
TOURISM TASMANIA

ANNUAL REPORT 2019-2020

TASMANIA





TASMANIA

COME DOWN FOR AIR



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Tourism Tasmania

Tourism Tasmania's role

Tourism Tasmania is a demand generator and brand leader with clear objectives to attract leisure visitors to the state and grow air and sea access for travellers and the Tasmanian community.

Its programs are a key pillar of the broader Tasmanian visitor economy strategy, partnering with industry and across government to deliver on T21 visitor economy goals.

Tourism Tasmania is also a leader and influencer, actively contributing knowledge and ideas to help shape policy on the development of a thriving and sustainable tourism industry now and into the future.

Tourism Tasmania is a State Authority that operates under the *Tourism Tasmania Act 1996*. It is governed by a board of seven members appointed by the Governor on the recommendation of the Minister. The board of directors hold strong expertise in tourism development, sustainability, marketing and commerce.

Tourism Tasmania's Board of Directors are:

- James Cretan (Chair)
- Annie Beaulieu
- Michelle Cox
- John Fitzgerald
- Ian Rankine
- Carolyn Miller
- Brett Torossi

Board director profiles are available at www.tourismtasmania.com.au/about/board

Statement of corporate intent

While this publication looks back over the past twelve months, the *Tourism Tasmania Act 1996* states that the Annual Report is to include the Statement of Corporate Intent relating to the corporate plan that takes effect at the beginning of the next financial year. This statement of corporate intent is a summary of the Tourism Tasmania Corporate Plan 2019-2021.

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

Tourism Tasmania's vision is to connect travellers culturally and emotionally with our island, delivering social and economic benefits shared with all Tasmanians. Its clear focus is to entice customers aligned to Tasmania's tourism brand to travel to Tasmania by engaging them through its marketing program. Through its work Tourism Tasmania encourages its people to challenge traditional thinking, be customer-centric and be accountable yet fearless in communicating what we know Tasmania to be.

Tourism Tasmania also influences access to our island to make it easier for its customers to visit Tasmania.

Executive Statement

This year has certainly been a tale of two halves for the Agency and our industry. In October 2019, our new tourism brand platform – *Come Down for Air* was launched to national acclaim, our industry was vibrant and strong and by the end of the year, the state had welcomed 1.35 million visitors.

At the start of 2020, devastating bushfires in mainland states were impacting our program and by March the COVID-19 pandemic resulted in the cessation of global travel, cruise ship visits were suspended and Tasmania's border restrictions were placed on all but essential travellers.

A state of emergency was declared in the state, indoor gatherings and business operations were restricted, visitors left and Tasmanians were requested to stay at home unless leaving for essential services.

Tourism Tasmania and the Board responded quickly by committing to providing a leadership role in advocating and supporting the visitor economy throughout the crisis. The Agency immediately instigated its critical incident response, worked with its airline partners to maintain essential passenger and freight access to the state and worked closely with the State Control Centre and Public Information Unit to ensure the industry was supported throughout the crisis with clear, consistent and up to date information and access to resources offered to support the sector.

Tasmania's tourism and hospitality sector was impacted significantly by the restrictions put in place to protect the health, safety and wellbeing of Tasmanians. But throughout this extremely difficult time, the industry have

responded with professionalism and resilience to adjust their business operations and implement COVID-Safe plans to protect their patrons and staff.

Tourism Tasmania's planned marketing program was also significantly impacted and the staffing team moved to working from home arrangements. The team worked with agility to pause, reset or revise marketing activity to respond to the changing market environment while continuing to develop a highly planned destination marketing program designed to ensure that Tasmania stands out and remains competitive with other destinations when travel restrictions ease.

The Agency responded quickly to new market opportunities and to provide immediate support to the industry through intrastate programs while traditional interstate and international markets were not available. When it was safe to travel within the state, the *Make Yourself at Home* and *Welcome Back* marketing campaigns were launched to encourage Tasmanians to support local businesses, travel widely and holiday at home.

The Agency and the board also worked closely with its T21 government partners and the tourism industry through the Tourism Industry Council of Tasmania to plan for the short-term and long-term future, to enable the value of tourism to the Tasmanian community to be restored as quickly as possible. As we work through the social and economic challenges of a post COVID operating environment, Tourism Tasmania remains absolutely committed to assisting our industry through leadership and innovation. Our brand is stronger than ever and we remain confident



Brand Marketing



Brand Marketing

that as conditions allow, Tasmania will once again be high on consumers' wish lists as a place to visit and rejuvenate.

The intent of this annual report is to detail Tourism Tasmania's performance during the year in review, describe the activities that shaped and contributed to that performance and provide a comprehensive financial report to meet the legislative obligation of the *Tourism Tasmania Act 1996*.

It is important to note, in response to a whole of government recommendation this report has been pared back to focus on core major activities for the period.

James Cretan
Chair

John Fitzgerald
Chief Executive Officer

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

T21 – The Tasmanian Visitor Economy Strategy

Tourism Tasmania is a lead partner in Tasmania's visitor economy, working with the tourism industry and across government to achieve the goals in the T21 strategy.

In late 2019, planning commenced for the next decade of tourism in Tasmania. More than 500 industry and visitor economy stakeholders met in 18 workshops around the state where they identified a common vision for responsible and sustainable tourism that takes a holistic approach to the Tasmanian environment, culture and economy and that's embraced by the community.

The significant impact of COVID-19 on the industry, required T21 to focus on a short term plan as a matter of urgency. Insights gathered from the extensive consultation that had already been undertaken were used to inform the development of a two year action plan and priority initiatives that support the recovery of the tourism and hospitality sector and that are important for the visitor economy in the longer term.

The T21 Visitor Economy Action Plan 2020–2022 and six month action plan are available at www.t21.net.au

To support the government's partnership with the tourism industry through the T21 visitor economy strategy, new grant deeds were finalised with Tasmania's four regional tourism organisations. Funding of \$3.9 million over the next three years will support the important role they play with the industry across the regions, working with state and local governments, industry bodies and working with operators to support product development and marketing activities.

Tourism Tasmania worked with the industry and regional stakeholders to facilitate a smooth transition of regional tourism services from the Cradle Coast Authority into the newly established regional tourism organisation, West By North West, with its inaugural board announced in August 2019.

Visitation

– stats and insights

Tourism Tasmania gathers data on visitation to Tasmania through the Tasmanian Visitor Survey, the National Visitor Survey and the International Visitor Survey. These instruments provide insights into Tasmania's visitors and measure the state's progress against the goals in T21 – The Tasmanian Visitor Economy Strategy.

Due to safety concerns surrounding COVID-19, in-person interviews for the Tasmanian Visitor Survey and International Visitor Survey ceased in late March 2020. The visitor data in this report, from both of these sources, are for the year ending March 2020.

This data includes the impacts on travel behaviour from the Australian bushfires and the initial impacts from COVID-19.

TOTAL VISITORS			
Measure	12 months to March 2019	12 months to March 2020	% change
Total visitors	1,324,100	1,308,600	-1%
Total expenditure (million)	\$2,495	\$2,518	1%
Average spend per visitor in Tasmania	\$1,884	\$1,924	2%

LEISURE VISITORS			
Measure	12 months to March 2019	12 months to March 2020	% change
Total leisure visitors	973,800	971,500	0%
Total leisure expenditure (million)	\$2,001	\$2,054	3%
Average spend per leisure visitor in Tasmania	\$2,055	\$2,115	3%

Source: Tasmanian Visitor Survey (TVS)

Marketing Tasmania

Tourism Tasmania's primary role is to showcase the state to well-defined segments of the travelling public who are more likely to travel further, stay longer and spend more in local communities.

The work it undertakes in partnership with the Tasmanian tourism industry, air and sea access, travel trade, media, brand and events promotes the state and supports the sustainable growth of Tasmania's visitor economy.

The marketing strategy is shaped by a number of considerations including government and industry goals outlined in T21 – The Tasmanian Visitor Economy Strategy, an understanding of the domestic and international travel market, clearly defined customer segments and in-depth understanding of the Tasmanian tourism brand, products and experiences.

The program is delivered strategically to reach consumers through a number of mechanisms including major brand and marketing campaigns, conversion focused activity, social media, PR, earned media, event and brand partnerships and travel trade engagement.

The important restrictions put in place to mitigate the spread of COVID-19 resulted in the closure of Tasmanian borders to domestic and international leisure visitors. In response, Tourism Tasmania's program in these markets was immediately adjusted to be sensitive to its audiences and the evolving situation.

'Moments of calm' were shared with audiences via social media as they dreamt of where they may go again when travel recommences. Tourism Tasmania also focused on developing intrastate marketing campaigns to support the tourism and hospitality industry and encourage Tasmanians to holiday at home safely.

NORMALLY WE THROW
THE TIDDLERS BACK



TASMANIA

COME DOWN FOR AIR



Flinders Island Food
and Crayfish Festival
Flinders Island

discovertasmania.com.au/air

Major marketing campaigns

Come Down for Air

Tourism Tasmania's greatest asset is the Tasmanian tourism brand. The Agency's marketing program holds the brand central to all of its activities and is an effective tool to communicate the destination to customers and potential customers.

Tourism Tasmania has undertaken work to evolve the tourism brand and its representation in destination marketing and set the state apart by communicating to consumers in an 'anti-ordinary' way.

Drawing on previous brand work, industry intelligence, insights into target customer segments, as well as broader community interviews undertaken by the Tasmanian brand project, a new brand narrative and strategic foundation was developed for Tasmania's tourism brand.

An opportunity to make a deep emotional connection with consumers and differentiate itself from the traditional tourism category was identified, with Tourism Tasmania and its lead creative agency, BMF developing the evolved brand platform – *Come Down for Air*.

Come Down for Air is a play on words that is both an invitation to come to Tasmania and take a break from the stress and routine of modern day life, while also speaking to the state's geographical location.

It communicates with audiences in an anti-ordinary way by showcasing micro-moments in Tasmania that are designed to bring calm to people who are leading busy or stressful lives.

The *Come Down for Air* brand campaign was launched in October 2019 across Australia's eastern seaboard and was showcased through a range of channels reaching large audiences through television, cinema, print, billboards, radio, in airport lounges, railway stations, office lobbies, elevator screens and on street furniture as well as social and digital advertising.

The brand launch was celebrated locally with an industry event and received comprehensive coverage on TV, radio and print in Tasmania. It made advertising industry news nationally and received strong commendation from advertising industry experts on the ABC television show *Gruen*.

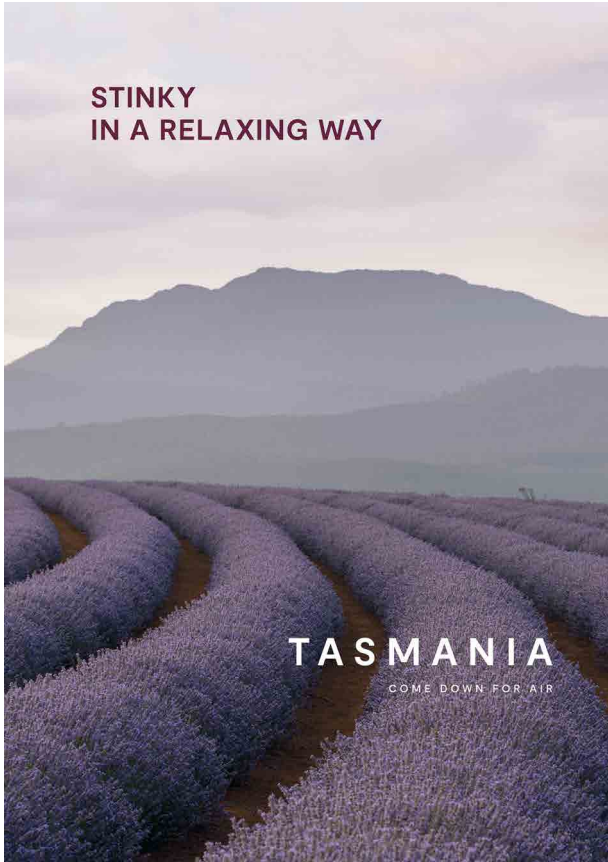
Tourism Tasmania has undertaken webinars and workshops to support industry engagement with the brand, and developed comprehensive brand guidelines.

The *Come Down for Air* brand campaign won 16 AWARD awards and was shortlisted for three Australian Effie Awards.

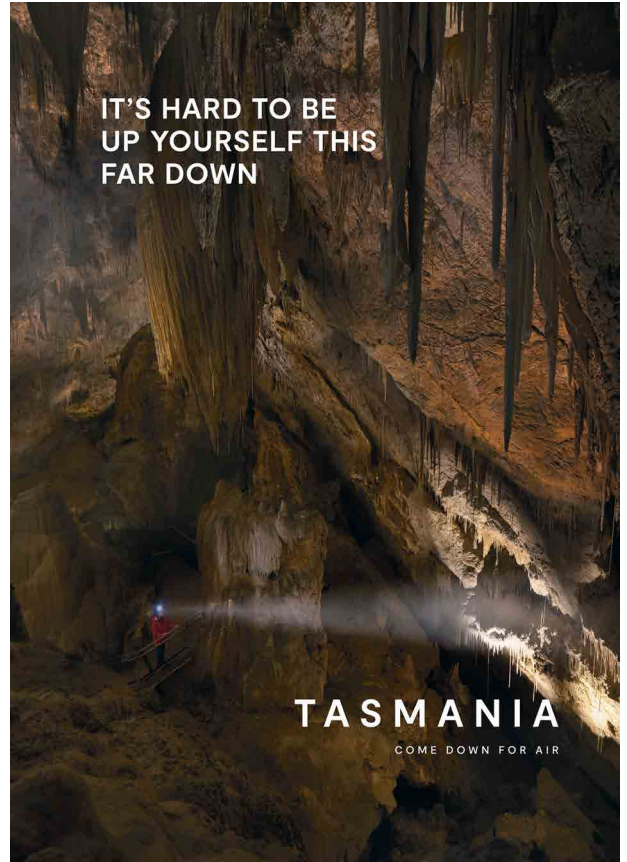
Self-drive touring

A Tourism Tasmania priority is to position Tasmania as one of the world's leading self-drive touring holiday destinations. A strategy is being developed to attract touring holidaymakers and encouraging them to travel further in the state, stay longer and invest more in regional communities.

To support this strategy, the Tasmanian Government committed funding and support



Come Down for Air campaign



Come Down for Air campaign



Fly fishing at sunrise © Samuel Shelley

for the development and implementation of a suite of five iconic drive journeys as part of a whole-of-government strategy to grow regional visitor dispersal and yield.

The Tasmanian Drive Journeys will be launched to consumers in late 2020 and will be incorporated into Tourism Tasmania’s ongoing self-drive touring marketing activity.

The project is a collaboration between the Department of State Growth, Tourism Tasmania and Tasmania’s regional tourism organisations.

Unordinary Adventures

The Unordinary Adventures program targets visitors who travel to pursue their passions and positions Tasmania as a leading destination for mountain biking, golf, walking and fly fishing enthusiasts. Tailored marketing programs were developed for each special interest area and research has been undertaken to learn more about these audiences and what drives them to travel.

Tourism Tasmania partnered with the 39th FIPS-Mouche World Fly Fishing



St Helens Mountain Bike Trails © Stu Gibson

Championship, held in Tasmania in late 2019 to integrate Tasmanian fly fishing destination messaging into its channels and event activities.

Tourism Tasmania also partnered with Revolution and AMB Mountain Bike magazines to showcase Tasmanian mountain biking events and present Tasmania as a unique destination for mountain biking. Golf media and members of the Professional Golfers’ Association were supported to visit Ocean Dunes and Cape Wickham on King Island, following the President’s Cup global golfing held in Melbourne 2019 resulting in articles in USA Today.

Intrastate marketing

The *Make Yourself at Home* intrastate campaign has delivered advertising to Tasmanians across television, radio, press ads and digital marketing and through a campaign website that displays tourism business listings with special deals, offers and opening hours.



Make Yourself at Home intrastate campaign

The MakeYourselfatHome.com.au landing pages are integrated within the Buy Something Tasmanian website – a partnership between Brand Tasmania, State Growth and the Tasmanian Chamber of Commerce and Industry.

The campaign has included a number of lift-out booklets in Tasmanian newspapers featuring tourism businesses and experiences and a program of editorial content for Tasmania’s three major newspapers and the website.

Make Yourself At Home was developed in partnership with the regional tourism organisations and other industry partners and is in market for 12 months.

Tourism Tasmania also worked in collaboration with the Tasmanian Hospitality Association to develop the *Welcome Back* campaign to support the state's hospitality businesses.

Social media

Tourism Tasmania's global social media program connects potential visitors from around the world with stories about Tasmania and raises awareness of Tasmania as a desirable travel destination.

The program is designed to generate engagement, meaningful conversations and positive sentiment towards Tasmania, through a constant presence on the key platforms of Facebook, Instagram, Twitter, Pinterest, Weibo and WeChat.

With many countries experiencing varying stages of lockdown due to COVID-19, people have increasingly turned to social media for information, entertainment and inspiration. Tourism Tasmania identified an opportunity to provide social media users with short videos providing a 'moment of calm' in Tasmania. This type of communication resonated well with audiences and continues to form part of

a program of bespoke content developed to showcase Tasmania.

In 2019-20 Tourism Tasmania surpassed one million followers across its Facebook, Instagram and Twitter accounts.

New Tassie-themed GIFs for social stories were developed and released with Tourism Tasmania being one of the first destination brands to take advantage of the opportunity.

Tourism Tasmania's social media marketing also increased brand awareness in global markets, with activity in New Zealand, Germany, the United States, United Kingdom and China.

Media hosting program and public relations

Tourism Tasmania's public relations program broadens the reach of Tourism Tasmania's marketing messages through positive editorial and brand advocacy across a range of traditional, broadcast and digital channels.

Tourism Tasmania proactively engages journalists in domestic and overseas markets and supports journalists and content producers to publish destination content on Tasmania by hosting familiarisation visits to the state.

In 2019-20, there were 71 visits from media or influencers that resulted in positive coverage published or syndicated across the domestic and international market in print and digital.



Experience program

Tourism Tasmania's experience program hosts key media, influencers and travel trade guests to enable them to familiarise themselves with Tasmania. Itineraries are individually tailored to meet the specific needs of the visit, showcasing the best of the state's food and wine, aquatic and coastal, Indigenous, nature and wildlife experiences.

In 2019-20, Tourism Tasmania hosted 185 participants as part of 83 coordinated visits, staying in Tasmania for over 380 nights with 263 Tasmanian businesses participating in the program.

The program also provided an opportunity for 45 Tasmanian tourism operators to present information or updates to the Tourism Tasmania team on their tourism product or experience.

Marketing partnerships

Strategic partnerships with selected brands and events help promote Tasmania and reinforce the state's destination appeal, provide reasons to visit and encourage regional dispersal of visitors.

COVID-19 restrictions impacted the events sector and presented a unique and on-going challenge for Tasmania's events community. Tourism Tasmania worked closely with event organisers to promote online event initiatives, including the Huon Valley Mid-Winter Festival and Sci Art Walk by Beaker Street

and supported the events sector to consider new and creative ways that events could be delivered in the changing market.

In 2019-20, Tourism Tasmania's partnerships with iconic Australian fashion brands Oroton, David Jones and Country Road, ensured Tasmania's unique scenery was featured as a backdrop to their Autumn/Winter campaigns through digital marketing, print catalogues and in retail stores across Australia.

A collaboration with Hydrowood and Brand Tasmania created a uniquely Tasmanian memento to commemorate the Rolex Sydney to Hobart Yacht Race 75th anniversary.

A partnership with Mona Foma supported the Air Mofo competition and hosted journalists, media and a social media 'instameet', to increase awareness of northern Tasmania to interstate audiences.

Travel trade partnerships

Tourism Tasmania's program of cooperative marketing campaigns with travel trade boost flight, accommodation and holiday bookings for the state. In 2019-20, these partnerships included collaborations with TripAdvisor, Luxury Escapes, Europcar, Helloworld, Arrival Guides and Tasmanian Expeditions.

Partnerships with travel sellers throughout Australia help to promote Tasmania as a destination of choice, with consumers seeking advice from trusted travel experts when planning and booking their holidays.

The Tassie Specialist Program, established in 2012 increases domestic travel sellers' knowledge of Tasmania through targeted training and development opportunities. In 2019-20, 266 new travel agents completed the program and qualified as Tassie Specialists, taking the total to 949.

Tourism Tasmania's 'Talkabout Tasmania' roadshow engaged 24 Tasmanian tourism operators with over 320 travel sellers in a series of face to face appointments in Melbourne, Sydney, Brisbane, Gold Coast and Adelaide.

International activity

Tourism Tasmania contracts marketing managers in its key international markets of Continental Europe, North America, China, Hong Kong and South East Asia and manages marketing activity in the United Kingdom and New Zealand from its Hobart office.

The team build awareness of Tasmania in these markets, attend international travel trade events and manage relationships with key international travel partners.

Tourism Tasmania works closely with Tourism Australia to ensure the state is well represented in its international marketing program.

Tourism Tasmania's international marketing program was disrupted from January 2020 by

the impact on global travel from the Australian bushfires and COVID-19.

The 2019-20 international program included a partnership with leading online Chinese travel agent, Tuniu in China; a campaign in Hong Kong featuring Tasmanian images on trams, buses and bus shelters, promoting the Western Wilds to high value travellers and outdoor enthusiasts in Germany; and promoting Tasmania's food and wine festivals and wine tourism experiences in Hong Kong and North America.

Tourism Australia partnership

Tourism Tasmania's partnership with Tourism Australia remains a vital part of the state's international tourism marketing efforts, with multiple cooperative programs, research and insight sharing.

In 2019-20 Tourism Tasmania worked with Tourism Australia on global marketing programs such as the Aussie Specialist Program, Signature Experiences of Australia, roadshows and events in North America, Europe, China and South East Asia to promote Tasmania and provide destination training.

Other activity included a content-led partnership with The Telegraph, targeting high value British travellers, a television program in Hong Kong with a Tasmanian focused segment that covered self-drive touring and other popular tourism activities, and working closely with Tourism Australia on the Holiday Here This Year domestic campaign.



Access to Tasmania

Tourism Tasmania works closely with its access partners to increase domestic air and sea capacity and frequency, improve seasonal demand, maximise low fare availability, increase international visitation and deliver the goals in the Access 2020 strategy.

The Agency works with airlines to increase seat capacity into Tasmania, match capacity with demand on existing routes and to develop new market opportunities. It also works with airline partners to deliver cooperative marketing programs to activate demand for travel to Tasmania through seat sales and other promotions.

Activity in 2019-20 to support access included partnering with Qantas to promote the Western Wilds drive journey and the Mona Foma event in Launceston, a Jetstar partnership to drive visitation over the shoulder and winter period that yielded record results, and a Tigerair partnership to encourage consumers to discover previously unknown experiences in southern Tasmania. Other activity included delivering an interactive Tasmanian gin bar experience with Virgin Airlines at Melbourne domestic airport and working with TT-Line to identify opportunities for cooperative marketing activities.

Air

The Australia wide border restrictions that came into place in March 2020 due to COVID-19, resulted in a significant reduction in flight capacity and passengers to and from Tasmania.

Tourism Tasmania worked to ensure that essential air service networks were maintained between Hobart, Launceston, Melbourne and Sydney; Melbourne, Burnie and Launceston; and the Bass Strait Islands, to ensure carriage of essential travellers and freight.

In February 2020, Tasmania's performance was market leading with only small capacity decreases of 1.6 per cent in Hobart and 4.5 per cent in Launceston, while some Australian destinations were down as much as 30 per cent.

During July 2019 – February 2020, air capacity to Tasmania increased by 30,300 new seats and 50,300 more passengers on key air routes to Hobart and Launceston from Melbourne, Sydney, Brisbane, Perth and Adelaide.

Sea

In March 2020, cruise shipping in Tasmania was suspended as a result of COVID-19, impacting 14 bookings including six calls in Hobart, five calls in Burnie and three calls in Port Arthur.

Prior to the suspension, Tasmania delivered 120 cruise ship port calls for the 2019-20 season. It is estimated that cruise shipping contributed approximately \$34 million in onshore passenger spend in the 2019-20 season.

In July 2019, Tourism Tasmania released a Blueprint for Sustainable Cruise Shipping in Tasmania 2019 -2022. It outlines a number of sustainability principals for cruise shipping and goals for delivering sustainable cruise ship growth and maximising benefits to Tasmanian communities.

The Blueprint for Sustainable Cruise Shipping in Tasmania 2019 -2022 is available at www.tourismtasmania.com.au/about/publications

Being an inspiring enterprise

People and workforce

A strong, positive and proactive workforce and workplace is needed for the Agency to deliver its program and goals for the visitor economy.

In 2019-20, a three-year People Strategy was developed, a wellbeing program delivered and the Unordinary Leaders program launched to support the development of leadership skills across the Agency's operations. The team-led Air Crew was established to promote ways to foster creativity, enhance connectivity and to bring the Agency's values to life.

The impact of COVID-19 resulted in all Agency staff moving to a work from home environment. Productivity during this challenging time remained high and adaptive practices have been applied to create an improved work environment, including shifting the paradigm of flexible work practices to the new normal.

Systems, technology and innovation

Tourism Tasmania continues to embrace technology solutions that enhance efficiency and effectiveness and used the work from home period to trial and adapt new ways of collaborating across teams and the organisation.

Corporate governance and risk management

As part of the Agency's commitment to continuous improvement, four internal audits were undertaken. The Strategic and Operational Risk Register was reviewed and updated and transitioned to an online management tool to increase accountability and improve reporting. Workplace health safety and wellbeing (WHSW) training was undertaken by all staff during WHSW Week and key Agency risk controls and treatments were updated and refined.



Tourism Tasmania Corporate Choir

Statutory information

Tourism Tasmania Board

In 2019-20 the Tourism Tasmania board of directors met fifteen times.

BOARD MEMBER		MEETINGS ATTENDED
James Cretan	Chair	15
Annie Beaulieu	Board Director	15
Brett Torossi	Board Director	15
Carolyn Miller	Board Director	8
Ian Rankine	Board Director	15
Michelle Cox	Board Director	15
Rebecca King	Board Director	1

- Carolyn Miller commenced her two year tenure 30 March 2020.
- Rebecca King ceased her two year tenure 14 September 2019.

Public Interest Disclosures Act

The purpose of the Public Interest Disclosures Act 2002 (Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies. The Act provides protection to persons who make disclosures in accordance with the Act and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken. The Agency is committed to the aims and objectives of the Act. It does not tolerate improper conduct or detrimental action by the Agency or members, officers or employees. The procedures for reporting disclosures are available at www.tourismtasmania.com.au. The Agency has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2020.

Audit, Finance and Risk Committee (AFRC)

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

The committee comprises three board directors and a non-executive independent committee member with expertise in corporate governance, auditing and financial reporting.

Tourism Tasmania's Chief Operating Officer and Manager Better Business and the appointed internal auditors attend AFRC meetings and representatives from the Tasmanian Audit Office where appropriate. In 2019-20, the AFRC met five times.

BOARD MEMBER	MEETINGS ATTENDED
Brett Torossi, Chair	5
Annie Beaulieu, AFRC Board Director Committee Member	4
Nicholas Burrows, Non-Executive Independent Audit Committee Member	5
Ian Rankine, AFRC Board Director Committee Member	4

- Annie Beaulieu was appointed as an AFRC Committee Member in September 2019

Right to information

Tourism Tasmania responds to requests for information in accordance with the Right to Information Act 2009. The Act allows members of the public the right to access information held by the government and its agencies, with the exception of information deemed by the Act to be exempt. In 2019–20 there was one request for information from Tourism Tasmania.

Our staff – numbers

As at 30 June 2020, Tourism Tasmania's staffing comprised 57 permanent and 12 fixed-term employees plus 1 Head of Agency and 1 Senior Executive Service position. Of these, 51 were full-time, 20 were part-time, 59 (83%) were female and 12 (17%) were male. The Agency also employs 8 experience guides on a casual basis.

Workplace health and safety

WORKPLACE HEALTH SAFETY AND WELLBEING

Workplace health safety and wellbeing (WHSW) is of strategic importance at Tourism Tasmania given the range of work based activities undertaken by staff and contractors.

During the year, the Agency focused on hazard and incident reporting, WHSW risk management and manager training and launched Tourism Tasmania's Mental Health Policy and Wellbeing Week initiative.

In managing its response to the COVID-19 pandemic, consultation with staff was key to the successful transition to working from home, ensuring the ongoing physical and mental health of staff was prioritised. Staff consultation and engagement was also principle in the development of the Agency's COVID Safe Workplace Plan.

Tasmanian Government's Disability Framework for Action

The government's vision is for a fully inclusive society that values and respects all people with disability as equal and contributing member of the community.

Tourism Tasmania contributes to the *Accessible Island: Tasmania's Disability Framework for Action 2018–2021* by ensuring its websites are WCAG AA level accessibility compliant.

Tourism Tasmania is also working with industry and government partners to ensure that inclusive tourism is recognised as a priority in the *T21 Visitor Economy Action Plan 2020–2022*. A number of initiatives have been identified that will support Tasmania to become a leader in innovative and inclusive tourism experiences over the longer term.

Government procurement

Tourism Tasmania undertakes procurement in accordance with the requirements of the Treasurer's Instructions, including ensuring Tasmanian businesses are given every opportunity to compete for Agency business. The following details are provided in accordance with Treasury Instruction FR-4 Annual Reports for all contracts awarded and procurement processes undertaken (excluding consultancies) during the 2019-20 financial year with values in excess of \$50,000 ex GST. Consultancies valued in excess of \$50,000 ex GST are reported separately.

SUMMARY OF PARTICIPATION BY LOCAL BUSINESS	NO.
Total number of contracts awarded	108
Total number of contracts awarded to Tasmanian businesses	38
Value of contracts awarded	\$20,235,762
Value of contracts awarded to Tasmanian businesses	\$3,089,531
Total number of tenders called and requests for quotation for services processes undertaken (above \$50,000 ex GST)	7
Total number of bids and/or quotations received (above \$50,000 ex GST)	31
Total number of bids and/or written quotations received from Tasmanian businesses.	23

Contracts & tenders

The following tables provide detailed information on Tourism Tasmania's contracts over \$50,000 procured or awarded during 2019–20. The agency did not engage any consultants for contracts valued over \$50,000.

*Please note these figures do not necessarily represent the spend in the market. Due to the Australian bushfires and COVID-19, the program was substantially impacted and as a result a number of contracts were cancelled, varied or delayed.

CONTRACTOR	DESCRIPTION	PERIOD	\$ VALUE	EXEMPTION	TAS BUSINESS
Australian Trade and Investment Commission represented by Tourism Australia	Tourism research services	01/07/19 to 30/06/20	\$146 228	PP-2	No
Sandy Point Holdings Pty Ltd t/a Tasmanian Travel Guides	Co-operative marketing campaign	01/07/19 to 30/06/22	\$120,000*		Yes
Initiative Media Australia Pty Ltd	Virgin Australia lounge promotion	22/07/19 to 02/11/19	\$83 300	PP-2	No
Dundonald Pty Ltd	Business transformation services	12/08/19 to 11/02/21	\$195,100	PP-2	Yes
Your Figment Pty Ltd	Production services for wine tourism campaign	29/08/19 to 01/12/19	\$56,500		Yes
Cultivate Media Services Pty Ltd	Television series production	16/09/19 to 30/09/20	\$336 000*	PP-2 PF-2	Yes
Jetstar Airways Pty Ltd	Co-operative marketing campaign	12/10/19 to 30/06/22	\$260 000	PP-2 PF-2	No
Taylor Nelson Sofres Pty Ltd t/a Kantar	Tourism research services	21/10/19 to 30/04/20	\$80 000*	PP-2	No
Abercrombie & Kent Australia Pty Ltd	Tourism and travel agent training	21/10/19 to 01/04/20	\$57 882*	PP-2	No
Nanjing Tunui International Travel Service Co. Ltd	Co-operative marketing campaign	01/11/19 to 28/06/20	\$235,000*	PP-2 FC-10	No
Virgin Australia Airlines Pty Ltd	Co-operative marketing campaign	07/11/19 to 30/06/20	\$-	C-1	No
QANTAS	Co-operative marketing campaign	09/12/19 to 30/06/22	\$-*	C-1 PF-2	Yes
Tiger Airways Pty Ltd	Co-operative marketing campaign	20/12/19 to 19/12/20	\$70 000	PP-2	No
Sailormade Partnership t/a Willett Marketing Pty Ltd	Brand activation and event management services	20/02/20 to 11/05/20	\$80 000*	PP-2 PF-2	No
Initiative Media Australia Pty Ltd	Winter event	06/03/20 to 31/05/20	\$1 200 000*	PP-2 PF-2 C-1	No
Marli Tapsall	Paid media support	16/03/20 to 31/12/20	\$113 438	PP-2	No

The20 Pty Ltd	Intrastate marketing campaign	16/03/20 to 30/07/20	\$250,000	PP-2	Yes
	Expansion of scope and value of services		\$770,800	PF-7	
Travelscape LLC d/b/a Expedia Media Group Solutions	Co-operative marketing campaign	27/03/20 to 23/04/20	\$140 000* \$100 000*	PP-2 PF-7	No
Conde Nast International Limited	Co-operative marketing campaign	1/4/20 to 30/11/20	\$86,000	PP-2	No
Tourism Australia	Support for tourism advertising on 'The Project' television show	04/05/20 to 15/05/20	\$92 544	PF-7	No
Tasmanian Hospitality Association	Welcome Back intrastate marketing campaign	01/06/20 to 31/12/20	\$70 000	PF-7	Yes
Hype TV	TasTalk the Movie production	15/06/20 to 31/07/20	\$192 457	PP-2	Yes
Tourism Australia	Co-operative marketing campaign Holiday Here This Year	22/06/20 to 31/12/20	\$500 000*	PP-2	No
The20 Pty Ltd	Welcome Back campaign paid media	04/07/20 to 27/12/20	\$175 000	PF-7	Yes

Exemptions PP-2 Limited Tendering PF-7 COVID-19 Emergency Procurement Exemption
 PF-2 Disaggregation Exemption C-1 Confidentiality Exemption FC-10 Prepayment Exemption

CONTRACTS BY QUOTES/TENDERS

CONTRACTOR	DESCRIPTION	PERIOD	\$ VALUE	TAS BUSINESS
Michael Travalia	Commemorative trophy for Rolex Sydney to Hobart yacht race	14/11/2019 to 20/12/2019	\$50 087	Yes
The20 Pty Ltd	Brand creative development for the Tasmanian Drive Journeys	13/12/19 to 30/04/20	\$149 725	Yes
The Mint Partners Unit Trust	Public relations services	11/03/20 to 07/06/20	\$150 000*	PP-2
Impact Solutions International Pty Ltd	Provision development program module 1 delivery	19/03/20 to 31/03/21	\$199 550	Yes
Happy Humans Consulting Pty Ltd	Provision development program module 2 delivery	20/05/20 to 01/06/21	\$76 700	Yes
Impact Solutions International Pty Ltd	Provision development program modules 3 and 4 delivery	16/06/20 to 30/11/21	\$138 112	Yes

CONTRACT EXTENSIONS

CONTRACTOR	DESCRIPTION	PERIOD	\$ VALUE	EXEMPTION	TAS BUSINESS
Initiative Media Australia Pty Ltd	Media buying services	01/07/20 to 30/6/21	up to \$10,305,000	PP-6	No
Julie Earl-Levine	Provision of public relations marketing services – United States of America	01/07/20 to 30/06/21	\$76 800	PP-6	No
Production Register contracts	Extension of all contracts	01/07/20 to 30/06/21	\$0	PP-6	Yes
Hansmann PR	Provision of public relations marketing services – Germany	01/09/20 to 30/06/21	\$46 636	PP-6	No

Tourism Tasmania Financial Statements

for the year ending 30 June 2020

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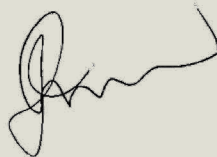
Certification of Financial Statements

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 Act 2016* and Part 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at the end of the year.

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



John Fitzgerald
Chief Executive Officer
1 October 2020



James Cretan
Chair
1 October 2020

Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
<i>Continuing operations</i>				
Revenue and other income from continuing operations				
Revenue from Government				
Appropriation revenue – operating	3.1	33,624	26,492	32,401
Grants	3.2	...	100	125
Recoveries	3.3	750	986	589
Total revenue from continuing operations		34,374	27,578	33,115
Net gain/(loss) on financial instrument and statutory receivables/payables	4.1	...	(10)	...
Total income from continuing operations		34,374	27,568	33,115
Expenses from continuing operations				
Employee benefits	5.1	7,181	7,543	7,145
Depreciation and amortisation	5.2	411	78	163
Supplies and consumables	5.3	5,101	3,501	3,771
Grants and subsidies	5.4	1,550	2,121	2,436
Advertising and promotion	5.5	20,129	14,241	19,752
Other expenses	5.6	193	245	246
Total expenses from continuing operations		34,565	27,729	33,513
Net result from continuing operations		(191)	(161)	(398)
Net result		(191)	(161)	(398)
Comprehensive result		(191)	(161)	(398)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes. Budget information refers to original estimates and has not been subject to audit.

Statement of Financial Position

as at 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	9.1	1	(135)	(95)
Receivables	6.1	...	271	239
<i>Non-financial assets</i>				
Leasehold improvements	6.2	...	281	329
Plant and equipment	6.2	367	43	73
Intangibles	6.3	...	...	...
Other assets	6.4	3,062	453	462
Total assets		3,430	913	1,008
Liabilities				
Payables	7.1	40	85	143
Lease liabilities		2,403	...	...
Employee benefits	7.2	1,495	1,635	1,512
Other liabilities	7.3	71	12	11
Total liabilities		4,009	1,732	1,666
Net assets/(liabilities)		(579)	(819)	(658)
Equity				
Accumulated funds/(deficit)		(579)	(819)	(658)
Total equity/(deficit)		(579)	(819)	(658)

This Statement of Financial Position should be read in conjunction with the accompanying notes. Budget information refers to original estimates and has not been subject to audit.

Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts – operating		33,624	26,492	32,401
Grants – Continuing operations		...	100	125
GST receipts		...	1,675	2,509
Other cash receipts		750	981	589
Total cash inflows		34,374	29,248	35,624
Cash outflows				
Employee benefits		(7,181)	(7,515)	(7,306)
Supplies and consumables		(5,018)	(3,513)	(4,138)
Grants and subsidies		(1,550)	(2,121)	(2,436)
GST payments		...	(1,714)	(2,180)
Advertising and promotion		(20,129)	(14,273)	(19,115)
Other cash payments		(70)	(152)	(71)
Total cash outflows		(33,948)	(29,288)	(35,246)
Net cash from (used by) operating activities	9.2	426	(40)	378
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		...	...	(48)
Total cash outflows		...	...	(48)
Net cash from (used by) investing activities		...	...	(48)
Net increase (decrease) in cash held and cash equivalents		426	(40)	330
Cash and deposits at the beginning of the reporting period		1	(95)	(425)
Cash and deposits at the end of the reporting period	9.1	427	(135)	(95)

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

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

Statement of Changes in Equity

for the year ended 30 June 2020

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2019	(658)	(658)
Total comprehensive result	(161)	(161)
Balance as at 30 June 2020	(819)	(819)

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2018	(260)	(260)
Total comprehensive result	(398)	(398)
Balance as at 30 June 2019	(658)	(658)

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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Note 1

Tourism Tasmania Output Schedule

1.1 Output Group Information

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

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

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

Note 2

Explanations of Material Variances between Budget and Actual Outcomes

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

Tourism Tasmania has a focused Annual Operating Budget (AOB) that is overseen by a Board of Directors with the funding aligned to projects and performance is monitored against that budget, this differentiates from the original budget in the Financial Statements that is generated in Treasury's Budget Management Information System for inclusion in the specific year's Budget Papers.

2.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - operating	(a)	33,624	26,492	(7,132)	(21%)
Grants revenue	(b)	...	100	100	100%
Recoveries	(c)	750	986	236	31%
Depreciation and amortisation	(d)	411	78	333	81%
Supplies and consumables	(e)	5,101	3,501	1,600	31%
Grants and subsidies expense	(f)	1,550	2,121	(571)	(37%)
Advertising and promotion	(g)	20,129	14,241	5,888	29%

NOTES TO STATEMENT OF COMPREHENSIVE INCOME VARIANCES

- (a) Budget variation due to rollover of Aviation Market Development Fund (-\$0.625M), savings due to Covid-19 (-\$6.5M), administration savings of (-\$0.211M), additional funding recovered for wages agreement (\$0.104M) and additional funding for Economic Stimulus – Holiday Local Campaign of (\$0.100M).
- (b) Federal grant received from Wine Australia of \$0.1 million with Tourism Tasmania to match funding. Due to COVID-19 \$0.025 million has been deferred due to contracts delayed.
- (c) Variance is due to receipted Tasmanian bushfire funding (\$0.3M), an increase in tourism network partner reimbursements and decrease in partner marketing activity due to the impacts of the COVID-19 pandemic.
- (d) Depreciation/amortisation variance relates to Treasury's decision to remove 15 Murray Street building lease from Tourism Tasmania reporting as per Treasurer's Instruction change. Original budget was for the higher lease depreciation/amortisation amounts, but actuals are for existing leasehold improvements and plant and equipment.
- (e) Variance due to COVID-19 savings which included lower travel and transport costs and impacts on contracts for work that needed to be ceased or delayed.
- (f) Variation in Regional Tourism Organisations support is due to Quarter 1 funding for 2021 paid in 2020.
- (g) Spend was significantly reduced due to impacts from the Australian bushfire crisis and the COVID-19 pandemic.

2.2 Statement of Financial Position

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	1	(135)	(95)	(136)	(40)
Receivables	(b)	...	271	239	271	32
Leasehold improvements	(c)	...	281	329	281	(48)
Plant and equipment	(d)	367	43	73	(324)	(30)
Other assets	(e)	3,062	453	462	(2,609)	(9)
Lease liabilities	(f)	2,403	...	...	2,403	...
Other liabilities	(g)	71	12	11	59	1

NOTES TO STATEMENT OF FINANCIAL POSITION VARIANCES

- (a) The overdrawn cash balance predominantly reflects the year end GST refund receivable.
 (b) Reflects the year end GST refund receivable. No budget set.
 (c) & (d) Variance reflects the actual classification of the assets, whereas budget classifies the assets as simply plant and equipment.
 (e) Variance to budget mainly reflects Treasury's decision to remove 15 Murray Street building lease from Tourism Tasmania balance sheet as per Treasurer's Instructions change. The Lease asset was included in Other assets budget.
 (f) Variance to budget mainly reflects Treasury's decision to remove 15 Murray Street building lease from Tourism Tasmania balance sheet as per Treasurer's Instructions change.
 (g) Variance is mainly due to COVID-19 savings.

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	33,624	26,492	(7,132)	(21%)
Grants revenue	(b)	...	100	100	100%
GST receipts	(c)	...	1,675	1,675	100%
GST payments	(d)	...	(1,714)	(1,714)	(100%)
Other cash receipts	(e)	750	981	231	31%
Supplies and consumables	(f)	(5,018)	(3,513)	1,505	(30%)
Grants and subsidies expense	(g)	(1,550)	(2,121)	(571)	(37%)
Advertising and promotion	(h)	(20,129)	(14,273)	5,856	29%

NOTES TO STATEMENT OF CASH FLOWS VARIANCES

- (a) Budget variation due to rollover of Aviation Market Development Fund (-\$0.625M), savings due to Covid-19 (-\$6.5M), administration savings of (-\$0.211M), additional funding recovered for wages agreement (\$0.104M) and additional funding for Economic Stimulus - Holiday Local Campaign of (\$0.100M).
 (b) Federal grant received from Wine Australia of \$0.1 million with Tourism Tasmania to match funding. Due to COVID-19 \$0.025 million has been deferred due to contracts delayed.
 (c) and (d) Net difference between GST receipts and payments. No budget set.
 (e) Variance is due to receipted Tasmanian bushfire funding (\$0.3M), an increase in tourism network partner reimbursements and decrease in partner marketing activity due to the impacts of the COVID-19 pandemic.
 (f) Variance due to COVID-19 savings which included lower travel and transport costs and impacts on contracts for work that needed to be ceased or delayed.
 (g) Variation in Regional Tourism Organisations support is due to Quarter 1 funding for 2021 paid in 2020.
 (h) Spend was significantly reduced due to impacts from the Australian bushfire crisis and the COVID-19 pandemic

Note 3

Income from Transactions

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

3.1 Revenue from Government

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

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

As a result of the commencement of the Financial Management Act, from 2020–21 Revenue from Government will include revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and Items Reserved by Law.

Section 8A(2) of the Public Account Act allowed 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 was recognised as a liability,

Revenue Received in Advance (refer note 6.3). The carry forward from the initial year was recognised as revenue in the reporting year, assuming that the conditions of the carry forward were met and the funds were expended.

Section 23 of the Financial Management Act allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year. Rollover of unexpended appropriations under section 23 will be disclosed under the Financial Management Act for the first time in 2020–21.

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

	2020 Budget \$'000	2020 Actual \$'000	2019 Budget \$'000
Appropriation revenue – recurrent			
Current year	33,624	26,492	32,401
Total revenue from Government	33,624	26,492	32,401

3.2 Grants

In 2018-19, Grants payable by the Australian Government were recognised as revenue when Tourism Tasmania gains control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 2019-20, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when Tourism Tasmania satisfies the performance obligation and transfers the promised goods or services. Grants received by Tourism Tasmania are bespoke and will specify when performance obligations are satisfied, allowing Tourism Tasmania to recognise revenue associated with performance obligations on a case by case basis.

Grants revenue without a sufficiently specific performance obligation are recognised when Tourism Tasmania gains control of the asset (typically Cash).

Grants to acquire/construct a recognisable non-financial asset to be controlled by Tourism Tasmania are recognised when Tourism Tasmania satisfies its obligations under the transfer. Tourism Tasmania satisfies

its performance obligations over time as the non-financial assets are being constructed using the expenses incurred for the asset as the trigger for recognition of the grant.

	2020 \$'000	2019 \$'000
<i>Continuing operations</i>		
Grants from the Australian Government		
Wine Australia grant	100	125
Total revenue from Grants	100	125

3.3 Recoveries

	2020 \$'000	2019 \$'000
Aviation and Access	200	200
Grants and Subsidies	260	260
Visitor Economy	123	...
Bushfire Recovery	300	...
Marketing activities	75	125
Other recoveries	28	4
Total Recoveries	986	589

Recoveries are received from a range of government and industry partners on a funding and/or reimbursement basis.

Note 4

Net Gains/(Losses)

4.1 Net Gain/(Loss) on Financial Instruments and Statutory Receivables/Payables

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors

	2020	2019
	\$'000	\$'000
Impairment of receivables	(10)	...
Total	(10)	...

Note 5

Expenses from Transactions

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

5.1 Employee Benefits

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

(A) EMPLOYEE EXPENSES

	2020 \$'000	2019 \$'000
Wages and salaries	5,750	5,405
Annual leave	440	398
Long service leave	104	86
Sick leave	198	143
Superannuation – defined benefit scheme	72	67
Superannuation – contribution schemes	730	673
Other post-employment benefits	86	148
Other employee expenses	163	225
Total	7,543	7,145

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current Agency contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, agencies are also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(B) REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
2020						
Board Members						
James Cretan, Chairperson	52	...	5	...	...	57
Brett Torossi	33	...	3	...	...	36
Michelle Cox	29	...	3	...	...	32
Rebecca King (to 14/9/2019)	6	...	1	...	...	7
Ian Rankine	29	...	3	...	...	32
Annie Beaulieu	30	...	3	...	...	33
Carolyn Miller (from 30/3/2020)	7	...	1	...	...	8
Management personnel						
John Fitzgerald, CEO*	258	19	24	12	...	313
Mark Jones, Chief Operating Officer	162	6	15	3	...	186
Emma Terry, Chief Marketing Officer	226	11	21	15	...	274
Johan Van Pelt, Director Aviation & Access Development	177	...	17	11	...	205
Amy Hills, Director Strategy, Government and Industry (from 1/7/2019)	153	3	15	9	...	180
Anne Greentree, Director Visitor Economy Strategy (from 8/7/2019)	156	4	15	...	...	175
Total	1,318	43	126	50	...	1,537

(B) REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits & Long-Service Leave		
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Board Members						
James Cretan, Chairperson	52	...	5	...	...	57
Brett Torossi	32	...	3	...	...	35
Michelle Cox	29	...	3	...	...	32
Kate Vale (to 28/3/2019)	22	...	2	...	...	24
Rebecca King	29	...	3	...	...	32
Ian Rankine	29	...	3	...	...	32
Annie Beaulieu (from 7/6/2019)	2	...	...	...	...	2
Management personnel						
John Fitzgerald, CEO*	254	13	24	6	...	297
Mark Jones, Chief Operating Officer (1/7/2018 to 16/9/2018)	28	...	3	...	...	31
Emma Terry, Chief Marketing Officer	197	11	19	12	...	239
Johan Van Pelt, Director Aviation & Access Development	170	...	16	10	...	196
Amy Hills, Chief Operating Officer (from 17/9/2018 to 30/6/2019)	112	...	11	8	...	131
Mark Jones, Director T21 (from 17/9/2018 to 30/6/2019)	131	6	12	8	...	157
Total	1,087	30	104	44	...	1,265

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

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

Remuneration during 2019-20 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of

employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, and FBT attributable to key

management personnel is reported on that basis. Long term employee expenses include long service leave, superannuation obligations and termination payments.

ACTING ARRANGEMENTS

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

(C) RELATED PARTY TRANSACTIONS

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

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

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

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

	2020 Aggregate value of transactions \$'000	30 June 2020 Total Amount Outstanding or Committed \$'000
Purchase of services (on commercial arm's length terms)	4	...

5.2 Depreciation and amortisation

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

Leasehold improvements	10 years
------------------------	----------

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

Plant and equipment	3–25 years
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All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by Tourism Tasmania. The major amortisation period is:

Software	5 years
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(A) DEPRECIATION

	2020 \$'000	2019 \$'000
Plant and equipment	30	25

(B) AMORTISATION

Intangibles	...	90
Leasehold Improvements	48	48
Total	48	138
Total depreciation and amortisation	78	163

5.3 Supplies and Consumables

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

	2020 \$'000	2019 \$'000
Audit fees – financial audit	44	44
Audit fees – internal audit	56	71
Office accommodation and vehicles rental	434	423
Consultants	29	39
Contracted services	332	295
Corporate overhead fee	904	933
Property expenses	55	62
Maintenance	12	14
Communications	100	101
Information technology	808	743
Travel and transport	357	440
Other supplies and consumables	370	606
Total	3,501	3,771

5.4 Grants and Subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

	2020 \$'000	2019 \$'000
Regional Tourism Organisations support (RTO's) *	1,581	1,239
Contribution to Tasmanian Visitor Information Network (TVIN)	340	340
Contribution to Tourism Industry Council Tasmania (TICT) *	200	200
Industry Partnerships	...	657
Total	2,121	2,436

Regional Tourism Organisations support is increased due to Quarter 1 funding for 2021 paid in 2020.

* Department of State Growth contributes \$0.23M towards the RTO's and \$0.03M towards TICT grant deeds.

Industry partnership payments for 2019 represented one off grant payments to Darklab and the University of Tasmania.

5.5 Advertising and Promotion

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

	2020 \$'000	2019 \$'000
On-line advertising	2,875	2,759
Media advertising	3,207	2,722
Co-operative/partnership marketing	2,057	6,183
Industry trade promotions	342	736
Visitor Joint Promotion (VJP) expenses	457	738
Other advertising/promotional expenses	1,327	2,206
Contracted Services - Marketing	3,817	4,074
Non-staff travel expenses	159	334
Total	14,241	19,752

Total direct marketing spend of \$15.225 million for 2020 which includes advertising and promotion of \$14.241 million, Supplies and Consumables of \$0.89 million and Employee Benefits for Guide Salaries of \$0.094 million. Marketing spend was significantly reduced due to impacts from the Australian bushfire crisis and the COVID-19 pandemic.

5.6 Other Expenses

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

	2020 \$'000	2019 \$'000
Salary on costs	53	55
Training seminars and conferences	132	132
Workplace health, safety and wellbeing	8	35
Other	52	24
Total	245	246

Workplace health, safety and wellbeing is reduced due to a significant equipment and infrastructure upgrade in 2018-19.

Note 6

Assets

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

6.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. Tourism Tasmania

has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020 \$'000	2019 \$'000
Receivables	281	239
Less: Provision for impairment	(10)	...
Less: Expected credit loss	...	...
Total	271	239
Tax assets	271	239
Total	271	239
Settled within 12 months	271	239
Settled in more than 12 months	...	...
Total	271	239

The trade receivable balance relates to a receivable from Virgin Australia, which is in voluntary administration. A claim has been lodged with Deloitte the administrators and a provision has been raised for the full debtor balance.

6.2 Leasehold Improvements and plant and equipment

(i) VALUATION BASIS

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

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

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

(ii) SUBSEQUENT COSTS

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

(iii) ASSET RECOGNITION THRESHOLD

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

LEASEHOLD IMPROVEMENTS

(A) CARRYING AMOUNT

	2020 \$'000	2019 \$'000
Leasehold improvements		
At cost	480	480
Less: Accumulated amortisation	(199)	(151)
Total leasehold improvements	281	329

(B) RECONCILIATION OF MOVEMENTS

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	329	359
Additions	...	18
Disposals	...	...
Amortisation expense	(48)	(48)
Carrying amount at 30 June	281	329

PLANT AND EQUIPMENT

(C) CARRYING AMOUNT

	2020 \$'000	2019 \$'000
Plant and equipment		
At cost	123	93
Less: Accumulated depreciation	(80)	(51)
	43	42
Work in progress (at cost)	...	31
Total plant and equipment	43	73

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

(D) RECONCILIATION OF MOVEMENTS

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	73	67
Additions	...	31
Depreciation expense	(30)	(25)
Carrying amount at 30 June	43	73

6.3 Intangibles

An intangible asset is recognised where:

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

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

(A) CARRYING AMOUNT

	2020 \$'000	2019 \$'000
Intangibles with a finite useful life		
Software at cost	776	776
Less: Accumulated amortisation	(776)	(776)
Total	...	...

(B) RECONCILIATION OF MOVEMENTS

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	...	91
Amortisation expense	...	(91)
Carrying amount at 30 June

6.4 Other Assets

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

	2020 \$'000	2019 \$'000
Other assets		
Prepayments	453	462
Total	453	462
Utilised within 12 months	453	462
Utilised in more than 12 months	...	...
Total	453	462

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

Note 7

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.

7.1 Payables

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

	2020 \$'000	2019 \$'000
Creditors	73	102
Accrued expenses	12	41
Total	85	143
Settled within 12 months	85	143
Settled in more than 12 months	...	...
Total	85	143

Settlement is usually made within 30 days.

7.2 Employee Benefits

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

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

	2020 \$'000	2019 \$'000
Accrued salaries	113	64
Annual leave	552	494
Long service leave	970	954
Total	1,635	1,512
Settled within 12 months	763	651
Settled in more than 12 months	872	861
Total	1,635	1,512

7.3 Other Liabilities

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

	2020 \$'000	2019 \$'000
Other liabilities		
Employee benefits – on-costs	12	11
Total	12	11
Settled within 12 months	5	4
Settled in more than 12 months	7	7
Total	12	11

Note 8

Commitments and Contingencies

8.1 Schedule of Commitments

In 2018-19, Tourism Tasmania had 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 were 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.

From 2019-20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases, major office accommodation and motor vehicle fleet recognised within the Finance-General Balance Sheet and leases for which the underlying asset is of low value and which are recognised as an expense in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
By type		
<i>Lease Commitments</i>		
Other leases	2,472	3,185
Total lease commitments	2,472	3,185
<i>Other Commitments</i>		
Program commitments	12,844	10,389
Total other commitments	12,844	10,389
Total	15,316	13,574

By maturity

<i>Other lease commitments</i>		
One year or less	508	533
From one to five years	1,964	2,652
More than five years	...	...
Total lease commitments	2,472	3,185
<i>Other commitments</i>		
One year or less	7,915	5,841
From one to five years	4,929	4,548
More than five years	...	...
Total other commitments	12,844	10,389
Total	15,316	13,574

Lease commitments shows amounts payable for major office accommodation and government motor vehicle fleet, payable over a period of one year or greater for which it has been deemed are excluded from the application of AASB 16.

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

8.2 Contingent Assets and Liabilities

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

As at 30 June 2020, Tourism Tasmania did not have any contingent assets or liabilities.

Note 9

Cash Flow Reconciliation

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

9.1 Cash and deposits

Cash and deposits includes the balance of the Specific Purpose Account held by Tourism Tasmania and other cash held.

	2020 \$'000	2019 \$'000
Specific Purpose Account balance		
S535 Tourism Tasmania Financial Management Account	(136)	(96)
Total	(136)	(96)
Other cash held		
Petty cash float	1	1
Total	1	1
Total cash and deposits	(135)	(95)

The overdrawn cash balance predominantly reflects the year end GST refund receivable. Treasurer's approval for an overdraft limit \$500,000 is held.

9.2 Reconciliation of Net Result to Net Cash from (used by) Operating Activities

	2020 \$'000	2019 \$'000
Net result	(161)	(398)
Depreciation and amortisation	78	163
Decrease (increase) in Receivables	(32)	388
Decrease (increase) in Other assets	9	242
Increase (decrease) in Employee benefits	123	26
Increase (decrease) in Payables	(58)	17
Increase (decrease) in Other liabilities	1	(60)
Net cash from (used by) operating activities	(40)	378

Note 10

Financial Instruments

10.1 Risk Exposures

(A) RISK MANAGEMENT POLICIES

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

- credit risk;
- liquidity risk.

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

(B) CREDIT RISK EXPOSURES

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

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

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

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Cash and cash equivalents	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 Specific Purpose Account. Tourism Tasmania does not earn any interest on funds held.

EXPECTED CREDIT LOSS ANALYSIS OF RECEIVABLES

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows:

2020	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)
Total gross carrying amount (B)	10	...	...	10
Expected credit loss (A x B)

There were no trade debtors nor losses or loss allowance for trade debtors at 30 June 2019.

(C) LIQUIDITY RISK

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
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.	Settled within 30 days.

MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

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

2020		Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Un- discounted Total \$'000	Carrying Amount \$'000	
Financial liabilities									
Payables	85	...	...	...	...	...	85	85
Total	85	...	...	...	...	...	85	85

2019		Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Un- discounted Total \$'000	Carrying Amount \$'000	
Financial liabilities									
Payables	143	...	...	...	...	...	143	143
Total	143	...	...	...	...	...	143	143

10.2 Categories of Financial Assets and Liabilities

	2020 \$'000	2019 \$'000
AASB 9 Carrying amount		
Financial assets		
Amortised cost	10	...
Total	10	...
Financial Liabilities		
Financial liabilities measured at amortised cost	85	143
Total	85	143

Note 11

Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on Tourism Tasmania's Financial Statements as at 30 June 2020.

Note 12

Other Significant Accounting Policies and Judgements

12.1 Objectives and Funding

Tourism Tasmania's role is as a demand generator and brand leader in Tasmania's visitor economy by leading and influencing the development of policy and planning for a future visitor economy.

This is actioned by

- Celebrating Tasmania's uniqueness through our marketing program which entices customers who are aligned to our brand to travel to Tasmania;
- Advocating and securing air and sea capacity to support visitor travel to Tasmania and to support the community to travel in and out of Tasmania;
- Leading the T21 Visitor Economy Strategy Implementation on behalf of government to enable a sustainable visitor economy for the benefit of all Tasmanians.

Tasmania's visitor economy has been hit hard by the recent Australian bushfires and the COVID-19 pandemic. In this changed environment the Agency's focus is on rebuilding Tasmania's tourism and hospitality industry through demand generation and access advocacy work, leading and coordinating industry specific recovery planning, through our role chairing the T21 Visitor Economy Steering Committee and supporting the Premier's Visitor Economy Advisory Council.

This will mean Tourism Tasmania will operate in the intrastate market, which is not normally within its remit – in addition to interstate and international, collaborating with the regional tourism organisations to uncover a breadth and depth of experiences that will showcase Tasmania.

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

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

12.2 Basis of Accounting

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

Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and

The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

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 12.5 below.

The Financial Statements have been prepared on the basis that Tourism Tasmania is a going concern as the 2019–20 State Budget Papers disclose that Tourism Tasmania is fully funded by appropriation in 2019–20 and over the forward estimates. The continued existence of Tourism Tasmania in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for Tourism Tasmania’s administration and activities. Tourism Tasmania has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities in the next reporting period.

12.3 Reporting Entity

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

12.4 Functional and Presentation Currency

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

12.5 Changes in Accounting Policies

(A) IMPACT OF NEW AND REVISED ACCOUNTING STANDARDS

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

- AASB 15 *Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The impact of applying the above practical expedients has not significantly affected the financial statements.

AASB 16 *Leases* – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of Tourism Tasmania’s operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities.

Tourism Tasmania has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

Tourism Tasmania elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets). There is no financial impact for Tourism Tasmania.

From 2019–20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases, major office accommodation and motor vehicle fleet recognised within the Finance-General Balance Sheet and leases for which the underlying asset is of low value which are recognised as an expense in the Statement of Comprehensive Income.

AASB 1058 *Income of Not for Profit Entities* – This Standard establishes principles for not for profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not for profit entity to further its objectives, and the receipt of volunteer services.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable Tourism Tasmania to acquire or construct a recognisable non financial asset to be controlled by Tourism Tasmania (i.e. an in substance acquisition of a non-financial asset), Tourism Tasmania recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Tourism Tasmania will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for Tourism Tasmania's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when Tourism Tasmania gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, Tourism Tasmania will recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliably.

(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 1059 *Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. There is no financial impact.

12.6 Foreign Currency

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

12.7 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of any changes in accounting policy on comparative figures are at Note 12.5.

12.8 Rounding

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

12.9 Taxation

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

12.10 Goods and Services Tax

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

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

12.11 Non traded investments

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

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



Independent Auditor's Report

To the Members of Parliament

Tourism Tasmania

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Tourism Tasmania (the Authority), which comprise the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Chair of the Board and Chief Executive Officer (the Directors).

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Authority as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Tourism Tasmania Act 1996*, *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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

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

Responsibilities 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, Section 38 of the *Tourism Tasmania Act 1996* and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern unless the Authority's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

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

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



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General


Tasmanian Audit Office


1 October 2020
Hobart



Abalone diving,
King Island
© Stu Gibson

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