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**The Hon. Paula Wriedt, MHA**  
Minister for Tourism, Arts and the Environment

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Dear Minister

In accordance with Section 41 of the *Tourism Tasmania Act 1996*,  
I submit the 2006-07 Annual Report for Tourism Tasmania.

This past year has been a year of significant development for Tourism Tasmania. In addition to publication of a new three-year business strategy, *New Directions for Our Island*, we have commenced a major restructure of the organisation and begun to tackle major strategic issues facing tourism internationally. These include the development of appropriate digital services for the tourism industry and a new dialogue with the rapidly changing aviation industry.

2006-07 has also been an important year in which Tourism Tasmania worked closely with other divisions under your direction within the Department of Tourism, Arts and the Environment, to help to deliver tourism benefits from our natural and cultural assets.

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

**Bob Annells**

Chairman  
Tourism Tasmania Board  
October 2007

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## MESSAGE FROM THE CHAIRMAN

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This year has been one of intense activity and development following the transition year of 2005-06. With the new Board in place, including Kim Seagram who joined us for her first meeting in February, and new CEO Felicia Mariani leading from the front with *New Directions for Our Island*, we have focused on a few 'big ticket' items which we believe will be the drivers of continuing growth in visitor spend and revitalised growth in holiday visitation.

There has been a pleasing increase (9%) in holiday visitor spend to \$893.7 million, and important increases in the average length of stay for holiday visitors — up from 8.9 to 9.5 nights, and in total holiday visitor nights — up 6% to 3.65 million.

*New Directions* recognises that we can't afford to stand still. To position Tasmania as a pre-eminent holiday destination we conducted a major perceptions study to better understand consumer views of Tasmania; we started a new dialogue with the airlines that is leading to tangible results — both with existing airlines and new ones, including Tiger Airways; and we concentrated on understanding changes to the tourism and travel distribution business, with particular emphasis on the increasing importance of digital distribution.

This issue of digital distribution has been a significant focus for the Board in 2006-07. The distribution of tourism and travel on the Internet and via digital media has increased exponentially and we are moving to strategically position Tasmanian tourism operators for this new reality. During the course of the year, we canvassed input from major international distributors who are leaders in the industry, as well as gaining greater understanding of the challenges in digital distribution of local tourism products and experiences. The strategy we have adopted ensures that Tourism Tasmania and the Tasmanian tourism industry are both flexible and responsive to this rapidly changing part of our business.

Throughout the year, the Board has worked closely with the Minister for Tourism, Arts and the Environment in a productive relationship that delivers considerable benefits for all with a stake in tourism. We have also enjoyed a strong dialogue with the Secretary of the Department of Tourism, Arts and the Environment of which Tourism Tasmania is an operating division, as well as with the Tasmanian tourism industry and its representative body, the Tourism Industry Council of Tasmania. These important relationships ensure that there is maximum coordination and alignment of effort in a small state with a vibrant and flourishing tourism industry.



**Bob Annells**  
Chairman

## MESSAGE FROM THE CEO

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During 2006-07 I have focused on the delivery of *New Directions for Our Island: Tourism Tasmania Three-Year Business Strategy*. In November 2006, I introduced *New Directions* to industry and talked with them about the important issues going forward. Their experience supported our analysis — that we live in a vastly changed environment for tourism and travel.

To address this new world, we have focused on three important things: realigning our internal capability; developing a new relationship with industry; and significantly expanding our creative use of media.

We have realigned our internal capability to be more flexible and responsive to the challenges of the new world. We have invested in a new organisational structure that provides the knowledge, skills and talent we need. Implementation is proceeding well.

Our role — to lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism — redefines our relationship with the tourism industry. In taking this leadership role, we have worked closely with them to create a shared vision for the future, streamlined industry access to information about our markets and how we are performing as a tourist destination, and commenced joint advertising and promotional programs. We launched *Marketing Together*, the first true joint marketing program with industry where operators had the confidence in us to put their hard-earned marketing dollars on the table.

For the first time in many years, we went to air with a television commercial showing stunning images of Tasmania as part of a truly integrated campaign called 'Island of Inspiration'. Importantly, the campaign translates well into the world of 'new' media as information and communication technology continues to grow in its influence on choices and holiday destination decisions.

In 2006-07, Tourism Tasmania and the wider tourism industry also benefited from the two-year, \$16-million Government-sponsored Tourism Promotion Plan (TPP). It was the first time that the significant tourism players in the State — Tourism Tasmania, TT-Line and the Tourism Industry Council of Tasmania (TICT) — have come together to plan far-reaching tourism initiatives.

Delivering our *New Directions* strategy is only in its early stages and the organisation is now poised to move ahead in exciting new ways. We are focused on increasing our share of the available market and on working collaboratively with industry and other partners. This will ensure that Tasmania is well positioned for the future and recognised for its innovation, creativity and commitment to high-quality visitor experiences.



**Felicia Mariani**  
Chief Executive Officer

## THE TRAVEL AND TOURISM ENVIRONMENT

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A great many factors have combined to change the way we need to look at tourism in Tasmania. It is no longer simply a question of 'holidaying in Tasmania' as opposed to holidaying anywhere else (in Australia or the rest of the world). Rather, the consumer has to decide to take leave, then decide to go on holiday, then decide what they will do during the holiday, and then consider where that activity is available.

A traditional touring holiday, or a visit to a particular region, is no longer so likely to be a first choice. Visiting friends and relatives has always been a part of the holiday mix, but now it is assuming more prominence as the time available for networking with family and friends is eroded by work. Time off work is valuable, and the trend is to spend it recharging, re-energising, doing something specific with the time rather than just having time off for leisure. Just 'being there' is not enough. People travel for a purpose, if they travel at all.

Naturally, the longer time spent at work is rewarded with more money; but the money is spent on other areas. Some of it goes on making the home a better place to be. In the five years following 2001, spending on travel slipped from 12% of total household expenditure to 10%, and in 2005 an AC Nielsen study showed that 70 million days of unused leave had been accrued by Australians. Our reluctance to take leave stems from a number of causes: pressure to perform at work, pressure to provide for the family, pressure to hold onto a job and be secure in retirement, and an overall pressure to perform in a competitive society.

The availability of low-cost airfares would seem to be a good thing, and a quick look at the figures will show that people are travelling more; but because the airfare is no longer such a big component of the cost and getting away from work is more difficult, they are travelling more often for shorter periods.

These trends are not confined to Australia. There are cheaper international airfares too, but they do not automatically result in more people travelling to Tasmania.



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In fact, the cheaper international fares are having a negative effect on domestic tourism. We have always been a nation of international travellers; now it's cheaper, we can travel faster for longer distances, and when we get there we have more money to spend because of our strong dollar. Despite the low airfares available at home, international travel has become a real, competitive alternative to domestic travel.

On the other side of the coin, many international travellers are affected by the same trends in the workplace as we are at a time when international travel to Tasmania is a more attractive option than ever.

About half our international visitors are from English-speaking countries: the UK, the USA, New Zealand and Canada. The other half are split almost equally between Asia and Europe, with Asia in the ascendancy. Within these sectors there are various trends and movements – some of them spectacular, like the 141% increase in Korean visitors over the 12 months to December 2006, and the 51% increase in visitors from the USA over the same period. At the same time, Hong Kong visitors spent 673% more nights in Tasmania than they had the previous year – recognising, of course, that these huge increases are off a small base. (The negative moves are not so large, with the biggest one at December 2006 being a 29% slide in Indian visitor nights.<sup>1</sup>)

Our three-year *Corporate Plan and Annual Operating Plan* are informed by past, current and projected visitor movements, and also by studies like the Gottlieb Duttweiler Institute's *The Future of Leisure Travel*.

This study asks five key questions:

- Who will travel in the future?
- What are their motivations?
- Will travel be important to them?
- What new travel markets are to be seen on the horizon?
- What will be the most popular destinations in 2020?

The study offers some thoughts about the future of travel, all of which are relevant to tourism in Tasmania.

As a society, it says, we are ageing and changing our family structures. The only way in which we can reconnect with family and friends may be by using our holiday time, which makes this time even more valuable. So when we go on holiday, we will and do demand customised and 'individual' holiday experiences to restore and renew ourselves.

Technology continues to create pressures on traditional tourist markets. On the one hand, mushrooming information and communication technology creates an ever-growing and challenging range of options for planning and booking holidays. On the other, the new generation of passenger aircraft will open up new options for how far and to how many places we can go, at the same or lower cost, and make Tasmania more accessible to the world.

The economic boom in Asia (India is now the world's third largest economy) will see a shift in wealth and power, with new opportunities for tourism in both directions. China, for example, has tourist attractions that are unknown at the moment and these will present new market competition as the country opens up.

In many ways, good news and bad news are mixed together. The Asian economic boom means that nature – a Tasmanian strength – will become scarcer and therefore more valuable. Volatile political situations mean that Tasmania will be increasingly attractive.

Consumers have more choices than ever before, and they expect better value for money than ever before. While all of this puts more pressure on tourism operators, by being well informed and ready for the changes, we will work together to take best advantage of this current and emerging tourism and travel environment.

## 2006-07 HIGHLIGHTS

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- 'discovertasmania.com' was consistently delivered to the top five unpaid listings on Google's first page. (Google has 86% of the search market.)
- The Call Centre answered and acted on more than 160,000 calls, and more than 11,000 email enquiries.
- Over 46,000 new sales opportunities were created in *Insight*, Tourism Tasmania's relationship management system, and about 32,600 information packs were sent out to prospective visitors.
- At G'Day USA, Tasmania secured high-profile media interviews and access to world wildlife disease experts for the Tasmanian devil; explored cross-promotional opportunities with non-travel partners and location possibilities for US TV shows; and reinforced relationships with key US tour wholesalers, QANTAS and Air New Zealand.
- The 2007 Australian Wooden Boat Festival, held in February, attracted about 2000 interstate visitors, who spent \$2.5 million while they were here.
- The National and Special Interest Event Grant Program supported 77 events with an estimated economic yield of \$24 million from 25,000 visitors, while the Touring Event Grant Program supported 20 events, with 2,820 visitors yielding about \$4.6 million.
- Local tourism grants totalling \$49,500 were made to 10 successful applicants, generating value of \$205,198 from other partners.
- The TVIN Visitor Experience Assistance Program boosted the Tasmanian Visitor Information Network to continually improve visitor services and their business practices, skill sharing and cooperation.
- During 2006-07, over 7,000 competitors and crew and up to 4000 interstate spectators attended events at Symmons Plains Raceway, with the V8 Supercars alone bringing about 3000 visitors, who spent over \$3 million.
- Approximately \$50,000 has been contributed to the Tasmanian Devil facial tumour disease research fund since July 2006 by sales of the Warner Bros. 'Taz' plush toy.
- In a first for a regional Australian city, Hobart was selected for the opening segment of the Amex 'Mega Famil', where almost 60 American travel agents were exposed to Tasmania's wonders first-hand.
- Tasmania's *Temptations Holiday Book* won the coveted Harvey World Travel 'Brochure of the Year' award for the eighth time in the last 10 years.
- Tourism Tasmania's consumer website discovertasmania.com won the Hitwise award for the most popular Tasmanian Government website.
- Tasmania is one of the two top states in operator accreditation, with more than 1052 accredited operators and another 129 working their way through.
- Tourism Tasmania worked collaboratively with TT-Line and the Tourism Industry Council of Tasmania in the delivery of the Government-funded \$16 million, two-year Tourism Promotion Plan.
- For the first time in many years, Tourism Tasmania went to air with a television commercial influencing consumers in New South Wales, Victoria and South-east Queensland on the wonders of our destination. Stunning images of Tasmania were beamed across the country as one part of a truly integrated campaign called 'Island of Inspiration'.



## HIGHLIGHTS FROM THE TASMANIAN VISITORS SURVEY

Key Indicators	Number	Increase (decrease)*
All visitors arriving as passengers on scheduled air & sea transport	827,000	1.8%
Overnight visitors	808,500	2%
Domestic visitors	710,600	unchanged
International visitors	116,400	13%
Total nights	7.27 million	10%
Total visitor spend	\$1.32 billion	13%
Holiday visitors	383,300	(1%)
Holiday visitor nights	3.65 million	6%
Holiday visitors average length of stay	9.5 nights	Up from 8.9 nights
Average holiday visitor spend per trip	\$2332	Up from \$2116

\* Figures are the 2006-07 increase (decrease) over 2005-06

A full copy of the 2006-07 Tasmanian Visitors Survey can be found at [http://www.tourismtasmania.com.au/research/tvs\\_intro.html](http://www.tourismtasmania.com.au/research/tvs_intro.html)

Key Indicators	2006-07 'Island of Inspiration'	2005-06 'A Rejuvenating Journey'
Destination Tagline Prompted Awareness	Jan – Mar 2007 11%	Jan – Mar 2006 3%
Prompted Advertising Awareness	To June 2007 29.5%	To June 2006 29.1%
Preference for Holidaying in Tasmania*	To June 2007 17.2%	To June 2006 17.3%
Intention to Holiday in Tasmania**	To June 2007 3.4%	To June 2006 3.6%

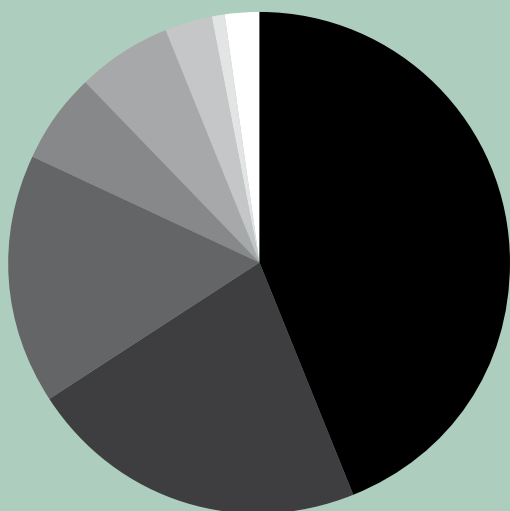
Source: *Holiday Tracking Survey*, Roy Morgan Research

\* Preference for holidaying in Tasmania in the next 2 years

\*\* Intention to holiday in Tasmania in the next 12 months

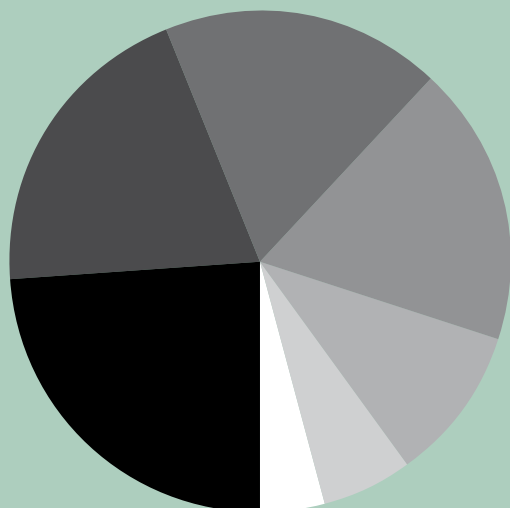
## OUR MARKETS

### DOMESTIC VISITATION AT JUNE 2007 (Source TVS)



State	No.	%
Victoria	318,500	44
NSW	157,600	22
Queensland	110,300	16
South Australia	39,800	6
Western Aus.	39,500	6
ACT	20,600	3
NT	6,800	1
No State Given	17,500	2

### INTERNATIONAL VISITATION AT JUNE 2007 (Source TVS)



Country	No.	%
Asia	38,000	24
Other Europe	32,000	20
North America	28,000	18
United Kingdom	29,000	18
New Zealand	16,000	10
Japan	9,000	6
Other Countries	6,000	4

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## OUR ROLE

LEAD THE INDUSTRY  
TO JOINTLY DELIVER  
MARKETING AND  
DEVELOPMENT  
PROGRAMS THAT DRIVE  
BENEFITS FOR TASMANIA  
FROM DOMESTIC AND  
INTERNATIONAL TOURISM.

## POINTS OF INTERVENTION

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To fulfil our role, we actively intervene in the tourism market to:

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

These Points of Intervention are supported by six priorities which deliver results for Government, the tourism industry, consumers and the Tasmanian community. The six priorities are:

- **Understand the Market**  
Provide critical insights about consumer behaviour, the future visitor market, the products, services and experiences on offer and the performance of the tourism industry to the organisation and key industry stakeholders to improve decision-making.
- **Respond to the Market**  
Strategically develop tourism products and services (including events) to build competitive advantage and exceed visitor expectations.
- **Stimulate the Market**  
Maximise all elements of the marketing mix to stimulate consumer interest and awareness of our island, build brand appeal and drive conversion.
- **Open the Market**  
Build partnerships and develop opportunities that address the barriers to conversion for visitors and increase the presence of Tasmanian suppliers.
- **Satisfy the Market**  
Play a key role in ensuring the visitor experience delivers on the brand promise and meets expectations.
- **Market Feedback**  
Utilise research resources and industry feedback to understand and communicate back the strengths and weaknesses of Tourism Tasmania's contribution to tourism.

CASE STUDY  
PERCEPTIONS STUDY

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POINT OF INTERVENTION I  
CREATE NEW KNOWLEDGE  
AND UNDERSTANDING  
FOR INDUSTRY AND  
STAKEHOLDERS ABOUT  
TOURISM THROUGH  
RESEARCH, ANALYSIS  
AND INSIGHTS.



## CASE STUDY PERCEPTIONS STUDY

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### **The Challenge**

Understanding how consumers perceive Tasmania is fundamental to everything Tourism Tasmania does. This understanding shapes our marketing strategy, the kinds of products and experiences the tourism industry is encouraged to provide, and the services such as air and sea access, that will fulfil the demands of consumers.

Strategic planning for 2006-07 identified a requirement for much deeper understanding of two key consumer groups – interstate Australians who were prepared to spend \$2,000 or more on a holiday and Tasmanians who were prepared to spend \$1,000 on a holiday within the State. In particular, Tourism Tasmania needed to update its knowledge of interstate visitors' perceptions of Tasmania and, for the first time, gain an in-depth view of Tasmanians' perceptions, attitudes and beliefs regarding their home State as a recreational destination.

### **The Solution**

Tourism Tasmania commissioned consumer research firm Colmar Brunton to undertake a major perceptions study involving a sample of 2,500 people. The purpose of this research was to enable us to better understand how not only existing customers perceived Tasmania, but also the views of potential customers who had not previously considered Tasmania as a contender for their next holiday. Tourism Tasmania wanted to understand the motivational triggers for travel to and around Tasmania as well as the barriers to consumers choosing Tasmania as a holiday destination.

The research identified three main drivers that influence Australians to take an interstate holiday:

- They want it to be easy to get to, with real value for money and friendly locals.
- They want it to be a place where you 'must go' at least once in your life.
- And they want the choice of a wide variety of experiences – without having to take part in all of them. Historic sites, shopping, food and wine, educational opportunities and local culture were all mentioned.

The study found that people connected Tasmania with nature, with history and heritage, and with food and wine. Of particular note was that nature far outweighed the other two perceptions. The research ultimately showed us that while consumers were familiar with Tasmania and its main destinations, they had little real knowledge about what lay "beneath the surface".

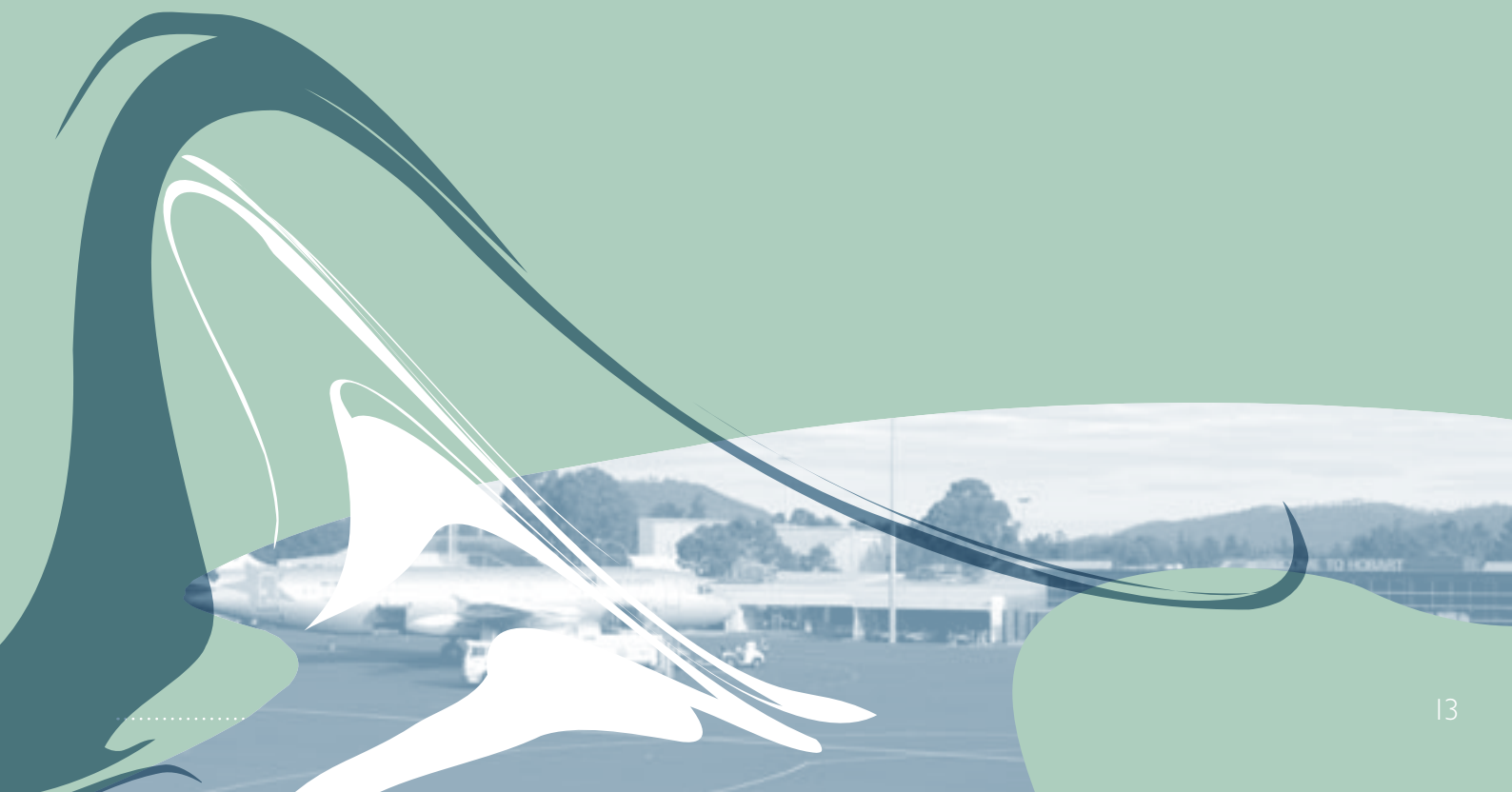
As a result, Tourism Tasmania has identified a real opportunity to highlight Tasmania's attractions, its products and experiences in different areas that help to create a unique personality for Tasmania. The findings of this study are already informing Tourism Tasmania's marketing strategies and shaping the direction of its tourism development opportunities in the future.

CASE STUDY  
JETSTAR

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## POINT OF INTERVENTION 2

ADDRESS BARRIERS  
TO CONVERSION AND  
TRAVEL TO TASMANIA BY  
IDENTIFYING AND TAKING  
EFFECTIVE CONSISTENT  
ACTION WITH THOSE WHO  
CAN MAKE A DIFFERENCE.



## CASE STUDY

### JETSTAR

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#### **The Challenge**

When the majority of Australians take an interstate holiday, they have a range of travel choices readily available to suit their preferences and their budget. Whether by car, bus, rail or air, they can be assured that a competitive option will exist to get them to their destination. Of course, as Australia's Island State, Tasmania is denied the luxury of choice; so one of the (if not the single most important) key challenges for Tourism Tasmania is to manage partnerships and relationships to ensure accessibility for consumers; at the right time and at the right price.

This is never more important than in traditional low-season periods such as winter, when both the travel providers and tourism operators within Tasmania have a strong commercial incentive to stimulate demand by creating "reasons to go".

Over many years, Tourism Tasmania has undertaken joint marketing programs with a range of partners including, most importantly, the airlines and TT-Line. With four airlines currently providing services to Tasmania, it is incumbent upon Tourism Tasmania to ensure that strategic relationships are maintained and, wherever possible, enhanced for the benefit of the State's tourism industry.

#### **The Solution**

Jetstar and Tourism Tasmania have collaborated in the promotion and marketing of Tasmania since the airline commenced services to the State in May 2004. However, recognising the imperative for continued innovation in order to "cut through" a cluttered and highly competitive market, both Tourism Tasmania and Jetstar made a conscious decision to progress the relationship to a new level during 2006-07.

Tourism Tasmania's strategic decision to utilise television advertising from March 2007 created a new opportunity for both partners to expand the existing cooperative relationship for mutual benefit. A long-standing and accepted practice in media buying is to "top and tail" advertisements for a single brand within a set of spots, whether on radio or television, in order to increase impact and advertising effectiveness.

In a highly innovative and ground-breaking partnership, Tourism Tasmania and Jetstar combined their marketing expertise in a series of television advertisements to entice visitors to Tasmania in what was a truly complementary television advertising campaign — the first time this had been done in Tasmania.

The combination of messages — through a clever combination of brand advertising using Tourism Tasmania's 'Island of Inspiration' tagline — created the consumer desire to visit Tasmania, and a tactical price-driven offer (featuring top-value promotional airfares to Launceston and Hobart from the key markets of Brisbane, Sydney and Melbourne) provided the means to drive conversion.

In addition to the development of complementary creative content, media buying was also jointly planned and executed so that each Tourism Tasmania brand advertisement was followed by a Jetstar tactical advertisement in the same ad-break.

The Jetstar / Tourism Tasmania cooperative campaign helped contribute towards stronger flight bookings for the carrier when compared to the prior year, generating an eight per cent overall rise for travel booked to and from Tasmania on Jetstar during the time the campaign aired in mainland states.



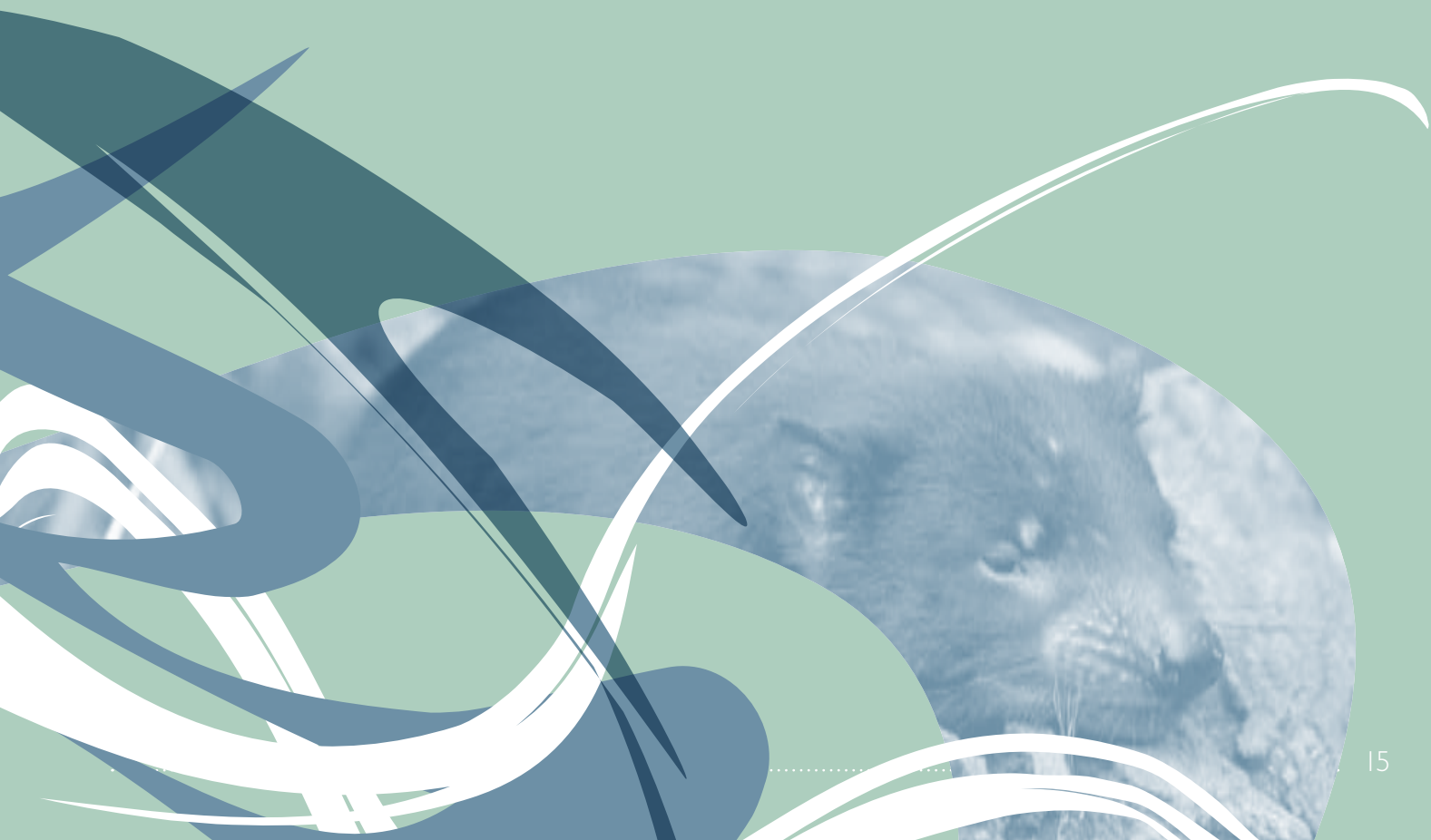
CASE STUDIES

WARNER BROS., 'ISLAND OF INSPIRATION', ROBERTS WOOL

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## POINT OF INTERVENTION 3

ESTABLISH, ARTICULATE  
AND MAINTAIN THE  
BRAND AND BRAND  
VALUES, PARTICULARLY  
THROUGH CREATIVE AND  
INNOVATIVE MARKETING.



## CASE STUDY

### WARNER BROS. – TASMANIAN DEVIL APPEAL

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#### **The Challenge**

The Tasmanian devil is an unmistakable icon for the State. Since 1941, the Tasmania devil has been a protected species and it is the symbol of the Tasmanian National Parks and Wildlife Service.

International awareness of the Tasmanian devil has been significantly enhanced by the Warner Bros. Looney Tunes cartoon character 'Taz' since his first appearance in 1954. Over the past 50 years Taz has appeared globally in partnership with icons such as Bugs Bunny, Daffy Duck, Porky Pig and Marvin the Martian.

In 1996 Tasmanian devils first displayed characteristics consistent with what is now known as Tasmanian Devil Facial Tumour Disease. As at July 2007 the disease had spread to 60 separate sites covering 59% of the State. The disease represents a major strategic issue as it has the potential to devastate the devil population in the wild across the State while at the same time adversely impacting on core consumer perceptions of the Tasmanian brand at a range of levels.

#### **The Solution**

In 2006, realising the benefits of a strategic alliance with internationally recognised Looney Tunes character 'Taz', Tourism Tasmania approached Warner Bros. to embark on an innovative relationship that would raise awareness and much-needed research funding for the Tasmanian devil.

The objectives of the partnership were as follows:

- To educate the public regarding Tasmanian devils and the facial tumour disease.
- To raise global awareness of Tasmanian devils and the facial tumour disease.
- To raise funds for the 'Tasmanian Devil Appeal' managed by the University of Tasmania.

The development of a substantial working partnership with a multi-national organisation such as Warner Bros. was a major coup for Tourism Tasmania and represented the culmination of significant effort in the preparation of a range of proposals designed to assist in supporting the fight to save the devil and, at the same time, improve awareness of the Tasmanian brand at a global level.

As of 30 June 2007, some \$50,000 has already been contributed to the Tasmanian Devil Appeal from the sale of 2,000 special edition 'Taz' plush toys featuring clothing emblazoned with 'Save my Tassie mates' and a Tasmanian passport.

Following this highly successful initial campaign, Tourism Tasmania was able to extend the innovative partnership with Warner Bros. and, in May 2007, Tourism Tasmania and Warner Home Video announced the 'Looney Tunes to the Rescue' campaign involving 18 Looney Tunes DVDs with one dollar from every DVD sold donated to the Tasmanian Devil Appeal.

Tourism Tasmania is delighted with the partnership that now exists with Warner Bros. and is continuing to explore innovative use of this relationship for the benefit of Tasmania. Equally, Tourism Tasmania was thrilled to be recognised in the 2007 Australian Marketing Institute Awards for this campaign in the category of Corporate Social Responsibility.

## CASE STUDY

### 'ISLAND OF INSPIRATION' TELEVISION AND INTEGRATED CAMPAIGN

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#### **The Challenge**

As part of its strategic planning process, Tourism Tasmania regularly evaluates its tactical programs in order to ensure that they remain relevant in an ever-changing consumer and technological environment.

Comprehensive analysis of the findings from the Perceptions Study undertaken by Colmar Brunton, the Roy Morgan Research Holiday Tracking Survey and the Tasmanian Visitor Survey revealed a need to revitalise the brand to address a range of issues: the impact of a strong Australian dollar on travel preferences; the impact of low-cost airline carriers on domestic and international travel; and the need to educate potential consumers regarding the variety of regions, attractions and experiences on offer in the State.

In particular, Tourism Tasmania identified a clear need to enhance marketing communications programs through an increased customer focus that continues to leverage Tasmania's strong nature positioning but also communicates other activities, products and experiences in a manner that "makes sense" to consumers and provides the State with a competitive edge over other potential travel destinations.

#### **The Solution**

Feedback received from previous visitors to Tasmania via the Tasmanian Visitor Survey vividly articulated descriptions of the State and their attitudes and experiences while visiting Tasmania in a way that suggested that, for consumers, a visit to Tasmania is about "what you do and where you do it." Significantly, the feedback from respondents who had recently visited the island was very different to those who had not been to Tasmania for some time.

In turn, this suggested that the 'Rejuvenating Journey' tagline, created to be the summation of a touring experience around Tasmania, needed to be replaced with a more active, dynamic statement that communicated the experiential benefits of a visit to Tasmania.

The 'Island of Inspiration' tagline was adopted with the intention of communicating and reinforcing the notion of Tasmania as a warm and genuine destination where original and amazing interactions regularly take place — whether with the natural environment, with the State's living history, its produce or its people.

Tourism Tasmania has applied the 'Island of Inspiration' concept across a wide range of marketing communications locally, interstate and internationally to both trade and consumer audiences.

In particular, the *Marketing Together* program has allowed industry partners to leverage the brand against their own promotional campaigns and has permitted operators to take advantage of Tourism Tasmania's buying power to market their own businesses using the 'Island of Inspiration' branding. This program continues to create cooperative marketing funding opportunities for the tourism industry and is a prime example of the partnerships the Authority is working to foster.

Industry response to the 'Island of Inspiration' campaign has been outstanding with Tourism Tasmania recognised at the 2007 Australian Marketing Institute Awards for Best Brand Revitalisation in Tasmania; a credit to all staff and external agencies involved in the production of this highly successful initiative.

## CASE STUDY

### ROBERTS WOOL

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#### **The Challenge**

For a considerable period, Tourism Tasmania has consistently positioned Tasmania with reference to its natural environment and, while the most obvious consumption behaviours of tourists involve activities such as eating or drinking the State's produce, visiting historical sites and learning about Tasmania's past or traversing iconic bushwalks such as the Overland Track, we perhaps tend to forget that the State produces a range of value-added goods that allow visitors to take a little bit of Tasmania home with them.

Tourism Tasmania has long appreciated the ability of high-quality Tasmanian products to raise the profile of Tasmania as a holiday destination.

In addition, by telling the story of Tasmania's clean, green environment and physical beauty to prospective customers in their home countries, producers, wholesalers and retailers build confidence in the quality of the State's products and this further cultivates interest in Tasmania as a destination.

As part of its *New Directions* strategic business plan Tourism Tasmania has embarked on securing a range of 'non-traditional' partnerships that could assist in building Tasmania's brand in global markets.

#### **The Solution**

Tasmanian fine and super-fine wool has long been held in high regard, particularly in markets such as Japan where the outstanding fleeces the State produces are seen as a reflection of our unique natural environment.

Recognising the potential long-term ability of quality wool to assist in marketing Tasmania as a tourist destination, Tourism Tasmania has formed a partnership with Roberts Wool to work with Aswan, a major Japanese carpet supplier, and Itochu, a Japanese wool importer, to concurrently promote Tasmanian wool and the State itself in Japan.

Aswan's recent trade shows and displays in cities such as Tokyo, Osaka, Fukuoka, Hiroshima, Sapporo and Nagoya were supported by Tasmanian imagery and brochures, and Tourism Tasmania collateral is being distributed to consumers purchasing carpets from the major carpet retailers.

The use of wool in outdoor clothing also provides a wonderful opportunity to link the State's produce to the natural environment and, in particular, to one of our most important tourism markets — soft adventure visitors.

In April 2007, Japanese sportswear company ASICS was hosted by Tourism Tasmania and Roberts Wool when representatives visited locations such as Cradle Mountain and the Freycinet Peninsula for a photo shoot to promote its new autumn range of Tasmanian wool outdoor wear, launched in their Autumn/Winter 2007-08 catalogue. Furthermore, Tasmanian 'destination' imagery was included in a promotional feature article for ASICS' brands Taras Boulba and Jane River in *Tabi Shashin* — a Japanese travel and photography magazine.

In another example of the strong relationship now in place between Tourism Tasmania and Roberts Wool, a Tasmanian delegation visited the United States to support Teko Socks, a Colorado based company that sources fine merino wool from Tasmania.

Tourism Tasmania is pleased to be working closely with Roberts Wool on projects that link the important agricultural sector of the State's economy to the brand's overall positioning and has high hopes for the positive long-term impact of perceptions on Tasmania and its produce.

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CASE STUDIES  
THREE CAPES WALK, USB WRISTBANDS

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POINT OF INTERVENTION 4  
ACHIEVE ALIGNMENT OF  
TASMANIA'S TOURISM  
PRODUCT, EXPERIENCES  
AND INFRASTRUCTURE  
TO MATCH MARKET  
EXPECTATIONS  
OF THE BRAND.



## CASE STUDY

### THREE CAPES WALK

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#### **The Challenge**

Tasmania is widely regarded as Australia's ultimate bushwalking destination; with mild summers, long daylight hours, and home of one of the world's last remaining temperate wilderness areas, bushwalking in Tasmania is regarded as a perfect escape.

In 1997, the Parks and Wildlife Service (another division with the Department of Tourism, Arts and the Environment) collaborated with Forestry Tasmania and Tourism Tasmania to develop the *Tasmanian Walking Track Strategy and Marketing Plan*. The project recommended the development of 60 Great Short Walks and eight Great Bushwalks.

Over time, the Overland Track has gained icon status and is consistently included in media ratings as one of the world's top ten bushwalks. However, while there has been consistent growth in the number of visitors walking the Overland Track, usage levels of remote and less serviced bushwalks throughout Tasmania has levelled out or declined in recent years.

In 2004-2005 the Tasman Tourism Development Strategy was released with the objective to further develop the tourism potential of the Tasman Peninsula. One of its main strategies was to raise the profile of the Peninsula as a natural heritage destination focusing, in particular, on the coastal sea cliffs precinct as a visitor destination.

#### **The Solution**

In partnership with the Parks and Wildlife Service, Tourism Tasmania examined whether there is sufficient demand for the creation of a second Great Bushwalk in Tasmania and identified 18 potential locations for further evaluation with respect to the key attributes sought by visitors.

The evaluation, commissioned by the Parks and Wildlife Service, found that the Tasman Peninsula has a range of features that give it the potential to be marketed as the second iconic walk in Tasmania: its spectacular scenery, range of tourism product providing a diversity of visitor experiences, as well as its proximity to Hobart and existing tourist attractions and accommodation.

Between September 2006 and March 2007, the Parks and Wildlife Service and Tourism Tasmania collaborated on a feasibility study for the concept of a Three Capes Track (being Cape Hauy, Cape Pillar and Cape Raoul) in a combined walking and water experience utilising both new and existing tracks and infrastructure. The feasibility study involved market research and consultation with interested groups and individuals and in particular, the Tasman Peninsula community.

The study highlighted that the Three Capes Track experience would deliver a unique natural coastal experience in an extremely compelling way and anticipated that it would quickly establish an iconic status as one of Tasmania's Great Bushwalks. The overall recommendation endorses the concept and indicated broad acceptance and support for such a walk and a high level of interest from the market.

Tourism Tasmania and the Parks and Wildlife Service have now formed a combined project team to co-ordinate the planning, funding, construction, marketing and operation of Three Capes Track with a target opening scheduled for summer 2011.

## CASE STUDY

### AUSTRALIAN TOURISM EXCHANGE USB WRISTBANDS

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#### The Challenge

Tourism is an industry that requires marketing at both trade and consumer levels simultaneously. Although many potential consumers identify a preferred destination and ever-increasing numbers book directly using the Internet, travel agents still have an important role to play as both influencers and gatekeepers in the final decision of destination, method of travel and on-site activities.

In that context Tourism Tasmania has a crucial role to play in the communication of the State's key attributes to the highly competitive international travel industry.

The Australian Tourism Exchange is the largest international travel trade show in the southern hemisphere, bringing Australian tourism businesses together with airlines, tourism wholesalers and retailers from around the world.

Conducted in two parts, the Australian Tourism Exchange is attended by tourism buyers from Japan and Asia, Europe, the Americas, Africa, Gulf countries, New Zealand and the South Pacific. In 2007, the Australian Tourism Exchange featured 1,700 Australian delegates from 630 companies, competing for the attention of around 600 key overseas buyers from more than 40 countries, together with approximately 60 international trade and domestic journalists, all searching for something new, innovative and exciting in the Australian travel and tourism industry.



#### The Solution

Tourism Tasmania readily identified the need to stand out from the myriad of competing organisations participating in the Australian Tourism Exchange and isolated the abundance of paper, brochures, business cards, showbags and other physical materials that buyer delegates receive as a key opportunity to differentiate Tasmania from other potential destinations.

However, rather than replicating the all too common approach of searching for a gimmicky promotional product, Tourism Tasmania took the highly innovative approach of developing a branded wristband containing a 512MB USB memory stick. The black 'discoverTasmania.com' branded USB wristband allowed delegates to avoid yet another bulky show-bag while providing them with a comprehensive information kit that included some 50 pages of information such as product profiles, media statements, destination articles, news about tourism product and events, and quality images.

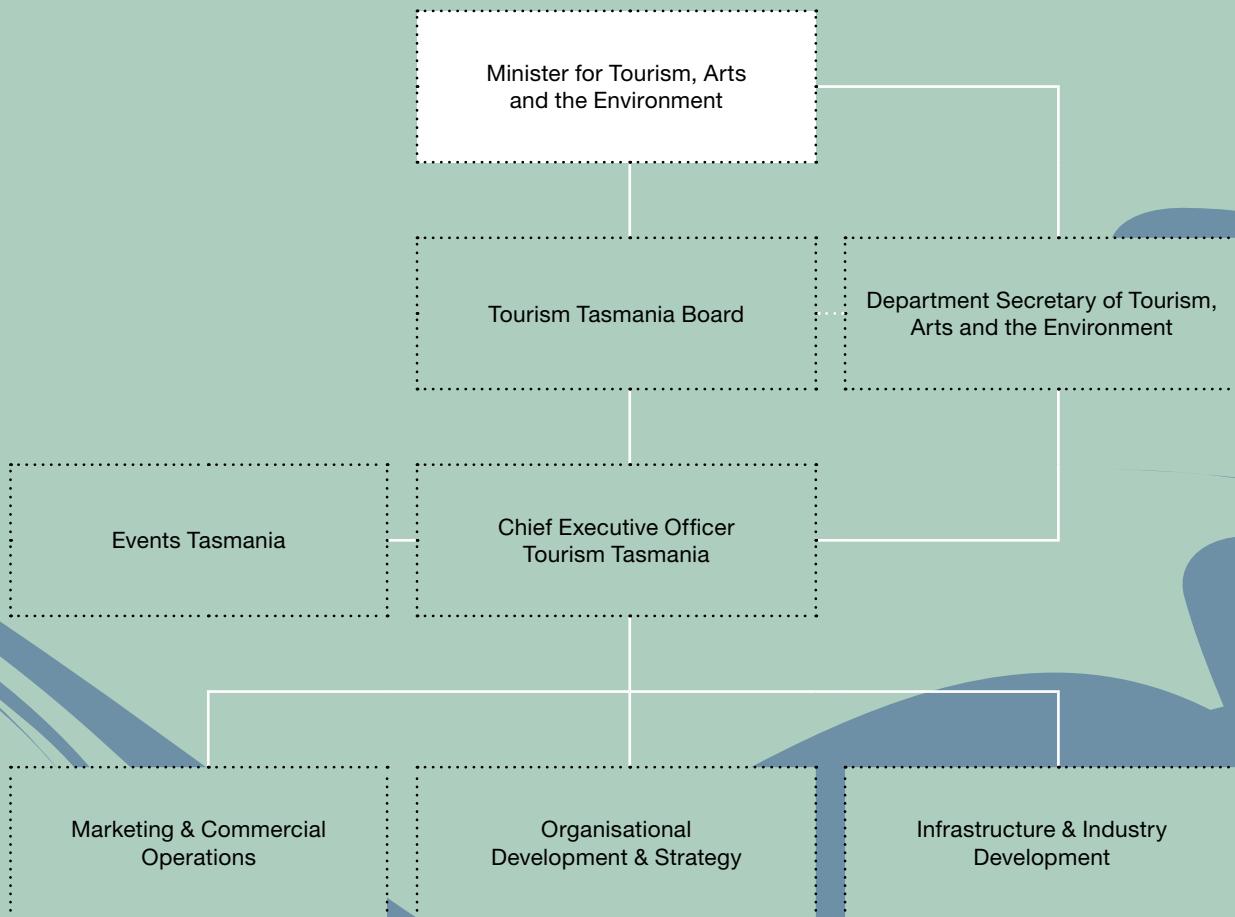
For visitors to the Australian Tourism Exchange, this approach was presented as being all about making their job easier, combined with a practical and environmentally friendly approach that avoided excess luggage charges on the way home.

Tourism Tasmania received outstanding feedback regarding this media kit by USB that provided buyer delegates and journalists with all of the information they required to suit their own needs, whether through the user-friendly navigation system or direct file access.

This outstanding initiative is yet another example of how Tourism Tasmania is considering the needs of its target audiences and is committed to providing its services in the form of a valued relationship with the objective of providing mutual benefits.



# ABOUT TOURISM TASMANIA





## WHO WE ARE

Tourism Tasmania is part of the Department of Tourism, Arts and the Environment (DTAE). It is also a statutory authority which operates under the *Tourism Tasmania Act 1996*.

DTAE brings together key agencies involved in managing and marketing the natural and cultural heritage of Tasmania, as well as fostering the creativity of its people. Its mission is to enhance Tasmania's economic, environmental and cultural wellbeing, both now and in the future, through the best possible use and management of our natural and cultural assets.

Tourism Tasmania is the principal marketer of Tasmania as a tourist destination of which these natural and cultural assets are an important part. It helps the tourism industry to grow sustainably, and provides strategic tourism advice to the Minister for Tourism, Arts and the Environment.

## OUR CORPORATE INTENT

Tourism is of vital importance to the Tasmanian economy — directly contributing \$900 million to Gross State Product (GSP) and supporting approximately 22,900 jobs in Tasmania.

While we have experienced a period of strong growth, the immediate present and the foreseeable future will be challenging.

More than ever, leisure travel competes on new ground — defined by changes to consumer behaviours (and associated spending patterns), travel industry and infrastructure change and global sociographic and demographic trends. Closer to home, we also face specific strategic challenges that we cannot address by looking behind us.

Our intent for July 2006 to June 2009 as outlined in our *Corporate Plan* has been shaped by our recognition of the changed world for tourism (and Tasmania) and the need for us, as an organisation, to continue to change ourselves to meet the challenges of this new world.

## OUR CORPORATE INTENT

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### Our Role

Our new reality — the ‘new normal’ for Tourism Tasmania — requires us to be more focused, strategic and innovative, and in the coming years our role is clear:

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

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

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

### Our Goals

We have defined seven key goals which will focus our priorities and strategies on increasing tourism growth, yield and visitor, industry and stakeholder satisfaction.

Our seven key goals focus on:

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

We also recognise the need to balance these economic goals with care for our community, protection of the environment, and preservation of our heritage assets.

### Our Opportunities

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

Tourism Tasmania will help grow the Tasmanian economy through maintaining existing markets and segments that continue to be valuable to us. We will target key domestic markets by geographic area and market segment including:

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

Our key international markets will include:

- UK and Germany.
- North America.
- New Zealand.
- Singapore.
- Japan

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We will also be pursuing our developing opportunities which lie in:

- Considering new trends in the changing international aviation environment.
- New domestic and international markets and segments (including “New Asia”), ‘new’ families (that may include groups of friends) and affinity groups (such as divers, hikers and luxury automobile touring groups).
- Establishing new, strong partnerships with tourism and non-tourism related industries.
- Understanding and using new forms of communications and distribution technology to position Tasmania ahead of our competitors.

While we will be investing in a range of programs and activities, we will particularly focus on the following to strengthen our position in the marketplace:

- Brand development through innovative marketing;
- Research and sharing its interpretation with our industry partners;
- Increasing use of digital media in our core marketing and distribution activities.

### **Our Future**

We have designed a strong business and marketing program for 2006-2007 which is the first step in a three year voyage of destination marketing and development that will be undertaken by an organisation that:

- Listens to its market.
- Builds a strong and distinctive brand for Tasmania.
- Identifies and interprets the trends and changes for its industry partners.
- Attracts visitors through imaginative and motivating marketing campaigns.
- Works with industry to develop the products and services of greatest appeal including an events program which will become a vital part of our offer.
- Provides clear opportunities for partnerships in jointly building the brand, carrying our messages to key markets in Australia and overseas and delivering on our promises.

- Develops strong and mutually beneficial relationships with Tourism Australia and other State Tourism Organisations (STOs).
- Listens and responds to feedback.
- Is willing to challenge and be challenged — and to try new ideas.

The success of the years ahead depends on getting many things right and, particularly, on getting them right together. Our intent focuses on building a tourism industry that is truly sustainable into the future and which is supported by the people of Tasmania.

CHAIRMAN  
BOB ANNELLS

CEO  
FELICIA MARIANI

## TOURISM TASMANIA BOARD



Bob Annells was the youngest Head of Agency ever appointed in Tasmania and went on to hold a number of senior positions in Tasmania including the Head of the Department of Tourism, Sport and Recreation.

He has held senior positions in the tourism industry including Chief Executive of Tourism Victoria, Chairman of the Melbourne Convention and Exhibition Trust, Chair of the Northern Territory Tourist Commission, Chairman of the Australian Standing Committee on Tourism (twice), and Board Member of the former Australian Tourist Commission.

Bob brings marketing, events, public and private sector tourism experience at the highest level, as well as issues and strategic management. He was awarded the Public Service Medal in 2001 and a Centenary of Federation Medal. He was inducted into the National Tourism Hall of Fame in 2004 and awarded the 'Outstanding Contribution by an Individual' award at the 2005 Victorian Tourism Awards.



Felicia Mariani is CEO of Tourism Tasmania and her experience in the public and private sectors spans everything from family businesses to multi-national corporations. Her last post was with Tourism New South Wales, where she was Director of Marketing.

Felicia has spent the past 15 years working in key marketing and communications roles in the tourism, leisure and entertainment industries. She introduced ground-breaking campaigns in Sydney and regional New South Wales, and orchestrated the establishment of the Olympic Media Servicing Unit in the lead-up to the Sydney Olympics in 2000.

Her earlier background includes major branding, marketing and public relations roles with Connex Group Australia and orchestrating senior marketing and communications projects for major Australian domestic tourism initiatives.

Photo courtesy *Tasmanian Life* magazine

WAYNE KIRKPATRICK

KIMBERLY SEAGRAM

SIMON CURRANT



Wayne Kirkpatrick has extensive tourism, resort management, development, marketing and advertising experience. He has held senior management roles with some of Australia's most significant resorts over the past 25 years, among them Ayers Rock Resort, Hamilton Island Limited, two Mirage resorts and Thredbo Alpine Resort.

He has been Commissioner of the Northern Territory Tourist Commission and Director of the Central Australian Tourist Industry Association, past Chairman of Tourism Whitsundays and the Tourism Council Australia. He has had a long involvement with the Association of Marine Park Tourism Operators (Great Barrier Reef) and is a member of the Tourism Recreation and Reef Advisory Committee. He was on the Board of Directors of Tourism Australia and is a member of the National Oceans Advisory Group.



Kimberly Seagram is co-owner and co-developer of the award-winning Stillwater River Café, Restaurant and Wine Bar in Launceston.

She is currently Deputy Chair of Brand Tasmania, a Committee member of the Launceston Tourism Reference Group and an Executive Committee member of the Launceston Chamber of Commerce.

Prior to Stillwater, Kim and her husband owned and operated Lalla Gully Vineyard and Ripples Café in the Pipers River region of north-east Tasmania. In 1997, Kim was elected to the Vineyards Association of Tasmania Committee of Management and she continues a high level of involvement with the wine industry, where she has made a significant contribution to strategy and marketing development.

Prior to living in Tasmania, Kim held a number of positions in the Canadian tourism industry in sales and promotion.



Simon Currant is Chairman of the Tourism Industry Council Tasmania (TICT), a Director of TT-Line, and leading developer and operator of tourism infrastructure. His past and present developments — among them Strahan Village, Cradle Mountain Lodge, Peppermint Bay and Hobart Cruises — have won 11 State and nine national tourism awards.

His current ventures are Peppermint Bay and Hobart Cruises. He has a tourism consultancy specialising in remote and natural area tourism. Simon has won national and state Best Small Business awards, a Churchill Fellowship, and was the 2004 Tasmanian of the Year.

JUANITA  
VON STIEGLITZ

ALISON STUBBS

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Juanita von Stieglitz is the Regional Head of Membership Travel Services for American Express in Australia and New Zealand. Her team provides travel and lifestyle services to the premium Platinum and Centurion card members. Juanita also holds a position with American Express Wholesale Currency Services Pty Limited.

She is a member of the Australian Institute of Company Directors, a former member of the CEO Institute, and a Friend of the Rotary Club of Sydney CBD. She has also been a member of the Tourism Council of Australia and a judge of the National Tourism Awards. Juanita is currently a member of the Audit, Finance and Risk Committee of the Board.



Alison Stubbs is co-founder and General Manager of the award-winning Freycinet Adventures which she runs with her husband Simon. Their achievements were recognised by Tasmanian Telstra Small Business Awards in 1999 and 2002. Freycinet and Strahan Adventures was inducted into the Tasmanian Tourism Awards Hall of Fame in 2004 and won the Ecotourism award in 2005.

In 2005, Alison was awarded the Minister's Young Achiever Award at the Tasmanian Tourism Awards and the Tasmanian Telstra Young Business Woman of the Year in 2003.

Alison participates on select advisory boards, including the Federal Government's Small Business Council.

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# STATUTORY INFORMATION

BOARD OF DIRECTORS  
AND ATTENDANCE 2006-07

AUDIT, FINANCE  
AND RISK COMMITTEE

Board	Current Term	Number of Meetings	Audit, Finance & Risk Committee
B Annells	14/2/06 – 13/2/09 (1st term)	6	
S Currant	14/2/06 – 13/2/09 (3rd term)	5	
W Kirkpatrick	14/2/06 – 13/2/08 (1st term)	4	2
K Seagram*	01/01/07 – 13/2/08 (1st term)	3	
A Stubbs	14/2/06 – 13/2/09 (1st term)	6	
J von Stieglitz	14/2/06 – 13/2/08 (2nd term)	5	3
F Mariani **	30/1/06 – 30/1/11 (1st term)	6	

\* K Seagram replaced G Hunt and joined the Board on 01/01/07.

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

The Tourism Tasmania Board established the Audit Committee in February 1997.

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

In November 2006 the Committee changed its name to Audit, Finance and Risk Committee.



**Tourism 2006-2007 Tender Report >\$50K**

Summary of Participation by Local Businesses For contracts and tenders greater than \$50 000	2006-07
Total number of contracts awarded	6
Total number of contracts awarded to Tasmanian businesses	1
Total value of contracts awarded	\$3,927,806
Total value of contracts awarded to Tasmanian businesses	\$400,000
Number of tenders called	5
Number of tender exemptions received	1
Total number of bids received	47
Total number of bids received from Tasmanian businesses	9

As at June 2007, Tourism Tasmania had 129.75 full-time equivalent (FTE) employees with a head count of 168 including 128 females and 40 males.

Tourism Tasmania procures goods, services and building construction in accordance with Government policy and guidelines and aims to maximise the opportunity for local business participation.

The Department of Tourism, Arts and the Environment consults with the Industry Capability Network Tasmania (INCTas) for all proposed tenders in excess of \$50,000 and for a lesser value where it is considered that the involvement of INCTas may generate local activity.

**Details of Contractors >\$50K**

- Roy Morgan Research Pty Ltd (Vic) – *Tasmanian Visitor Survey 2006-09*  
\$327,225
- Brochure Flow International (Vic) – Distribution of print collateral and brochure distribution management  
\$510,000

- Ultra Vision and Audio (NSW) – Exhibition and Event Roadshow Management  
\$77,000
- Colmar Brunton Social Research Pty Ltd (ACT) – Perceptions Study  
\$113,581
- Love Pty Ltd (NSW) – Tourism Tasmania Advertising Account  
\$2,500,000
- Southern Cross (Tas) – Production and broadcast of television series  
\$400,000

**Details of Consultants >\$50K**

There were no consultancy contracts >\$50,000 for Tourism Tasmania awarded in 2006-2007.

Tourism Tasmania has a legal duty to respond to requests for information in accordance with the *Freedom of Information Act 1991*, which came into effect on 1 January 1993. The Act provides members of the public with the right to access information held by the Government and its agencies, with the exception of information held by the Act to be exempt. The Act also gives people the right to seek amendment to personal information held by agencies that is considered to be incorrect.

In 2006-07 Tourism Tasmania received six requests for the release of information. One request was granted in full and five requests were granted in part.

#### Brochures

- *Tasmanian Holiday Planner* — Domestic & International Editions
- *Tasmanian Holiday Book*
- *Tasmania in Style*
- Tasmania Touring Map — Domestic & International Editions
- Discover Australia's Natural State — International
- Tasmania's Great Short Walks
- *Australian Geographic* Great Walks of Tasmania
- Tasmania's Wildlife
- Blooming Tasmania
- Tasmania Adventure Island
- Golf Tasmania
- Tasmania Gay & Lesbian Visitors Guide
- National Parks, Forest & Waterways Tasmania
- Cellar Door & Farm Gate Guide
- Touring Event Grant Program
- National and Special Interest Event Grant Program
- Your Club — Our Island
- Events Tasmania Xchange

#### E - Newsletters

- Short Breaks
- Touring
- Natural State News
- Tourism Talk

#### Corporate Documents

- *Tourism Tasmania Annual Report 2005-2006*
- *Our Corporate Plan: Tourism Tasmania July 2006 to June 2009*
- *New Directions for Our Island: Tourism Tasmania's Three-Year Business Strategy 2006-2009*
- *Our Corporate Intent: Tourism Tasmania July 2006 to June 2009*

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TOURISM TASMANIA 2006-07  
ANNUAL FINANCIAL STATEMENTS



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CERTIFICATION OF  
FINANCIAL STATEMENTS

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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 Part 7 of the *Tourism Tasmania Act 1996* to present fairly the financial transactions for the year ended 30 June 2007 and the financial position as at the end of the year.

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



**Felicia Mariani**  
Chief Executive



**Bob Annells**  
Chairman of the Board



## **INDEPENDENT AUDIT REPORT**

**To Members of the Parliament of Tasmania**

### **TOURISM TASMANIA**

**Financial Statements for the Year Ended 30 June 2007**

#### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements published in both the annual report and on the website of Tourism Tasmania for the year ended 30 June 2007. The directors are responsible for the integrity of both the annual report and the website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in Tourism Tasmania's annual report.

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of Tourism Tasmania, which comprise the balance sheet as at 30 June 2007, the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement from the directors of Tourism Tasmania.

#### *The Responsibility of the Directors for the Financial Statements*

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

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with

Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

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

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

### **Independence**

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

### **Auditor's Opinion**

In my opinion the financial statements of Tourism Tasmania:

- (a) present fairly, in all material respects, the financial position of Tourism Tasmania as at 30 June 2007, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Tourism Tasmania Act 1996* and Australian Accounting Standards (including the Australian Accounting Interpretations).

### **TASMANIAN AUDIT OFFICE**



E R De Santi  
**DEPUTY AUDITOR-GENERAL**

HOBART  
26 September 2007

INCOME STATEMENT FOR  
THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
<b>Income</b>			
Revenue from Government – recurrent	2.4(a), 4.1	24,462	23,141
Revenue from Special Capital Investment Funds	4.2	4,597	0
Grants and sponsorship	2.4(b), 4.3	164	53
Sales of goods and services	2.4(c), 4.4	6,347	6,707
Gain on sale of non-financial assets	2.4(d), 4.5	5	0
Other revenue	2.4(e), 4.6	310	156
<b>Total income</b>		<b>35,885</b>	<b>30,057</b>
<b>Expenses</b>			
Employee entitlements	2.5(a), 5.1	9,414	10,200
Depreciation and amortisation	2.5(b), 5.2	253	71
Grants and subsidies	2.5(c), 5.3	2,616	1,693
Other expenses	2.5(d), 5.4	22,069	17,801
<b>Total expenses</b>		<b>34,352</b>	<b>29,765</b>
<b>Net operating surplus (deficit)</b>		<b>1,533</b>	<b>292</b>
Equity interests		0	0
<b>Net surplus (deficit) attributable to the State</b>		<b>1,533</b>	<b>292</b>

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



BALANCE SHEET  
AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	2.6(a), 6.1	3,740	3,669
Receivables	2.6(b), 6.2	249	139
<b>Non-financial assets</b>			
Property, plant and equipment	2.6(c), 6.3	170	222
Intangibles	2.6(d), 6.4	444	276
Other assets	2.6(f), 6.5	1,028	743
<b>Total assets</b>		<b>5,631</b>	<b>5,049</b>
<b>Liabilities</b>			
Payables	2.7(a), 7.1	1,185	1,778
Employee entitlements	2.7(b), 7.2	1,903	2,201
Provisions	2.7(d), 7.3	326	0
Other liabilities	2.7(e), 7.4	1,838	2,224
<b>Total liabilities</b>		<b>5,252</b>	<b>6,203</b>
<b>Net assets (liabilities)</b>		<b>379</b>	<b>(1,154)</b>
<b>Equity</b>			
Accumulated funds		379	(1,154)
<b>Total equity</b>	9.1	<b>379</b>	<b>(1,154)</b>

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

CASH FLOW STATEMENT FOR  
THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>			
Cash inflows			
Revenue from Government – recurrent		24,512	23,141
Receipts from Special Capital Investment Funds		4,597	0
Grants and sponsorship		164	130
Sales of goods and services		5,979	6,659
Other cash receipts		306	156
<b>Total cash inflows</b>		<b>35,558</b>	<b>30,086</b>
Cash outflows			
Employee entitlements		(9,708)	(10,302)
Other cash payments		(25,559)	(19,331)
<b>Total cash outflows</b>		<b>(35,267)</b>	<b>(29,633)</b>
<b>Net cash from (used by) operating activities</b>	10.2	<b>291</b>	<b>453</b>
<b>Cash flows from investing activities</b>			
Cash inflows			
Proceeds from the disposal of non-financial assets		5	0
<b>Total cash inflows</b>		<b>5</b>	<b>0</b>
Cash outflows			
Payments for acquisition of non-financial assets		(225)	(510)
<b>Total cash outflows</b>		<b>(225)</b>	<b>(510)</b>
<b>Net cash from (used by) investing activities</b>		<b>(220)</b>	<b>0</b>
Net increase (decrease) in cash held		71	(57)
Cash at the beginning of the reporting period		3,669	3,726
<b>Cash at the end of the reporting period</b>	10.1	<b>3,740</b>	<b>3,669</b>

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

STATEMENT OF RECOGNISED INCOME AND  
EXPENSE FOR THE YEAR ENDED 30 JUNE 2007

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	Note	2007 \$'000	2006 \$'000
Net surplus/(deficit) for the period	9	1,533	292
Total recognised income and expense for the period		1,533	292

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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## 1 Objectives and Funding

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

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

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

Tourism Tasmania activities are classified as either controlled or administered.

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

Tourism Tasmania is predominantly funded by Parliamentary appropriations. Tourism Tasmania, trading as Tasmania's Temptations Holidays, provides wholesale travel and reservation services to travel agents. Tasmanian holidays are sold directly to consumers through a Launceston-based call centre.

Revenues received from the business operations outlined above are determined by prevailing market forces. The financial report encompasses all funds which the organisation controls to carry out its functions.

## 2 Summary of Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of the financial statements are outlined below.

### 2.1 Basis of Accounting

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

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

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AEIFRS). Compliance with AEIFRS may not result in compliance with International Financial Reporting Standards (IFRS), as AEIFRS includes requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Department is considered to be not-for-profit and has adopted some accounting policies under AEIFRS 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 2.2 below.

The Financial Statements are presented in Australian dollars.

### 2.2 Changes in Accounting Policy

- Impact of New Accounting Standards*

There was no impact on the 2006-07 financial statements for new accounting standards issued by the Australian Accounting Standards Board.

- Impact of New Accounting Standards yet to be applied*

There are no new Accounting Standards that are yet to be applied within these Financial Statements.

### 2.3 Administered Transactions and Balances

Tourism Tasmania administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy resources for the achievement of Tourism Tasmania's objectives. All activities under the governance of the Tourism Tasmania Board are considered to be controlled, excluding the Tasmanian Icons Program.

Administered assets, liabilities, expenses and revenues are disclosed in the notes to the Financial Statements.

### 2.4 Income

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

- Revenue from Government – recurrent*

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 carry forwards in Note 4.1, control arises in the period of appropriation.

### b. Grants and sponsorship

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

### c. Sales of goods and services

Amounts earned in exchange for the provision of goods and services are recognised when the good is provided and title has passed. Revenue from the provision of services is recognised when the service has been provided.

Proceeds from travel sales are recognised as revenues as they are controlled by Tourism Tasmania and can be deployed for the achievement of its objectives. They are not required to be paid to the Consolidated Fund. Intra-entity transactions between Tasmania's Temptation Holidays and Retail Travel Centres have been eliminated on aggregation. Sales revenue relating to whole-sale sales is recognised at the net sales value in the Income Statement. Sales revenue relating to retail sales is recognised at the commission value in the Income Statement.

### d. Gain (Loss) from the sale of non-financial assets

Revenue from the sale of non-financial assets is recognised when control of the asset has passed to the buyer.

### e. Other revenue

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

## 2.5 Expenses

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

### a. Employee entitlements

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

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

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

### b. Depreciation and amortisation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Depreciation is provided for on a straight-line basis, using rates that are reviewed annually.

Major depreciation periods are:

- Plant and equipment 3-5 years

Major amortisation rates are:

- Software 5 years
- Operating Lease make good asset — based on operating lease terms.

### c. Grants and subsidies

Grants are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied. A liability is recorded when Tourism Tasmania has a binding agreement to make the grants but services have not been performed or criteria satisfied.

Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

### d. Other expenses

Other expenses from ordinary activities are recognised as expenses when a decrease in future economic benefits related to a decrease in asset or an increase in a liability has arisen that can be measured reliably.

## 2.6 Assets

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

### a. Cash and deposits

Cash means notes, coins any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at their nominal amounts. In accordance with whole-of-government banking arrangements, Tourism Tasmania does not earn any interest on cash and deposits held.

### b. Receivables

Receivables are recognised at the amount receivable as they are due for settlement. Impairment of receivables is reviewed on an ongoing basis. Impairment losses are recognised when there is a measurable decrease in the collectability of receivables.

### c. Plant and equipment

The carrying amounts of plant and equipment assets are recorded at historic cost.

The asset capitalisation threshold adopted by Tourism Tasmania is \$10,000. Assets valued at less than \$10,000 are charged to the Income Statement in the year of purchase.

### d. Intangibles

An intangible asset is recognised where:

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

Intangible assets held by Tourism Tasmania are valued at fair value where an active market exists and are amortised on a straight line basis over their estimated useful life. Where no active market exists, intangibles are valued at cost.

### e. Impairment

All assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Tourism Tasmania's assets are not used for the purpose of generating cash flows, therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

*f. Other assets*

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

## 2.7 Liabilities

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

*a. Payables*

Payables, including goods received and services incurred but not yet invoiced, are recognised at the nominal amount when Tourism Tasmania becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are normally settled within 30 days.

*b. Employee entitlements*

Liabilities for wages, salaries and annual leave are recognised when the employee becomes entitled to receive the 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 as at 30 June 2006, 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.

*c. Superannuation*

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

*d. Provisions*

Provisions are recognised when it is probable that a payment will be made and the amount of the payment can be reliably measured. Any right to reimbursement relating to or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

A provision has been made for potential make good on operating leases in the 2006-07 financial statements. (Refer note 7.3)

*e. Other liabilities*

Other liabilities consist of tax liabilities, employee benefits on-costs and revenue received in advance relating to amounts received from the sale of wholesale travel product prior to the date of travel. On the commencement of travel, such amounts are recognised as user charges revenue net of associated supplier costs.

## 2.8 Leases

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

Leases generally provide Tourism Tasmania with a right of renewal at which time all terms are re-negotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria. Tourism Tasmania is prohibited by Treasurer's Instruction 1016 from holding finance leases.

## 2.9 Judgements and Assumptions

In the application of Australian Accounting Standards, Tourism Tasmania is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

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

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

## 2.10 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.

## 2.11 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 2.2. The 2005-06 results included expenditure against other expenses relating to the Department of Tourism, Arts and the Environment corporate overheads. The 2006-07 expenditure only includes the direct cost of Tourism Tasmania.

## 2.12 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

## 2.13 Taxation

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

In the Statement of Cash Flows the GST component of cash flows arising from 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.

## 3 Events Occurring after Balance Date

There are no events occurring after balance date that impact on these financial statements.

4	<b>Income</b>	2007 \$'000	2006 \$'000
<b>4.1 Revenue from Government – recurrent</b>			
Revenue from Appropriations includes revenue from appropriations, including appropriations carried forward under section 8A of the Public Account Act 1986, and from items Reserved by Law.			
	Recurrent Appropriation (cash)	24,512	23,141
	Appropriation carried forward under Section 8A of the Public Account Act 1986 taken up as revenue in the current year		
	Add 2005-06 carry forwards	0	0
	Less 2006-07 carry forwards	(50)	0
	<b>Total revenue from Government - recurrent</b>	<b>24,462</b>	<b>23,141</b>
The activities of Tourism Tasmania for 2006-2007 were managed within the appropriation budget.			
<b>4.2 Revenue from Special Capital Investment Funds</b>			
Funding for major infrastructure projects is provided through Special Capital Investment Funds managed by the Department of Treasury and Finance. Tourism Tasmania is allocated funding for specific projects from the Special Capital Investment Funds as part of the Budget process. The Tourism Promotion Plan is funded through this source of funds with a total allocation of \$16 million over three years.			
	Tourism Promotion Plan	4,597	0
	<b>Total</b>	<b>4,597</b>	<b>0</b>
<b>4.3 Grants and Sponsorship</b>			
	Other grants and sponsorship	164	53
	<b>Total</b>	<b>164</b>	<b>53</b>
<b>4.4 User Charges</b>			
	Travel sales revenue	29,423	36,041
	less: supplier costs	(24,283)	(29,870)
		5,140	6,171
	Advertising revenue	902	168
	Other user charges	305	368
	<b>Total</b>	<b>6,347</b>	<b>6,707</b>
The decrease in user charges predominantly reflects the forecast reduction in business activity through Tasmania's Temptation Holidays and Retail Travel centres. The increase in 'Advertising revenue' reflects changed timing in charging for the 'Holiday Book'.			
<b>4.5 Gains/Losses on Sale of Non-financial Assets</b>			
	Proceeds from sales	5	0
	<b>Gain/loss on sale</b>	<b>5</b>	<b>0</b>
<b>4.6 Other Revenues</b>			
	Recoveries, reimbursements and other revenue from ordinary activities	310	156
	<b>Total</b>	<b>310</b>	<b>156</b>

<b>5 Expenses</b>	2007 \$'000	2006 \$'000
<b>5.1 Employee Entitlements</b>		
Salaries and wages	7,811	8,398
Annual leave	609	721
Long service leave	132	133
Superannuation	862	948
<b>Total</b>	<b>9,414</b>	<b>10,200</b>
<b>5.2 Depreciation and Amortisation</b>		
Plant and equipment — depreciation	52	58
Intangibles — amortisation	57	13
Operating lease make good amortisation	144	0
<b>Total</b>	<b>253</b>	<b>71</b>
<b>5.3 Grants and Subsidies</b>		
Special Capital Investment Funds		
Tourism Promotion Plan	750	0
Other grants disbursed		
Regional tourism support	900	773
Convention program support	706	640
Other tourism development assistance	260	280
<b>Total</b>	<b>2,616</b>	<b>1,693</b>
<b>5.4 Other Expenses from Ordinary Activities</b>		
Payroll Tax	513	548
Fringe Benefits Tax	73	84
Workers' Compensation	48	61
Audit fees - internal audit	55	59
Buildings and infrastructure maintenance	39	45
Communications	803	850
Information technology	872	784
Rental and other accommodation expenses	878	1,178
Travel and transport	830	865
Advertising and promotion	16,683	11,159
Operating leases	24	25
Other operating expenses (including minor asset purchases)	1,251	2,143
<b>Total</b>	<b>22,069</b>	<b>17,801</b>



<b>6 Assets</b>	2007 \$'000	2006 \$'000
<b>6.1 Cash</b>		
a. Cash held in the Special Deposits and Trust Fund		
This represents the balances of accounts held in Special Deposits and Trust Fund, excluding those accounts which are administered or held in a trustee capacity or arrangement.		
T526 DTPHA Operating Account	107	90
T659 Tourism Trading Account	3,571	2,962
<b>Total</b>	<b>3,678</b>	<b>3,052</b>
b. Other cash held		
This represents the balance of cash accounts, other than those held in the Special Deposits and Trust Fund, excluding those accounts which are administered or held in a trustee capacity or agency arrangement		
	62	617
<b>Total Cash</b>	<b>3,740</b>	<b>3,669</b>
<b>6.2 Receivables</b>		
User charges, fees, and other revenue	251	154
Less provision for doubtful debts	(2)	(15)
<b>Total</b>	<b>249</b>	<b>139</b>
Settled within 12 months	249	139
Settled in more than 12 months	0	0
<b>Total</b>	<b>249</b>	<b>139</b>
<b>6.3 Property, Plant and Equipment</b>		
Plant and equipment		
Plant and equipment at cost	343	903
Accumulated depreciation	(173)	(681)
<b>Total</b>	<b>170</b>	<b>222</b>

<b>6.4 Intangible Assets</b>	2007 \$'000	2006 \$'000
Intangible assets at cost	515	289
Accumulated amortisation	(71)	(13)
<b>Total</b>	<b>444</b>	<b>276</b>

#### Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment and intangibles at the beginning and end of the current and previous financial year are set out below.

	Intangibles		Plant and Equipment		Total	
	'2007 \$'000	'2006 \$'000	'2007 \$'000	'2006 \$'000	'2007 \$'000	'2006 \$'000
Carrying amount at start of year	276	0	222	59	498	59
Additions at cost	225	289	0	221	225	510
Depreciation / amortisation expense	(57)	(13)	(52)	(58)	(109)	(71)
<b>Carrying amount at end of year</b>	<b>444</b>	<b>276</b>	<b>170</b>	<b>222</b>	<b>614</b>	<b>498</b>

#### 6.5 Other Assets

Prepayments	837	743
Tax asset	7	0
Operating lease make good	184	0
<b>Total</b>	<b>1,028</b>	<b>743</b>
Settled within 12 months	875	743
Settled in more than 12 months	153	0
<b>Total</b>	<b>1,028</b>	<b>743</b>

<b>7 Liabilities</b>	2007 \$'000	2006 \$'000
<b>7.1 Payables</b>		
Accrued expenses	64	68
Creditors	1,121	1,710
<b>Total</b>	<b>1,185</b>	<b>1,778</b>
Due within 12 months	1,185	1,778
Due in more than 12 months	0	0
<b>Total</b>	<b>1,185</b>	<b>1,778</b>
<b>7.2 Employee Benefits</b>		
Accrued salaries	70	84
Annual leave	569	710
Long service leave	1,264	1,407
<b>Total</b>	<b>1,903</b>	<b>2,201</b>
Due within 12 months	664	862
Due in more than 12 months	1,239	1,339
<b>Total</b>	<b>1,903</b>	<b>2,201</b>
<b>7.3 Provisions</b>		
Operating lease make good	326	0
<b>Total</b>	<b>326</b>	<b>0</b>
Due within 12 months	30	0
Due in more than 12 months	296	0
<b>Total</b>	<b>326</b>	<b>0</b>
<b>Reconciliation of Movements in Provisions</b>	Operating lease make good	Total
<b>Balance 1 July 06</b>	0	0
Increases	470	0
Charges against provision	(144)	0
<b>Balance 30 June 07</b>	<b>326</b>	<b>0</b>

7.4 Other Liabilities	2007 \$'000	2006 \$'000
Revenue received in advance		
Appropriation carried forward under section 8A of the <i>Public Account Act 1986</i>	50	0
Other revenue received in advance	1,635	2,046
	1,685	2,046
Employee benefits - on-costs	153	172
Tax liability	0	6
<b>Total</b>	<b>1,838</b>	<b>2,224</b>
Due within 12 months	1,766	2,143
Due in more than 12 months	72	81
<b>Total</b>	<b>1,838</b>	<b>2,224</b>

## 8 Commitments 2007 \$'000 2006 \$'000

### 8.1 Schedule of Commitments

#### Schedule of Commitments as at 30 June 2007

##### Operating lease commitments

Buildings	3,164	3,717
Vehicles	208	260
Equipment	56	142
<b>Total</b>	<b>3,428</b>	<b>4,119</b>

##### By Maturity

One year or less	775	933
From one to five years	2,629	2,531
Over five years	24	655
<b>Total</b>	<b>3,428</b>	<b>4,119</b>

### 8.2 Contingent Assets and Liabilities

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

As at 30 June 2007, Tourism Tasmania did not have any contingent assets or liabilities.

## 9 Equity and Movements in Equity 2007 \$'000 2006 \$'000

### 9.1 Reconciliation of Equity

#### Equity

<b>Balance at 1 July</b>	(1,154)	(1,446)
Net surplus (deficit)	1,533	292
<b>Balance 30 June</b>	<b>379</b>	<b>(1,154)</b>

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

10 Cash Flow Reconciliation	2007 \$'000	2006 \$'000
<b>10.1 Cash and Cash Equivalents</b>		
Total cash and cash equivalents (refer Note 6.1)	3,740	3,669
<b>10.2 Reconciliation of Operating Surplus to Net Cash Provided by Operating Activities:</b>		
Net operating surplus (deficit)	1,533	292
Depreciation / amortisation	253	71
Gain (loss) from sale of non-financial assets	5	0
Write back provision for doubtful debts	(13)	(6)
Decrease (increase) in receivables	(97)	234
Decrease (increase) in other assets	(440)	(4)
Increase (decrease) in employee entitlements	(298)	(102)
Increase (decrease) in payables	(593)	(125)
Increase (decrease) in other liabilities	(386)	93
Increase (decrease) in provisions	327	0
<b>Net cash provided (used) by operating activities</b>	<b>291</b>	<b>453</b>

### 10.3 Tasmanian Government Card

As part of the Tasmanian Government Card (credit card) program Tourism Tasmania has a facility limit of \$692,000. As at 30 June 2007 \$31,023 of the facility limit had been used and not yet charged back to the Department.

## 11 Additional Financial Instruments Disclosures

Financial instrument	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	6.1	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues. Cash is measured at nominal amounts and is also the net fair value.	Cash includes cash deposits which are readily convertible to cash on hand plus cash available in Treasury's Special Deposit and Trust Fund. Tourism Tasmania does not earn any interest on funds held.
Receivables for user charges	6.2	These receivables are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. The net fair value of receivables is the nominal amount.	Debtor's terms are 30 days.
Financial Liabilities		Liabilities are recognised when it is probable that the future sacrifice of economic benefits will be required and the amount of the liability can be measured reliably.	

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Creditors	7.1	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having being invoiced). The net fair value of payables is the nominal amount.	Settlement is usually made within 30 days.
Revenue received in advance	7.2	Revenue received in advance is recognised at their nominal amounts, being the amounts received from the sale of wholesale travel product prior to the date of travel. The net fair value of revenue received in advance is the nominal amount.	On the commencement of travel, such amounts are recognised as product and services revenue net of associated supplier costs.

#### Derivative Instruments not Shown in the Balance Sheet

Tourism Tasmania does not hold any derivative financial instruments.

#### Credit Risk Exposures

The credit risk on financial assets of Tourism Tasmania which have been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

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

#### Interest Rate Risk Exposures

Tourism Tasmania does not hold any investments or borrowings which would expose it to changes in interest rates. The Government holds the equity in interest in Tourism Tasmania on behalf of the community.

## 12 Administered Transactions

2007  
\$'000

2006  
\$'000

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

#### Expense

Tasmanian Icon Program (Tasmanian Symphony Orchestra and the Tasmanian Cricket Association)	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>

#### Revenue

Recurrent Appropriation	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>
<b>Net operating surplus (deficit) from ordinary activities</b>	<b>0</b>	<b>0</b>

Tourism Tasmania has no administered assets or liabilities at 30 June 2007.





Tourism Tasmania

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