within budget, and provides a comprehensive financial report.

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

This year's Tourism Tasmania Annual Report has been produced from a selection of Australian made papers that are elemental chlorine free, environmental managed systems, and contain recycled content. Both paper stocks selected are registered as Forest Stewardship Council (FSC) mixed sources certified paper.

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Submission to the Minister



The Hon. Michelle O'Byrne 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:

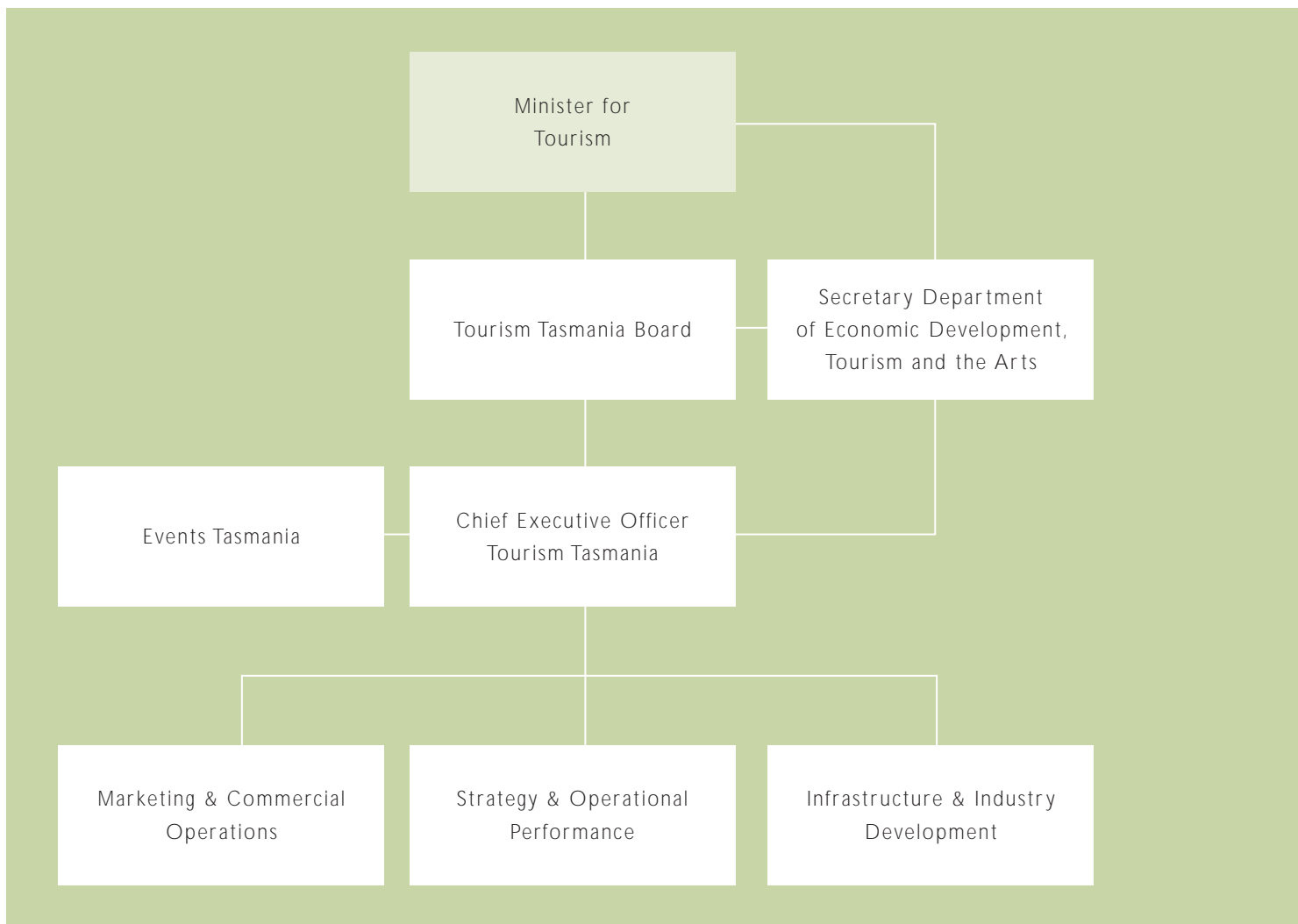
- « The statement of corporate intent which relates to the corporate plan that takes effect at the beginning of the next financial year;
- « The financial statements of the Authority for the financial year to which the annual report relates, including a copy of the opinion of the Auditor-General in respect of the financial statements;
- « A report on the operations of the Authority during that financial year; and
- « 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 2010.

Bob Annells
Chairman
Board of Directors of Tourism Tasmania
October 2010

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Our structure and who we are



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

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

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

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

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While the immediate effects of the Global Financial Crisis have largely eased on a domestic level, they nevertheless remain a reality for many of our overseas markets. This, combined with a high Australian dollar and cost cutting by airlines, has undoubtedly affected Australia's attractiveness as an international tourism destination. As well, the increased propensity for Australians to holiday overseas rather than at home has placed further pressure on our local tourism industry.

Despite these difficulties, Tourism Tasmania, working closely with our tourism industry, witnessed a period of record visitor numbers in the early part of 2009-10, with visitors staying longer and spending more, though we recognise that this growth was not evenly distributed across the state.

Achieving these goals brings to fruition the planning and hard work of the previous three years and demonstrates the importance of us remaining responsive to a changing economic and social environment.

Over this time we have made significant changes to our organisational structure and business model and have changed the way we work with industry to better deliver programs that will help secure the continued growth of tourism in the state. Having established a strong and effective framework for growth, it is now time for us to consolidate and build upon these achievements, while retaining those aspects of our work that have enabled us to achieve our goals.

To that end, extensive research will continue to underpin our supply and demand side activities. Partnerships will remain central to improving access to our island and expanding the marketing and distribution of our products as well as ensuring consumers are aware of what we have to offer. The internet and new social media will continue to remain a focus of our work with industry as well as remain front and centre in our own marketing initiatives. We will continue to expand those programs available to all operators, big and small, that help them develop their business skills and the quality of the experience they offer their guests.

We will continue to work to ensure that the growth experienced over the past few years in our tourism industry is more evenly distributed across our regional areas and we will also address the increasingly complex issues surrounding destination management. This includes addressing those aspects of supply that might constrain our ability to manage the growth of our destination.

We remain committed, as ever, to long term planning as an essential tool to help ensure our work remains focussed and efficient. To this end we have developed a new Strategic Plan 2010-2013, in which we describe our goals and objectives for the next three years and how we will go about achieving them. We have also commenced a consultative process with the Tourism Industry Council of Tasmania to further develop *Tourism 21: 2010-2013* – a shared vision for industry and government, updated every three years, that aims to improve the performance, competitiveness and structural efficiency of Tasmania's tourism industry.

I thank the Minister for Tourism, the Hon. Michelle O'Byrne MP, for her commitment to the portfolio, my fellow Board members for their dedication and expert guidance, Chief Executive Officer Felicia Mariani for her strong and inspiring leadership, and I thank all the staff at Tourism Tasmania for their commitment, passion and hard work in contributing to the ongoing development of a sustainable tourism industry for Tasmania.

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

Bob Annells
Chairman

Chief Executive Officer's Report



Three years ago, Tourism Tasmania embarked on a significant change program with the introduction of *New Directions for Our Island* – a three year strategic plan that reshaped the way we operated as an organisation and the way we supported Tasmania's tourism industry.

Since then, we have successfully negotiated a period of organisational restructure, introduced a range of new initiatives to increase the business opportunities and sustainability of our tourism industry and have continued to promote Tasmania as a world class destination in our domestic and international markets.

Much of this success has come about through the establishment of effective partnerships with industry, trade, our access partners and local and regional organisations.

Our Zone Marketing Program, for example, is now in its third year and has become a successful industry-supported marketing partnership with a range of opportunities developed alongside Tourism Tasmania as well as independently by each of the five zone groups.

We have worked to provide a wide range of professional development opportunities to help operators improve their business management skills, learn how to access the many state and federal grants and funding options available to them and to develop sustainable business practices.

We have also worked to help industry engage with consumers through the new technologies that are now so widely used by travellers to plan and book their travel, work that has gained national recognition for its effectiveness and relevance. Our Digital Coach program in particular is helping operators transition to the new and sometimes daunting world of online marketing and distribution and has been extremely well received by operators who are keen to maximise their business opportunities.

And we have further integrated these new technologies into our own marketing campaigns. We developed a new Tasmanian Experiences website to better engage with visitors online and harness the strengths of the new social media environments that are rapidly expanding. And our new Lumina – A Winter of Festivals, aimed at dispelling the myth that there's nothing to do in Tasmania over the winter and increasing visitation in the low season, featured a microsite that allowed visitors to review, plan and book all events online.

This year we launched a new three year domestic branding campaign – 'A world apart, not a world away' with the intention of building a strong and distinctive brand for Tasmania and its regional areas. The new campaign encourages Australians to look at Tasmania with new eyes and for potential visitors to realise they don't need to travel around the world to find world-class experiences - experiences that continue to gain international recognition for their quality and uniqueness.

We have also made a renewed commitment to our international markets and to build the capacity of our industry to participate in the many opportunities presented by this effort. We are helping operators get their businesses to an export ready standard and for those who already have an exportable product, we offer international marketing support through our Team Tasmania program.

And so, after this period of change, it is now time for us to consolidate and build upon these achievements if we are to secure a strong and sustainable tourism industry for Tasmania. To this end we have developed a new *Strategic Plan 2010-13* to guide our work over the next three years and ensure our endeavors remain effective and relevant to the needs of our industry.

I thank all my colleagues at Tourism Tasmania for their hard work during this past year and I thank our Board and the Minister for Tourism for their strong support over this time. I am confident that, with their continued support, our strong internal culture, effective long term planning and the encouragement and participation of our industry, Tourism Tasmania will remain well positioned to meet the inevitable challenges that lie ahead.

A handwritten signature in black ink that reads "Felicia Mariani". The signature is fluid and cursive.

Felicia Mariani
Chief Executive Officer

Our Board 2009-10

Bob Annells



Felicia Mariani



Mark Kelleher

Simon Currant



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

Bob Annells is the current Chairman of the Board of Directors of Tourism Tasmania and is also a Director on the Tasmanian Development Board. He is also Chairman of the recently-formed Events Committee for the Tourism Tasmania Board. Most recently, he was appointed Executive Chairman of the TasRail Board.

Mr Annells has held a number of other senior positions in Tasmania including Director General of the Lands Department and Secretary of the Department of Tourism, Sport and Recreation. He has held senior positions in the tourism industry including Chief Executive of Tourism Victoria, Chairman of the Melbourne Convention and Exhibition Trust, Chair of the Northern Territory Tourist Commission, Chairman of the Australian Standing Committee on Tourism (twice), and Board Member of the former Australian Tourist Commission. Mr Annells brings marketing, events, public and private sector tourism experience at the highest level, as well as issues and strategic management.

He was awarded the Public Service Medal in 2001 and a Centenary of Federation Medal. He was inducted into the National Tourism Hall of Fame in 2004 and awarded the 'Outstanding Contribution by an Individual' award at the 2005 Victorian Tourism Awards.

Felicia Mariani is the Chief Executive Officer of Tourism Tasmania. Her experience in the public and private sectors spans everything from family businesses to multi-national corporations. Felicia has spent nearly 20 years working in senior management and key marketing roles in the tourism, leisure and entertainment industries. Her last role was with Tourism New South Wales, where she was Director of Marketing.

Felicia represents Tasmania in key national forums that include the Australian Standing Committee on Tourism (ASCOT) and on several of the newly formed working groups to deliver the Australian Government's National Long Term Tourism Strategy. These include Tasmania chairing the Destination Management Planning Working Group, representation on the Digital and Distribution Group and the Tourism Research and Development

Advisory Board. Felicia is a Board Member of the Australian Tourism Export Council (ATEC), Brand Tasmania Council and Business Events Tasmania.

Mark Kelleher was appointed to the position of Secretary of the Department of Economic Development, Tourism and the Arts in May 2009. He is also the Chief Executive of the Tasmanian Development Board. In August 2009 he was appointed as a Board Director of the Tasmania NBN Company Limited. He is also a member of the Ten Days on the Island Board and the Tasmanian Renewable Energy Industry Development Board.

Preceding his current position, Mr Kelleher was Managing Director of Roaring 40s, an Australian based renewable energy company developing and operating wind farms in Australia, China and India. During this time he was a Board Member of the Australian Clean Energy Council. Mr Kelleher has also held a number of senior positions with Hydro Tasmania including General Manager Business Development and General Manager Corporate. Prior to this, Mr Kelleher held positions in financial and strategy areas with Telstra, including Tasmanian Financial Controller. Mr Kelleher was also Chair of Tasdance for the period 2005 to May 2009.

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

Simon Currant is Chairman of the Tourism Industry Council Tasmania, a Director of TT-Line, and leading developer and operator of tourism infrastructure. He is also a member of the Events Committee for the Tourism Tasmania Board. Simon was recently 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. Simon is currently developing the World Heritage Area site of Pumphouse Point, at Lake St Clair in Tasmania's central highlands.



Wayne Kirkpatrick



Kimberly Seagram



Alison Stubbs



Juanita von Stieglitz

He also runs a tourism consultancy specialising in remote and natural area tourism. Simon has won national and state Best Small Business awards, a Churchill Fellowship, was state winner and national finalist in the 2004 Entrepreneur of the Year, and was the 2004 Tasmanian of the Year. In 2006 Simon was honoured with a Member of the Order of Australia Award, for service to the community and the Tasmanian tourism industry.

■ **Wayne Kirkpatrick** has extensive business, financial, marketing, sales, tourism, resort management and property development experience. He has successfully led some of Australia's most significant resorts over the past 25 years, including Thredbo Alpine Resort, the two Mirage Resorts in Qld, Ayers Rock Resort and Hamilton Island. He was a Commissioner of the Northern Territory Tourist Commission, a Director of the Central Australian Tourist Industry Association and past Chairman of Tourism Whitsundays. He was a Director of the Association of Marine Park Tourism Operators (Great Barrier Reef), a member of the Tourism Recreation and Reef Advisory Committee and the National Oceans Advisory Group.

He has served as Chairman of Tourism Council Australia, a Director of Tourism Task Force and Tourism Australia. In 2003, the Australian Tourism Export Council (ATEC) recognised Wayne's contribution to the Australian tourism industry with an award, namely Outstanding Contribution to the Industry by an Individual, for Excellence in Exporting the Australian Tourism Experience to the World. Tourism Whitsundays also recognised his work with a similar Outstanding Contribution by an Individual Award.

Wayne is Chairman of Tourism Tasmania's Finance, Audit, and Risk Committee. Wayne currently runs his own tourism and business advisory practice.

■ **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 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.

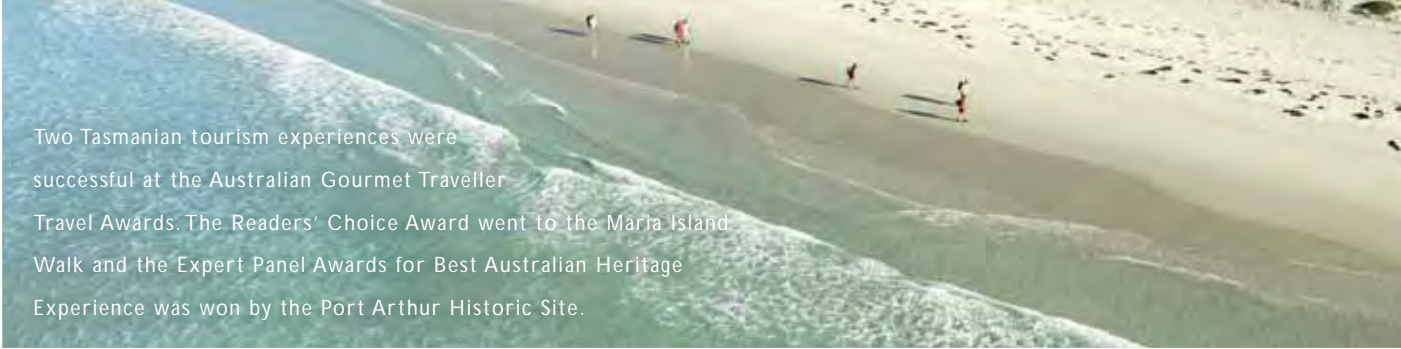
In 1997, Kim was elected to the Vineyards Association of Tasmania Committee of Management and is highly involved with the wine industry, where she has made a significant contribution to strategy and marketing development. Prior to living in Tasmania, Kim held a number of positions in the Canadian tourism industry in operations, sales and promotion.

■ **Alison Stubbs** is co-founder and General Manager of the award-winning Freycinet Adventures with business partner and husband, Simon. They established Freycinet Adventures with a passion for delivering exceptional service and their achievements have been recognised with two Telstra Tasmanian Small Business Awards and seven Tasmanian Tourism Awards (including the induction into the Awards Hall of Fame in 2004 for Adventure Tourism). Alison was awarded the 2005 Minister's Young Achiever Award at the Tasmanian Tourism Awards and the Tasmanian Telstra Young Business Woman of the Year in 2003.

Alison is a member of the Finance, Audit, and Risk Committee for the Board of Tourism Tasmania and is also a Director of the Marine and Safety Tasmania Board.

■ **Juanita von Stieglitz** has over 25 years experience in Travel Agency Distribution and Travel Products Marketing. She started her working career in the travel agency sector in Tasmania, and has since held Senior Regional Positions for American Express with responsibility for managing travel and lifestyle agencies across many markets including Japan, Hong Kong, India, Singapore, Thailand, Taiwan, Malaysia, Australia and New Zealand. Key responsibilities during this time were negotiation, development and sales and marketing of specialist premium travel products and full Profit and Loss responsibilities of all travel and lifestyle businesses for American Express Premium Card members.

Juanita is a past Board Member of American Express Wholesale Currency Business. She has also been a member of the Tourism Council of Australia and a judge of the National Tourism Awards. Juanita is a member of the Australian Institute of Company Directors, and also a member and past Chair of the Finance, Audit, and Risk Committee for the Board of Tourism Tasmania.



Two Tasmanian tourism experiences were successful at the Australian Gourmet Traveller Travel Awards. The Readers' Choice Award went to the Martha Island Walk and the Expert Panel Awards for Best Australian Heritage Experience was won by the Port Arthur Historic Site.

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 which relates 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.

This Statement of Corporate Intent is a summary of the *Tourism Tasmania Corporate Plan June 2010 to July 2013*, which 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 2010-2013 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: *Lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.* To effectively fulfil this role we will enable the industry by:

1. Creating new knowledge and understanding for industry and stakeholders about tourism through research, analysis and insights
2. Addressing the barriers to conversion and travel to Tasmania by identifying and taking effective, consistent action with those who can make a difference
3. Establishing, articulating and maintaining the Tasmanian tourism brand and brand values, particularly through creative and innovative marketing
4. Aligning Tasmania's tourism product, experiences and infrastructure to match market expectations of the brand.

■ Our Goals

These newly identified key 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 2010-2013.

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

To achieve these five goals we have articulated our priorities for 2010-2013 and the strategic initiatives we will undertake to deliver benefits for the Tasmanian tourism industry, as detailed in the complete version of the *Tourism Tasmania Corporate Plan June 2010 to July 2013*.



Our Operating Environment



The Qantas Australian Tourism Awards again proved the quality of Tasmanian tourism experiences. Bruny Island Cruises won the Ecotourism Award, Pure Tasmania the Tourism Marketing Award and the Deluxe Accommodation Award went to Avalon Coastal Retreat.

Reflecting on the experiences of the past twelve months and looking ahead, it is clear that consumers, now more than ever before, are seeking to create their own ideal experiences as they choose their holiday destinations.

At the core of consumer choice is the need for control and the pursuit of individuality as they actively seek the one-off, the customised, and the unique. The growing demand for online travel information and booking is making it much easier to deliver this personalisation, and as it becomes ever more sophisticated, consumers' demands are likely to evolve accordingly. This shift is incredibly strong in Australia with less than 13 per cent of all domestic trips now 'booked in person' via a travel agent.

Tourism organisations must also come to terms with this rise in the use of technology given the influence of social media and the decreasing effectiveness of 'push' marketing in a world where user-generated content is often perceived as more reliable and more relevant than that generated by a 'brand'.

Travel has continued to show remarkable resilience in the face of continued shocks from terrorism, war and natural and man-made disasters, including financial crisis. While the price of travel is falling globally in the face of increased competition in the skies, the relative strength of the Australian dollar against international currencies is still making outbound travel extremely attractive for Australians with consequential impacts on domestic tourism in this country and inbound arrivals will also continue to be surpassed by this outbound growth.

Australia also has a supply-side issue as highlighted in the National Long Term Tourism Strategy. Our tourism industry faces both regional and international challenges in the provision of competitive and sufficient quantities of tourism product and this is having an impact on our industry's competitiveness.

In this environment the Tourism Forecasting Committee expects outbound and inbound overseas travel to commence recovery through 2010. While the domestic travel market is also expected to return to positive growth at that time, the predicted strength and pace of recovery during the remainder of the forecast period to 2018 is notably weaker.

Tourism Tasmania has shaped its strategic direction for the period 2010–2013 in recognition of this changed world of tourism and together with our industry partners, we will actively respond to these challenges to ensure we maximise Tasmania's tourism potential



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

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

The following tables summarise the 2009-2010 results.

KEY INDICATORS			
	12 months ending June 09	12 months ending June 10	% Change
Visitors			
Total Visitors:			
(all air and sea visitors including Cruise and Navy)	1,014,200	992,200	-2%
<i>Following data includes scheduled air and sea visitors – and does not include Cruise ships of Navy ships</i>			
Total Nights	7,854,900	8,498,500	8%
Average Length of Stay (nights)	8.7	9.3	8%
Expenditure (billion)	\$1.445	\$1.507	4%
Purpose of visit			
*Leisure	674,900	653,900	-3%
*Leisure Nights	5,999,600	6,060,000	1%
Average Length of Stay (nights)	8.9	9.3	4%
*Leisure Expenditure (billion)	\$1.217	\$1.220	0%

Source: Tasmanian Visitor Survey, Tourism Tasmania

*Leisure: includes both Holiday and Visit to Friends and Relatives



INTERNATIONAL VISITATION

	12 months ending June 09	12 months ending June 10	% Change
International Visitors	149,500	134,500	-10%
Total Nights	2,852,000	2,669,000	-6%
Average Length of Stay (nights)	19.1	19.8	4%
Modelled International – Excluding package expenditure (\$million)	\$268	\$263	-2%
Purpose of visit			
*Leisure	134,600	122,600	-9%
*Leisure Nights	1,571,900	1,325,900	-16%
Average Length of Stay (nights)	11.7	10.8	-7%
*Leisure Expenditure (million)	\$153	\$127	-17%

Source: International Visitor Survey, Tourism Research Australia

*Leisure: includes both Holiday and Visit to Friends and Relatives

Marketing Performance (Holiday Tracking Survey)

Without any prompting on advertising for holidays and travel 15.6 per cent of all Australians (interstate and intrastate residents) had read, seen or heard some form of Tasmanian holiday/travel advertising in the year ending June 2010. Our level of prompted advertising awareness for the year was 24.5 per cent.

ADVERTISING AWARENESS, PREFERENCE AND INTENTION TO VISIT TASMANIA

	2008-09 % of Aust. Population	2009-2010 % of Aust. Population	% Change
Marketing Performance			
¹ Advertising Awareness (Unprompted)	16.2	15.6	-4%
¹ Advertising Awareness (Prompted)	28.2	24.5	-13%
² Preference to visit Tasmania	17.6	17	-3%
³ Intention to visit Tasmania	4.6	4.5	-2%
⁴ Behaviour	5.0	4.9	-2%

Source: Holiday Tracking Survey, Roy Morgan Research

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

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

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

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



Left: Hobart City Hall lights up for the Festival of Broadway. Above: Lumina launch at the Tasmanian Museum & Art Gallery

The release of the year-ending September 2009 Tasmanian Visitor Survey data, the first of the new financial year, showed that the state had achieved record visitor numbers.

- « 917,100 visitors arrived on scheduled air or sea services and when combined with the number of cruise and navy visitors, Tasmania welcomed a record 1.024 million visitors.
- « The Lumina – A Winter of Festivals campaign was welcomed by all distribution partners who realised the potential of the campaign to drive demand over a traditionally soft period for Tasmania. Of particular interest was our partners' preparedness to adopt the Lumina look and feel as the central elements to their campaigns when traditionally their brands have visual priority.
- « 144 events were supported by Events Tasmania bringing an estimated 45,000 visitors to the state delivering a direct spend of approximately \$55 million into the Tasmanian economy.
- « All four of Tasmania's key wholesale distributors realised a growth in sales from the previous year, with Tasmanian business through Infinity Holidays, Flight Centre's internal wholesale arm doubling in 2009-10 and Tas Vacations business up by 84 per cent over the previous year.
- « The partnership between the AFL, Hawthorn Football Club, and the Tasmanian Government continued to activate many thousands of visitors from interstate and around the regions, generating tourism benefits in the traditionally lower winter months.
- « A Tasmanian supplement in the *Saturday Telegraph* in the UK reached over one million readers in its distribution. The campaign which was awarded Tourism Australia's prestigious 'Ozcar' award focused the UK attention on holiday options in Tasmania.
- « More than 150 tourism operators joined Tourism Tasmania's highly successful Digital Coach Program that began in April 2010. This highly innovative program, part of the Learning and Development framework, offers participants the services of six coaches - experts in online marketing and distribution - who are on hand to help operators learn how to conduct business online.
- « Tourism Tasmania developed commercial relationships with an additional 18 distribution partners throughout 2009-10. This enabled the delivery of tactical campaigns across 75 per cent of the year, ensuring the Tasmanian products and experiences were visible to the purchasing public in peak, shoulder and winter seasons.
- « The re-instigation of market visits to North America by the Tasmanian industry via a Tourism Tasmania-led road show in June 2010. It is intended that this successful event will now be rolled out across our other markets.
- « Through our Visiting Journalist Program Tourism Tasmania identified a targeted list of journalists, publications and websites and approached them to visit Tasmania as part of our campaigns and for special events. As a result, 336 articles or programs were delivered with an equivalent advertising value/ media exposure of \$35.7 million.
- « 17 co-operative campaigns with distribution partners were undertaken in 2009-10, delivering some excellent return on investment. This included a Flight Centre tactical campaign supported by a Tourism Tasmania investment of \$1,650 delivering sales of \$173,500; and a Harvey World Travel/ TravelPoint campaign supported by \$23,500 from Tourism Tasmania delivering sales valued at \$110,224.
- « Tourism Tasmania leveraged the introduction of direct flights to Melbourne by Air Asia X through a 'fly free to Tasmania' promotion in Kuala Lumpur. A total of 438 tickets were sold, far exceeding the estimated target of 300 tickets. This project opened new airline partnership opportunities for the future.
- « The *Diners Club Members* magazine in Japan featured Tasmanian produce and World Heritage sites. Distributed to half a million Japanese card holders, the guide also included product packages and booking information.

Performance against our Points of Intervention



This section provides a comprehensive report on Tourism Tasmania's performance against the Points of Intervention articulated in Tourism Tasmania's Corporate Plan July 2009 to June 2012.

Tourism Tasmania's clearly defined role is to:

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

To fulfil that role, we actively intervene in the tourism market in the four ways detailed in the following pages.

POINT OF INTERVENTION 1: *Create knowledge and understanding for industry and stakeholders about tourism through research analysis and insights.*

Tourism Tasmania achieves this by means of tracking, analysis and strategic market research, and using tools such as the Tasmanian Visitor Survey, Tourism Research Australia Surveys, the Holiday Tracking Survey, insights and business intelligence, and economic analysis and forecasting.

Working with Roy Morgan Research, BDA Marketing Planning and the Sustainable Tourism Co-operative Research Centre

Tourism Tasmania subscribes to the Holiday Tracking Survey conducted by Roy Morgan Research. The survey tracks the holiday and leisure travel preference, intention and activity of Australian residents. Due to its large sample size, the Holiday Tracking Survey offers significant travel, leisure and tourism-specific data to underpin Tourism Tasmania's marketing initiatives.

Tourism Tasmania commissioned BDA Marketing Planning to continue the Consumer Confidence Tracking Survey, an online survey intended to demonstrate how consumer confidence, job security and a dynamic and uncertain economy were influencing Australians' intention to travel. This has enabled Tourism Tasmania to improve its overall marketing strategy and respond to the market with relevant and timely offers.



Tourism Tasmania extended its research to better understand the apparent accommodation shortage in Hobart. Using this information, Tourism Tasmania produced a 'Research Snapshot on Accommodation Supply and Demand in Greater Hobart' for public and investor reference.

Tourism Tasmania used sophisticated tracking and modelling

techniques developed by BDA Marketing Planning to monitor progress against targets identified in the *Tourism 21* strategic business plan. This information is essential for Tourism Tasmania to achieve the plan's objectives for 2010 through to 2017.

In addition, qualitative and quantitative research conducted at MONA FOMA provided further insights into visitor demographics and development opportunities.

Tourism Tasmania was an industry partner in the Sustainable Tourism Co-operative Research Centre (STCRC). The centre delivered a range of research projects relevant to Tasmanian tourism businesses and the broader Tasmanian tourism industry. During 2009-10, Tourism Tasmania participated in several industry reference groups for projects that produced reports of value to the industry. The STCRC was wound up effective 30 June 2010, however Tourism Tasmania expects that important aspects of its research will be continued by Tourism Research Australia.

Tasmanian Visitor Survey and Tourism Research Australia

Tourism Tasmania monitored consumer behaviour using three major visitor surveys: the Tasmanian Visitor Survey (TVS),



Conde Nast Traveller (USA) 2010 Gold List named the Henry Jones Art Hotel as the best hotel in Australia, with a score of 93.9.



Hobart's busy port welcomes another cruise ship



The Wilderness Gallery at Cradle Mountain

the National Visitor Survey (NVS) and the International Visitor Survey (IVS). The information collected provided an understanding of Australia's travel market trends and the needs of specific segments. An analysis of the survey results and associated insights were reported quarterly to the Tasmanian tourism industry, to government agencies to facilitate and promote the development of the industry and to the public on Tourism Tasmania's corporate website.

Tourism Tasmania conducts a supplementary survey to the TVS to obtain information from cruise and navy ship passengers. The results enable Tourism Tasmania to estimate the value of this tourism segment and secure Tasmania's share of this increasingly popular tourism market.

Tourism Tasmania in association with Tourism Research Australia and local councils completed a further three research projects in the series examining the social impacts of tourism within Tasmania communities. Tourism Tasmania received a final report and held forums with each Municipal Council involved, Glenorchy, Break O'Day and Kentish, to discuss the findings. These studies continue to expand our understanding of the social costs and benefits associated with tourism activity.

How we communicate results to key stakeholders and industry

Tourism Tasmania regularly communicates research intelligence and knowledge to key stakeholders and industry through a range of e-newsletters, ad-hoc industry advisories distributed by email and post, and articles in industry publications.

Tourism Tasmania conducted regular presentations for regional and local tourism associations, tourism sector associations, Tasmanian Visitor Information Networks, local government and tourism operators. Tourism Tasmania staff also provided relevant and timely information to potential investors and other areas of government to assist decision making. These presentations addressed consumer behaviour, the future visitor market, the products, services and experiences on offer and the performance of the tourism industry.

POINT OF INTERVENTION 2: *Address the barriers to conversion and travel to Tasmania by identifying and taking effective, consistent action with those who can make a difference.*

Tourism Tasmania positions itself to address this point of intervention by various means, including: access development work, digital and distribution development, marketing partnerships, international marketing and contact centre operations.

Access Development

Tourism Tasmania recognises that access to and from the state is the life blood for tourism and the significant lift in capacity during this past decade has been a material influence for the substantial growth in visitor numbers over that period. Tasmania cannot remain complacent with regard to access, given existing competitive pressures from other destinations within Australia to enhance their own air connections at others' expense.

Thus Tourism Tasmania endeavours to intervene in the aviation marketplace by working with aviation experts to build business cases for increased capacity on existing routes, new services on new direct routes and improved domestic connectivity to Tasmania for international services. We also seek to find solutions to the need for increased visibility for Tasmania in airline reservation systems globally.

Tourism Tasmania's business cases are regularly presented to our aviation partners requiring Tourism Tasmania management to build and maintain relationships with senior airline management to best position Tasmania's opportunity.

Despite the difficult position airlines have found themselves in following the global financial crisis, Tasmania has seen some gains in 2009-10 with new direct services to Hobart from Canberra and increased capacity on other direct services. Overall our flight numbers remained relatively steady during the year albeit the substitution of Boeing aircraft for smaller capacity Embraers has seen seat capacity reduce, particularly on Hobart routes. Work is proceeding with a case to be put to Virgin Blue that outlines growth opportunities for the carrier.

Tourism Tasmania also acknowledges the significant role played by TT-Line during the year in lifting passenger numbers on the *Spirit of Tasmania* vessels through competitive pricing and thereby providing another transport option for visitors to Tasmania.

Digital Development

Over \$400,000 of retail sales value was transacted on Tourism Tasmania's consumer website, discovertasmania.com, during the year. In addition to its role in selling Tasmanian product, the website also directed a high proportion of visitors to transact either with the operator directly on their own website, or on another travel site - an outcome consistent with Tourism Tasmania's strategy of enablement for the destination.

Distribution Partnerships

The closure of Tasmania's Temptations Holidays (Tas Temps) removed one of the key impediments to productive working relationships with a host of retail and wholesale travel companies. As a result Tourism Tasmania developed commercial relationships with 18 companies, representing the full suite of distribution channels.

A number of tactical campaigns were generated in support of Tourism Tasmania brand campaigns across the year, with in excess of ten partner campaigns in support of Lumina - A Winter of Festivals.

Retail campaigns with major national retail chains provided strong continued sale of Tasmanian product and Tasmania visibility in print media, websites and retail shops across metropolitan and regional Australia. Developing relationships with wholesale partners resulted in the transition of nearly all of Tas Temps contracted suppliers to new programs within Qantas Holidays, Infinity and TravelPoint programs, affording sales opportunities that had never before been realised.

An important element of Tourism Tasmania's Distribution Strategy was the engagement of digital distribution partners. Over the course of the year Tourism Tasmania increased its online footprint through provision of content, imagery and products across a number of high performing digital travel sites within Australia. Critical to this was facilitating business between local suppliers and digital distribution partners on the Open Booking Exchange (OBX). By working with organisations that transact through the OBX, a greater number and variety of Tasmanian products and experiences were given visibility to a purchasing public.

Tourism Tasmania supported eight domestic travel agent familiarisations, delivering critical first-hand destination experience to 63 front-line sales staff. Additionally, 95 retail and call centre sales staff were given face-to-face destination training to ensure they were equipped to build the most engaging, longest and highest yielding itineraries possible for their clients.

Marketing with Access Partners

Tourism Tasmania was active with air and sea access partners during 2009-10 with a range of activities designed to drive long term demand and stimulate immediate visitation as well as complementing our route development work. Campaign and partnerships initiatives were undertaken to support Tourism Tasmania campaign periods with additional activities designed to increase demand for winter or shoulder seasons.

Virgin Blue partnered with Tourism Tasmania, Launceston Airport and Launceston City Council to deliver a three-week campaign targeting the Brisbane, Sydney and Melbourne markets. The campaign - with the new 'A world apart, not a world away' positioning - grew seat and lands sales through the carrier's wholesale arm, Blue Holidays, representing an 18 percent increase on the previous joint campaign.

Virgin's investment in the Lumina - A Winter of Festivals campaign resulted in a range of activities including digital, television, press and radio advertising as well as involvement in Tourism Tasmania's own campaign assets including the Lumina calendar and discovertasmania.com. In addition, Virgin was the exclusive partner of the successful Hot Lunches promotion, special lunches held in Hobart and Launceston for consumers from interstate. The promotion resulted in significant press coverage.

The TT-Line continues to be an important partner with Tourism Tasmania. Partnership activity included distribution of the Lumina - A Winter of Festivals calendar on the vessels, a direct mail promotion to the *Spirit of Tasmania* consumer database,

ATEC SYMPOSIUM 2010

Tourism Tasmania, in partnership with Business Events Tasmania, co-hosted the Australian Tourism Export Council (ATEC) Symposium 2010. The Symposium is Australia's largest inbound tourism conference. A total of 429 travel and tourism professionals attended the three-day event. An estimated \$1 million of direct spend from delegates was realised for the state.

A key success in hosting this event was the ability to portray Tasmania as a contemporary destination to the national travel industry of Australia. Approximately 80 Inbound Tour Operators also participated in the pre and post tours that focused on different regions throughout Tasmania and featured tourism experiences for the international market.

As well as providing the successful touring program, Tourism Tasmania's contribution also included sourcing accommodation for delegates, assisting ATEC to develop opportunities for showcasing local attractions and hospitality venues, educating and raising awareness of sponsorship opportunities available and delivering the highlight of the Symposium, the 'Destination Showcase' event.

In preparing for the Symposium, Tourism Tasmania consulted with local businesses including transport companies, hospitality and accommodation venues and tourism operators to maximise the opportunities for these companies.

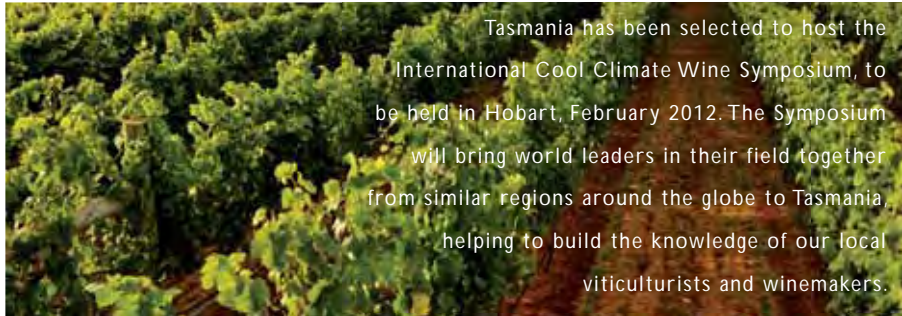
The main event of Symposium was held at MONA (Museum of Old and New Art). Guests were privileged to attend a world premiere opportunity, as this was the first public event to be held in the museum. Local arts and produce were also incorporated into the event.

ATEC Symposium 2010 was a great success for Tasmania with the ATEC post event survey indicating a 97 per cent success rate.

Tourism Tasmania continues to encourage the involvement of Tasmania's tourism industry in the Australian Tourism Export Council. Ongoing activity facilitates membership and ensures that the opinions of Tasmanian operators are recognised.



Tasmania has been selected to host the International Cool Climate Wine Symposium, to be held in Hobart, February 2012. The Symposium will bring world leaders in their field together from similar regions around the globe to Tasmania, helping to build the knowledge of our local viticulturists and winemakers.



Top left: Networking at the ATEC Symposium
 Top Right: Tourism Tasmania and Qantas staff at a Holiday Roadshow
 Above: Virgin Blue, one of our access marketing partners

screening of a 90 second promotion of Discover Tasmania Series on board the *Spirit of Tasmania* and packages showcased on discovertasmania.com.

A co-operative marketing campaign in partnership with Tiger Airways across the Lumina campaign period saw the targeting of Adelaide residents with outdoor billboard, and bus and television advertising in metropolitan Adelaide. Tiger was also an active investor in discovertasmania.com and participated in electronic direct mail initiatives.

International Online Initiatives

Online activities were an integral component of the majority of international marketing activities in 2009-10. Online content was generated by working with online opinion leaders in the various markets. Tourism Tasmania teams in Singapore and Korea used bloggers to produce online content and generate interest in Tasmania through third party endorsements.

A number of campaigns were also undertaken with online distribution partners such as Expedia and Velocity in North America.

Team Tasmania

The Team Tasmania program aims to increase and enhance the international readiness of Tasmania tourism operators for international markets. The number of operators involved in the project has grown over the past twelve months. The program also delivered educational programs on online distribution channels, cultural training, international visitor expectations and understanding distribution networks.

Trade Support

A number of familiarisations, sales calls and product training sessions were undertaken throughout the year to ensure a broader range of Tasmanian product gained access to key partners as well as to provide opportunities for partners to experience product first-hand. This resulted in trade distributors reporting an increase in the volume of Tasmanian product made available to international wholesalers and retail networks.

POINT OF INTERVENTION 3: Establish, articulate and maintain the Tasmanian tourism brand and brand values, particularly through creative and innovative marketing.

Tourism Tasmania identified a multitude of projects during 2009-10 to achieve results in this area, including: governance, strategic planning, budget and risk management, industry and brand partnerships, marketing campaigns and international marketing.

E-marketing and Digital Marketing

Tourism Tasmania launched a new website called Tasmanian Experiences. The website is designed to encourage locals and visitors alike to share their own stories of Tasmania's diverse experiences.

Tourism Tasmania launched a presence for discovertasmania.com on the leading social networking site Facebook, quickly generating over 1,000 users, and a presence on Twitter.

Tourism Tasmania also continued to get impressive results from the regular communication with the 33,000 discovertasmania.com e-news subscribers.

Tourism Tasmania's consumer website, discovertasmania.com, hosted the Discover Tasmania Series Two TV series campaign content. This included recipes, a competition and deleted scenes and bloopers. This helped the TV series gain a high level of engagement with our target audience.

Lumina - A Winter of Festivals was given a substantial online presence as a result of an engaging website design that allowed visitors to easily explore events that interested them. Visitors could then plan and book a visit or extend a visit to attend a particular event. Every event featured on the Lumina website included quick reference to the accommodation, activities and attractions found within the same region as that event. Visitors to the Lumina site were also able to create a Lumina holiday planner and then save that planner for their own reference or distribute it to their friends, family or travelling group to assist the holiday planning process. The site also featured integration to Facebook as a means for potential visitors to share their travel intentions or ideas with their contacts and to comment about particular events.

Tourism Tasmania continued to support zone marketing by publishing the five Holiday Planners on discovertasmania.com. The planners were some of the most popular content accessed on the website during the year.

Stakeholder Engagement

Ongoing communication to industry saw regular updates to the Tourism Tasmania corporate website and the continued publishing of the long-running Tourism Talk e-newsletter to a subscriber base of around 1,600. During the year, the e-newsletter underwent a full redesign to ensure it reflected the corporate identity of Tourism Tasmania and to ensure it displayed consistently in all email clients and on all operating systems.

In addition, work commenced on a dedicated website for the travel trade, to be completed and launched in 2011.

Ten detailed papers, Industry Advisories, addressing topics including campaign launches, Lumina - A Winter of Festivals and the Tasmanian Experiences website as well as Tasmania Visitor Survey (TVS) results were distributed through the TigerTOUR database.

Tourism Tasmania supported the Tourism Minister and Tourism Tasmania's Chief Executive Officer with the writing of speeches

and media releases for funding announcements, new product openings, Tasmanian Visitor Survey results and other major Tourism Tasmania initiatives.

Business Events Tasmania

Tourism Tasmania works in partnership with Business Events Tasmania to leverage business events, in turn increasing visitor numbers and their length of stay. Tourism Tasmania and Business Events Tasmania developed a Deed of Agreement in 2009-10 to formalise their partnership objectives, key performance indicators and reporting requirements.

Over the 2009-10 financial year, Business Events Tasmania received a State Operating Grant of \$540,000 (excluding GST) as well as an additional \$60,000 allocated from Enhancement Funding. In addition, Business Events Tasmania received a State Grant of \$170,000 (excluding GST) for the Meet in Tasmania Incentive Scheme bringing the total funding for 2009-10 to \$770,000.

A key achievement of the 2009-10 partnership was the successful joint bid and hosting of the ATEC national conference in April 2010. ATEC is Australia's peak industry body representing the \$26 billion export tourism sector.

LUMINA – A WINTER OF FESTIVALS

Tourism Tasmania launched a domestic marketing program, Lumina – A Winter of Festivals, to increase visitation over the traditionally quiet winter period. The program targets visitors from interstate, primarily New South Wales and Victoria and encourages Tasmanians to participate in the many events occurring in Tasmania at this time.

The goal of Lumina was to establish the brand in the market place and to establish Tasmania as an active and vibrant destination in winter. Interim reports indicate that this was achieved.

Digital technology was embraced as the key engagement tool via luminatasmania.com and to the end of June 2010 the dedicated website had attracted 40,908 unique visitors.

Web banner activity, print and outdoor advertising in Melbourne and Sydney were key drivers of site visitation, with 26 per cent of unique visitors from New South Wales and 27 per cent from Victoria. The distribution of the printed calendar produced a significant increase in visitation.

Examples of the integration of Lumina creative into distribution partners' print and digital campaigns included:

- « quickbeds.com with packages for each event
- « Qantas Holidays in print media in metro press Sydney, Melbourne and Brisbane
- « Viva Holidays – in print media in Sydney, Melbourne, Brisbane and Gold Coast
- « Escape Travel – on a website landing page and in-store flyer distributed to all Escape Travel stores nationally
- « TasVacations – a feature in the Good Weekend magazine with a package for the Shakespeare Festival.

The take-up of the Lumina creative by these distributors was the best result Tourism Tasmania has seen in such campaigns.

Lumina received significant exposure at the intrastate level with 13 per cent of unique visitors to luminatasmania.com from Tasmania. This suggests that the sponsorship partnerships with Southern Cross Television, the Examiner and Australia Post were important to, and effective in, conveying Lumina to the Tasmanian audience.

Intrastate outcomes included:

- « **Southern Cross:** A total air time and production value of \$100,000 of TV advertising for the promotion
- « **Australia Post:** State-wide distribution of approximately 200,000 dl size postcards encouraging households to visit the campaign website and to collect their calendar from their local participating Australia Post outlets. Promotion and distribution of the Winter of Festivals message in outlets for two weeks in April were valued in excess of \$30,000.
- « **The Examiner:** Insertion of 45,500 copies of the calendar of events into the full-run edition of Saturday 17 April, advertising throughout the campaign in The Examiner and Travelways and editorial valued in excess of \$20,000.

The interim report also suggests that visitors to the Lumina website were predisposed to travel and Lumina was used as a conversion tool for these visitors. Anecdotal feedback indicates that the Lumina creative was also a key driver in campaign activity.

The campaign showcased the extent and spread of event tourism product activity during the early winter months. One-on-one coaching and advice, through the Lumina campaign, has helped the launch of a range of new events such as the Tasmanian Dancesport Championships, Australian Shakespeare Festival and Hobart Comedy Festival.



The many faces of Lumina



Tourism 21

Tourism 21: 1997- 2000, a three year strategic business plan for Tourism in Tasmania, established a shared vision for industry and government that included 10-year targets to double interstate and international tourism visitor expenditure to more than \$1 billion by 2007. The plan is updated every three years to ensure it remains relevant and meaningful to stakeholders.

The 2007 targets were achieved in 2005 and by 2010 a total of more than one million visitors arrived in Tasmania contributing \$1.53 billion in visitor spend. When combined with intrastate tourism spending of \$721 million, the total tourism spend was \$2.251 billion.

Compared to a total tourism spend of \$1.095 billion in 1997, inclusive of intrastate tourism, this represents a massive growth of \$1.156 billion over the 13 year period to 2010.

The development of *Tourism 21: 2010 – 2013*, commenced earlier this year and has involved a consultative process with the Tourism Industry Council Tasmania, and an assessment of environmental conditions and emerging opportunities for Tasmania. A draft issues and opportunities paper was completed and endorsed by the *Tourism 21* Steering Committee.

Annual Planning

Tourism Tasmania launched its new three-year *Strategic Plan 2010-2013* following an extensive period of consultation with staff and an assessment of the core strengths of Tasmania, the challenges ahead in realising that opportunity and Tourism Tasmania's role as described in the *Tourism Tasmania Act 1996*. The planning phase engaged staff in the process through a series of workshops where a range of ideas, concepts and challenges were discussed.

Tourism Tasmania also developed a three year *Corporate Plan 2010-2013* as required under the *Tourism Tasmania Act 1996*.

Integrated Performance Management System

Tourism Tasmania developed an Integrated Performance Management System to support its staff in the delivery of outputs and outcomes for and with our tourism industry partners. The system integrates strategic planning, risk

management, budgeting and financial management, compliance and productivity auditing, and project management into a process designed to meet Tourism Tasmania's compliance and accountability needs as an Authority, as well as provide effective support tools for staff to guide their program delivery work.

A key aspect of this was the development of project management tools and the reassessment of our strategic and operating risk profile as a precursor to the development of the Annual Operating Plan 2010-11.

New Advertising Agency

Tourism Tasmania appointed advertising agency, Whybin TBWA, to provide advertising account services for three years from 1 July 2009. The company provides strategic brand and creative advertising services and has partnered with digital agency, Tequila, to provide full creative services across all media channels. The three year partnership will see Whybin TBWA develop campaigns across mainstream and digital media to increase domestic tourism in Tasmania, largely driven from New South Wales, Victoria and Queensland.

A World Apart, Not A World Away

The 'A world apart, not a world away' campaign was a two phase, multi channelled marketing campaign designed to establish the new brand position for Tasmania and target 'Most Profitable Prospects' (MPPs) in New South Wales, Victoria and Queensland.

The campaign's major objectives were to establish the new brand positioning of Tasmania as 'A world apart, not a world away' using internationally recognised world class experiences as icons throughout the campaign and to convert our MPPs from 'a preference to visit Tasmania one day' to 'book now' with conversion packages aligned to the iconic advertising.

A key strategy was to ensure extended reach and penetration through media partnerships and cooperative activity, building on Tourism Tasmania's existing relationship with Fairfax Media and partnering with the Zone Marketing Groups and our major industry, access, distribution and brand partnerships.

New and additional activity in the form of a Hot Lunch promotion and Tasmanian crosses on the weather segment of

the Seven network morning show *Sunrise* generated a lot of interest in Tasmania as a holiday destination. The Hot Lunch promotion offered Fairfax readers in Melbourne and Sydney the opportunity to fly to Tasmania for a special gourmet lunch featuring Tasmanian produce. The offer was sold out within hours of being announced in a Fairfax electronic direct marketing alert and advertised in their Melbourne and Sydney Magazines.

The campaign was well received in the market place, providing our partners with results well above expectations and successfully delivered Tasmania's positioning of 'A world apart, not a world away' to our target market.

Zone Marketing

Tourism Tasmania's Zone Marketing Program has completed its second year of the original three year strategy and is now a successful industry-supported marketing partnership.

Each of the five Zone Marketing Groups achieved a high level of investment exceeding \$500,000 state-wide from industry operators in the 2010 Holiday Planners, in addition to digital marketing opportunities on discovertasmania.com.

The East Coast Zone Marketing Group partnered with Paddy Pallin and Tourism Tasmania to feature in the Paddy Pallin 2009-10 Summer Catalogue and throughout their 13 retail stores nationwide.

The Launceston, Tamar and the North Zone Marketing Group and Hobart and Surrounds Zone Marketing Group partnered with Virgin Blue and Blue Holidays over two campaign periods to feature their regional destination to over one million consumers, generating over \$341,000 in revenue and increased consumer awareness. The overall results were exceptional given that this was the first Tourism Tasmania zone campaign undertaken with Blue Holidays/Virgin Blue.

The North West Coast and Western Wilderness Zone Marketing Groups partnered with QantasLink's Spirit of Australia in-flight magazine to promote their destinations to a travel-ready business and leisure market. The magazine was distributed aboard all QantasLink turboprop services in the eastern states network with around 1,900 flights per week. The 2009 editions of the magazine totalled over 30 pages of editorial, compelling imagery and advertising showcasing the many experiences and products available in the zones along with an online competition drawing over 2,000 consumer entries.

Experience Marketing

Tourism Tasmania helped FlyLife Magazine expand its current hard copy magazine into a digital format accessible via the Internet. The online version of FlyLife Magazine dedicated to Tasmanian content with a focus on Tasmanian experiences was distributed in May 2010.



Wine Industry Tasmania's annual roadshow, Tasmania Unbottled, showcased an array of award-winning and new release Tasmanian wines to Brisbane, Sydney and Melbourne audiences. Tourism Tasmania secured major sponsorship, with benefits including free-of-charge tickets to winemaker dinners and events, signage opportunities and recognition as event sponsor.

Tourism Tasmania's successful partnership with Blooming Tasmania continued with the release of Blooming Tasmania 2009-10, a reference guide to garden events, accommodation and gardens open to the public throughout the state. The guide was launched at the heritage property 'Somercotes' and distributed through the Tasmanian Visitor Information Network, the Blooming Tasmania website, member properties and the September edition of Gardening Australia magazine.

Event Marketing

Unique Tasmanian events including the Festival of Voices, Wildside MTB and MONA FOMA maximised the benefits derived from Tasmania's positioning in natural and cultural heritage, the arts, food and beverage and sporting events as well as addressed seasonality and regional dispersal.

Campaign activity included outcomes in domestic and international media, outdoor events such as the Falls Festival, engagement of the zone groups in event partnerships, creation of third party partnership opportunities with TasPride and Tiger Airways, Virgin Blue and Savour Tasmania and increased reach through partner databases and consumer promotions.

In the Sydney to Hobart Yacht Race 2009-10, Tourism Tasmania partnered with Ludde Ingvall and the yacht YuuZoo to increase brand exposure through the event. As well as prominent brand logo placement on the vessel's main sail, a benefit of the partnership was the national and international media exposure gained as a result of Tourism Tasmania's secondment of an international and a domestic journalist. The journalists were members of the YuuZoo crew and during the live stream from the boat provided destination focussed web blogs. These blogs were also fed to YouTube and Google channels and drove consumers to an online competition to win a trip to Tasmania. Both journalists followed up with extensive editorial in the international *Sailing* magazine and the *Mercury* newspaper. An estimated at 8:1 return on investment, reach and value, was achieved through the partnership.

Industry Partnerships

Tourism Tasmania works with industry operators of all sizes to increase marketing reach and conversion opportunities to the state. The partnerships also extend the distribution of Tasmanian product through integration in industry partner marketing campaigns and co-operative marketing activity.

In 2009-10, Tourism Tasmania partnered on a fifty-fifty contribution basis with partners through the Partnership Marketing Program. The outputs delivered included online advertising through the Fairfax network, investment in Google Adwords campaigns and print advertising in publications such as the *Herald Sun* and other regional publications in markets such as Canberra and Adelaide.

A number of smaller tactical marketing activities proactively worked with individual operators to increase their presence in the marketplace. The marketing channels included the *Financial Review*, *Tasmanian Travelways* and VisitVineyards.com – an online wine and food travel guide. Tamar Valley Wine Route vineyards and attractions were featured on VisitVineyards.com to 26,000 subscribers and 30,000 website visitors, the Wine Society national membership of 60,000 and 7,000 Victorian BMW owners.

TASMANIA UNBOTTLED 20 09



Above: Paddy Pallin's national Tasmania promotion. Top right: Participants in Wildside MTB doing the hard yards

Brand Partnerships

Tourism Tasmania partnered with leading adventure-wear company Paddy Pallin and the East Coast Zone Marketing Group to produce its 2009-10 summer catalogue, launched in stores and to Paddy Pallin members nationally. A total of 50,000 copies were distributed nationwide and featured high-quality images of the Paddy Pallin team road-testing the adventure wear on Tasmania's East Coast.

The partnership extended well beyond the catalogue with promotional activity surrounding the launch of the summer handbook including:

- « A four week in-store and window promotion in all 13 Paddy Pallin retail outlets nationally
- « Online presence on the Paddy Pallin website
- « An eight-page spread in the Virgin Blue in-flight magazine November 2009 issue
- « Communication to over 20,000 Paddy Pallin club members in the bi-annual Boots N All publication and fortnightly e-newsletters
- « Consumer promotion in partnership with Paddy Pallin and World Expeditions featured on the back cover of the summer catalogue and promoted in-store
- « Distribution of the East Coast Planner in all 13 Paddy Pallin stores.

The partnership with Paddy Pallin has led to a long-term strategic relationship with many cross-promotional sponsorship opportunities.

Tourism Tasmania also collaborated with SBS Television to promote the *Gourmet Farmer* series and Tasmania as a must-visit destination. The new food series showcased Tasmania and its authentic, quality food tourism experiences to a national audience.

Tourism Tasmania partnered with Tasmania's award-winning tour operator, Premier Travel Tasmania, to create a unique Tasmanian foodie experience that viewers could win as part of a *Gourmet Farmer* competition. The competition was promoted on air,

through website banner advertising and communications to SBS food e-subscribers. A total of 13,000 entries were received, making the competition one of SBS's best ever received promotions.

Tourism Tasmania also promoted the series on discovertasmania.com by featuring Tasmanian itineraries and holiday packages. In addition, Tasmania also had a presence on the *Gourmet Farmer* website, with information about the destination, links to discovertasmania.com and rotating banner advertising. Tourism Tasmania also communicated to over 40,000 subscribers through fortnightly e-newsletters in December 2009 and January 2010.

Gourmet Farmer performed extremely well, doubling one of SBS's best rating shows – World News with a total audience consistently over 500,000.

Hawthorn Football Club

The Hawthorn Football Club made its database of over 40,000 subscribers available to Tourism Tasmania to enable direct marketing and the showcasing of its new marketing campaign through electronic mail. It promoted Tasmania's world-class experiences and attractions with five great deals as well as the promotion of Lumina – A Winter of Festivals.

Tourism Tasmania also produced an A5 sized postcard that was sent to over 52,000 Hawthorn members with exclusive Tasmanian package offers created in conjunction with Hawks Flight Centre Business Travel.

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

Tasmania's sponsorship of the Hawthorn Football Club has once again delivered significant exposure for the state through the successful Tasmanian Game of the Year promotions at the MCG. A crowd of 77,278 saw Essendon defeat Hawthorn with approximately 800,000 watching the game on television. The Tasmania Game of the Year provided the ideal marketing platform to promote Tasmania as a must-visit holiday destination,

and Tourism Tasmania used the opportunity to preview its new brand positioning campaign 'A world apart, not a world away' to an audience of potential visitors and investors.

Over 500 influential executives and business elite attending the President's function were immersed in the Tasmania theme and given a taste of some of the great offerings available in the island state. Television stars Ed Halmagyi and Jack Campbell provided an entertaining Question and Answer with AFL legend Peter Knights and spoke passionately about their experiences in Tasmania filming the second series of *Discover Tasmania*. All guests received a premium Tasmanian gift bag that included a postcard with exclusive Tasmanian package offers created in conjunction with Hawks Flight Centre Business Travel.

Tasmania branding and promotions were also in the concourse outside the main arena with mobile billboards and 2,000 giant inflatable hands branded Hawthorn Football Club and Tasmania distributed to fans as they entered the MCG. This branding aimed to gain increased exposure for the TV audience as the game was broadcast on free-to-air.

Tasmania had access to the field 15 minutes prior to the start of the match for an on-ground promotion that was linked to a radio promotion on station SEN, maximising the exposure around the 'Tasmania Game of the Year'. Listeners could enter a competition to participate in the pre-match 'goal kick' activity and the chance to win a trip to Tasmania for four people. The promotion was played 92 times in the two weeks leading up to the game on SEN and generated exposure valued at over \$27,000. Large 'TASMANIA' letters were positioned on the ground to reinforce our presence and exposure on the day. Further to this, a luxury Tasmanian escape - the prize of an SMS competition for match-day attendees - was promoted on the big screen and further extended the reach of the Tasmania message. Advertisements for Tasmania appeared on the MCG scoreboards, boundary signage and a full-page colour advertisement in the Match Day section of the AFL Footy Record.

The 'Tassie Hawks in Schools' program, an initiative of the Tasmanian Government in conjunction with Hawthorn Football Club, promoted the benefits of active participation in sports for school children. A total of 226 sports packs, each containing an AFL football, netball, soccer ball, volleyball, basketball and pump, were given to primary schools across the state. In addition, all Tasmanian Grade Four students received a Hawks in Schools Workbook that provides education, sport and health related information.

Australian Tourism Exchange

Tasmania was represented at the Australian Tourism Exchange (ATE) 2010. The event included the trade launch of Pure Tasmania's latest product offering, Saffire-Freycinet Resort, a newly designed and well received Tasmanian booth, and a friends of Tasmania dinner.

The Saffire-Freycinet Resort launch at ATE attracted considerable attention to Tasmania with luxury buyers showing particular interest in this new offering. The launch was supported by considerable follow-up work by our international representatives.

International Marketing and Global Media Relations

Our international marketing efforts in 2009-10 focused on the target markets of Japan, Korea, China, Singapore, Malaysia, Hong Kong, North America, United Kingdom, Europe and New Zealand. The marketing activities included public relations, distribution and the development of integrated campaigns with in-country partners including Tourism Australia and the Tasmanian tourism industry.

Publicity generated through international media relations was \$25 million - \$2 million more than the target for the year. In total, there were 60 media visits by broadcast, online and print journalists.

A Tourism Tasmania-led road show in North America saw a re-institution of market visits by Tasmanian industry. Additionally, a 13 page cover story appeared in Air Canada's In-flight Magazine.

In Greater China, the telecast of four Tasmanian episodes of *Iron Chef Wong Wing Chee's Gourmet Travelogue* generated an equivalent advertising value of \$4 million. To further leverage the awareness and exposure generated by this program, Tourism Tasmania worked with Guangzhou's retailing giant, GZL, on a co-operative campaign with Chef Wong as the celebrity escort of a gourmet tour, the first ever of its kind in the market. Tourism Tasmania will extend this partnership into the 2010-11 financial year.

In Hong Kong and in partnership with TVB Hong Kong, Tourism Tasmania's broadcast partner from the hugely successful Eason Chan 2008 promotion, Iron Chef Wong focused on Tasmanian produce in a series of prime time television shows.

In Singapore and Malaysia, a highlight for the year was the 'fly free to Tasmania' promotion with Air Asia in conjunction with the launch of direct flights from Kuala Lumpur to Melbourne. The campaign resulted in 438 bookings. A 36-page supplement in the markets top women's magazine, *FEMALE*, was published in April. Over 100,000 copies were distributed with trade reporting strong increases in demand and interest in Tasmania as a result.

In Korea and Japan, the *Japanese Diners Club Members* magazine ran a feature on Tasmanian produce and our World Heritage areas. Distributed to half a million Japanese card holders, the guide also included product packages and booking information. One of Japan's favourite travel shows, *Sekai Fushigi Hakken* (Discover the World's Mysteries), was viewed by 18 million people. Koreans looking for 'off the beaten track' adventures were presented with Tasmania as an option through four dedicated programs featuring a range of outdoor adventures in the state.

In the United Kingdom, the insertion of one million copies of a Tasmanian supplement in the *Saturday Telegraph* was the single largest UK project ever undertaken to promote Tasmania. The 16-page supplement was supported by online advertising, a micro-website and a range of special product offers sold through Tourism Tasmania's distribution partner Tailor Made Travel.

Tasmania enjoyed outstanding coverage in Europe this year including 15 minutes on Ireland's leading travel programme, No Frontiers, and a further 15 minutes on the leading Italian travel program, Alle Falde del Kilimangiaro.



MCG crowd treated to a pre-game Tasmanian promotion



Hawks in Schools program at Norwood Primary



In their 100 Greatest Australian Gourmet Experiences, Australian Traveller awarded The Agrarian Kitchen the Top Gourmet Experience.



Tourism Tasmania provided support for the redevelopment of the Cradle Mountain Visitor Centre

POINT OF INTERVENTION 4: *Achieve alignment of Tasmania's tourism product, experiences and infrastructure to match market expectations of the Brand.*

Tourism Tasmania achieves this alignment by using a number of clearly identified approaches, including; destination development, industry development, industry partnerships and event facilitation.

Destination Development

Tourism Tasmania continued to work with industry and government partners to ensure Tasmania develops quality visitor experiences that underpin our brand, build satisfaction and customer loyalty and encourage new visitors.

At state-level this included providing strategic advice through external project steering committees and providing policy advice and participating in stakeholder consultation. Specific programs to facilitate destination development work included progressing Tasmania's candidacy to join Australia's National Landscapes program - a partnership between Tourism Australia and Parks Australia, and contributing to the development of the National Long Term Tourism Strategy through undertaking the role of Chair of the Destination Management Planning Group.

Tourism Tasmania provided significant input into regional planning exercises including the development of the three Regional Land Use Strategies and national work aimed at improving tourism planning guidelines.

At a regional level, Tourism Tasmania has established tourism development plans with councils, local tourism associations and other stakeholders, including other government agencies, at key locations around the state.

Tourism Tasmania supported long-term planning and the development of services and infrastructure at the Cradle Valley precinct. The Cradle sewerage scheme was launched in February 2010, enabling projected future accommodation developments to proceed. Work commenced to review the requirements of a visitor centre at Cradle Mountain. Tourism Tasmania provided funds to support the re-development of the

Visitor Centre and also accessed new research to help review the needs of a WHA interpretation centre and broader visitor information centre.

Tourism Tasmania participated in the Tarkine Stakeholder Discussion Group, convened by the Cradle Coast Authority, to examine strategic tourism issues for the Tarkine area. In-principle agreement has been reached for sealing the South Arthur Forest Drive with the upgrading of some walking tracks and basic infrastructure.

Tourism Tasmania worked collaboratively with the Tasman Council and other stakeholders to commence a review and update of the Tasman Tourism Development Strategy, with the final report to be completed by November 2010. The updated strategy will continue to guide tourism development in the region over the next five years, particularly in consideration of major developments such as the Three Capes Track, inclusion of the Port Arthur and the Coal Mines Historic Sites in the Australian Convict Sites, recently inscribed as World Heritage Area, and planned private sector development.

An earlier Tasman tourism strategy that guided tourism development on the Tasman Peninsula over the past four years identified the need to complement the strong heritage experience of the region with new products and experiences that highlight the spectacular natural coastline. The proposed Three Capes Track, a five night-six day experience including walking and water-based journeys, addresses this goal and has secured Tasmanian and Australian Government funding. Tourism Tasmania worked closely with the Parks and Wildlife Service (PWS) in the feasibility and planning stages and looks forward to supporting PWS in developing this iconic visitor experience.

Tourism Tasmania actively supported the State-Local Government Partnership Agreement process by providing advice and support on tourism development and marketing where these issues were determined to be important to the local community and for the economic development of the region. New partnership agreements were signed for Glamorgan-Spring Bay, Central Highlands and West Coast.

Investment and Infrastructure

Tourism Tasmania has developed a *Tourism Investment Guide for Tasmania*. The guide is for potential investors who want to develop a tourism product or experience that involves building or construction, but who may not have experience in the tourism industry. The guide focuses on product design, concept planning and planning approval. Tourism Tasmania also undertook work to review and update the information that is publicly available on investing in tourism.

Tourism Tasmania continues to work with local government through Council and Tasmanian Government Partnership Agreements to address specific local infrastructure issues that impact on tourism. Tourism Tasmania worked with the Kingborough Council on infrastructure issues affecting tourism on Bruny Island and is working with West Coast Council and Hydro Tasmania on developing tourism opportunities at Lake Margaret.

Product Development

A Strategy and Business Plan template was developed by Tourism Tasmania to assist future sector association planning for the twelve tourism sector associations in Tasmania. This will enable a more efficient and effective working relationship between industry and Tourism Tasmania through the sector associations.

A *Caravan and Holiday Park Market and Opportunity Analysis* contributed to an appraisal of the Port Arthur Garden Point Caravan Park opportunity and subsequent development plans. Development and investor opportunities with Forestry Tasmania were also promoted to potential investors at the Caravan Recreational Vehicle Association National Conference in Brisbane.

The *Caravan, Motorhome and Camping Policy Recommendations to Local Government 2003* was updated and communicated to councils with additional information and clarification of the Competitive Neutrality policy as dictated by the Government Oversight Pricing Commission under the National Competition Policy Agreements.

Accessible Tourism

The Accessible Tourism Project contributes to the National Disability Strategy. It is delivered through workshops on a community basis and includes tourism related businesses and councils that provide services and facilities for the disabled visitor market including the growing seniors market. The first workshop was presented to the gateway Tasmanian Visitor Information Centre in Hobart.

The Accessible Tourism workshops include a video on providing services to this market and a DVD toolkit featuring templates for industry operators. Tourism Tasmania published the Accessible Tourism Resource Kit on the Tourism Tasmania corporate website.

Food and Beverage

Tourism Tasmania identified and fostered the development of quality local and regional food experiences to offer a point of difference or competitive advantage in the market place and to contribute to the significance of the food and beverage offering in our brand.

Tourism Tasmania completed a Food and Beverage Market Assessment as part of a strategic response to food and beverage development. This was the basis for a series of workshops that

focused on developing local food experiences and identifying Unique Selling Propositions to engage this market. The workshops were conducted on King Island, Bruny Island, Flinders Island and Swansea and have already generated new products and innovative packaging.

Tourism Tasmania held preliminary discussions with the distilleries and boutique breweries to assess the potential of developing a 'World Class Whisky and Boutique Breweries' trail.

Cycling

Cycle Friendly community-based workshops were conducted at Deloraine and Swansea to continue Tasmania's development as a cycle friendly destination. The workshops focused on tourism and related businesses and local councils and included cycle touring and mountain bike opportunities.

As a result of the Swansea workshop, a Cycling Development Strategy for Swansea, Bicheno and Coles Bay will be developed in 2010-11 in partnership with Sport and Recreation Tasmania and the Freycinet Coast Tourism Board.

The *Tasmania Cycle Touring Guide* was updated and 10,000 copies printed. The guide was inserted into the summer edition of the Bicycle Victoria magazine *Ride On* and is published on discovertasmania.com and distributed at special interest consumer shows.

DIGITAL COACH PROGRAM

Tourism Tasmania developed the Digital Coach Program to meet the strategic priority to build the industry's capacity to understand and benefit from the digital environment.

The Digital Coach Program is a personalised coaching program that aims to help tourism businesses gain knowledge, understanding and the skills required to ensure they have a competitive website.

Pelion Consulting was contracted for the super coach role while the digital coach roles were provided by Cowry Consulting, Ripe Online, GlobalNet ICT, Michon International and Imagination Corporation.

A total of 15 Digital Coach Program workshops were conducted to introduce operators to the concept of the program. Workshop participants completed a survey to help the team understand their current digital capacity and skill development needs.

As a result, 240 operators registered to participate in the program from April to June 2010.

The coaching package included website analysis, phone meetings, face to face meetings, forum discussions, skype meetings and live online group sessions.

The Tas e-Connect Forum and the Tourism e-Kit were the main coaching tools used by participants in the program. In all, 161 participants became Tas e-Connect Forum members. There were 966 posts made on the forum with the most popular topics being websites, social media and e-marketing.

Live tutorial sessions covered topics such as Facebook and Twitter, Tripadvisor and Google tools. Recordings of the tutorials were made available to all participants through the Tas e-Connect Forum.

Koreans looking for off-the-beaten-track adventures were presented Tasmania as an option through the program The Art of Travel, with four dedicated programs on Tasmania featuring a range of outdoor adventures in the state. The estimated value of this publicity was \$1.68 million.



Tourism Tasmania presenting at a cycle friendly workshop



Left: A Rail Tourism strategy was developed this year
Above: Collateral to attract participants to the Digital Coach program

Heritage

Tourism Tasmania, in partnership with Heritage Tasmania, hosted two Heritage Tourism workshops in Quamby and Hobart. The workshops were designed to give participants the chance to share ideas, raise challenges and to build new and existing partnerships between heritage and tourism professionals. Tourism Tasmania completed a *Rail Tourism Market Assessment* to assess the market potential of this sector. As a result, a Rail Tourism Strategy was completed to identify market opportunities as well as issues impeding further development. With support from Tourism Tasmania, Tourist Railways of Tasmania ran an inaugural rail tour that will become a bi-annual event as part of the annual Sheffield Steamfest.

Learning and Development

Tas e-Connect

The Tas e-Connect initiative enabled Tourism Tasmania to expand the distribution capacity of the tourism industry and help operators understand and benefit from the online environment. A significant component of the initiative was the implementation of a comprehensive learning and development program that offered a range of ways by which industry could learn how to connect their business to potential visitors online. Tas e-Connect gave businesses access to online booking technology through the Open Booking Exchange.

Since the launch of Tas e-Connect, Tourism Tasmania has provided a help desk for all issues and queries that operators may have including for the Autumn Winter 2010 Marketing

Campaign, registration for the Digital Coach Program and assistance in accessing the Tas e-Connect Forum.

Experience Development

Experience development modules addressing brand, interpretation planning, financial case studies and awards submissions have been redeveloped in video format and published on the Tourism Tasmania corporate website.

Regional Tourism Associations

Tourism Tasmania worked collaboratively with Tasmania's three regional tourism associations to build sustainable tourism outcomes at the local and regional level. Underpinning this partnership is a three-year grant agreement with the regional tourism associations. Examples of the activities delivered by the regional tourism association through the grant agreements included secretarial support for the Zone Marketing Groups, professional development conferences and workshops for tourism businesses and product development initiatives to build visitor experiences in the food and beverage and cultural tourism fields. Activities also included support for the Tasmanian Visitor Information Network.

An important activity within the professional development component was a series of social media workshops conducted throughout the state to help tourism businesses capitalise on the opportunities presented by social media such as facebook, twitter, wikitravel and youtube.

In addition, the year saw the commencement of a review of regional tourism by the Cradle Coast Authority, Northern

Tasmania Development, Tasmania's South Regional Tourism Association and Tourism Tasmania. The review's objective was to determine how tourism organisations and stakeholders can work together most effectively to create positive partnerships that meet shared goals. A major consideration of the review was the roles and responsibilities of the respective stakeholder groups. The review process, assisted by KPMG, will be finalised in late 2010.

Tasmanian Visitor Information Network

The Tasmanian Visitor Information Network (TVIN) Grant Program 2009-10 provided funding to Tasmanian Visitor Information Centres (TVICs) in Devonport, Launceston and Hobart, and to regional projects and individual visitor information centres. The projects aimed to enhance the visitor experience and improve the business practices of visitor information centres.

MAJOR EVENTS

Events Tasmania has developed a more balanced and vibrant portfolio of events that feature Tasmania's competitive brand advantages. The cultural market reach of the major events portfolio was also qualitatively broadened.

Events Tasmania undertook the strategic planning and development of targeted events to leverage existing events and attract new ones and to better match and influence market expectations and perceptions of Tasmania's brand.

Existing events such as the Festival of Broadway, the Burnie International Tennis Tournament, Festival of Voices, Targa Tasmania and the Chocolate Winterfest have provided quality event tourism products for marketing leverage to better align with consumer expectations.

Long term planning and development of adventure based events was undertaken to leverage the successful bid for the 2011 Adventure Racing World Championship and help position Tasmania as an adventure destination.

A major strategy was to encourage a change in the timing of events away from the peak periods and to address the regional dispersal of visitors across the year.

The second O'Neill Coldwater Surfing Classic, held in March 2010 at Marrawah on Tasmania's remote north-west coast, showed the power of regional community ownership in building equity in destination branding through worldwide media coverage and live digital streaming. The event brought over 220 visitors to the region over an eight-day period with significant direct expenditure to the area. Similar success was also achieved during the 2009 ICF Wildwater World Cup, held at various sites across the state.



Chocolate Winterfest at Latrobe

The Events Tasmania Event Development Program provided free master-classes, workshops, practical skills classes, webinars, forums and scholarships to Tasmanians working in events. The program, designed to build the capacity, ingenuity and skills of the event sector, provided training to over 250 events personnel.

At the end of the second year of a three-year funding program, the Visitor Experience Assistance Program for the Tasmanian Visitor Information Network, three regional TVIN centres have promoted the development of marketing plans, communications, training and development opportunities and e-commerce preparation.

The grant program funds contribute to specific improvements and support for TVICs around Tasmania. A Cradle Coast TVIC pilot, that included the eight accredited visitor information centres in the North-West, aims to establish a Visitor Information Centre online business model. It is providing recommendations on online booking options, associated business practices and an online business model for the future.



Festival of Voices was again a great success

Participants from more than 40 events as diverse as Soundscape, Cygnet Folk Festival, Beerfest, MS Fest, the Errol Flynn Centenary Celebration, Point to Pinnacle, TasPride Festival and Festival of Broadway, received expert advice and coaching through the program.

Internationally renowned experts in their fields, Kim Skildum-Reid (Power Sponsorship) and Gillian Minervini (Creative Director/Producer - Events for the City of Sydney) gave presentations offering world class knowledge and information to our local events industry.

Tasmanian Government investment, in partnership with local government, resulted in infrastructure improvements to the Burnie Tennis Club venue, resulting in the club now hosting Australia's biggest regional tennis event. The Burnie International Tennis Tournament, secured at Burnie for a minimum of five years, represents significant value to the local north-west region. It brings valuable flow-on tourism business effects to the community, with the city fully occupied for a seven day period, and the opportunity for regional areas to have access to high standard international sporting events.

Infrastructure development associated with the Moorilla International Tennis Tournament in Hobart, the Falls Festival site in the Sorell municipality and Aurora Stadium, Launceston, have added value and regional capability to meet market expectations of the brand.

New Zealand sports journalist Shaun Summerfield hit the road in the Rookie Rally in Targa Tasmania. Shaun's experiences were reflected in the press, online and on television across New Zealand and generated \$260,000 in editorial coverage.



Above: The Burnie International tennis tournament

Right: Action from the Wildwater World Cup

Far right: World-class breaks at Marawah for the O'Neill Coldwater Surfing Classic



Accreditation and Quality Improvement

Tourism Tasmania has proactively supported accreditation as the principal means to address service standards. Tourism accreditation was introduced in the late 1990s by the Tourism Industry Council Tasmania (TICT) with an ongoing annual grant of \$120,000 to the TICT from Tourism Tasmania.

The national program implemented by the TICT now has around 1,050 members accredited in Tasmania. 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.

The key elements of the quality improvement program are:

Accreditation

The Australian Tourism Accreditation Program aims to raise the professionalism of the industry through the implementation of business management practices and standards and has been implemented in Victoria, SA, WA and the Northern Territory.

Tourism Tasmania has taken a lead role in bringing together other local and state government agencies that rely on the accreditation process as part of their own licensing arrangements in order to consider improvements in accreditation.

The National Tourism Accreditation Framework

Throughout the year, Tourism Tasmania played an integral role in the development of the National Tourism Accreditation Framework. This is a nationally agreed approach by the tourism industry and government that aims to ensure a quality customer experience across the Australian tourism industry.

The Tourism Quality Council of Australia (TOCA) has been formed to oversee the operation of the Framework and make decisions regarding the granting of licences to eligible accreditation and rated programs. This Council is Chaired by Simon Currant, a director of both Tourism Tasmania and the Tourism Industry Council Tasmania.

Grants and Incentives

The Events Tasmania Grant Program supported 100 events with funding of \$420,000 and bringing approximately 30,000 visitors spending around \$30 million in direct expenditure.

The funding is vital to the success and potential growth of essentially volunteer-based events in partnership with local government. The programs, promoted to local and interstate event organisers, bring interstate and international visitors to Tasmania, building on regional dispersal of events and visitors.

National championships conducted around the state bring large numbers of visitors to Tasmania. The touring program, although attracting smaller numbers, disperses visitors to all regions distributing the economic benefits to our smaller communities. Special interest events including sporting, cultural, musical, food and beverage and other community cultural events offer a diverse range of entertainment for visitors and locals.

The Tasmanian Regional Event Development Grants also supports projects that make regional events more sustainable and establish ongoing development practices within these events.

Statutory Information

Board of Directors Attendance 2009-2010

BOARD MEMBER	CURRENT TERM	NUMBER OF BOARD MEETINGS ATTENDED	FINANCE, AUDIT & RISK COMMITTEE	EVENTS COMMITTEE
Bob Annells	2/3/09-1/3/12 (2nd term)	5	n/a	5
Simon Currant	2/3/09-1/3/11 (4th term)	6	n/a	5
Wayne Kirkpatrick	21/8/09-20/8/10 (2nd term)	5	4	n/a
Kimberly Seagram	11/7/08-10/7/10 (2nd term)	6	n/a	5
Alison Stubbs	2/3/09-1/3/12 (2nd term)	6	4	n/a
Juanita von Stieglitz	11/7/08-10/7/10 (3rd term)	6	4	n/a
Mark Kelleher	21/8/09-20/8/12 (1st term)	5	n/a	n/a
Felicia Mariani*	30/1/06-30/1/11 (1st term)	6	n/a	n/a

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

Board Committees

Audit, Finance and Risk

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

Events

The main functions of the Committee are to advise on the strategic direction and goals for Events Tasmania; advise the Minister and/or Premier of resources required to deliver the Major Events program including a flexible funding source for recommended major events; and advise and recommend major events to be supported.

Our staff

As at June 2010, Tourism Tasmania had 92.38 full-time equivalent (FTE) employees with a head count of 112. The FTE count was made up of 65.34 females and 27.04 males.

Contracts and Consultants

The following tables provide detailed information on Tourism Tasmania's contracts and consultancies with a value of \$50,000 or over (excluding GST) for 2009-10.

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

NAME OF CONTRACTOR	LOCATION OF CONTRACTOR	DESCRIPTION OF CONTRACT	PERIOD OF CONTRACT	TOTAL VALUE OF CONTRACT
Mitchell Communication Group Limited; Bellamy Hayden Pty Ltd	Victoria New South Wales	Media Agency Services	01/12/2009 to 30/11/2012 Plus optional extension provision 1/12/2012 to 30/11/2014	\$470 100 \$313 400
Juicy Communications Ltd	United Kingdom	International Marketing Representation – United Kingdom and Germany	01/12/2009 to 30/11/2012 Plus optional extension provision 1/12/2012 to 30/11/2014	\$443 646 \$443 646
Development Counsellors International	United States	International Marketing Representation in North America	01/01/2010 to 31/12/2011 Plus optional extension provision 01/01/2012 to 31/12/2013	\$440 000 \$440 000
Vivid Marketing Services; Goshu Tourism Marketing Pty Ltd	Hong Kong New South Wales	International Marketing Representation in Asia	01/08/2009 to 30/06/2011 Plus optional extension provision 01/07/2011 to 30/06/2013	\$530 000 \$700 000
V Cubed Pty Ltd	Western Australia	Inventory Exchange Platform	18/12/2008 to 18/04/2012 Plus optional extension provision 19/04/2012 to 18/04/2015	\$618 339 \$270 021

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

NAME OF CONSULTANT	LOCATION OF CONSULTANT	DESCRIPTION OF CONSULTANCY	PERIOD OF CONSULTANCY	TOTAL VALUE OF CONTRACT
Colmar Brunton Pty Ltd	New South Wales	Review of the effectiveness of promotion of Tasmania within Australia and overseas markets	17/08/2009 to 30/06/2011	\$71 500

■ Freedom of Information

Tourism Tasmania has a legal obligation to respond to requests for information in accordance with the *Freedom of Information Act 1997*, which came into effect on 1 January 1993. The Act provides members of the public with the right to access information held by the government and its agencies, with the exception of information deemed by the Act to be exempt.

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

In 2009-10 Tourism Tasmania received two requests for the release of information under the Act. In both cases the requested information was provided in full.

■ Tasmania Together

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

As at 30 June 2010 Tourism Tasmania, within the Department of Economic Development, Tourism and the Arts, shared the co-ordinating 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 2010 was as follows:

- « Total spend up 4 per cent to \$1.507 billion
- « 910,200 visitors on scheduled air and sea transport (up 0.3 per cent)
- « Average length of stay 9.3 nights (up 8 per cent)

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

In 2009-10 Tourism Tasmania contributed to the Disability Framework for Action.

The Tourism Tasmania consumer website www.discovertasmania.com has been developed in accordance with the Tasmanian Government's accessibility standards with due attention paid to the principles laid down by World Wide Web Consortium (W3C). We use a content management system which has been adopted by a wide range of government organisations, universities, art galleries and large museums, and commercial enterprises in Australia and worldwide.

On the site we profile accessible product, attractions and tours so that they are easily found by this important market segment. Additionally with our online electronic brochures (flick books), we have taken special care to ensure that as well as being visually attractive and functional, that a text version is available which can be access by text readers and other transformative aids.

Accessible Tourism

The Accessible Tourism project is delivered on a community basis and includes tourism related businesses and councils that provide services and facilities for the visitor including Tasmanian's travelling intrastate. These services and facilities are an asset to all visitors with accessible needs including the growing seniors market. The workshop is also delivered to the key Tasmanian Visitor Information Network centres.

Accessible Tourism workshops will continue in 2010-11 and will use the Accessible Tourism Resource Kit to facilitate the ongoing development of innovative products and services catering to the accessible and seniors market. This will also enable operators to provide quality information online for the accessible component of their product or service.

The Accessible Tourism Resource Kit has also been made available on the Tourism Tasmania corporate website www.tourismtasmania.com.au.



■ Climate Change

Climatic advantages or disadvantages may or may not 'shift' but regardless of the reality, the impact of climate change on perceptions of travel will impact in unquantifiable ways. Whatever the physical and measurable impact of environmental issues, they have become a perceptual and behavioural driver of consumer choices. Purpose built, or cleverly modified, tourism product that 'ticks the green box', in perception and/or reality, will be one of the winners going forward.

More travellers than ever are seeking 'responsible' tourism options and the desire to 'leave the world a better place' have seen a rise in the popularity of authentic experiences that support local communities and the environment.

Tourism Tasmania acknowledges the substantial level of commitment and work on climate change occurring among other stakeholders and is developing an integrated approach to create the most efficient results.

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


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

To date our contribution in addressing climate change includes:

- « The National Tourism and Climate Change Taskforce, of which Tourism Tasmania is represented on the Carbon Offsetting and Environmental Performance and Communications sub-groups. This Committee commissioned a scoping study released by the Sustainable Tourism Cooperative Research Centre on the impact of climate change on Australian tourism destinations.
- « Tourism Tasmania has launched an information portal to assist the industry to introduce climate change adaptation and mitigation strategies. This website includes checklists of easy

actions for reducing energy, water and waste; comparison information on the available tourism environmental certification schemes, how to use a green event policy; green marketing ideas including advice on how to tell your climate change story without 'greenwash' and links to a range of relevant resources.

- « Tourism Tasmania actively worked with Huon Valley Kingborough Tourism Associations Australian Government funded 'Green Tea Project' (Tourism Environmental Audit Program) aimed at providing around 40 operators assistance with reducing their carbon emissions. The 18-month program is guiding the tourism operators through a process that monitors waste production and energy and water consumption against international benchmarking. Tourism Tasmania will continue to support this program as it continues to be rolled out in the rest of the state.
- « Tourism Tasmania also works with the Tasmanian Climate Change Office in facilitating a whole-of-government response to climate change issues, including managing the impact of the Carbon Pollution Reduction Scheme legislation on the tourism industry.
- « Tourism Tasmania supports the Qantas Sustainability Awards as part of the state and national tourism awards. To further assist in raising awareness of sustainable issues across the state Tourism Tasmania is also a sponsor of the Tasmanian Environment Awards.
- « Sustainability measures are embedded in all of the industry development, business development and destination development work undertaken by Tourism Tasmania such as a sustainability module being included as part of the Signature Experiences Development Program.
- « Further actions under development include: proactively driving change by supporting our industry leaders, engaging consumers and integrating sustainability/climate change into a range of Tourism Tasmania's industry programs to further support change.



Tourism Tasmania
Annual Financial Statements |
For the year ended 30 June 2010

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Certification of Financial Statements

The accompanying financial statements of Tourism Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and paragraph 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2010 and the financial position as at the end of the year.

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



Felicia Mariani
Chief Executive

Date: 13 August 2010



Robert Annells
Chairman of the Board

Date: 13 August 2010



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

TOURISM TASMANIA

Financial Statements for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of Tourism Tasmania (the Authority), which comprises the statement of financial position at 30 June 2010, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certification by the Directors of the Board.

The Responsibility of the Directors for the Financial Statements

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

Auditor's Responsibility

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

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

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

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

Auditor's Opinion

In my opinion the financial statements of Tourism Tasmania:

- (a) present fairly, in all material respects, the financial position of Tourism Tasmania as at 30 June 2010, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



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

HOBART
21 September 2010

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 •

Making a Difference

Tourism Tasmania

Statement of Comprehensive Income For the Year Ended 30 June 2010

	NOTE	2010 ACTUAL \$'000	2009 ACTUAL \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Attributed Revenue from Government			
Appropriation revenue - recurrent	1.6(a), 3.1	30,454	28,404
Appropriation revenue - section 8A of the Public Account Act 1986	1.6(a), 3.1	–	364
Revenue from Special Capital Investment Funds	3.2	3,864	6,709
Sales of goods and services	1.6(b), 3.3	1,816	3,684
Other revenue	1.6(c), 3.4	5	197
Total revenue and other income from transactions		36,139	39,358
Expenses from transactions			
Attributed employee benefits	1.7(a), 4.1	10,588	11,874
Depreciation and amortisation	1.7(b), 4.2	287	202
Supplies and consumables	1.7(c), 4.3	3,538	5,619
Grants and subsidies	1.7(d), 4.4	8,490	9,180
Advertising and promotion	1.7(e), 4.5	12,556	9,968
Financing costs	1.7(f), 4.6	9	30
Other expenses	1.7(g), 4.7	1,361	865
Total expenses from transactions		36,829	37,738
Net result from transactions (net operating balance)		(690)	1,620
Net result		(690)	1,620
Comprehensive result		(690)	1,620

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

Tourism Tasmania

Statement of Financial Position as at 30 June 2010

	NOTE	2010 ACTUAL \$'000	2009 ACTUAL \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.8(a), 8.1	780	3,445
Receivables	1.8(b), 5.1	121	113
<i>Non-financial assets</i>			
Plant, equipment and vehicles	1.8(c), 5.2	423	550
Intangibles	1.8(d), 5.3	370	530
Other assets	1.8(e), 5.4	1,177	1,078
Total assets		2,871	5,716
Liabilities			
Payables	1.9(a), 6.1	359	1,333
Provisions	1.9(b), 6.2	619	619
Attributed employee benefits	1.9(c), 6.3	1,503	2,137
Other liabilities	1.9(e), 6.4	95	642
Total liabilities		2,576	4,731
Net assets		295	985
Equity			
Accumulated funds		295	985
Total equity		295	985

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 2010

	NOTE	2010 ACTUAL \$'000	2009 ACTUAL \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Attributed Appropriation receipts - recurrent		30,454	28,404
Receipts from Special Capital Investment Funds		3,864	6,709
Sales of goods and services		1,808	3,150
Other cash receipts		5	197
Total cash inflows		36,131	38,460
Cash outflows			
Attributed employee benefits		(11,222)	(11,616)
Supplies and consumables		(3,538)	(5,619)
Other cash payments		(24,036)	(20,473)
Total cash outflows		(38,796)	(37,708)
Net cash from (used by) operating activities	8.2	(2,665)	752
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		-	-
Total cash inflows		-	-
Cash outflows			
Payments for acquisition of non-financial assets		-	(612)
Total cash outflows		-	(612)
Net cash from (used by) investing activities			(612)
Net increase (decrease) in cash held and cash equivalents		(2,665)	140
Cash and deposits at the beginning of the reporting period		3,445	3,305
Cash and deposits at the end of the reporting period	8.1	780	3,445

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 2010

	NOTE	ACCUMULATED FUNDS \$'000	TOTAL EQUITY \$'000
Balance as at 1 July 2009		985	985
Adjustment due to change in accounting policy		–	–
		985	985
Total comprehensive result		(690)	(690)
Balance as at 30 June 2010		295	295

	NOTE	ACCUMULATED FUNDS \$'000	TOTAL EQUITY \$'000
Balance as at 1 July 2008		(469)	(469)
Adjustment due to change in accounting policy		(166)	(166)
		(635)	(635)
Total comprehensive result		1,620	1,620
Balance as at 30 June 2009		985	985

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

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

- maximise economic, community and environmental benefits for Tasmanians;
- enhance the experience of visitors by fulfilling their physical and emotional needs; and
- create a profitable environment for the tourism industry.

Tourism Tasmania activities are classified as either controlled or administered.

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

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

1.2 Basis of Accounting

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

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

The financial statements were signed by the Chief Executive and Chairman of the Tourism Tasmania Board on 13 August 2010.

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

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

1.3 Reporting Entity

The financial statements include all the activities of Tourism Tasmania. The financial statements consolidate material transactions and balances of Tourism Tasmania and Events Tasmania.

1.4 Functional and Presentation Currency

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

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

- In the current year, the 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 101 Presentation of Financial Statements* – this Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
 - *AASB 123 Borrowing Costs* – this Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. *AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]* issued in April 2009 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. There is no financial impact resulting from the application of this revised Standard.
 - *AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101* - revised Standard to be applied from reporting periods beginning on or after 1 January 2010. This Standard changes the term "general purpose financial report" to "general purpose Financial Statements" and the term "financial report" to "Financial Statements", where appropriate, in Australian Accounting Standards (including Interpretations) and the Framework to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
 - *AASB 2009-2 Amendments to Australian Accounting Standards: Improving Disclosures about Financial Instruments* - introduces new disclosure requirements for fair value measurement and refines existing disclosures on liquidity risk for financial instruments. There is no financial impact from the application of this Standard.

- AASB 2009-10 *Amendments to Australian Accounting Standards: Reclassification of Financial Instruments* - permits the reclassification of certain non-derivative financial assets. The Department does not intend to reclassify financial assets in the current period, accordingly there will be 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* – Standard to be applied to annual reporting periods beginning on or after 1 January 2013, includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the replacement of AASB 139 *Financial Instruments: Recognition and Measurement*. These requirements improve and simplify the approach for classification and
- AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on the Financial Statements.

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]* – to be applied for reporting periods beginning on or after 1 January 2013, the amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Standard will not have a material financial impact on the Financial Statements.

- AASB 2009-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* - revised Standard to be applied from annual reporting periods beginning on or after 1 July 2010. The amendments are in respect of the classification, presentation and measurement of non current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial Statements are authorised for issue, respectively. The Standard will not have a material financial impact on the Financial Statements.
- AASB Interpretation 14 AASB 119 *the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* - the interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on

such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.

- AASB 1053 *Application of Tiers of Australian Accounting Standards* - establishes a differential reporting framework, which consists of two tiers of reporting requirements - to be applied for reporting periods beginning on or after 1 Jul 2013. The Standard will not have a material financial impact on the Financial Statements.

■ 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 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; activities of Tourism Tasmania are delivered by staff employed by the Department of Economic Development, Tourism and the Arts. That share of the employee benefits incurred by the Department that relate to Tourism Tasmania activities are included in the Statement of Comprehensive Income as Attributed Employee Benefits and include where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated. Properties held for investment purposes are not subject to a depreciation charge. 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

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

Software 5 years

(c) Supplies and consumables

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

(d) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

(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

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

Borrowing costs include:

- interest on bank overdrafts and;
- 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 Assets

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

(a) Cash and deposits

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

(b) Receivables

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

(c) Plant, equipment and vehicles

(i) Valuation basis

Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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

When parts of an item of plant, equipment and vehicles 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, equipment and vehicles 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, equipment and vehicles are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by Tourism Tasmania is \$5,000. Assets valued at less than \$5,000 are charged to the 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 the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

■ 1.9 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 2010, 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.

■ 1.10 Leases

Tourism Tasmania has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the 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.

■ 1.11 Judgements and Assumptions

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

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

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.

Note 2

Events Occurring After Balance Date

■ 1.12 Foreign Currency

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

■ 1.13 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 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.

■ 1.14 Rounding

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

■ 1.15 Taxation

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

■ 1.16 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office (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.

There have been no events subsequent to balance date which would have a material effect of Tourism Tasmania's Financial Statements as at 30 June 2010.

Note 3

Income from transactions

3.1 Attributed Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the Public Account Act 1986 and Items Reserved by Law.

	2010 ACTUAL \$'000	2009 ACTUAL \$'000
Attributed Appropriation revenue - recurrent		
Current year	30,454	28,404
Total	30,454	28,404
Revenue from Government - other		
Attributed Appropriation carried forward under section 8A(2) of the Public Account Act 1986 taken up as revenue in the current year	-	364
Total	-	364
Total revenue from Government	30,454	28,768

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

3.2 Revenue from Special Capital Investment Funds

Funding for major infrastructure projects is provided through Special Capital Investment Funds. Tourism Tasmania is allocated funding for specific projects from the Special Capital Investment Funds as part of the State Budget process.

	2010 ACTUAL \$'000	2009 ACTUAL \$'000
Economic and Social Infrastructure Fund	3,864	6,709
Total	3,864	6,709

3.3 Sales of goods and services

	2010 \$'000	2009 \$'000
Travel sales revenue	1,335	16,708
Less: supplier costs	(1,207)	(14,278)
	128	2,430
Advertising and user charges	1,688	1,254
Total	1,816	3,684

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

3.4 Other revenue

	2010 \$'000	2009 \$'000
Recoveries, reimbursements and other revenue from ordinary activities	5	197
Total	5	197

Note 4

Expenses from transactions

4.1 Attributed employee benefits

	2010 \$'000	2009 \$'000
Wages and salaries	7,574	8,758
Annual leave	386	591
Long service leave	(207)	203
Sick leave	335	302
Superannuation – defined benefit scheme	135	267
Superannuation – contribution scheme	613	721
Other post-employment benefits	1,566	1,032
Other employee expenses	186	–
Total	10,588	11,874

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 11 per cent of salary.

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

4.2 Depreciation and amortisation

(a) Depreciation

	2010 \$'000	2009 \$'000
Plant, equipment and vehicles	127	92
Total	127	92

(b) Amortisation

	2010 \$'000	2009 \$'000
Intangibles	160	110
Total	160	110
Total depreciation and amortisation	287	202

4.3 Supplies and consumables

	2010 \$'000	2009 \$'000
Consultants	240	616
Property expenses	906	940
Maintenance	46	106
Communications	404	652
Information technology	845	1,157
Travel and transport	665	865
Other supplies and consumables	432	1,283
Total	3,538	5,619

4.4 Grants and subsidies

	2010 \$'000	2009 \$'000
Special Capital Investment Funds	3,855	4,115
Regional tourism support	1,090	999
Convention program support	870	870
Other tourism development assistance	6	14
Sponsorship	164	256
Urban Renewal Heritage Fund	–	284
Spirit of the Sea	–	180
Other events grants and investment attractions	2,505	2,462
Total	8,490	9,180

4.5 Advertising and promotion

	2010 \$'000	2009 \$'000
Advertising and promotion	12,556	9,968
Total	12,556	9,968

Advertising and promotion increased in 2010 is due to additional funding provided for Tourism Marketing and Major Events Support.

4.6 Financing costs

	2010 \$'000	2009 \$'000
Unwinding of discounting of provisions	9	30
Total	9	30

4.7 Other expenses

	2010 \$'000	2009 \$'000
Salary on costs	643	714
Audit fees – financial audit	46	26
Audit fees – internal audit	77	83
Operating lease costs	17	16
Seminars and conferences	48	26
Other	530	–
Total	1,361	865

Note 5

Assets

5.1 Receivables

	2010 \$'000	2009 \$'000
Receivables	121	113
Less: Provision for impairment	–	–
Total	121	113
Settled within 12 months	121	113
Settled in more than 12 months	–	–
Total	121	113

5.2 Plant, equipment and vehicles

(a) Carrying amount

	2010 \$'000	2009 \$'000
Plant, equipment and vehicles		
At cost	992	992
Less: Accumulated depreciation	(569)	(442)
Total plant, equipment and vehicles	423	550

(b) Reconciliation of movements

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

	2010 \$'000	2009 \$'000
Carrying amount at 1 July	550	319
Additions	–	323
Depreciation and amortisation	(127)	(92)
Carrying amount at 30 June	423	550

5.3 Intangibles

(a) Carrying amount

	2010 \$'000	2009 \$'000
Intangibles with a finite useful life		
Software at cost	814	814
Less: Accumulated amortisation	(444)	(284)
Total	370	530

(b) Reconciliation of movements

	2010 \$'000	2009 \$'000
Carrying amount at 1 July	530	351
Additions – other	–	289
Depreciation/ amortisation expense	(160)	(110)
Carrying amount at 30 June	370	530

5.4 Other assets

(a) Carrying amount

	2010 \$'000	2009 \$'000
Other current assets		
Prepayments	1,165	1,012
Tax asset	11	33
Other	1	33
Total	1,177	1,078
Settled within 12 months	1,177	1,048
Settled in more than 12 months	–	30
Total	1,177	1,078

Note 6 Liabilities

6.1 Payables

	2010 \$'000	2009 \$'000
Creditors	233	1,167
Accrued expenses	126	166
Total	359	1,333
Settled within 12 months	359	1,333
Settled in more than 12 months	–	–
Total	359	1,333

Settlement is usually made within 30 days.

6.2 Provisions

(a) Carrying amount

	2010 \$'000	2009 \$'000
Operating lease rentals	120	129
Operating lease make-good provisions	499	490
Total	619	619
Settled within 12 months	199	207
Settled in more than 12 months	420	412
Total	619	619

(b) Reconciliation of movements in provisions

	Operating lease make-good provision		Operating lease rentals		Total Provisions	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance at 1 July	490	461	129	87	619	548
Increases	24	30	–	42	24	72
Changes in discounting	(15)	(1)	(9)	–	(24)	(1)
Balance at 30 June	499	490	120	129	619	619

6.3 Attributed employee benefits

	2010 \$'000	2009 \$'000
Accrued salaries	228	466
Annual leave	441	556
Long service leave	834	1,115
Total	1,503	2,137
Settled within 12 months	762	1,173
Settled in more than 12 months	741	964
Total	1,503	2,137

6.4 Other liabilities

	2010 \$'000	2009 \$'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	–	–
Other revenue received in advance	–	526
Other liabilities		
Employee benefits – on-costs	94	121
Other liabilities	1	(5)
Total	95	642
Settled within 12 months	47	580
Settled in more than 12 months	48	62
Total	95	642

Note 7 Commitments and Contingencies

7.1 Schedule of Commitments

	2010 \$'000	2009 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	1,609	2,357
<i>Total lease commitments</i>	1,609	2,357
<i>Other Commitments</i>		
Assistance to Industry commitments	4,811	8,605
<i>Total Other commitments</i>	4,811	8,605
Total	6,420	10,962
By maturity		
<i>Operating lease commitments</i>		
One year or less	777	830
From one to five years	832	1,527
More than five years	–	–
<i>Total lease commitments</i>	1,609	2,357
<i>Other commitments</i>		
One year or less	3,693	3,990
From one to five years	1,118	4,615
More than five years	–	–
<i>Total Other commitments</i>	4,811	8,605
Total	6,420	10,962

7.2 Contingent Assets and Liabilities

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

As at 30 June 2010, Tourism Tasmania did not have any contingent assets or liabilities.

Note 8 Cash Flow Reconciliation

8.1 Cash and deposits

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

	2010 \$'000	2009 \$'000
Special Deposits and Trust Fund balance		
T522 Economic Development Operating Account	334	240
T659 Tourism Trading Account	444	3,185
Total	778	3,425
Other cash held		
Cash on hand and at bank	2	20
Total	2	20
Total cash and deposits	780	3,445

During 2009-10 the Tas Temptations Wholesaling operation was closed and the reduction in closing balance reflects the winding down of activity including meeting all liabilities to providers.

During 2008-09 a number of non-financial assets were acquired, including leasehold improvements, computer equipment and software. No asset purchases were made during 2009-10.

8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2010 \$'000	2009 \$'000
Net result	(690)	1,620
Increase (decrease) S8A(2) carry forwards	–	(364)
Depreciation and amortisation	287	202
Decrease (increase) in Receivables	(8)	(19)
Decrease (increase) in Other assets	(99)	(461)
Increase (decrease) in Attributed employee benefits	(634)	259
Increase (decrease) in Payables	(974)	(20)
Increase (decrease) in Provisions	–	71
Increase (decrease) in Other liabilities	(547)	(536)
Net cash from (used by) operating activities	(2,665)	752

Note 9

Financial Instruments

9.1 Risk exposures

(a) Risk management policies

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

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

The Chief Executive Officer 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 and measurement basis)	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 2010 but not impaired

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

Analysis of financial assets that are past due at 30 June 2009 but not impaired

	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	9	9	69	87

(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.

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:

2010

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

2009

	Maturity analysis for financial liabilities					More than 5	Undiscounted	Carrying
	1 Year	2 Years	3 Years	4 Years	5 Years	years	Total	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	1,333	-	-	-	-	-	1,333	1,333
Total	1,333	-	-	-	-	-	1,333	1,333

(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.

9.2 Categories of Financial Assets and Liabilities

	2010 \$'000	2009 \$'000
Financial assets		
Cash and deposits	780	3,445
Loans and receivables	121	113
Total	901	3,558
Financial Liabilities		
Financial liabilities measured at amortised cost	359	1,333
Total	359	1,333

9.3 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2010 \$'000	Net Fair Value 2010 \$'000	Carrying Amount 2009 \$'000	Net Fair Value 2009 \$'000
Financial assets				
Cash at bank	2	2	20	20
Cash in Special Deposits and Trust Fund	778	778	3,425	3,425
Receivables	121	121	113	113
Total financial assets	901	901	3,558	3,558
Financial liabilities (Recognised)				
Payables	359	359	1,333	1,333
Total financial liabilities (Recognised)	359	359	1,333	1,333

Note 10

Notes to Administered Statements

■ 10.1 Schedule of Administered Income and Expenses

	2010	2009
	\$'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	-	-

List of Publications



■ Brochures

- North American Motivational
- UK Motivational
- Asia Motivational
- Domestic Motivational
- Hobart and Surrounds Holiday Planner
- East Coast and Flinders Island Holiday Planner
- Launceston, Tamar and the North Holiday Planner
- North West Coast and King Island Holiday Planner
- Western Wilderness Holiday Planner
- Tasmania's 60 Great Short Walks
- Blooming Tasmania
- Golf Tasmania
- Tasmanian Gay and Lesbian Visitors Guide
- Tasmania's Angling Guide
- Caravan and Holiday Park Guide
- Tasmania's National Parks and Reserves
- Tasmanian Visitor Map

■ E-Newsletters

- Discover Tasmania e Newsletter (consumer)
- Events Tasmania e Newsletter (consumer)
- Natural State News (media)
- Tourism Talk (corporate)
- International/Domestic Newsletters (trade)

■ Events Tasmania

- Events Tasmania Grants Program
- Events Tasmania Event Development Program

■ Corporate

- Tourism Tasmania Annual Report 2008-2009
- Tourism Tasmania Corporate Plan 2009-2012
- Tourism Tasmania Statement of Corporate Intent 2009-2012

■ Research/Reports/Industry Advisory

- Accommodation Supply and Demand for Greater Hobart
- Caravan and Holiday Park Market Snapshot
- Tasmanian Cruise Ship Survey
- Tourism Promotion Plan Finalisation Report
- Quarterly Visitation Snapshot
- Tourism Fast Facts
- Summary of Services for the Tourism Industry

