

TOURISM

★ TASMANIA ★

A YEAR OF CURIOUS

ANNUAL REPORT 2015-16

SUBMISSION TO THE MINISTER

Dear Minister

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

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

Accordingly, I have pleasure in submitting to you for presentation to Parliament, this report on the affairs and activities of Tourism Tasmania for the financial year ended 30 June 2016.

Yours sincerely

James Cretan
Chairman
Tourism Tasmania Board

John Fitzgerald
Chief Executive Officer
Tourism Tasmania

October 2016

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About our Annual Report

Tourism Tasmania's Annual Report 2015-16 details Tourism Tasmania's performance during the year in review, describes the activities that shaped and contributed to that performance, explains how Tourism Tasmania has achieved its stated targets within budget and provides a comprehensive financial report.

The Annual Report is available online at

► http://www.tourismtasmania.com.au/publications/annual_report

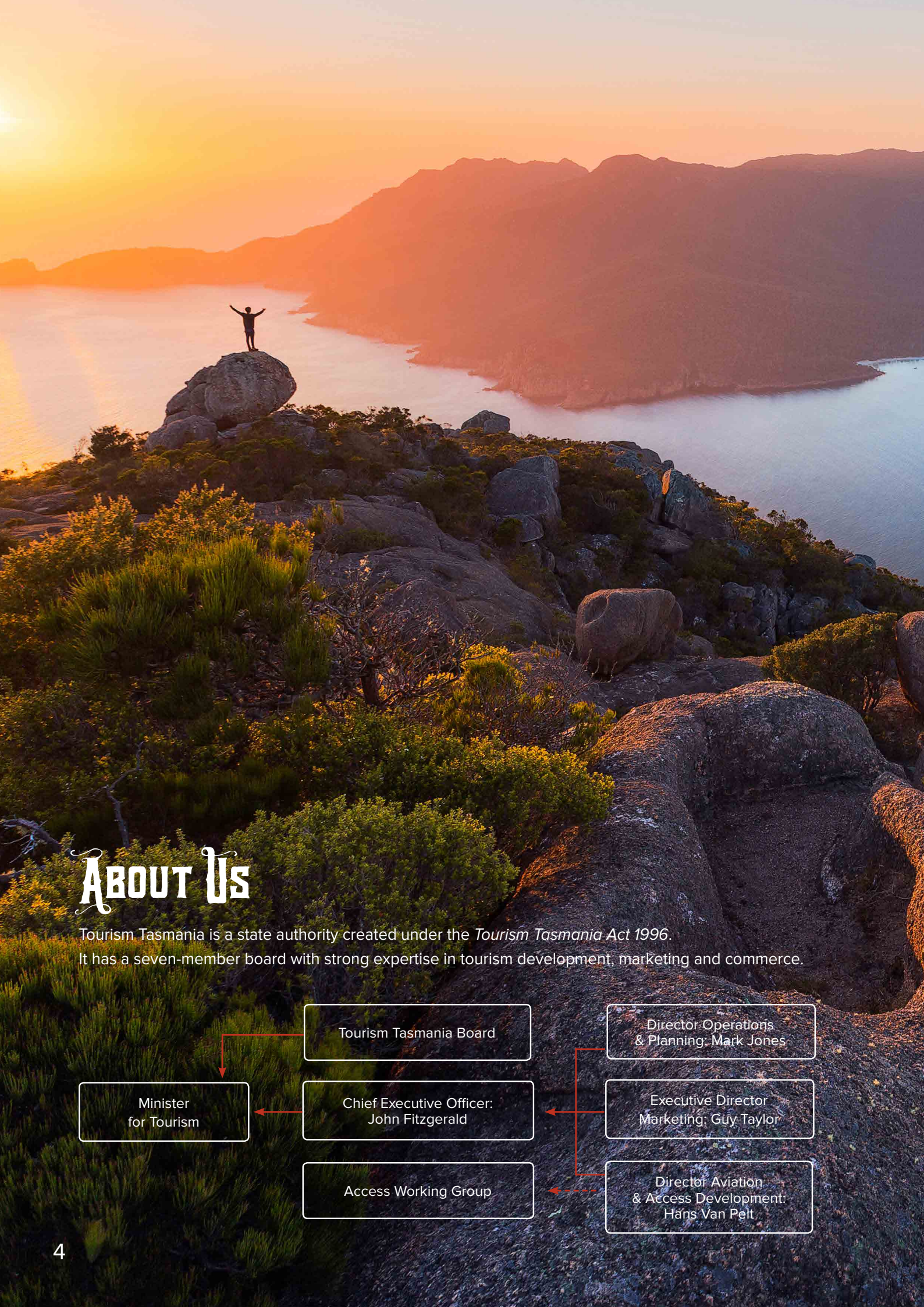
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ABOUT US

Tourism Tasmania is a state authority created under the *Tourism Tasmania Act 1996*. It has a seven-member board with strong expertise in tourism development, marketing and commerce.





STATEMENT OF CORPORATE INTENT

Over this past year, Tourism Tasmania invested in a variety of marketing programs aimed at attracting more visitors to Tasmania, and the results have been sensational. For the first time, we welcomed over one million interstate visitors and we reached the \$2 billion visitor spend mark.

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 June 2015 to 2020*.

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.

T21

TASMANIAN VISITOR ECONOMY STRATEGY 2015–2020

Tasmania's tourism industry consists of around 2,000 separate businesses. It directly and indirectly supports around 36,700* jobs in Tasmania or 15.3 per cent of total Tasmanian employment, and contributes around \$2.55 billion to the economy, amounting to 9.9 per cent of the gross state product.

To grow Tasmania's tourism industry, the Tasmanian Government released T21 – The Tasmanian Visitor Economy Strategy 2015-2020. The strategy is an enduring partnership between the public and private sectors to guide the development of Tasmania as a major destination.

Under the strategy, the Tasmanian Government and tourism industry aim to fulfil five major goals for Tasmania's visitor economy by the end of 2020. These include attracting 1.5 million visitors and \$2.47 billion in visitor spending annually, delivering more direct and indirect tourism employment in Tasmania, sustaining a high level of regional visitor dispersal and achieving greater visitor satisfaction.

Tourism Tasmania contributes directly to the strategy in working to grow demand for travel to Tasmania through the delivery of domestic and international marketing programs, and to increase air and sea access to the state. Improving access is a priority of the government and described in detail in its Access 2020 plan.

The Tasmanian Visitor Economy Strategy recognises there are many reasons why people visit Tasmania and engages the individuals, businesses and organisations involved in attracting them. These include the Department of State Growth, Tasmanian Parks and Wildlife Service, Business Events Tasmania, the Tasmanian Hospitality Association, the Tasmanian Visitor Information Network, the University of Tasmania and local government.

The strategy also acknowledges that, to achieve its target, Tasmania needs to overcome existing constraints on growth. In addition to more frequent and cheaper access to the island by air and sea carriers, these include the need for new infrastructure and accommodation, and the development of a quality service culture.

Full details of the T21 Visitor Economy Strategy, including six-monthly reports on the strategy's progress, are on the T21 website at <http://www.t21.net.au>.

**Tourism Satellite Accounts 2014-15*

OUR FOCUS

To achieve our goal, Tourism Tasmania's activities focus on brand marketing, content generation, brand advocacy and working with partners to increase awareness and bookings.

These activities encompass destination brand development and marketing, domestic and international tourism campaigns, major event marketing, niche tourism promotions, public relations, social media and online marketing.

To support its own marketing programs, Tourism Tasmania enters into commercial marketing partnerships with domestic and international carriers, travel retailers and brand partners to facilitate the sharing and promotion of Tasmanian tourism experiences and stimulate holiday sales and bookings to Tasmania.

Tourism Tasmania's destination marketing plays an important part in achieving the government and tourism industry's shared Tourism 21 goal to grow the state's visitor economy.

As part of this approach, Tourism Tasmania also works closely with the Department of State Growth and other government agencies responsible for matching the growth of Tasmania's visitor economy with the supply of adequate air and sea access, new tourism experiences, accommodation and infrastructure, and a suitably skilled workforce.

Tourism Tasmania also encourages the growth of a strong regional tourism sector able to undertake industry development, capacity building and tourism marketing programs for their regions.



CHAIRPERSON'S REPORT

Over this past year, Tourism Tasmania invested in a variety of marketing programs aimed at attracting more visitors to Tasmania, and the results have been sensational. For the first time, we welcomed over one million interstate visitors and we also reached the \$2 billion visitor spend mark.

Furthermore, this growth is likely to continue, with Tasmania's contrasting blend of heritage and wilderness, along with our unique cultural character, continuing to attract sustained interest in our domestic and international markets.

With results like this, the benefits to Tasmania are considerable, with tourism and the visitor economy driving additional investment in direct and indirect job creation, particularly in our regions.

To sustain this growth path, the Tasmanian Government revitalised an earlier agreement to launch T21 - The Tasmanian Visitor Economy Strategy 2015-2020, a five-year plan to increase the number of people visiting Tasmania.

The new plan acknowledges that people visit Tasmania for many reasons, not just holidays, so we are now working closely with sectors not traditionally seen as part of tourism such as the international education sector, other state government departments and local government.

To achieve the T21 target, the Tasmanian Government allocated Tourism Tasmania \$15 million over three years to undertake marketing activities and in this first year, we have fulfilled our responsibilities in directing the year's allocation almost exclusively to marketing the state.

The funding allowed us to explore the potential of our tourism brand in two major domestic marketing campaigns and a smaller winter activation. We also put in place more cooperative marketing agreements with strategic partners, including our domestic and international access partners and with industry, to strengthen our brand message and marketing reach.

Our partnership with Dark Mofo in our Season of Curious winter activation, for example, allowed us to strengthen our marketing message using engaging, brand-aligned content while at the same time promoting the event on behalf of the event organisers to increase sales. We also partnered with industry representatives on an Asia trade mission, gaining high profile recognition in Beijing, Shanghai, Guangzhou, Hong Kong, Singapore and Kuala Lumpur.

To make the most of our opportunities through to 2020, we reviewed our corporate plan. The new plan emphasises the importance of our tourism brand and further highlights Tourism Tasmania's multi-strategy approach to promoting the state. We also moved to a new office space that better reflects the size and work of Tourism Tasmania and provides a comfortable, creative and sustainable environment for our people.

Given the Tasmanian Government's commitment to grow the state's visitor economy and the continuing good will of all those working towards this goal, I am convinced we will make further significant gains over the coming year.

I thank the board for their support and their commitment to achieving our goals over this past year. Pleasingly, this is also the first year we've had equal gender representation on the board, ensuring a diverse range of skills and capabilities contribute to the board's decision making.

I also thank CEO John Fitzgerald for his leadership and the staff of Tourism Tasmania for their hard work over the year and look forward to sustaining this success in the year to come.



James Cretan
Chair Tourism Tasmania

CHIEF EXECUTIVE OFFICER'S REPORT

There's no denying it's been another great year for tourism in Tasmania – total visits are up, the number of visitors exploring our regions is up and our occupancy rates are at record levels.

For domestic consumers, we remain the second most appealing destination after Queensland and the response from the international travel trade to Tasmania at this year's Australian Tourism Exchange was exceptional.

On top of this, audience reaction to our marketing suggests it's resonating with consumers with interest in Tasmania growing beyond our expectations, and we're playing our part to keep this momentum going.

Under a renewed vision to grow Tasmania's visitor economy, Tourism Tasmania aims to increase the number of leisure visitors to the state. We expect this group to make a significant contribution to the government's and industry's visitor economy goals.

Our tourism brand is also playing a part and it's vital we continue to explore the brand's creative potential, knowing that our success in the market place depends on it. Our Go Behind the Scenery theme successfully portrays this and gives us further scope to communicate our unique character.

We know that being brave and exploring new possibilities is not without risk, however we must be doing something right when other destinations start mirroring our approach. This only goes to show how important it is for us to stay ahead of the game and maintain our distinctive position in the market if we are to keep growing.

Over the coming year, we'll continue to use a combination of marketing approaches in our domestic and international markets to make sure our tourism brand continues to engage our target market segments and has cut through in the market place.

We'll also help our media partners in traditional and new media generate high quality content on Tasmania to expand the reach of our marketing message.

Third party advocacy remains a priority and we'll continue to encourage others to share their Tasmanian stories and advocate on our behalf through integrated marketing activity on our social media channels and through public relations activities.

And we'll continue to work closely with inbound tour operators and our wholesale and retail travel partners to help them increase their Tasmanian sales in our domestic and international markets.

Each of these approaches offers an effective way to market the state. In combination, they provide a far more powerful means for us to extend the reach and impact of our marketing message and help us achieve the best return on our investment.

Of course, our ability to grow also depends on our industry's capacity to meet visitor expectations. The overwhelming recognition of Tasmanian tourism businesses at this year's Qantas Australian Tourism Awards reflects the high-quality experiences on offer in Tasmania and gives me further reason to be optimistic about the future.

I thank the board for their support over this past year, the staff of Tourism Tasmania for their hard work and passion in marketing the destination, and our industry partners for their invaluable contribution in raising awareness of the destination and the world-class experiences we have on offer in Tasmania.



John Fitzgerald
Chief Executive Officer

THE BOARD OF DIRECTORS 2015-16

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



James Cretan

As chair of the Tourism Tasmania Board, James oversees Tourism Tasmania's strategic direction and plays a significant role in communication with government and industry. James is an executive director and chair of Kriticos Nominees, a family company that owns and operates Cradle Mountain

Wilderness Village, Swansea Beach Chalets, Shoreline Hotel and Tasmanian Collection Service. He is a director and chair of the Plastic Fabrications Group, a manufacturer and supplier of a wide range of plastic and related products to the aquaculture and marine industry, and is also an owner and director of Intuit Technologies, Tasmania's largest private ICT company. He was a director of TAFE Tasmania from 2004 and chair from January 2006 to May 2008 before becoming chair of The Skills Institute.



Brett Torossi

Brett is the chair of Tourism Tasmania's Audit Finance and Risk Committee. She is founder, owner and managing director of New Ground Network. As a respected property developer and businesswoman, she focuses on creating and developing properties that are innovative, sustainable and commercially

successful. Brett's other board appointments include; director, Wallis Watson Capital Ltd; director, Avalon Coastal Retreat Pty Ltd; director, Tasmanian Development Board; non-singing director, The Festival of Voices; chair, Tasmanian Heritage Council; trustee, Tasmanian Museum and Art Gallery; chair, Tasmanian Museum and Art Gallery Audit Committee; chair, Tasmanian Cultural Policy Steering Group and director of the National Board of Creative Partnerships Australia.



John Fitzgerald

John Fitzgerald is CEO of Tourism Tasmania. He has had an extensive career in senior executive management positions in the tourism industry in Australia, having held positions at national, State/Territory and regional levels. Previous to his current position, John held the position of CEO at Tourism

NT. He has also held the position of Chief Operating Officer at the Sustainable Tourism Cooperative Research Centre (STCRC), where he managed the successful completion of the seven-year STCRC program. Before then, John was CEO at Tourism Sunshine Coast, one of Queensland's major regional tourism organisations. John has held numerous board, committee memberships and directorships and is currently a director of the Australian Tourism Data Warehouse and Business Events Tasmania. Former directorships include the NT Major Events Company, the Darwin Waterfront Corporation, the national Indigenous Tourism Working Group and the Queensland Tourism Industry Council. John holds a Bachelor of Arts degree and is married with two children.



Kate Vale

Kate has enjoyed a hugely distinguished career spanning almost twenty years in some of the most prestigious digital environments in the world. As managing director of Spotify for Australia and New Zealand, Kate heads up all aspects of the business for the region, managing a team in Sydney. With a strong head for business and unique flair for digital and search, Kate has enjoyed a distinguished career in some of the most prestigious digital environments in the world. Prior to joining Spotify, Kate was Google's first regional hire as Head of Sales for Australia and New Zealand before moving to YouTube in 2009. Kate relocated her family to Los Angeles in 2016 where she is still busy in her Australian role and exploring her new home.



Simon Currant

Simon is the visionary and developer behind some of Tasmania's and Australia's most celebrated tourism experiences including Cradle Mountain Lodge, Franklin Manor, Strahan Village, Gordon River Cruises, Peppermint Bay, Hobart Cruises and his latest venture, Pumphouse Point, a wilderness retreat within the Tasmanian Wilderness World Heritage Area. In 2010, Simon was appointed the inaugural chairman of the Tourism Quality Council of Australia (TQCA). Simon was chairman of the Tourism Industry Council Tasmania for 16 years and continues as a director, and is a former long-term director of TT-Line. A Churchill Fellow, he was awarded a Centenary Medal in 2001 and was named Tasmanian of the Year in 2004. In 2006, Simon was honoured as a Member of the Order of Australia for services to the community and the Tasmanian tourism industry. Simon consults both nationally and internationally, providing expert advice in operations, new destination evaluation, market evaluation and product concept development.



Michelle Cox

Michelle is the global chief operating officer of marketing communications agency group Bastion. Entering 20 years of leadership, Michelle has a demonstrated track record in growing returns across Australia, Asia Pacific and global markets. With multi-national experience in marketing, communications, travel and tourism, Michelle applies entrepreneurial thinking to find creative solutions for her clients. Previous appointments include managing director Asia Pacific for STA Travel and GM Marketing for the APT Group. Michelle has held executive and board appointments including executive director – Bastion EBA, chair of the Australian Tourism Export Council (ATEC) – Northern Territory; deputy chair, Central Australian Tourism Industry Association (CATIA) and as director of Asia Pacific London with STA Global Leadership Board.



Rebecca King

Rebecca is a multi-award winning tourism online marketing specialist who has worked in small business, state government, the airline industry, and media. She is currently director of her own national tourism digital marketing company Kingthing Marketing. Rebecca held the position of Marketing Manager at Tamar River Cruises, winning the company nine awards including Tasmanian Tourism Awards and the Telstra Business Award for Innovation. In 2006 she was awarded Telstra Tasmanian Corporate Business Woman of the Year. Her business Kingthing Marketing won the 2014 Tasmanian Tourism Award for Education and Training and in 2015, Rebecca won gold in the prestigious 2014 Australian Tourism Awards in the Education and Training category. Rebecca is a founding member of the Girls Gone Riding cycling group who raise funds for underprivileged communities. She lives in Launceston with her husband and two teenage boys.

ACCESS 2020

Tasmania's T21 Visitor Economy Strategy recognises the importance of ensuring adequate air and sea access to Tasmania.



The Tasmanian Government's Access 2020 plan aims to increase domestic air and sea capacity and frequency, improve seasonal demand, maximise low fare availability and increase international visitation, as well as introduce a small number of direct international flights.

Tourism Tasmania provides research services and logistical support to the Director Access and Aviation Development.

Air

In this, the first year of the strategy's operation, capacity to Tasmania increased by 173,658 new seats on the key routes between Hobart and Launceston and Melbourne, Sydney and Brisbane. This is above the annual target of 140,000 required to meet our 2020 goals. The increase arose from the addition of permanent new services and making more ad-hoc seats available for a longer peak season and for key events.

Over the previous year, Qantas increased frequency from 35 to 46 flights a week from Hobart to Melbourne and Sydney with an additional aircraft based overnight in Tasmania generating 25 new pilot and crew jobs for the state. Qantas also added a fifth daily, weekday rotation between Hobart and Melbourne as well as 69 extra flights over the December-January period, including a double daily service between Sydney and Hobart.

Jetstar added a new four times a week service between Hobart and Avalon (Geelong), adding 74,880 new seats a year between Hobart and regional Victoria.

Improving international access is another objective of the Access 2020 plan. The Federal Government grant deed to extend Hobart's runway to 2750 metres now enables the Tasmanian Government and Hobart Airport to pursue direct air access with international airlines based in key visitor markets.

Code share agreements improve connectivity to Tasmania from international ports, allowing passengers to book one ticket and transfer luggage directly to their Tasmanian airport destination. During the year, Qantas put in place a codeshare agreement with China Eastern for all flights connecting Hobart, Launceston and Devonport to Shanghai. Virgin also agreed to a new code share with Scoot, a subsidiary of Singapore Airlines, for all connecting flights from Hobart and Launceston to Singapore.

There has also been significant investment in Tasmania's access points. Hobart Airport embarked on a \$100 million investment program, while Launceston Airport completed a \$3.5 million passenger terminal redevelopment and an \$11 million runway overlay. Both terminal redevelopments improve the visitor experience, retail offering, and dining options and positively contribute to the arrival experience for all air visitors to Tasmania.

Sea

In September 2015, TT-Line completed an extensive \$31.5 million refurbishment of both Spirit of Tasmania ships, upgrading all passenger facilities on both vessels. TT-Line ran a total of 33 additional day sailings over the peak season with visitors arriving on Spirit of Tasmania growing by 17 per cent to 138,400 (March 2016).

The Access 2020 plan also addresses cruise ships. In the 2015-16 summer, there were 59 port calls in Tasmania, delivering 163,328 passengers and crew, and adding an estimated \$32 million to the economy. Significant growth in cruise ship visits is forecast for the next two seasons, with 96 port calls booked for 2016-17 and 129 calls currently booked for 2017-18.

VISITORS TO TASMANIA

Tourism Tasmania gathers data on visitation to Tasmania through the Tasmanian Visitor Survey (TVS), a sample survey of passengers departing from Hobart, Launceston, Devonport and Burnie airports as well as the Spirit of Tasmania terminal in Devonport.

Tourism Tasmania also compiles data from the National Visitor Survey and the International Visitor Survey, both published by Tourism Research Australia.

Grow economic and social value

Tourism Tasmania aims to grow economic and social value for Tasmania. By 2020, a total of 1.5 million visitors are expected to spend around \$2.5 billion a year in Tasmania and stimulate more capital investment and jobs.

Tourism Tasmania aims to contribute to this by increasing the number of leisure visitors to Tasmania to around 1.13 million a year by 2020.

All visitors

Measure	12 months to June '15	12 months ending June '16	% change
Total visitors	1 146 600	1 167 900	2
Expenditure (million)	1885	2054	9
Total nights (million)	9 720 000	10 204 400	5
Direct jobs	17 500	Available 2017	Available 2017
Indirect jobs	19 200	Available 2017	Available 2017

Leisure visitors

Measure	12 months to June '15	12 months ending June '16	% change
Total leisure visitors*	862 300	862 700	0
Expenditure (million)	1281	1377	7
Nights	4 933 600	5 120 200	4

* Holiday + Visiting friends and relatives

Lead and activate the brand

Building a vibrant, unique destination brand increases market awareness of Tasmania and grows our appeal as a holiday destination.

We gauge our contribution by measuring Tasmania's appeal and consideration and its domestic and international market share.

Consideration and Appeal (Target audience)

Measure	Quarter to June '15 (%)	Quarter to June '16 (%)	Change
Appeal	66	73	7
Consideration next 12 months	18	18	0
Consideration next 2-3 years	34	33	-1

Market share – All visitors

Market	12 months to June '15 (%)	12 months ending June '16 (%)	Change
Domestic %	86	85	-1
International %	14	15	1

SUMMARY OF MAJOR ACTIVITIES 2015-16

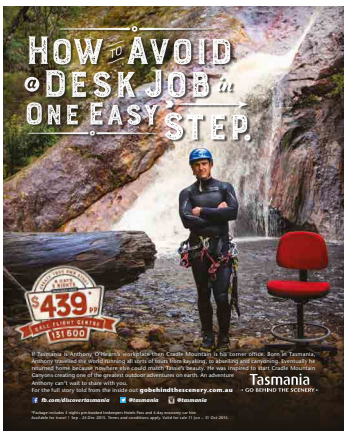


Over the previous year, Tourism Tasmania:

- Delivered two domestic brand campaigns Go Behind the Scenery Spring 2015 and Go Behind the Scenery Autumn 2016 in Victoria, New South Wales and Queensland
- Presented Season of Curious, a winter activation delivered from 2 May to 12 June 2016 to encourage visitation over winter
- Worked with Tasmanian Parks and Wildlife Service to promote the opening of the Three Capes Track, gaining media exposure in *The Australian*, *Wild Magazine*, *Marie Claire*, *Fairfax Traveller*, *Lonely Planet* and *Australian Geographic Outdoor*
- Developed Tasmanian content for *Getaway*, *Fishing Australia*, *Virgin Australia Long Weekender* and *BBC Coast*.
- Showcased Tasmania's food and produce in Tourism Australia's International Media Hosting Program broadcast, *Dodo Goes Shopping*, presented in Hong Kong at prime time with a media value estimated at \$8,923,091 and a further \$132,000 in print media and coverage
- Hosted 30 media and influencers working with Tourism Australia on their Restaurant Australia – Noma activity
- Funded a content package for Tourism Australia's Aquatic and Coastal campaign including a virtual reality, 360-degree film and supporting content, with the Three Capes Track as Tasmania's iconic product
- Delivered a Chief Wombat Cuddler competition to generate conversations about Tasmania and Flinders Island as travel destinations, gaining significant online media attention from Australian and international media channels
- Supported the production of *The Kettering Incident* TV series
- Engaged digital advocates and storytellers to create short and long-form content pieces for social media including videos and conversations
- Partnered with Virgin Australia, Jetstar and Qantas Australia on cooperative partnership activities, including the launch of Jetstar's direct flights from Avalon, the *Long Weekender* TV show and a campaign promoting an increase in Qantas Airways flights
- Worked with DerTour in Germany resulting in four new Tasmanian packages and 115 bookings
- Partnered with leading Chinese online travel company Tuniu.com to develop Tasmanian packages and a dedicated Tasmania microsite
- Attended the Australian Tourism Exchange 2016 with 25 Tasmanian operators, including five new sellers
- Trained 151 sellers in Tourism Tasmania's Tassie Specialist training
- Engaged all of Tourism Tasmania's social media channels to promote the Qantas Australian Tourism Awards
- Hosted a Talkabout Tassie Roadshow that saw 17 export-ready Tasmanian businesses present their product to around 300 travel agents in Melbourne, Sydney and Brisbane
- Published an Asia Engagement Marketing Strategy 2016-2020
- Led a Pan Asia sales mission with industry representatives to Beijing, Shanghai, Guangzhou, Hong Kong, Singapore and Kuala Lumpur
- Published a T21 Tasmanian Visitor Economy Strategy website

OUR ACTIVITIES

Tourism Tasmania's domestic and international marketing activities focus on brand marketing, content generation, brand advocacy, partnering for conversion and stakeholder engagement. Taking a holistic approach to marketing reinforces our campaign messages, extends campaign reach and raises awareness of our in-market activities.



Brand marketing

Tourism Tasmania encourages leisure travel by connecting people emotionally and culturally to Tasmania. It does this by promoting a unique tourism brand that presents a consistent, compelling and readily identifiable character for the state. Tourism Tasmania's brand campaigns engage all of our marketing approaches for maximum market impact. We align our social media engagement to campaign themes, produce brand-aligned content for media advertising and work with partner organisations to increase sales.

Tourism Tasmania's domestic marketing targets a group of people we call Life Long Learners. Our research shows they have an interest in exploring and learning more about world in which they live, have a positive outlook on life, and live mainly on Australia's eastern seaboard. Their reasons for taking a holiday are to discover and understand new people and places or to escape and spend time together and create new memories.

We also use research to evaluate the impact of our brand campaigns, working with research company TNS Australia to track consumer behaviour throughout the campaigns. Tourism Tasmania uses the findings to inform subsequent campaigns over the coming year.

Tourism Tasmania also uses the Tourism Info Monitor (TIM) to monitor the state's tourism performance and gain a deeper understanding of potential interstate visitors to Tasmania.

Go Behind the Scenery

In 2015-16, Tourism Tasmania ran two major domestic marketing campaigns, Go Behind the Scenery Spring 2015 and Go Behind the Scenery Autumn 2016. The campaigns continued to explore the behind the scenery experiences characteristic of Tasmania's tourism brand, however in our autumn 2016 campaign, we presented these in a more emotive way by focussing on the passionate locals who deliver the experiences, rather than on the experiences themselves.

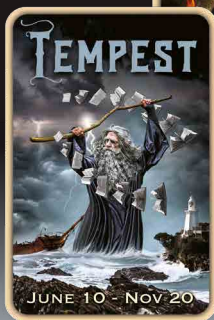
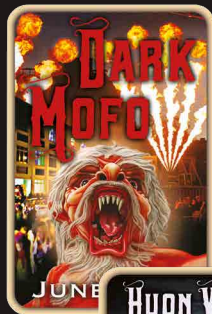
The campaigns saw Tourism Tasmania invest in media advertising in Melbourne, Sydney and Brisbane, engaging audiences through TV, print, cinema, outdoor and digital advertising.

The social advocacy component of both campaigns was a mix of paid social advertising across Facebook, Instagram and Outbrain, and organic (unsolicited) social activity across Facebook, Instagram and Twitter. To complement the paid advertising, Tourism Tasmania engaged local and visiting storytellers – bloggers, photographers and Instagrammers – to generate short and long-form content pieces to support campaign themes.

Throughout the campaigns, Tourism Tasmania also contributed to coordinated promotions by access partners Jetstar in the 2015 and Virgin in the 2016 campaign. We also worked exclusively with conversion partner Flight Centre for both the spring and autumn campaigns with all calls to action being to Flight Centre.

While the Spring 2015 campaign successfully met all of our performance targets, the Autumn 2016 campaign performed exceptionally well showing steady levels of engagement with the total audience and increased levels of engagement with the target audience.

In 2015-16, Tourism Tasmania hosted 82 separate domestic media visits to Tasmania



Go Behind the Scenery	Spring 2015	Autumn 2016
In market	16 August – 3 October 2015	28 Feb – 16 April 2016
Location	Sydney, Melbourne, Brisbane	Sydney, Melbourne, Brisbane
Financial investment	\$2 058 790	\$3 575 000
Total campaign value	\$2 915 951	\$6 330 000
Media investment	\$1 532 693	\$3 045 000

Consideration to travel	Spring 2015 (%)	Autumn 2016 (%)	Change
Target audience*	63	81	18

* % of target audience, Life Long Learners, considering travel in next 6 - 12 months as a result of advertising

Season of Curious

Tourism Tasmania launched Season of Curious, a winter activation, in May 2016 in Melbourne, Sydney and South East Queensland. The campaign aimed to increase visitation over this traditionally quieter period by highlighting the many special events held in Tasmania over winter. All calls to action were to travel partner, Tas Vacations. The events promoted in the activation included Dark Mofo, The Tempest exhibition, Devonport Jazz Festival, Festival of Voices, Huon Mid-Winter Fest and Chocolate Winterfest. The results of the campaign are not yet available at the time of print.

Dark Mofo

In addition to ongoing Tasmanian Government funding, Tourism Tasmania committed \$323,500 to promote Dark Mofo. Because of the event's high affinity with our tourism brand, we leveraged the event through our Season of Curious campaign, as well as in a cooperative campaign with Qantas in Sydney, Melbourne and Brisbane. Tourism Tasmania also supported a brand-aligned Dark Mofo cinema advertising campaign with 224 screenings of a 60-second advertisement running from 28 April to 19 May in the Sydney, Melbourne and Brisbane metropolitan markets.

Content

Compelling content plays an important role in influencing a consumer's travel decisions. It builds an emotional connection with the destination and differentiates Tasmania in a competitive travel marketplace. Encouraging others to generate content on Tasmania underpins much of our domestic and international marketing. Content includes images, videos, footage, articles, blogs, stories and related assets.

Domestic

Print and online

Tourism Tasmania hosts and advises journalists, social media commentators and independent influencers interested in publishing destination content on Tasmania. This year, we hosted 82 separate media visits to the state. These were mainly for traditional publishing formats such as newsprint, magazines and television but also for online formats by influencers and bloggers.

In 2015-16, Tourism Tasmania engaged influencers to work with partners on the launch of the Three Capes Track, gaining media exposure in *The Australian*, *Wild Magazine*, *Marie Claire*, *Fairfax Traveller*, *Lonely Planet* and *Australian Geographic Outdoor*.

Tourism Tasmania also works with brand-aligned event partners incorporating their event in communications and public relations activity. This year, Tourism Tasmania gained coverage of Dark Mofo in *The Guardian*, *Broadsheet*, and *Vice* and traditional print media *The Australian* and *Fairfax* media. We also secured coverage in national and international publications for Festival of Voices and Falls Festival.

Australian Traveller also featured high profile model, Megan Gale at the Bay of Fires with a nine-page editorial on the recently launched Great Eastern Drive and articles on Dark Mofo and the Huon Mid-Winter Festival.

Broadcast

Tourism Tasmania encourages the production of Tasmanian destination content for television. This year, we worked with *Places We Go*, a popular TV travel series airing in late July 2016. The series included content on Tasmania's wilderness experiences at Freycinet and Cradle Mountain. We also worked with the Caravan Industry Association Australia and



the Spirit of Tasmania to assist media partner *What's Up Down Under* in their summer series TV program, magazine and online channels. We also developed Tasmanian content for *Getaway*, *Fishing Australia*, *Virgin Australia Long Weekender* and *BBC Coast*.

Tourism Tasmania engaged with Foxtel and Screen Tasmania to support and leverage *The Kettering Incident*, an eight-episode, one-hour TV drama series. The producers shot the series entirely in Tasmania with its gothic land and seascapes playing a fundamental part in the storytelling. Tourism Tasmania also partnered with Foxtel to promote the series. Foxtel invested in a media campaign across outdoor, radio, digital, and print along with a massive publicity push and subscription drive. The series recently received a special jury prize at the Series Mania festival in Paris, a prestigious festival focussed on high-end, international television series.

International

Tourism Tasmania works with Tourism Australia on international marketing and trade programs to promote Tasmania overseas.

Restaurant Australia

This year, Tourism Tasmania continued to contribute to Tourism Australia's There's Nothing Like Australia – Restaurant Australia platform. Over the past year, we showcased Tasmania's food and produce in their International Media Hosting Program broadcast, *Dodo Goes Shopping*. The program aired in Hong Kong in prime time with a media value estimated at around \$8,923,00. We also worked with five distribution partners who leveraged the campaign; EGL Tours, Wing On, Hong Thai Travel, Travel Expert and Wincastle Travel. Partnering with Qantas, Tourism Tasmania hosted a group of high profile Hong Kong media that included Craig Ay Yeung, a well-known food identity, artist and writer, and representatives from *Weekend Weekly*, Hong Kong's top selling travel weekly magazine.



Tourism Tasmania partnered with V8 Supercars to leverage the exposure of Tasmania across their broadcast, digital and social media channels, with the live event on Fox Sports and highlights on Network 10 reaching a combined television audience of 1,012,500



Noma

Tourism Australia leveraged a ten-week residency in Sydney by renowned Danish chef, Rene Redzepi, to highlight Australia's extraordinary array of produce. Tourism Australia hosted over 150 media, influencers and stakeholders to experience Noma Australia first-hand. Of these, 30 media and influencers visited Tasmania. The Noma Australia activity generated over 1600 pieces of national coverage, with an audience reach of over 7.4 billion and an estimated advertising value of \$23.6 million.

Aquatic and Coastal

Tourism Tasmania leveraged Tourism Australia's latest Aquatic and Coastal campaign featuring Australia's unique aquatic and coastal assets. We funded a hero content package including a virtual reality, 360-degree film and supporting content, with the Three Capes Track as Tasmania's iconic product. We participated in the global Aquatic and Coastal campaign launch in New York and Shanghai and hosted renowned Australian photographer, Sean Scott, as part of Tourism Australia's dedicated content and advocacy activity.

Best of Australia

Tourism Tasmania works with Tourism Australia to promote their Best of Australia programs through public relations activities, media and specialist travel-trade initiatives. These programs promote Tasmania's leading experiences in our domestic and international markets and include Great Golf Courses of Australia, Great Walks of Australia and the Ultimate Winery Experiences of Australia.

Brand advocacy

The use of third-party advocacy to promote Tasmania is an important part of Tourism Tasmania's combined approach to consumer marketing. Using social media increases the reach of Tourism Tasmania's marketing message, generates brand-aligned content, reinforces brand attributes and builds trust with audiences. Tourism Tasmania also leverages third-party promotion of the destination through sharing content published independently by journalists and influencers on recognised mastheads and through Tourism Australia's International Media Hosting Program (see Content above).



Our social community

Tourism Tasmania uses the hashtag **#discovertasmania** to encourage content sharing across all of its social channels. In 2015-16, Tourism Tasmania's social media community across Facebook, Twitter and Instagram substantially increased from 317,484 followers to 533,512. This 68 per cent increase demonstrates the growing popularity of Tasmania as a travel destination on social media. Tourism Tasmania's Instagram account also became the largest of all Australian state tourism organisations, with over 286,000 global followers. This year, Tourism Tasmania used social media to promote its Go Behind the Scenery autumn and winter campaigns, the launch of the Three Capes Track, brand-aligned events including Dark Mofo and the Huon Valley Mid-Winter Feast, the Qantas Australian Tourism Awards and Helloworld Insta-Relay.

Chief Wombat Cuddler competition

As well as engaging in planned activities on social media, we also build on unanticipated opportunities to promote Tasmania's tourism brand. Tourism Tasmania ran a competition on its campaign microsite to leverage the viral exposure of a visitor's video of a baby wombat on Flinders Island. We built the competition around

a prize winning Chief Wombat Cuddler to generate conversations about Tasmania and Flinders Island as travel destinations. The competition gained significant online media attention from Australian and international media channels including CNN, CNBC, BBC, BuzzFeed, Travel + Leisure, AWOL, Huffington Post, Triple J, ABC, Lonely Planet and The Telegraph. These outlets also promoted the competition through their own social, television and print activities. As a result of the competition, traffic to the Go Behind the Scenery campaign microsite increased from an average of 7500 visits a day to 10,704 visits a day.

Three Capes Track

Tourism Tasmania worked with Tasmanian Parks and Wildlife Service to promote the launch of the Three Capes Track, a premium walking experience on Tasmania's Tasman Peninsula. Tourism Tasmania shared a user-generated video featuring the track to a global audience of over 970,000 with over 200,000 views on Tourism Tasmania's Instagram, Facebook and Twitter channels alone. We also produced a series of videos with Lonely Planet that they then shared with their global audience of over 642,000. These activities produced exceptional results with over 6876 walkers booked in the first five months of the track's operations, far exceeding Parks and Wildlife's target of 3700 by the third year of operation. We also worked with Tourism Australia to help domestic and international influencers experience and then share the Three Capes Track experience through their own social media channels.

Insiders' Guide – Go Behind the Scenery

Content authored by third parties underpins Tourism Tasmania's Insiders' Guide, a multi-social channel content hub introduced on the Go Behind the Scenery – Autumn 2016 campaign microsite. Tourism Tasmania engaged local and visiting bloggers, photographers and Instagrammers, to create short and long-form content pieces. They also engaged in conversations, shared their stories and images and encouraged their social media community to visit the guide.



China travel magazine *Travel*
+ named Tasmania the best
travel destination for 2015,
the first accolade received
by Tasmania in China



Hawthorn Football Club

Tasmania's sponsorship of the Hawthorn Football Club allows Tourism Tasmania to harness significant promotional opportunities including a presence on the club's websites and through the Tasmania Game of the Year, a Melbourne-based home game dedicated to promoting Tasmania. With ground signage and public relations activities evident on the day, the Seven Network broadcast the match to an audience of around 1 million with a match day crowd of 61,552 and a corporate audience of 570 in the prestigious President's Function.

Partnering for conversion

Tourism Tasmania works with domestic and international trade partners on cooperative marketing campaigns to convert consideration into sales. Partners include domestic and international special interest groups, travel wholesalers, retail travel networks, carriers and inbound tour operators.

We also attend trade events with Tasmanian operators to introduce domestic and international sellers to some of Tasmania's best tourism experiences.

Cooperative marketing

Domestic

This year, Tourism Tasmania ran successful cooperative marketing campaigns with retail partners Flight Centre Travel Group (including Flight Centre and Travel Associates), Helloworld, AOT, Innkeepers Tasmania and the Royal Automobile Club of Tasmania.

We also worked with TasVacations on national retail and consumer-direct campaigns through retail agencies and auto associations including the Royal Automobile Club of Queensland and the National Road and Motoring Association.

In 2015-16, Tourism Tasmania worked with:

- TripAdvisor to manage the development of a dynamic content hub
- Tiger Airways on a two-week tactical seat sale and Tasmanian microsite, delivered in Melbourne through social and digital channels
- Virgin Australia and Qantas Airways on cooperative partnership activities, including the launch of Virgin Australia's direct flights from Avalon, the *Long Weekender* TV show and a campaign promoting an increase in Qantas Airways flights

Round 8	Round 14	Round 19
Hawks v Freo Dockers Saturday 14 May	Hawks v SUNS Sunday 26 June	Hawks v Blues Saturday 30 July

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TASMANIEN

Tasmanien

Inselparadies „Down Under“

Top-Highlights

1 Hobart
Die Hauptstadt Tasmaniens bietet ein einzigartiges Bergpanorama und ist das kulturelle und künstlerische Zentrum der Insel mit zahlreichen historischen Gebäuden und Restaurants, dem beliebten Wochenmarkt am Salamanca Place und der Kultur- und Kunstszene MIMA (Museum of Old and New Art) – die 2011 eröffnete größte private finanzielle Kunstsammlung der südlichen Hemisphäre.

2 Cradle Mountain
Wahrscheinlich Tasmaniens und einer der Höhepunkte des berühmten Warleweg-Overland-Track. Die Cradle-Mountain-Region gehört mit ihren Mooren, Schichten und Tälen zu den faszinierendsten Landschaften Tasmaniens.

3 Strahan/Westküste
Das für „Wildem Wildnis“ zählte zu einer der letzten Wildnisgebiete dieser Erde und wurde von UNESCO zum Weltkulturerbe ernannt. Strahan ist Ausgangspunkt für Flusskreuzfahrten, Bandflüge und Abenteuerreisen auf dem Franklin-Gordon-River.

4 Freycinet Nationalpark und die Ostküste
Berühmt für seine Wineglass Bay mit wunderbarsten Sandstränden, leuchtend roten Felsen und türkisem, glasklarem Wasser. Perfekt zum Schwimmen, Schnorcheln und Tauchen sowie für Wander- und Kajaktouren. Unbedingt empfehlenswert: Ein Abstecher zur aufrechten Insel und Nationalparkin-Maria Island: Wunderparadies, ehemaliger Strahlungsstätt und mittlerweile Herberge für angewandte Tasmanische Teufel.

5 Port Arthur und die Tasman-Peninsula
Die Tasman-Halbinsel ist berüchtigt für ihre schiefen Seekegeln – die höchsten der südlichen Hemisphäre: großartige Wandermöglichkeiten und seltene Meereslebewesen wie Südkalbe. Aber auch tausende Ophiuren und Seevögel. Die Geschichte der Strahlungsstation kann man in Port Arthur anschaulich erleben. Australien's bester halber Strahlungsstation mit historischen Gebäuden, Ruinen und vielen beeindruckend grandiosen Geschichten von ehemaligen Strahlern.

6 Stanley und der Nordwesten
„The Nut“ – die Nut, nennt sich der eindrucksvolle Vulkankegel vor den Toren des mythischen Ordothens in Horden der Insel das wunderbarste Café und Restaurant in der Gegend. Von hier aus hat man es nicht weit in den Tarkine, einem bedeutenden Regenwaldgebiet im Nordwesten der Insel.

7 Launceston
An der Quelle des idyllischen Tamar River liegt die zweitgrößte Stadt Tasmaniens. Von dort startet die beliebte Tasmania Wine Route entlang des Tamar River durch traumhafte Obstlandschaften.

8 Bruny Island
Die Insel unweit von Hobart ist das südlichste Weinbaugebiet Australiens und zählt auch die besten Austern der Welt anzubauen – passend zu dieser guten Mischung gibt es zum Nachfrischen fantastischen Käse und eigene Schokolade. Neben eindrucksvollen Anstrichen vorzukommen, Vögel kann man wette Wallyby bestaunen, die es nur hier gibt.

9 Der Southwest National Park
Die meisten Teile der UNESCO-Weltberühmtheit kann man nicht betreten, da hier „Natur pur“ herrscht: es gibt kaum Straßen und Wege. Absolut lohnenswert ist ein Heli-Tagesspaziergang ganz in den Süden, nach Malaleuca, um die selbst- und unberührte Flora und Fauna dieses Gondwanalandes mit urtümlichen Regenwäldern, Moor- und Berglandschaften sowie fantastischen und einsamen Sandstränden zu bestaunen. Alternativ kann man auch in 7 Tagen wieder zurück in die Zivilisation wandern.

- TT-Line on a cooperative campaign through digital, television and cinema media
- Australian Football League (AFL) and Virgin Australia to facilitate AFL Travel using a cross media approach that included the club and AFL channels speaking directly to the fans.
- Tasmanian Parks and Wildlife to promote the launch of the Three Capes Track.

Tourism Tasmania integrates cooperative marketing in its brand campaigns. This year, Jetstar Airways, Virgin Australia and Qantas Airways coordinated seat sales to coincide with our two Go Behind the Scenery campaigns. In addition, our exclusive conversion partner for the campaigns, Flight Centre, provided custom-made packages to complement the campaign stories. They also produced a booking hub to enable live bookings through the campaign microsite.

International

Over 2015-16, Tourism Tasmania committed \$2.6 million to international marketing activity. This included in-market representation and cooperative activity with Tourism Australia.

In North America, we partnered with Swain Destinations, a leading provider of customised luxury vacations. As a result, their year on year sales revenue to Tasmania increased by 113 per cent. They also saw passenger bookings to Tasmania increase by 31 per cent, Tasmanian room nights increase by 61 per cent and the average passenger spend increase by 69 per cent.



Tourism Tasmania undertook a comprehensive review of the Asia markets and identified the strongest yield and growth opportunities to be in China, Hong Kong, Singapore and Malaysia

We worked with DerTour in Germany resulting in four new Tasmanian packages and 115 bookings, equivalent to a 10 per cent increase in their sales to Tasmania.

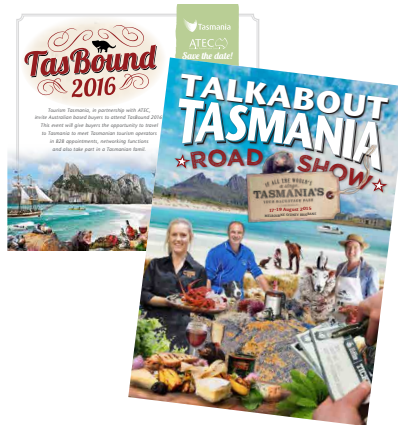
In China, Tourism Tasmania worked with leading online travel company Tuniu.com to develop Tasmanian packages and a dedicated Tasmania microsite. The partnership resulted in over 107 million page views across the various Tuniu platforms, including its website, Weibo and WeChat. It also generated 75 online bookings and saw 234 VIP Tuniu consumers attend hosted consumer events in Shanghai.

Training the travel trade

Specialist training

Tourism Tasmania offers online training and famils for retail travel agents and inbound tour operators interested in learning more about Tasmania. Over the past year, 151 sellers qualified as Tassie Specialists with 686 sellers successfully completing the training since its introduction. Tourism Tasmania also provided independent destination training with Infinity Holidays Flight Centre's wholesale arm in preparation for Tourism Tasmania's Go Behind the Scenery campaigns.

To encourage international sales, Tourism Tasmania worked with Tourism Australia to produce a Tasmania module in their Aussie Specialist Program. We also hosted famils for qualified Aussie Specialist agents to give them first hand experience of Tasmania.



Trade events

Tourism Tasmania presents and participates in trade events to increase sales in our domestic and international markets.

Tourism Tasmania's annual Talkabout Tassie Roadshow gives travel sellers the chance to meet local operators and learn more about Tasmanian products. This year, 17 export-ready Tasmanian businesses presented their product to around 300 travel agents in Melbourne, Sydney and Brisbane.

Tourism Tasmania's highly successful Tassie Specialist Conference, open exclusively to qualified Tassie Specialists, attracted 79 specialist travel agents to the state. The agents engaged with 31 Tasmanian operators over the two-day conference and participated in pre and post famils managed by Tourism Tasmania.

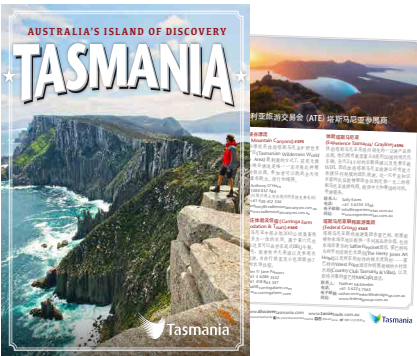
International trade events attended in 2015-16 included the International Tourism Bourse, Festpo and Dreamtime in Europe; National

Association of Travel Agents, Travel Revolution Fair, and Malaysian Association of Travel Agents in Singapore; Travel Fair in Malaysia; and Australia Marketplace in North America.

Tourism Tasmania also led a pan-Asia sales mission to Beijing, Shanghai, Guangzhou, Hong Kong, Singapore and Kuala Lumpur. A total of 11 Tasmanian tourism operators met with 153 travel trade representatives and networked with a further 58 senior managers.

Tourism Tasmania promotes Tasmanian tourism businesses at the Australian Tourism Exchange (ATE), the largest international tourism trade fair in Australia. A total of 25 Tasmanian operators, including five new sellers, attended this year's event. The ATE media program attracted over 80 international and Australian media attendees with Tasmania hosting a full appointment schedule. Tourism Tasmania also supported familiarisations in the lead up to the exchange.

Tourism Tasmania and the Australian Tourism Export Council held TasBound 2016 for inbound tour operators (ITOs). The event brought together 39 ITOs and 40 Tasmanian tourism operators. TasBound received a 100 per cent satisfaction rate from the operators and a 94 per cent satisfaction rate from the buyers with 94 per cent of buyers saying they will sell "much more" or "somewhat more" of Tasmania because of their attendance.



Tasmania's official travel website, Discover Tasmania, attracted 2 052 524 visits in 2015-16, an increase of 21 per cent over the previous year



Stakeholder engagement

Tourism Tasmania works with other government agencies and organisations contributing to the visitor economy, sharing research, providing secretariat and logistical support and liaising with stakeholders.

Research services

Tourism Tasmania commissions research to ensure its business decisions are evidence-based. It also shares relevant research findings with its marketing partners, the state's tourism industry and the public.

Tourism Tasmania's, Tasmanian Visitor Survey, reports on the characteristics and travel behaviour of visitors to the state. Tourism Tasmania publishes a quarterly summary of the results in a Tourism Snapshot that includes data compiled from Tourism Research Australia's national and international visitor surveys.

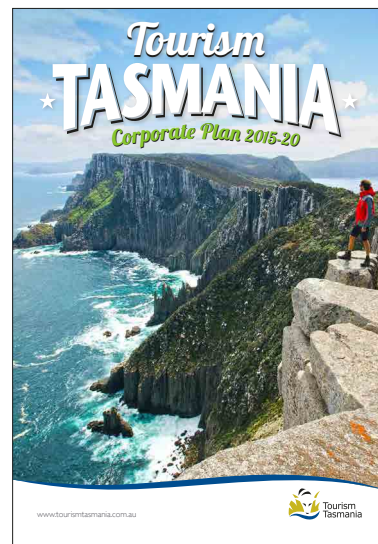
Tourism Tasmania publishes a summary of both survey findings along with accompanying survey insights on its corporate website. The full results of the TVS are also available online at <http://www.tvsanalysyer.com.au>

T21 Visitor Economy Advisory Council

Tourism Tasmania is a leading contributor to T21 - The Tasmanian Visitor Economy Strategy. The Premier's Visitor Economy Advisory Council oversees the strategy and a T21 Steering Committee, consisting of senior government and industry representatives, implements the plan and advises on policy and investment measures. Tourism Tasmania provides secretariat support to both bodies. Full details of the strategy, including six-monthly progress reports are at <http://www.t21.net.au>

Access 2020 Working Group

Tourism Tasmania coordinates the provision and analysis of research and transport data for the Tasmanian Government's Director of Aviation and Access Development. The research supports the formulation of business cases aimed at improving air services to Tasmania. Tourism Tasmania also provides secretariat support to the Access 2020 Working Group.

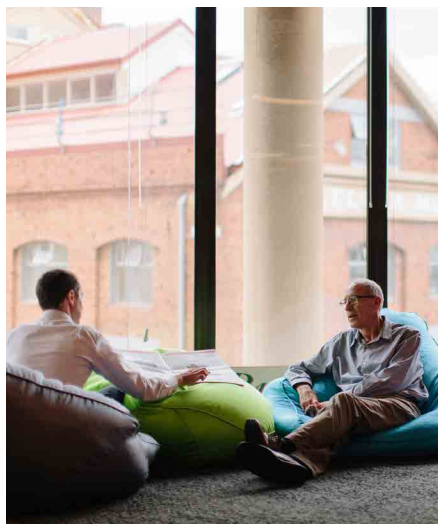


Regional Tourism Organisations

Tasmania has four regional tourism organisations that cover the North West and West Coast region, the North, the South, and the East Coast. In 2015-16, the Tasmanian Government committed \$1.2 million annual funding under a single grant deed with each organisation to support their work through to 2017-2018. Regional activities over the past year included the development of a Cradle Mountain Masterplan in the North West and further consolidation of the Blue Derby mountain bike trail in the North. The rollout of the Great Eastern Drive touring route continued on the East Coast while Hobart saw the launch of the inaugural Tourism Industry Summit attracting over 150 attendees. Also in the south, a second event, the Southern Stars of Tourism Awards, recognised 150 industry representatives in a celebration of the region's quality experiences.

Australian Tourism Data Warehouse

Tourism Tasmania works with the Australian Tourism Data Warehouse (ATDW) to grow their ATDW-Online database and ensure all Tasmanian content in the database is accurate and engaging. Over the past year, ATDW rebuilt their database with input from all state government tourism organisations, including Tourism Tasmania.



Tourism Tasmania new premises

The new database now includes a separate Food and Drink category enabling Tasmanian restaurants, cafes, bars, pubs and food tourism businesses to benefit from a listing. The transition from the previous TigerTOUR to the new ATDW-Online also required Tourism Tasmania to redevelop its Discover Tasmania website to accommodate the new data feed as well as help Tasmania's tourism operators understand the implications of the changeover for their business.

Tasmanian Visitor Information Network

The Tasmanian Visitor Information Network (TVIN) consists of 19 full service and two part service accredited visitor information centres located across the state. In 2015-16, Tourism Tasmania contributed \$340,000 to help with the network's coordination and the operation of the main gateway centres in Hobart and Launceston. Network representatives participated in workshops and consultations to develop a Visitor Engagement Blueprint to ensure the quality and consistency of visitor engagement in the state meets the needs of current and future visitors. The network also helps inform visitors of road closures and driving conditions during bush fire and floods. In recognition of this valuable work, the network received a Resilient Australia Award for its Emergency Preparedness Project developed in collaboration with the Tasmania Fire Service and the State Emergency Service.

Tourism Industry Council Tasmania

The Tourism Industry Council Tasmania (TICT) is Tasmania's peak professional body representing Tasmania's tourism industry. It is also the government's major partner in the T21 Visitor Economy Strategy. In 2015-16, Tourism Tasmania provided \$170,000 annual grant funding to the TICT for the administration of the Australian Tourism Accreditation Program in Tasmania, sponsorship of the Tasmanian Tourism Awards and sponsorship of the Tasmanian Tourism Conference.



Tourism Tasmania new premises



Tourism Tasmania new premises. Photos: Saige Dingamans (XSA)



LIST OF PUBLICATIONS

Subscriptions to the Discover Tasmania newsletter grew from 126 299 in 2015 to over 150 000 in 2016, an increase of nearly 19 per cent



Research

Tasmanian Tourism Snapshot (Quarterly)

Tourism Info Monitor (Quarterly)

Corporate

Asia Engagement Marketing Strategy 2015-2020

Tourism Tasmania Annual Report 2014-2015

Corporate Plan 2015-2020

Statement of Corporate Intent 2015-2020

Fast Facts (Quarterly)

Access 2020 – Air and Sea Access Strategy

Newsletters

Discover Tasmania newsletter

Tourism Talk – Industry newsletter

Websites

www.discovertasmania.com.au

www.gobehindthescenery.com.au

www.tourismtasmania.com.au

www.tassietrade.com.au

www.discovertasmania.com.au/our/china

www.discovertasmania.com.au/our/malaysia

www.discovertasmania.com.au/our/singapore

www.discovertasmania.com.au/our/hong-kong

www.t21.net.au

STATUTORY INFORMATION

Board committees

Audit, Finance and Risk

The Audit, Finance and Risk Committee (AFRC) meets at least five times a year. The primary role of the committee is to assist the board fulfil its corporate governance responsibilities in overseeing and reviewing Tourism Tasmania's internal controls, internal audit relationships, contract engagements, risk management and financial reporting. The committee comprises two board directors and an appointed committee member with expertise in corporate governance and financial reporting. Regular attendees of the AFRC meetings are Tourism Tasmania's Director of Operations and Planning, Business Services Manager, the appointed Internal Auditors and the Tasmanian Audit Office, and the Signing Officer.

Our staff

At 30 June 2016, Tourism Tasmania consisted of 48 full-time and 11 part-time staff, three fixed-term, one Head of Agency and one level SES. Of the 59 full and part-time staff, there were 42 females (71%) and 17 males (29%).

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 government and its agencies, with the exception of information deemed by the Act to be exempt. In 2015-16 there were no requests for information from Tourism Tasmania.

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 2016.

Tourism Tasmania

Board of Directors Attendance 1 July 2015 to 30 June 2016

Board	Current Term	Number of Board Meetings (7 meetings)	Audit Finance & Risk Committee (5 meetings)
James Cretan (chair)	12/08/2014 – 11/08/2017 (1st term)	7	N/A
Michelle Cox	30/10/2014 – 29/10/2017 (1st term)	7	5
Simon Curren	14/03/2016 – 1/09/2017 (7th term)	7	N/A
Rebecca King	15/09/2015 – 14/09/2017 (1st term)	6	N/A
Dallas Newton +	2/03/2012 – 11/08/2015 (1st term)	1	2
Brett Torossi	14/10/2015 – 13/10/2018 (3rd term)	7	5
Kate Vale	30/10/2014 - 29/10/2016 (1st term)	6	N/A
John Fitzgerald (CEO) *	15/1/2013 – 14/01/2018 (end of appointment)	7	N/A

*John Fitzgerald is the Chief Executive Officer and his representation on the board is for the term of his appointment.

+ No longer serving on the Tourism Tasmania Board Directors – term ceased during the 2015-2016 FY.

Audit, Finance and Risk Committee Attendance

In 2015-16, the Audit Finance and Risk Committee met five times.

Board member	Meetings attended
Brett Torossi Chair	5
Michelle Cox AFRC board director committee member	5
Dallas Newton (retired board director)	2
Nicholas Burrows^ (board appointed committee member)	2

^ Nick Burrows in a non-Executive Director for the Tourism Tasmania Audit, Finance and Risk Committee

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

Tourism Tasmania continues to develop its consumer website, www.discovertasmania.com.au, and its corporate website, www.tourismtasmania.com.au, in accordance with the Tasmanian Government's accessibility standards with due attention paid to the principles described by the World Wide Web Consortium (W3C). Tourism Tasmania publishes the websites using a content management system that is widely used by government organisations, universities, art galleries, large museums and commercial enterprises in Australia and worldwide. On the website, Tourism Tasmania provides accessible product, attractions and tours to ensure this market segment can easily find them.

Workplace Health and Safety

Tourism Tasmania actively manages workplace health and safety by identifying risks and addressing problems promptly.

Activities undertaken during 2015-16

Activity	No.
Flu vaccinations	32
Incidents reported	2
Workers compensation claims	0
Employee Assistance Program	8
Fire Wardens	4
Total number of bids and/or written quotations received from Tasmanian businesses	0

Government procurement

Tourism Tasmania undertakes procurement in accordance with the mandatory requirements of the Treasurer's Instructions, including ensuring Tasmanian businesses are given every opportunity to compete for agency business. Tourism Tasmania's policy is to support Tasmanian businesses whenever they offer best value for money for the government.

The following details are provided in accordance with Treasury Instruction 1111 for all contracts awarded and procurement processes undertaken (excluding consultancies) during the 2015-16 financial year with values in excess of \$50,000.

Summary of participation by local businesses	No.
Total number of contracts awarded	10
Total number of contracts awarded to Tasmanian Businesses	6
Value of contracts awarded	\$10,250,828
Value of contracts awarded to Tasmania businesses	\$2,827,692
Total number of tenders called and written quote processes run	7
Total number of bids and/or written quotations received	60
Total number of bids and/or written quotations received from Tasmanian businesses	17

Contracts and consultants

The following tables provide detailed information on Tourism Tasmania's contracts and consultancies procured or awarded during 2015-16.

Contractor	Location	Description	Period	Total Value
Initiative Media Australia Pty Ltd	NSW, Australia	Media Buying and Strategy	1 Jul 2015 to 30 Jun 2020	\$1,523,750
Xsquared Architects Pty Ltd	Tasmania	Architectural Services	9 Sep 2015 to 30 Sep 2015	\$77,390
Tascon Constructions Pty Ltd	Tasmania	Building Services	14 Sep 2015 to 30 Nov 2015	\$981,410
JimJam Ideas Pty Ltd	NSW, Australia	Creative Agency Services (retained)	1 Dec 2015 to 30 Nov 2018	\$2,980,730
Custard Pty Ltd (Red Jelly)	Tasmania	Asian Photo Shoot	17 Feb 2016 to 31 Mar 2016	\$88,442
Isentia Pty Ltd	Vic, Australia	Media Monitoring	2 Mar 2016 to 1 Mar 2018	\$68,000
BDO Hobart	Tasmania	Internal Audit Services	31 Jan 2016 to 31 Jan 2019	\$225,450
2014-15 Contractor reporting amendment				
Funnelback Pty Ltd	NSW, Tasmania	Website development	29 Jul 2014 to 21 Aug 2014	\$123,000

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

Nil

Contracts awarded because of an exemption to TI114

Contractor	Location	Description	Period	Total Value
Taylor Nelson Sofres Australia Pty Ltd (TNS)	NSW, Australia	Market Research Services	1 Dec 2015 to 30 Sep 2016	\$134,656
Custard Pty Ltd (Red Jelly)	Tasmania	Creative Agency Services (projects)	1 Apr 2016 to 31 Mar 2019	\$1,080,000
Squiz Australia	Tasmania	Website hosting and maintenance	15 Jun 2016 to 14 Jun 2018	\$375,000

Contract extension/s approved in accordance with TI 1115 (4)

Roy Morgan Research, Tasmania Visitor Survey, 1/01/2017 to 31/12/2017, \$381,000
Vivid Marketing Services, Asia Trade Marketing Representation, 1/7/2016 to 30/6/2017, \$577,310

Contracts executed in accordance with TI 1401(9) containing Confidentiality Provisions as a result of approval by Head of Agency.

Contract Partner	Date of Approval by Head of Agency on the inclusion of confidentiality provision
Helloworld Services Pty Ltd.	10 Jun 2016
Flight Centre Travel Group	30 Jun 2016

TOURISM TASMANIA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016



Tourism
Tasmania

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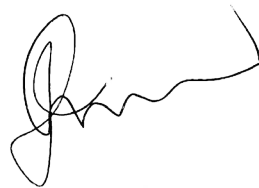
Certification of Financial Statements

The accompanying Financial Statements of Tourism Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and paragraph 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2016 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
12 August 2016



James Cretan
CHAIR OF THE BOARD
12 August 2016

Tourism Tasmania

Statement of Comprehensive Income

for the year ended 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue — recurrent	3.1	25,890	25,890	24,563
Sales of goods and services		610	6	272
Recoveries	3.2	...	709	172
Total revenue and other income from transactions		26,500	26,605	25,007
Expenses from transactions				
Employee benefits	4.1	6,174	5,829	5,882
Amortisation	4.2	190	191	190
Supplies and consumables	4.3	5,690	5,477	4,957
Grants and subsidies	4.4	1,677	1,710	1,487
Advertising and promotion	4.5	12,871	13,120	12,296
Other expenses	4.6	88	89	304
Total expenses from transactions		26,690	26,416	25,116
Net result from transactions (net operating balance)		(190)	189	(109)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5.1	...	(185)	...
Net gain/(loss) on financial liabilities	5.2	...	197	...
Total other economic flows included in net result		...	12	...
Net result from continuing operations		(190)	201	(109)
Net result		(190)	201	(109)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Other movements taken directly to equity		...	...	...
Total other comprehensive income		...	...	...
Comprehensive result		(190)	201	(109)

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

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

Tourism Tasmania

Statement of Financial Position

as at 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	9.1	16	74	30
Receivables	6.1	108	219	99
<i>Non-financial assets</i>				
Leasehold improvements	6.2	164	349	199
Intangibles	6.3	401	400	556
Other assets	6.4	541	505	742
Total assets		1,230	1,547	1,626
Liabilities				
Payables	7.1	60	49	90
Provisions	7.2	340	...	197
Employee benefits	7.3	1,165	1,303	1,390
Other liabilities	7.4	5	54	9
Total liabilities		1,570	1,406	1,686
Net assets/(liabilities)		(340)	141	(60)
Equity				
Accumulated funds/(deficit)		(340)	141	(60)
Total equity/(deficit)		(340)	141	(60)

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

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

Tourism Tasmania

Statement of Cash Flows

for the year ended 30 June 2016

	Notes	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts – recurrent		25,890	25,890	24,563
Sales of goods and services	2.3	610	7	337
GST receipts	2.3	...	1,762	1,600
Other cash receipts	2.3	...	642	107
Total cash inflows		26,500	28,301	26,607
Cash outflows				
Employee benefits		(6,174)	(5,915)	(5,681)
Supplies and consumables	2.3	(5,690)	(5,143)	(5,258)
Grants and subsidies		(1,677)	(1,710)	(1,487)
GST payments	2.3	...	(1,769)	(1,581)
Advertising and promotion		(12,871)	(13,259)	(12,518)
Other cash payments		(88)	(90)	(68)
Total cash outflows		(26,500)	(27,886)	(26,593)
Net cash from (used by) operating activities	9.2	...	415	14
Cash flows from investing activities				
Cash inflows				
Proceeds of Sale of Non-Financial Assets		...	...	...
Total cash inflows		...	...	...
Cash outflows				
Payments for acquisition of non-financial assets		...	(371)	...
Total cash outflows		...	(371)	...
Net cash from (used by) investing activities		...	(371)	...
Net increase (decrease) in cash held and cash equivalents		...	44	14
Cash and deposits at the beginning of the reporting period		16	30	16
Cash and deposits at the end of the reporting period	9.1	16	74	30

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

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

Tourism Tasmania

Statement of Changes in Equity

for the year ended 30 June 2016

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2015	(60)	(60)
Total comprehensive result	201	201
Balance as at 30 June 2016	141	141

	Accumulated funds (deficit) \$'000	Total Equity (deficit) \$'000
Balance as at 1 July 2014	40	40
Net effects of changes in prior year adjustments	9	9
	49	49
Total comprehensive result	(109)	(109)
Balance as at 30 June 2015	(60)	(60)

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 2016

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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 Plan (AOP) that is overseen by a Board of Directors with the funding aligned to projects and performance is monitored against that budget, this differentiates from the original budget in the Financial Statements that is calculated by Treasury through BMS with budget aligned to type of expenditure.

2.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Continuing operations					
Sales of goods and services	(a)	610	6	(604)	(99)
Recoveries	(b)	...	709	709	100
Net gain/(loss) on non-financial assets	(c)	...	(185)	(185)	(100)
Net gain/(loss) on financial liabilities	(d)	...	197	197	100

Notes to Statement of Comprehensive Income variances

(a) & (b) Budget allocation does not match transaction allocation. Budget should be against recoveries (other revenue) category (b).

(c) & (d) Net gain/(loss) on non-financial assets and financial liabilities both relate to the termination of the lease at 22 Elizabeth Street Hobart which resulted in the write-off of the leasehold improvements assets and the provision to make good liability.

2.2 Statement of Financial Position

	Note	Budget \$'000	2016 Actual \$'000	2015 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Receivables	(a)	108	219	99	111	120
Leasehold improvements	(b)	164	349	199	185	150
Other assets	(c)	541	505	742	(36)	(237)
Provisions	(d)	340	...	197	(340)	(197)
Employee benefits	(e)	1,165	1,303	1,390	138	(87)

Notes to Statement of Financial Position variances

(a) Unanticipated large receivable \$123,000 over year end for reimbursements in respect of 15 Murray Street fitout.
 (b) Fitout of new premises at 15 Murray Street.
 (c) Lower than anticipated year end balance of prepayments.
 (d) Make-good provisions related to vacated premises at 22 Elizabeth Street Hobart and Cornwall Square Launceston have been written off.

(e) Higher than estimated salary-related accruals of leave liabilities. Actual 2016 is lower than prior year primarily due to a decrease in accrued salaries, resulting from only one day in the first pay of 2016-17 being attributable to 2015-16, compared to 9 days in the first pay of 2015-16 being attributable to 2014-15.

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sales of goods and services	(a)	610	7	(603)	(99)
Other cash receipts	(b)	...	642	642	100
GST receipts	(c)	...	1,762	1,762	100
GST payments	(d)	...	(1,769)	(1,769)	(100)
Supplies and consumables	(e)	(5,690)	(5,143)	547	(10)

Notes to Statement of Cash Flows variances

(a) & (b) Budget allocation does not match transaction allocation. Budget should be against other cash receipts category.
 (c) & (d) Net GST payable is \$7,000. No budget set.

(e) Reallocation of budget expenditure towards Tourism marketing expenses. Note Supplies and Consumables + Advertising and promotion aggregated budget \$18.56M, aggregated expenditure \$18.40M.

Note 3

Income from Transactions

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

3.1 Revenue from Government

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

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

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

	2016 Budget \$'000	2016 Actual \$'000	2015 Actual \$'000
Appropriation revenue – recurrent Current year	25,890	25,890	24,563
Total revenue from Government	25,890	25,890	24,563

3.2 Recoveries

	2016 Actual \$'000	2015 Actual \$'000
Supplies and Consumables – office fitout	203	...
Employee Benefits – Aviation and Access	91	86
Grants and Subsidies	230	...
Supplies and Consumables co-op marketing activities	143	86
Supplies and Consumables other recoveries and reimbursements	42	...
Total Recoveries	709	172

Note 4

Expenses from Transactions

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

4.1 Employee Benefits

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

(a) Employee expenses

	2016 \$'000	2015 \$'000
Wages and salaries	4,435	4,252
Annual leave	331	315
Long service leave	75	184
Sick leave	146	136
Superannuation – defined benefit scheme	65	56
Superannuation – contribution schemes	540	566
Other post-employment benefits	95	209
Other employee expenses	142	164
Total	5,829	5,882

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an agency contribution rate determined by the Treasurer, on the advice of the State Actuary. The current agency contribution is 12.75 per cent (2015: 12.75 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 (2015: 9.5 per cent) of salary. In addition, Tourism Tasmania is required to pay into the Consolidated Fund a “gap” payment equivalent to 3.25 per cent (2015: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2016	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Super annuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
Board Members						
James Cretan, Chairperson	53	...	5	...	...	58
Simon Carrant	29	...	3	...	...	32
Brett Torossi	35	...	3	...	...	38
Dallas Newton (to 11/08/2015)	6	...	1	...	...	7
Michelle Cox	29	...	3	...	...	32
Kate Vale	29	...	3	...	...	32
Rebecca King (from 15/09/2015)	23	...	2	...	...	25
Management personnel						
John Fitzgerald, CEO	246	6	23	8	...	283
Mark Jones, Director Operations & Planning	154	3	15	5	...	177
Guy Taylor, Executive Director of Marketing	210	20	20	7	...	257
Total	814	29	78	20	...	941

2015	SHORT-TERM BENEFITS		LONG-TERM BENEFITS		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Super annuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
Board Members						
James Cretan, Chairperson (from 12/08/2014)	41	...	4	...	...	45
Simon Carrant	28	...	3	...	...	31
Brett Torossi	28	...	3	...	...	31
Dallas Newton	28	...	3	...	...	31
Kim Seagram (to 28/02/2015)	20	...	2	...	...	22
Michelle Cox (from 30/10/2014)	18	...	2	...	...	20
Kate Vale (from 30/10/2014)	18	...	2	...	...	20
Management personnel						
John Fitzgerald, CEO	234	6	22	6	...	268
Mark Jones, Director Operations & Planning	145	2	14	4	...	165
Guy Taylor, Executive Director of Marketing (from 11/08/2014)	154	12	15	1	...	182
Total	714	20	70	11	...	815

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 2015-16 for key personnel is set by the State Service Act 2000. Remuneration and other terms of employment are specified in employment contracts. Short-term benefits include motor vehicle and car parking fringe benefits in addition to annual leave and any other short term benefits. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis. Long term employee expenses include long service leave, superannuation obligations and termination payments.

Acting Arrangements

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

4.2 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.

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

Leasehold improvements 5-12 years

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

Software 5 years

	2016 \$'000	2015 \$'000
Intangibles	155	155
Leasehold Improvements	36	35
Total amortisation	191	190

4.3 Supplies and Consumables

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

	2016 \$'000	2015 \$'000
Audit fees – financial audit	40	40
Audit fees – internal audit	53	47
Operating lease costs	543	340
Consultants	8	1
Contracted services	2,112	2,171
Corporate overhead fee	1,214	1,214
Property expenses	229	57
Maintenance	3	4
Communications	101	81
Information technology	352	368
Travel and transport	615	479
Other supplies and consumables	207	155
Total	5,477	4,957

2016 Operating lease costs \$543,000 is due to operating lease costs on two premises for the first five months of 2016 due to office build and relocation.

4.4 Grants and Subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

	2016 \$'000	2015 \$'000
Regional tourism support	1,200	977
Contribution to Tasmanian Visitor Information Network (TVIN)	340	340
Contribution to Tourism Industry Council Tasmania (TICT)	170	170
Total	1,710	1,487

Grant payment for Regional tourism support was partly funded by the Department of State Growth, with \$230,000 received from the Department as a recovery in the Statement of Comprehensive Income.

4.5 Advertising and Promotion

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

	2016 \$'000	2015 \$'000
On-line advertising	4,571	3,010
Media advertising	2,259	3,237
Co-operative/partnership marketing	3,096	2,980
Industry trade promotions	821	832
Visitor Joint Promotion (VJP) expenses	628	612
Overseas representative expenses	636	886
Other advertising/promotional expenses	1,109	739
Total	13,120	12,296

Total direct marketing spend of \$15.2 million for 2016 which included Advertising and Promotion figure of \$13,120,000 but also comprised of Supplies and Consumables \$1.9 million and Employee Benefits for Guide Salaries \$159,000.

Note 5

Other Economic Flows included in Net Result

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

4.6 Other Expenses

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

	2016 \$'000	2015 \$'000
Salary on costs	53	57
Seminars and conferences	32	21
Contribution to Dark MOFO	...	200
Finance costs	...	14
Other	4	12
Total	89	304

Major variance between 2015 and 2016 is due to the conclusion of grant deed in 2015 for Dark MOFO and new grant deed administered by State Growth for 2016.

5.1 Net gain/(loss) on non-financial assets

	2016 \$'000	2015 \$'000
Net loss on disposal of Leasehold improvements on vacation of 22 Elizabeth Street Hobart and Cornwall Square Launceston premises	(185)	...
Total net gain/(loss) on non-financial assets	(185)	...

5.2 Net gain/(loss) on financial liabilities

	2016 \$'000	2015 \$'000
Net gain on the write-off of the provision to make good on vacation of 22 Elizabeth Street Hobart and Cornwall Square Launceston premises	197	...
Total net gain/(loss) on non-financial assets	197	...

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

	2016 \$'000	2015 \$'000
Receivables	127	...
Tax assets	92	99
Total	219	99
Settled within 12 months	219	99
Settled in more than 12 months	...	...
Total	219	99

6.2 Leasehold improvements

(i) Valuation basis

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by Tourism Tasmania is \$10,000 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).

(a) Carrying amount

	2016 \$'000	2015 \$'000
Leasehold improvements		
At cost	370	388
Less: Accumulated amortisation	(21)	(189)
Total leasehold improvements	349	199

(b) Reconciliation of movements

	2016 \$'000	2015 \$'000
Carrying amount at 1 July	199	234
Additions – 3/15 Murray Street Hobart	370	...
Disposals – 22 Elizabeth Street Hobart and Cornwall Square Launceston	(185)	...
Amortisation expense	(35)	(35)
Carrying amount at 30 June	349	199

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

(a) Carrying amount

	2016 \$'000	2015 \$'000
Intangibles with a finite useful life		
Software at cost	776	776
Less: Accumulated amortisation	(376)	(220)
Total	400	556

(b) Reconciliation of movements

	2016 \$'000	2015 \$'000
Carrying amount at 1 July	556	711
Amortisation expense	(156)	(155)
Carrying amount at 30 June	400	556

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.

	2016 \$'000	2015 \$'000
Other assets		
Prepayments	505	742
Total	505	742
Utilised within 12 months	505	681
Utilised in more than 12 months	...	61
Total	505	742

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.

	2016 \$'000	2015 \$'000
Creditors	28	21
Accrued expenses	21	69
Total	49	90
Settled within 12 months	49	90
Settled in more than 12 months	...	...
Total	49	90

Settlement is usually made within 30 days.

7.2 Provisions

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

(a) Carrying amount	2016 \$'000	2015 \$'000
Operating lease make-good provisions	...	197
Total	...	197
Settled within 12 months	...	191
Settled in more than 12 months	...	6
Total	...	197

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

(b) Reconciliation of movements in provisions

	Operating lease provision		Operating lease make-good provisions		Total Provisions	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at 1 July	...	159	197	181	197	340
Increases	6	...	6
Changes against the provision	...	(159)	...	...	...	(159)
Changes in discounting	10	...	10
Reversals	(197)	...	(197)	...
Balance at 30 June	197	...	197

The movement in the make-good provisions relates to the balance being written-off as the leases at 22 Elizabeth Street Hobart and Cornwall Square Launceston were terminated during 2015-16. Make-good liability in relation to the new premises at 15 Murray Street Hobart has not been imposed.

7.3 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.

	2016 \$'000	2015 \$'000
Accrued salaries	20	182
Annual leave	364	341
Long service leave	914	863
Other provisions	5	4
Total	1,303	1,390
Settled within 12 months	429	567
Settled in more than 12 months	874	823
Total	1,303	1,390

7.4 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.

	2016 \$'000	2015 \$'000
Other liabilities		
Employee benefits – on-costs	9	9
PAYG withholding tax liability over year end	45	...
Total	54	9
Settled within 12 months	48	3
Settled in more than 12 months	6	6
Total	54	9

Note 8

Commitments and Contingencies

8.1 Schedule of Commitments

	2016 \$'000	2015 \$'000
By type		
<i>Lease Commitments</i>		
Operating leases	4,294	572
Total lease commitments	4,294	572
<i>Other Commitments</i>		
Program commitments	7,460	4,341
Total other commitments	7,460	4,341
Total	11,754	4,913
By maturity		
<i>Operating lease commitments</i>		
One year or less	403	495
From one to five years	2,083	57
More than five years	1,808	20
Total lease commitments	4,294	572
<i>Other commitments</i>		
One year or less	4,240	3,467
From one to five years	3,220	874
More than five years	...	...
Total other commitments	7,460	4,341
Total	11,754	4,913

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

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

Operating leases are associated with rental costs for leased premises occupied by Tourism Tasmania, office equipment and motor vehicles leased through the Government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. Tourism Tasmania was released from the lease at 22 Elizabeth St Hobart on 30 November 2015 and it entered into a new 10 year lease at 15 Murray Street Hobart effective 1 July 2015.

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

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 2016, 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 Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

9.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by Tourism Tasmania and other cash held.

	2016 \$'000	2015 \$'000
Special Deposits and Trust Fund balance		
T535 Operating Account	73	29
Total	73	29
Other cash held		
Petty cash float	1	1
Total	1	1
Total cash and deposits	74	30

9.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2016 \$'000	2015 \$'000
Net result	201	(109)
Depreciation and amortisation	191	190
(Gain)/loss on the disposal of non-financial assets	185	...
Net effects of changes in prior year adjustments	..	9
Decrease (increase) in Receivables	(120)	9
Decrease (increase) in Other assets	237	(201)
Increase (decrease) in Employee benefits	(87)	225
Increase (decrease) in Payables	(41)	30
Increase (decrease) in Provisions	(197)	(143)
Increase (decrease) in Other liabilities	46	4
Net cash from (used by) operating activities	415	14

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 deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Tourism Tasmania does not earn any interest on funds held.

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

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

Analysis of financial assets that are past due at 30 June 2016 but not impaired

	Not past due \$'000	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	92	123	4	...	219

Analysis of financial assets that are past due at 30 June 2015 but not impaired

	Not past due \$'000	Past due >30 days \$'000	Past due >60 days \$'000	Past due >90 days \$'000	Total \$'000
Receivables	99	...	...	...	99

(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 Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Tourism Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.	Tourism Tasmania's terms of trade are 30 days.

Note 11

Events Occurring After Balance Date

The following tables detail the undiscounted cash flows payable by Tourism Tasmania relating to the remaining contractual maturity for its financial liabilities:

2016

Maturity analysis for financial liabilities								Undisco	Carrying
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	unted Total	Amount	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial liabilities									
Payables	49	...	...	...	...	...	49	49
Total	49	...	...	...	...	...	49	49

2015

Maturity analysis for financial liabilities								Undisco	Carrying
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	unted Total	Amount	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial liabilities									
Payables	90	...	...	...	...	...	90	90
Total	90	...	...	...	...	...	90	90

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 2016.

Note 12

Other Significant Accounting Policies and Judgements

12.1 Objectives and Funding

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

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

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

Tourism Tasmania activities are classified as controlled.

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

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

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 and Audit Act 1990*.

The Financial Statements were signed by Tourism Tasmania Chief Executive Officer and the Chair of the Board on 12 August 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. 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. AASB 101.

12.3 Reporting Entity

From 1 July 2014, Tourism Tasmania became a State Authority and State Service Agency established under the *State Service Act 2000*.

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:

- *2013 9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]* – The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
 - (a) as a consequence of the issue of Accounting Framework AASB CF 2013-1 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
 - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
 - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard.

There is no financial impact.

- *2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]* – The objective of this Standard is to make amendment to Australian Accounting Standards that arise from the issuance of International Financial Reporting Standard *Annual Improvements to IFRSs 2012-2014 Cycle* by the IASB. This Standard applies to annual reporting periods beginning on or after 1 January 2016. Tourism Tasmania has determined that the potential financial impact is nil.

- *AASB 2015 -2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]* – The objective of this Standard is to amend AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. This Standard applies to annual reporting periods beginning on or after 1 January 2016. This has resulted in some changes in the presentation of these financial statements.
- *2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* – The objective of this Standard is to effect the withdrawal of AASB 1031 *Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard. Tourism Tasmania has determined that the potential impact is nil.

(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 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a *contract* with a *customer*. This Standard applies to annual reporting periods beginning on or after 1 January 2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. Tourism Tasmania has not yet determined the potential effect of the revised Standard.
- *2010-7, 2014-7 and 2015-7 Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2010. Tourism Tasmania has determined that the potential impact of implementation will be nil.
- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies to annual reporting periods beginning on or after 1 January 2017, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. Tourism Tasmania has not yet determined the potential effect of the revised Standard on Tourism Tasmania's Financial Statements.
- *2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual

reporting periods beginning on or after 1 July 2016. There will be no material financial impact, however there will be additional disclosures.

- *2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15* – The objective of this Standard is to amend the mandatory effective date of AASB 15 *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. Tourism Tasmania has not yet determined the potential effect of the revised Standard on Tourism Tasmania's Financial Statements.
- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. Tourism Tasmania has not yet determined the potential effect of the revised Standard on Tourism Tasmania's Financial Statements.

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.

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

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.

In 2015-16 Tourism Australia exercised its right to sell shares under the shareholder's Agreement. Paragraph 10 of the Shareholders Agreement states that a shareholder can only dispose of shares to another shareholder. Sale of 54,261 shares from Tourism Australia to Tourism Tasmania with a total sale value of \$4.00 ("Share Package") occurred as at 30 June 2015.

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



Tasmanian Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Tourism Tasmania

Financial Report for the Year Ended 30 June 2016

Report on the Financial Report

I have audited the accompanying financial report of Tourism Tasmania (the Authority), which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Chair of the Board and Chief Executive Officer.

Auditor's Opinion

In my opinion the Authority's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards.

The Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility

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

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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Strive | Lead | Excel | To Make a Difference

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

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Authority's financial report.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

Tasmanian Audit Office



Derek S Burns
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Hobart
31 August 2016

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