



ANNUAL REPORT 2013–14

ACHIEVING TOURISM GROWTH
THROUGH PARTNERSHIP



The importance of tourism to Australia

Tourism is a significant industry for Australia. It generates \$102 billion (Australian Bureau of Statistics) in visitor expenditure, directly employs around half a million Australians and is Australia's number one services export. It helps fund critical infrastructure like airports, roads and hotels, and plays an important role in the economic development of regional Australia, with 46 cents of every tourist dollar spent in regional Australia (Tourism Research Australia). Every dollar spent on tourism generates 87 cents in other parts of the economy, which is a higher multiplier than those achieved for mining, agriculture and financial services (Tourism Research Australia).

Recognising the important role of tourism, the Australian Government has identified tourism as one of five National Investment Priorities, with a particular emphasis on leveraging international demand and investment to help further grow our industry.

In October 2013, Deloitte Access Economics named tourism one of its 'Fantastic Five' growth industries over the next 20 years. This came shortly after Australian Bureau of Statistics data revealed that 75 per cent of Australian internet users bought products online, with the most popular types of purchases being travel, accommodation and tickets.

Facts about tourism

Visitors' expenditure in Australia
\$102 billion 

While on holiday
53%
of visitors

SHARE THEIR TRAVEL EXPERIENCES ONLINE



6.6  international
MILLION visitors, over
43% from Asia

Tourism's share of
Australia's
ECONOMY IS
ALMOST **3%**



WELCOME

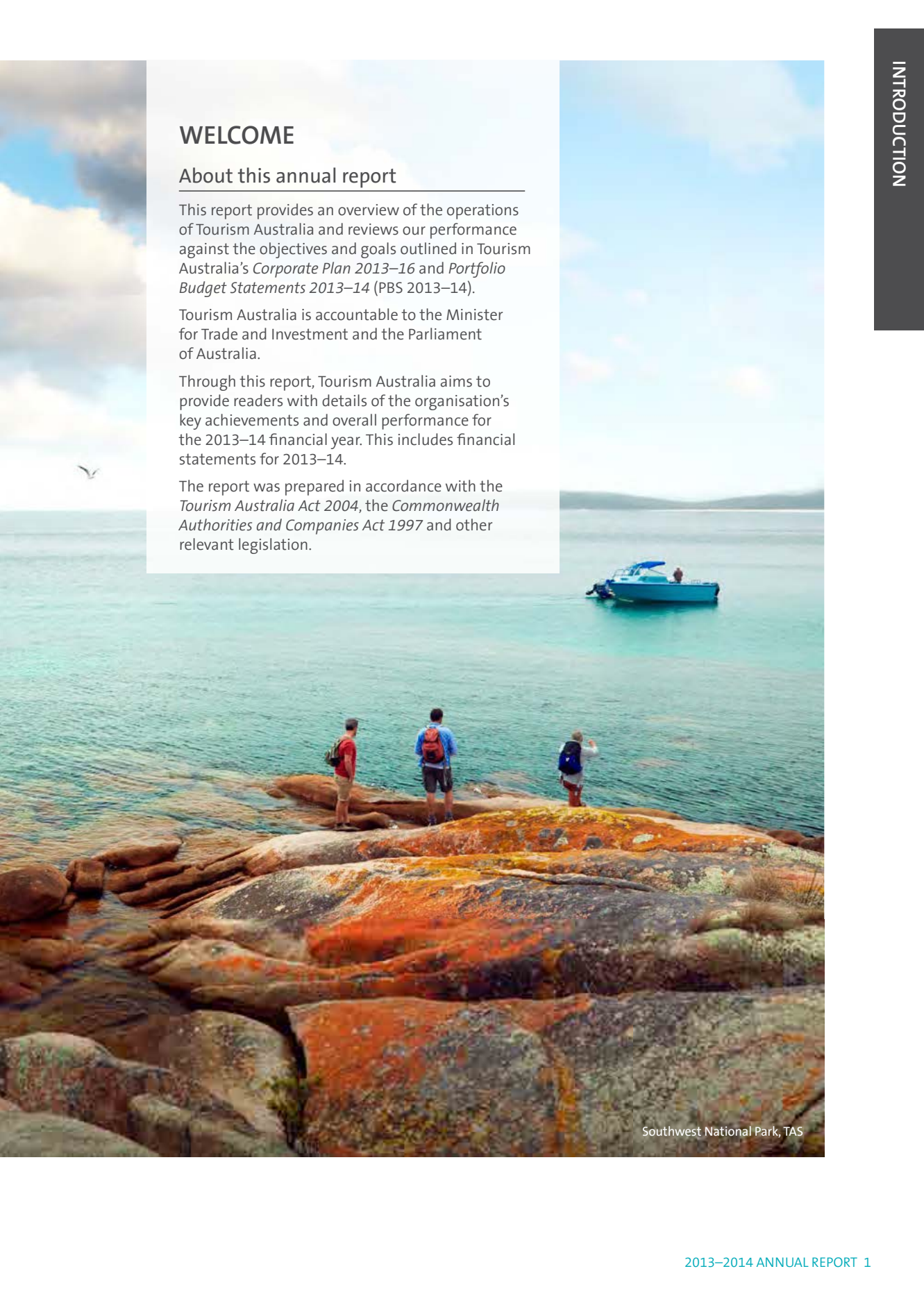
About this annual report

This report provides an overview of the operations of Tourism Australia and reviews our performance against the objectives and goals outlined in Tourism Australia's *Corporate Plan 2013–16* and *Portfolio Budget Statements 2013–14* (PBS 2013–14).

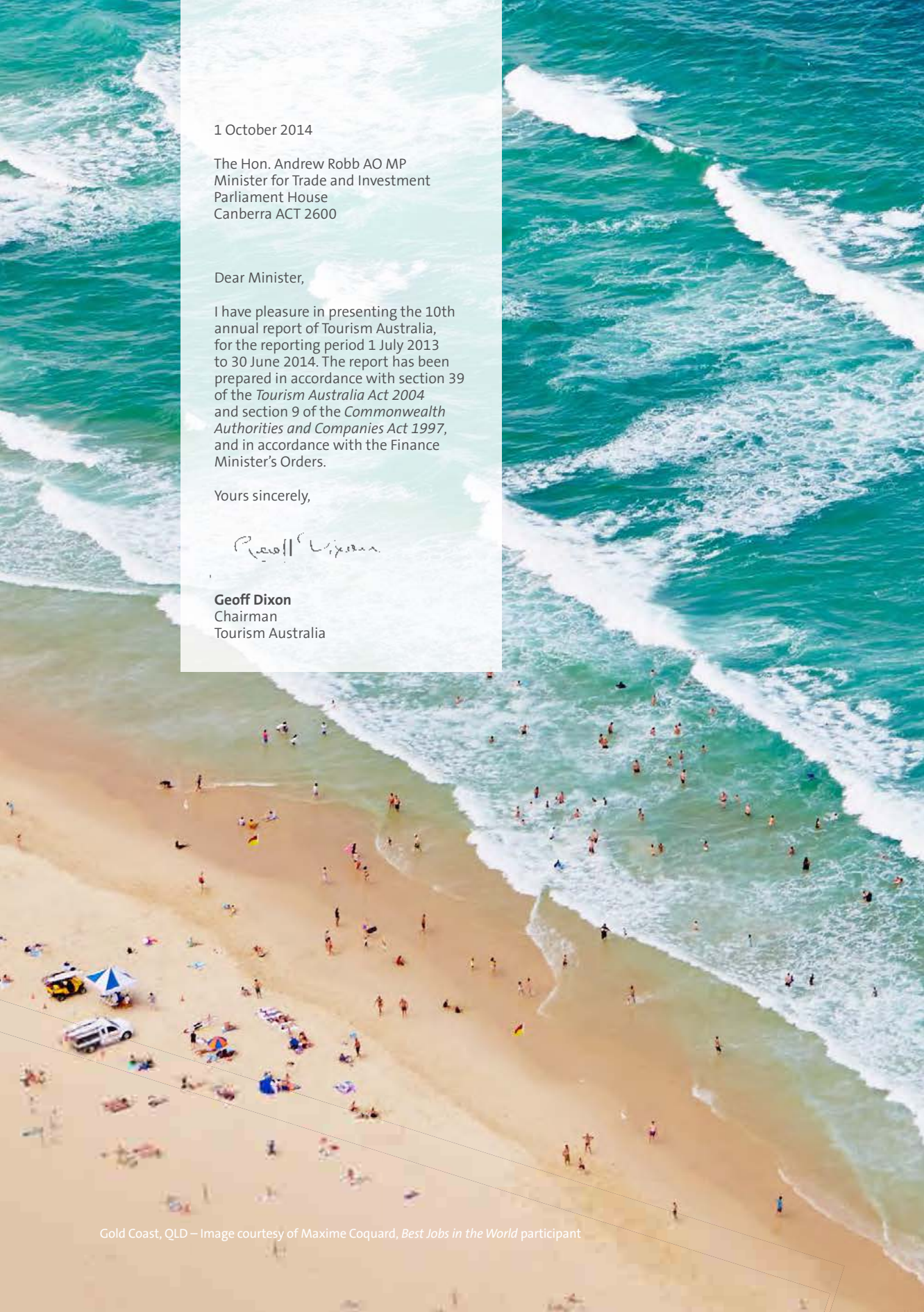
Tourism Australia is accountable to the Minister for Trade and Investment and the Parliament of Australia.

Through this report, Tourism Australia aims to provide readers with details of the organisation's key achievements and overall performance for the 2013–14 financial year. This includes financial statements for 2013–14.

The report was prepared in accordance with the *Tourism Australia Act 2004*, the *Commonwealth Authorities and Companies Act 1997* and other relevant legislation.



Southwest National Park, TAS



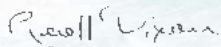
1 October 2014

The Hon. Andrew Robb AO MP
Minister for Trade and Investment
Parliament House
Canberra ACT 2600

Dear Minister,

I have pleasure in presenting the 10th annual report of Tourism Australia, for the reporting period 1 July 2013 to 30 June 2014. The report has been prepared in accordance with section 39 of the *Tourism Australia Act 2004* and section 9 of the *Commonwealth Authorities and Companies Act 1997*, and in accordance with the Finance Minister's Orders.

Yours sincerely,



Geoff Dixon
Chairman
Tourism Australia

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1

2013-14 Overview



1.1 Chairman's report – Geoff Dixon

With international arrivals and spending at historic levels, Australia has good reason to be optimistic about its tourism industry. During 2013–14, the industry continued to demonstrate its economic strength and importance, despite fierce international competition and a strong Australian dollar, making it unquestionably one of Australia's most significant and sustainable pillars of economic growth.

International arrivals rose 7.9 per cent during 2013–14, with the 6.6 million international visitors who travelled to our shores generating close to \$30 billion in spending, further cementing tourism's position as our country's largest services export industry. These services were delivered by around half a million Australians, up 3 per cent on 2012–13 and ahead of the national average.

This growth came from both East and West, combining traditional and emerging markets, in line with Tourism Australia's 'balanced portfolio' international marketing strategy.

Following the trend of the previous year, China remains our fastest growing and most valuable inbound visitor market, worth \$5 billion annually and with the potential to reach \$13 billion by the end of the decade. As our Chinese visitors become increasingly confident and adventurous, we're seeing a significant shift away from the traditional group tour to independent travel. This is an important segment for Australian tourism, with our research showing that these 'free and independent' travellers stay longer and see more of our country.

However, our current performance and future success extends beyond Asia. A feature of the past 12 months has been the return to growth of some of our traditional and most important Western markets.

Boosted by tourism opportunities offered by international sporting events such as the British and Irish Lions and Ashes cricket tours, the UK has bounced back strongly after recent years of decline. Similarly, we've seen a resurgence in travel from the USA, with a record-breaking half a million American visitors adding further weight to the 'Oprah effect'.

All this puts the industry on course to achieve the Tourism 2020 goal of growing visitor expenditure to between \$115 and \$140 billion by 2020. Tourism 2020 is about realising our full growth potential, and while it is a stretch, it is important the industry aspires to reach the top end of the target.

Along with the strong performance of our sector, Tourism Australia has undergone changes to redefine itself for future success. Most notably, Tourism Australia moved to the Department of Foreign Affairs and Trade portfolio, reporting to the Minister for Trade and Investment, the Hon. Andrew Robb AO MP. With this change, we will enhance our focus on international marketing working alongside portfolio partners, like Austrade, to realise new opportunities for tourism, particularly around investment.

In 2013, after four years at the helm, we farewelled Andrew McEvoy as Managing Director and welcomed John O'Sullivan to the role. Andrew was a driving force in uniting the tourism industry behind our 2020 goals, and the legacy of his efforts will continue to be realised.

As our incoming Managing Director, John brings strong commercial experience that will not only enable us to nurture new partnerships but maintain valuable relationships with airline partners, federal, state and territory colleagues and the food and wine operators and tourism experiences who are participating in our 'Restaurant Australia' campaign.

Australian tourism's future is promising. We look forward to strengthening our partnerships across the tourism industry, government and the wider business community, continuing to grow demand for Australia's tourism experiences internationally.



1.2 Managing director's report – John O'Sullivan

Although my official tenure at Tourism Australia only began in March 2014, what I've seen so far is a united industry with a clear direction and that is performing well.

I've made it a priority to spend as much time as possible talking with and listening to industry groups, operators, the states and territories, our partners and stakeholders. I've been made to feel extremely welcome. The feedback I've received has been overwhelmingly positive, with a real commitment to achieving the stretch targets we have set ourselves as part of the industry's Tourism 2020 goal.

The return on investment for every dollar spent on tourism promotion by Tourism Australia currently stands at 15 to one, demonstrating the value we bring to the Australian economy. During 2013–14 Tourism Australia's \$90 million marketing spend delivered an incremental \$1.2 billion in overnight expenditure and 11,000 jobs. In short, the role of Tourism Australia in creating demand for tourism experiences is increasingly important.

My second week in the job took me to China, Australia's fastest growing and most valuable inbound market, as part of a trade delegation for 'Australia Week in China'. There was a strong tourism component to the week's activities. A highlight was the launch of a campaign targeting China's independent-minded travellers.

The numbers and spending levels from China continue to grow, as they are from most of our key target markets. But this is no time to rest on our laurels. We still have some way to go to realise our 2020 goals. Competition is relentless as is achieving cut-through for our destination message in the global marketplace.

In recent times, Tourism Australia's success in international marketing and industry development has been built upon solid industry partnerships. This has been a strong feature of our activity over 2013–14.

The most obvious example of this was the launch of 'Restaurant Australia', our latest iteration of 'There's nothing like Australia'. This campaign aims to show what is unique and distinctive about our country, with the focus firmly upon food and wine experiences.

When we originally launched 'There's Nothing Like Australia' in 2010, we did it by asking Australians to talk about their 'nothing like' experiences. This time our rallying cry is to industry, with Tourism Australia providing

the food, wine and hospitality sectors with platforms to showcase their wares to the world. This campaign aims to close the perception gap between those who have not visited Australia and don't rate us for food and wine, versus those who have, and overwhelmingly do.

As with all our campaigns, digital – particularly social media – is playing a leading part, as we harness the army of fans and followers who passionately advocate our country through Tourism Australia's platforms, such as Facebook, Twitter and Instagram.

Another stand-out was our annual flagship event, the Australian Tourism Exchange attended by our Minister, Hon Andrew Robb AO MP. For the first time in the event's 35-year history it was staged in a regional destination – Cairns. Hosting a trade event of this size, scale and complexity in a regional destination presented logistical challenges, but the Cairns community embraced the event, rolling out the red carpet. Event feedback from delegates was the most positive we've ever received, with 99 per cent expressing their satisfaction with the event.

It's been a busy and productive 12 months for Tourism Australia, with a lot to look back upon with satisfaction and more to look forward to with excitement and anticipation. I'd like to acknowledge my predecessor, Andrew McEvoy, for his outstanding contribution to the organisation over the past four years. Andrew's legacy should not be underestimated. I would also like to acknowledge Frances-Anne Keeler for her support and contribution as Acting Managing Director during the transition period.

I'd like to thank the team at Tourism Australia, particularly the Board for their guidance and support.

1.3 Highlights

Increase in the number of arrivals to Australia

8%

Overnight spend by travellers: \$30.1 billion from international travellers and \$53.3 billion from domestic travellers

\$83.4 billion

Increase in the number of arrivals from Asia, the 'powerhouse' of the next decade

11%

Marketing partnership revenue contributed by industry, bolstering marketing efforts

\$50 million

Return on investment for every dollar invested in tourism promotion by Tourism Australia

15:1

Stakeholders' satisfaction with our work

82%

Fans of Tourism Australia's Facebook page

5.8 million

Ranking of Tourism Australia's Facebook page against other national tourist organisations

Number 1

TripAdvisor 'Ideal travel destination'¹

In the top 3

Twitter followers

More than 141,000

Instagram followers

707,000

Instagram photos tagged #seeaustralia

620,000

Google+ followers

1.1 million

Second most followed account in Australia

¹Voted by more than 61,000 travellers from Austria, Canada, China, France, Germany, Ireland, Italy, Portugal, South Africa, Spain, Switzerland, the UK and the US. TripAdvisor *TripBarometer* survey, April 2014.

Significant partnerships

Tourism Australia's marketing activity was undertaken in partnership with more than 180 organisations in 2013–14.

These partnerships bolstered Tourism Australia's marketing efforts around the globe.

Tourism Australia undertook Memoranda of Understanding with eight industry partners in 2013–14.

2013–14 Memoranda of Understanding

Emirates

\$14.3 million over three years

Virgin Australia

\$12 million over three years

STA Travel

\$9 million over three years

China Southern Airlines

\$9 million over three years

China Eastern Airlines

\$8.6 million over three years

Air New Zealand

\$6 million over three years

Air China

\$6 million over three years

Etihad Airways

\$6 million over three years

As Australia's national tourism marketing organisation, Tourism Australia aims to increase international and domestic leisure travel and business event visitation by promoting Australia as a compelling tourism destination.

Tourism Australia delivers on these aims via three Australian Government programs:

1. Increase demand for Australia as a travel destination
2. Develop the industry
3. Strengthen the travel distribution system.

Highlights of program activity are provided in this section, with further details of performance and achievements provided in section 3, 'Performance and results'.

1. INCREASE DEMAND FOR AUSTRALIA AS A TRAVEL DESTINATION

Tourism Australia engages inspirational partners to help us achieve the most from our marketing activities.

Achieving 'cut through' and strong share of voice are fundamental to marketing success. To succeed in the competitive destination marketing space, Tourism Australia works with partners to help realise the most from our marketing activities and ensure we are noticed by target audiences. In 2013–14, we worked with more than 300 partners across the tourism and non-tourism sectors.

Australia's 'Best Jobs' winners arrive Down Under and tell why 'There's nothing like Australia'

Tourism Australia's 'Best Jobs in the World' competition captured the imagination of the world, with more than 620,000 applications from 330,000 individuals from 196 countries. The campaign was part of a major international marketing push to promote the tourism opportunities provided by Australia's Working Holiday Maker (WHM) program.

Undertaken in partnership with state and territory tourism organisations and key commercial partners Virgin Australia, STA Travel, Citibank, Dell, IKEA, Sony Music and Monster.com, the competition attracted more than 46,000 video entries.

In May 2013, 18 finalists from 12 countries were selected. These finalists spent a week undergoing a series of nature-based, culinary, social media and photography challenges as part of a rigorous selection process.

The winners of the competition were announced in June 2013, with the seven successful candidates starting work in their dream roles from August 2013:

- > French online marketer **Elisa Detrez** worked as **Queensland's Park Ranger**
- > Irish dot com entrepreneur **Allan Dixon** took up the position of **Northern Territory's Outback Adventurer**
- > English costume designer **Richard Keam** clocked on as **Western Australia's Taste Master**
- > Brazilian **Roberto Seba** worked as **Victoria's Lifestyle Photographer**
- > Canada's **Greg Snell** worked as **South Australia's Wildlife Caretaker**
- > The USA's **Andrew Smith** was **New South Wales' Chief Funster**
- > American singer-song writer **Cameron Ernst** joined **Virgin Australia** as the airline's new **'High Flyer'**.

Since the competition was launched, Tourism Australia's WHM Facebook page fan numbers have more than tripled to over half a million, with young people around the world actively seeking information about a working holiday in Australia. A Tourism Australia survey completed by 15,000 of the 330,000 people who entered the global competition revealed 72 per cent planned to apply for an Australian working holiday visa and 39 per cent were seriously considering taking a working holiday within the following six months.

“Working holiday makers contributed \$3.2 billion to the Australian economy in 2013–14, each spending in excess of \$9,864 during their stay, on average (Tourism Research Australia). The exposure provided by the ‘Best Jobs’ youth campaign has been incredible. I have no doubt that the ‘Best Jobs’ winners will inspire a whole new generation of young people to visit, work in and explore our country.”

JOHN O’SULLIVAN, MANAGING DIRECTOR

NSW’s Chief Funster rouses highest number of youth visitors since 2006

As the NSW Chief Funster, Andrew Smith travelled around NSW, discovering why it is the most fun place on Earth, and documenting and sharing his experiences with the world via social media.

More than 12 million impressions were generated across digital and social media during the Chief Funster’s six-month tenure, with more than 97,000 visits to the campaign website: www.sydney.com/workstudyplay.

One of the most popular Chief Funster videos, featuring a compilation of fun moments in NSW, has been watched by more than 103,000 people, while his posts and photos on Facebook received almost 240,000 likes, shares and comments.

Coinciding with the ‘Best Jobs’ campaign, NSW received the highest number of youth visitors since the International Visitor Survey (IVS) began in 2006, with a 5 per cent spike bringing the total to 999,200 visitors for the year ending March 2014, according to Tourism Research Australia.

– Story courtesy of Destination NSW



Andrew Smith from the USA, NSW Chief Funster

South Australia Wildlife Caretaker tops travel blog site

Greg Snell, the Canadian adventurer who won South Australia’s Wildlife Caretaker position, was recognised by his home country as a top 100 travel blogger. His blog, ‘Greg Goes Global’, was hand-picked by the editor of pop culture travel blog ‘Let’s Roll’ and published on the site’s ‘Top 100 Canadian Travel Blogs’ list.



Greg Snell from Canada, South Australia’s Wildlife Caretaker



'Australia Someday' becomes Tourism Australia's largest ever airline partnership campaign in the USA

In March 2014, Tourism Australia launched a campaign in the USA with Virgin Australia and Delta Airlines.

The first phase of the 'Australia Someday' campaign ran across print, digital and out-of-home channels. The campaign included a competition to win one of 52 holidays to Australia. At 30 June 2014, the campaign had delivered more than 400,000 unique visitors to the website, with an average time on site of more than 13 minutes (three times the industry average). More than half a million competition entries were received and #australiasomeday was a trending Twitter topic throughout the USA on the campaign's launch day.

In the second phase of the campaign that ran in June 2014, the AustraliaSomeday.com website was relaunched as a trip planning tool. The website showed the locations of 52 trip experiences, along with sample itineraries for each destination and the option to book the trip with a Premier Aussie Specialist agent. This phase of the campaign was undertaken in partnership with TripAdvisor, Expedia, Orbitz, Twitter, ShareThis and MediaShift. A print and social media buy heightened awareness, with print run through the *Los Angeles Times* and *The Wall Street Journal*, as well as social media activity. This phase has delivered 118,000 unique visitors to the website and has provided partners with more than 1,200 prospective customers. More than 3,000 itineraries have been downloaded from the site.



Tourism Australia's 'Free Independent Traveller' campaign, Shanghai metro station

Targeting the independent-minded traveller in China

While arrivals from China are at record levels, with 759,800 visitors in the year ended 30 June 2014 (up 11.9 per cent compared to 2013), Tourism Australia's strategy in China is much more than a numbers game.

Tourism Australia is targeting the confident, independent-minded Chinese traveller who wants to immerse themselves in Australia's rich and varied experiences. These travellers spend more and enjoy quality experiences.

With the introduction of the China Tourism Law in October 2013, the price gap between group tours and independent travel has narrowed, which has seen more Chinese opting to travel independently. To take advantage of this trend, Tourism Australia launched a campaign during Australia Week in China targeting these independent-minded travellers.

The campaign ran in out-of-home, print and digital channels in May 2014 across nine cities (Beijing, Chengdu, Chongqing, Guangzhou, Hangzhou, Nanjing, Qingdao, Shanghai and Shenzhen). It used 'There's nothing like Australia' imagery, and included a new Chinese translation of 'There's nothing like Australia' in Chinese characters. The campaign aimed to encourage Chinese visitors to travel farther and experience more of Australia.

The call to action was to visit www.australia.cn, Tourism Australia's dedicated consumer website in China, which houses tailored information in Chinese hosted on a Chinese-based server behind the firewall.

The campaign was a success, with unique visitors to the website exceeding targets. There were 2 million unique visitors in May alone, compared to 3 million annually prior to the campaign.



Esme Rowling in the 'Visit Soon' campaign with British Airways

Friends and relatives in the UK encouraged to 'Visit Soon'

Tourism Australia teamed up with British Airways in a tourism push aimed at reuniting thousands of Brits living in Australia with family members and close friends in the UK.

The 'Visit Soon' campaign featured a short film telling the real-life story of Esme Rowling, the eight-year-old daughter of English parents who now live in Bondi.

The first part of the film showcases the wonderful life she enjoys in Australia, except for one thing that's missing – her English grandparents. The film then switches to the UK and captures the surprise of Esme's grandparents as they watch the film and learn they are to be reunited with Esme in Sydney, courtesy of British Airways and Tourism Australia.

The film was promoted through British Airways' and Tourism Australia's social media channels. It coincided with British Airways' launch of digital postcards, allowing families to upload photographs and send personalised messages to loved ones. To support the campaign, British Airways provided promotional fares and discounts.

The campaign exceeded almost every target – video views were 300 per cent above target at 1.24 million. Unique visitors to Australia.com were 100 per cent above target, at 69,128, highlighting the power of the video and its strong resonance with consumers, who were encouraged to take the next step and research a holiday to Australia. British Airways reported strong results during the campaign period.

"Australia has consistently been the most popular destination country for British emigrants over the past 20 years. With so many 'Poms' now calling Australia home, the 'visiting friends and family' market is huge, and one we are very keen to tap into. We know from research that a personal invitation and, with it, the promise of an emotional reunion and prospect of a more 'local' holiday experience is a critical trigger when it comes to getting relatives and friends living overseas to lock in a visit Down Under."

DENISE VON WALD, REGIONAL GENERAL
MANAGER, THE UK AND NORTHERN EUROPE

2. DEVELOP THE INDUSTRY

A key pillar of Tourism 2020 is to increase the quality of Australia's tourism offerings to ensure Australia is globally competitive. Our aim is to support increased investment in new tourism products and the refresh of existing regional products.

Tourism Australia, Austrade and the former Department of Resources, Energy and Tourism (the Tourism Division is now part of Austrade) launched a five-year partnership in May 2012 to attract tourism investment in Australia, with a specific focus on Australia's short-term accommodation. During 2013, activities under the partnership resulted in a significant increase in the number of leads for state and territory investment promotion agencies, which led to six companies committing to invest \$450 million in Australian tourism products.

Over the past year, Austrade's offshore network has built relationships with and gained insights into investors with potential to invest in Australia. Tourism Australia's role has been to support this work, particularly by developing quality marketing collateral; helping coordinate ministerial roundtables; and delivering research and insights into potential barriers to investment, consumer demand drivers and Australian tourism performance. Tourism Australia's strong industry and state relationships provide valuable connections to encourage a 'team Australia' approach to investment attraction promotional activities.

Minister Robb promotes tourism investment during trips to the USA and China

Encouraging investment and tourism was the focus of Trade and Investment Minister Andrew Robb's visits to the USA in January 2014 and China in May 2014.

In China, an Investment Roundtable was held as part of the country's inaugural Australia Week. A major Chinese investor visited Australia to view potential investment sites as a result of attending the roundtable.

In the USA, Minister Robb spoke at Tourism Australia's Australia Tourism Summit, highlighting tourism opportunities for North American companies.

“Strong economic fundamentals, combined with our proximity and experience in working with the high-growth Asian nations, make Australia an excellent place to do business. Our educated, multicultural and multilingual workforce, world-class research institutions and generous R&D tax incentives make Australia an attractive investment destination.”

THE HON. ANDREW ROBB AO MP
MINISTER FOR TRADE AND INVESTMENT



The Hon. Andrew Robb AO MP, Minister for Trade and Investment, at the G'Day USA Australia Tourism Summit

Australia's business events on show in North Asia

Australia's \$13 billion business events sector was on show at the North Asia Business Events Showcase held in Shanghai and Seoul in April 2014.

Nine Australian sellers gathered in Shanghai and five in Seoul to present Australia's innovative and versatile business events products. The showcase was part of Tourism Australia's global business events marketing strategy, which includes:

- > Delivering a marketing and communications strategy customised for each core market, with a strong focus on digital opportunities and advocacy
- > A new international advertising campaign aligned with the 'There's nothing like Australia' consumer campaign
- > An expanded education and engagement program for event planners and buyers, in-market events and a presence at key international trade events.

The Shanghai showcase was one of a series of events held during Australia Week in China. Minister for Trade and Investment Andrew Robb AO MP and Minister for Small Business Bruce Billson joined Tourism Australia Managing Director John O'Sullivan to drive further growth in Australia's fastest growing business events market.

3. STRENGTHEN THE TRAVEL DISTRIBUTION SYSTEM

In 2013–14, Tourism Australia built partnerships and relationships with both traditional and non-traditional distributors to ensure target customers could easily access quality Australian tourism products. Insights into target customer needs were also used to drive improvements to product marketing and distribution, including product bundling to present the best of what Australia has to offer.

Identifying efficiencies and best-practice models were the key focuses of Tourism Australia's Distribution 2020 work in 2013–14². This included refinements to the Australian Tourism Exchange (ATE), a global review of the Aussie Specialist Program and the development of a best-practice one-stop shop model for trade events, including a global industry events calendar.

Realising the benefits of this foundation work and continuing its delivery will be the focus for 2014–15.

Best ATE ever

The first regionally hosted ATE was held in Cairns, Queensland, in May 2014. The event featured presentations from Minister for Trade and Investment, Andrew Robb AOP MP, Queensland's Minister for Tourism, Major Events, Small Business and Commonwealth Games, Jann Stuckey and Tourism Australia Managing Director, John O'Sullivan.

With more than 1,800 participants from 38 countries, delegates enjoyed four days of business appointments and networking in one of Australia's most popular tourist destinations.

One of the great benefits of hosting the event in Cairns was the local community which 'rolled out the red carpet' for delegates. From the airport to the exhibition venue, hotels, restaurants and surrounding sights and attractions, the people of Cairns were all aware and interested in the event and delegates.

This warm welcome – along with the professional delivery of the event by teams from Tourism Australia, Tourism and Events Queensland, Tourism Tropical North Queensland and event partners Virgin Australia, Etihad Airways and Accor – resulted in the event achieving its highest event satisfaction scores of the past five years.

Highlights of the feedback on ATE 2014 include:

- > 100 per cent of buyers and 99 per cent of sellers were satisfied with the event (up from 98 per cent of buyers and 99 per cent of sellers in 2012–13).
- > 96 per cent of buyers and 97 per cent of sellers were happy with the organisation of the event (up from 91 per cent of buyers and 95 per cent of sellers in 2012–13).
- > 90 per cent of sellers were satisfied with the overall quality of international buyers (up from 82 per cent of sellers in 2012–13).
- > 85 per cent of buyers said it was a very or extremely commercially beneficial event (up from 78 per cent of buyers in 2012–13).

² *Distribution 2020: Situation Analysis* was a collaboration between Tourism Australia and state and territory tourism organisations. It was published in March 2013. Using insights from the Situation Analysis, Tourism Australia worked with state and territory tourism organisations to develop the Distribution 2020 strategy. The cornerstone of the strategy is Tourism Australia's collaboration with state and territory tourism organisations to develop best-practice distribution vehicles and platforms.

Best of Australia

In its third year, the 'Best of Australia' program continued to focus on identifying world-class special-interest tourism experiences. Collaborating with the 'best of the best' within specific tourism segments, the aim of the program is to raise the profile of Australia's tourism offerings, increase visitation and attract high-yielding tourists who travel to follow their passions.

In 2013–14, Tourism Australia worked with industry collectives including Great Golf Courses of Australia, Great Walks of Australia, Ultimate Winery Experiences of Australia and Luxury Lodges of Australia. The program supports the Tourism 2020 goal by fostering these high-yielding areas of untapped competitive advantage.

At the Orlando Golf Show, golf specialist Sam Baker of Haversham & Baker Golfing Expeditions now exclusively promotes Australian golf experiences. At this year's event, the Great Golf Courses of Australia consortium attended the show as Haversham & Baker's special guest. More than 40,000 golf devotees attended the show and expressed enormous interest in Australia.



“I’ve become convinced that no other destination in the world offers the combination of world-class golf and exceptional wines that is offered by Australia. And that is exactly how we will market your country to our client base.”

SAM BAKER, FOUNDER AND CHIEF EXECUTIVE OFFICER,
HAVERSHAM & BAKER GOLFING EXPEDITIONS, USA



Great Golf Courses of Australia, Tasmania's East Coast

OUR PEOPLE

Tourism Australia embraces diversity in the workplace and is committed to the ongoing reconciliation between Indigenous and non-Indigenous Australians.

Tourism Australia set itself an ambitious goal to double its employment of Indigenous staff by the end of 2015–16 as part of its new Reconciliation Action Plan (RAP), launched in February 2014.

The employment target, together with a number of other longer-term strategies contained within the two-year plan, resulted in **Tourism Australia becoming the first Commonwealth Government agency to meet new RAP ‘stretch’ targets set by Reconciliation Australia.**

“As Australia’s national tourism agency, Tourism Australia is committed to playing a leading role in the ongoing reconciliation process between Indigenous and non-Indigenous Australians. An important part of our country’s storytelling is sharing one of the world’s most ancient living cultures, and we will continue to engage with Indigenous peoples, staff and partners to increase our promotion of Indigenous experiences in our campaigns, programs and activities.”

KATHERINE DROGA, GENERAL MANAGER DESTINATION DEVELOPMENT

Tourism Australia’s employment target of 5 per cent of its workforce – almost double the Australian Government’s public sector commitment of 2.6 per cent – further strengthened the agency’s commitment to Indigenous Australians.

The employment target is one of a number of ‘stretch’ goals outlined in Tourism Australia’s updated RAP. Other longer-term strategies include:

- Increasing the number of Indigenous suppliers used by Tourism Australia
- Increasing the promotion of Indigenous tourism experiences in Tourism Australia campaigns
- Continuing to engage with Indigenous tourism operators to promote high-quality Indigenous tourism experiences through the Indigenous Tourism Champions Program.

The renewed RAP covers the period from 2014 to 2016 and builds upon Tourism Australia’s previous RAP launched in 2010, which included promoting Indigenous tourism through the Indigenous Tourism Champions Program. This program is a partnership with Indigenous Business Australia that provides mentoring and business development opportunities for Indigenous tourism operators to develop their experience and promote their businesses internationally.

Tourism Australia’s previous RAP also delivered a new image gallery of Indigenous tourism experiences, with 5,000 images downloaded by the tourism industry in the past 12 months. When one Indigenous image album was shared on Facebook, it received more than 750,000 ‘likes’ in the first 24 hours.

Tourism Australia’s *Reconciliation Action Plan 2014–16* is available on Tourism Australia’s corporate website: www.tourism.australia.com.

1.4 Awards

AUSTRALIA'S INTERNATIONAL TOURISM PROFILE	
First, Best Destination for Adventure (international)	Lonely Planet Magazine India Awards 2014
Second, India's Favourite Destination (after Switzerland)	Lonely Planet Magazine India Awards 2014
Third, Best Destination for Family (after Malaysia and Singapore)	Lonely Planet Magazine India Awards 2014
CONSUMER MARKETING	
Best National Tourism Organisation	<i>Korea Travel News</i>
Best Use of Social Media – 'Best Jobs in the World' campaign	The Travel Marketing Awards, UK
Best Use of Affinity Marketing and Sponsorship – 'Insider's Australia' campaign with Emirates and Mr & Mrs Smith	The Travel Marketing Awards, UK
Best Travel/Leisure/Sport Social Media Strategy – 'Best Jobs in the World' campaign	Social Buzz Awards, UK
Category winner: Travel, Tourism and Hospitality – 'Best Jobs in the World' campaign	2013 PRism Awards, USA
Silver, 'Passions' campaign	Consumer Services category, CAANZ 2014 Beacon Awards, New Zealand
Favorite Creative Tourism Board	<i>U Magazine</i> , Hong Kong
Best Marketing Solution for an Advertising Client – APN New Zealand	International Newspaper Marketing Association Awards
Golf Destination of the Year Recognition of Tourism Australia's efforts with the golf industry to promote golf tourism, particularly through Great Golf Courses of Australia	TravelWeekly Travel and Meeting Industry Awards, China
Best branded content award for the collaboration with Chinese celebrity Nicky Wu (the videos achieved more than 33 million views)	WeiFilm Festival 2013, China
Marketer of the Year – Nick Baker, Chief Marketing Officer	The Association for Data-driven Marketing and Advertising, Australia
TRADE MARKETING AND SUPPORT	
'Best Travel Agency Service in Germany by a National Tourism Organisation' (for the third year in a row, and the fourth time in five years)	Globus Awards, Germany
BUSINESS EVENTS	
Best meetings, incentives, conferences and exhibitions destination	<i>BT MICE</i> magazine, China
AVIATION	
Winner, Destination Marketing Award	Routes World Marketing Awards, USA
Winner, Destination Marketing Award, Asia (for the second year in row)	Routes Asia Marketing Awards, Malaysia
REPORTING	
Bronze, Tourism Australia Annual Report 2012–13	Australasian Reporting Awards



Nick Baker, Tourism Australia's Chief Marketing Officer, was awarded 'Marketer of the Year' by the Association for Data-driven Marketing and Advertising (ADMA). The award was bestowed in recognition of Nick's management of a host of successful global campaigns, including the 'Best Jobs in the World' campaign, which attracted 620,000 applicants from 196 countries; and the launch of the 'There's nothing like Australia' campaign, which has been distributed in 25 countries, translated into 17 languages and has more than 180 commercial partners.

Nick Baker, Executive General Manager Consumer Marketing, at the ADMA Awards



Destination marketing is a complex and highly competitive business, especially in Asia, one of the fastest growing aviation regions in the world. To be considered the best in this field – and for two years in succession – is a great honour and one Tourism Australia shares equally with its airport and state and territory tourism partners.

From left: Leah Fletcher, Aviation Development Executive, and Katherine Droga, General Manager Destination Development, accepting the award as 'Best Destination Marketeer', Routes Asia Marketing Awards, Malaysia



Tourism Australia's UK marketing team was recognised for travel marketing excellence at The Travel Marketing Awards in London. They took out the 'Best Use of Social Media' award for Tourism Australia's 'Best Jobs in the World' campaign and 'Best Use of Affinity Marketing and Sponsorship' for the 'Insider's Australia' campaign, run in partnership with Emirates and Mr & Mrs Smith.

From left: Pete Mills, Distribution Development Manager, UK and Northern Europe; Denise von Wald, Regional General Manager, UK and Northern Europe; and Jenny McKeown, Marketing Manager, UK and Northern Europe



In a vote of confidence from 1,000 German travel agents, Tourism Australia won 'Best Travel Agency Service in Germany by a National Tourism Organisation' at the annual Globus Award Gala in January 2014. The award is a great endorsement from travel agents for the Aussie Specialist Program, as well as the excellent work of Tourism Australia's Frankfurt, London and Sydney teams.

From left: Sebastian Martens, Partnership Manager, Continental Europe; Simone Korb, Trade Manager, Germany; Klaus Pranger, Editor, 'touristik aktuell'; and Marie Irle, Partnership and Events Coordinator, Continental Europe



2

Who we are, what we do

2.1

About Tourism Australia

Originally established as the Australian Tourist Commission in 1967, Tourism Australia is an Australian Government statutory authority formed under the *Tourism Australia Act 2004*.

It is governed by a Board of Directors that reports to the Australian Minister for Trade and Investment, under the Statement of Expectations, the *Tourism Australia Act 2004* and the *Commonwealth Authorities and Companies Act 1997*.³

Tourism Australia has a strong reputation for developing innovative tourism marketing campaigns, and has built one of the world's most admired and desirable destination brands.

³ *The Commonwealth Authorities and Companies Act 1997* details rules about reporting, accountability and matters relating to Commonwealth authorities such as banking, investment and the conduct of officers. From 1 July 2014, Tourism Australia's compliance arrangements move to the *Public Governance Performance and Accountability (PGPA) Act 2013*, as part of the Australian Government's public management reform agenda

Our goal

To achieve between \$115 billion and \$140 billion in overnight tourism expenditure by 2020 (up from \$70 billion in 2009). Tourism Australia shares this goal with the Australian tourism industry and federal, state and territory governments in an effort to maximise tourism's economic contribution to the Australian people.

Our role

To grow demand for both leisure tourism (international and domestic) and business events (international) and support the tourism industry to increase visits, dispersal and economic value.

Tourism Australia's role statement is drawn from its Australian Government outcome statement.

Our legislative deliverables

Under the *Tourism Australia Act 2004*, Tourism Australia's main functions are to:

- > Increase potential travellers' awareness of Australia as a destination
- > Increase potential domestic travellers' awareness of Australia as a place to travel
- > Increase both international and domestic potential travellers' knowledge of Australia
- > Increase both international and domestic potential travellers' desire to travel to and throughout Australia
- > Conduct research into, and analysis of, international and domestic travel
- > Communicate effectively with the Australian tourism industry on matters that may affect it
- > Increase awareness about the contribution of tourism to Australia's economy, society and environment throughout Australia
- > Report on trends in international and domestic travel.

Our Australian Government outcome

Each year, Australian Government agencies are required to identify their key outcomes and programs. Outcomes are the desired results, impacts or consequences that the agency is aiming to achieve for the Australian community as influenced by the actions of the Australian Government.

In 2013–14, Tourism Australia had one government outcome: *To increase demand for Australia as a destination, strengthen the travel distribution system and contribute to the development of a sustainable tourism industry through consumer marketing, trade development and research activities.*

Our Australian Government programs

Australian Government programs are the primary vehicles for government agencies to achieve their intended outcomes.

In 2013–14, Tourism Australia's Government programs were:

1. 'Increase demand for Australia as a travel destination';
2. 'Develop the industry'; and
3. 'Strengthen the travel distribution system'.

Our leisure markets

To achieve the Tourism 2020 goals, Tourism Australia focuses the majority of its global marketing resources on markets that represent the greatest potential for tourism growth to the year 2020. Tourism Australia also targets emerging markets that have the strongest growth potential and will continue to support rest-of-world markets. Details about market categorisation are provided on page 48. In 2013–14, Tourism Australia promoted Australia's tourism experiences within Australia and in 18 key markets around the world: Brazil, Greater China (China and Hong Kong), France, Germany, India, Indonesia, Italy, Japan, Malaysia, the Middle East, New Zealand, North America (the USA and Canada), Singapore, South Korea, the UK and Vietnam.

Our business events markets

Tourism Australia marketed Australia's business events experiences in nine international markets in 2013–14: China, India, Indonesia, Malaysia, New Zealand, Singapore, South Korea, the UK and the USA.

Our strategy

The Tourism 2020 goal of \$140 billion in overnight spend by 2020 drives all our efforts. To achieve this, **the customer is at the centre of all that we do**. We achieve this by:

- > **Staying focused on the target customer** and delivering initiatives that drive yield and increased spend
- > **Driving competitiveness** to improve Australia's market share
- > **Ensuring partnership activities are centred on the consumer**, while delivering value to both Tourism Australia and partners – placing an emphasis on executing projects in an open, collaborative and achievement-oriented environment
- > **Scrutinising what we do and how we operate**, finding efficiencies and budget savings so that the maximum budget can be allocated to marketing.

2.2 Our strategy – Tourism 2020

Tourism 2020 is a whole-of-government and industry long-term strategy to build the resilience and competitiveness of Australia's tourism industry and grow its economic contribution.

It focuses on improving the industry's global performance and competitiveness by pursuing new opportunities for growth and addressing supply-side factors.

It aims to:

- Increase tourism's economic contribution to the Australian economy – raising overnight expenditure to between \$115 billion and \$140 billion by 2020
- Hold or grow market share in key regions
- Increase tourism labour and skills
- Increase accommodation capacity, particularly in capital cities
- Increase international and domestic aviation capacity
- Increase the tourism industry's quality and productivity.

Tourism Australia has worked in partnership with the tourism industry and governments across Australia to implement the Tourism 2020 strategy, which focuses on six main areas:

- Growing demand from Asia, particularly China and India
- Building competitive digital capability to attract more visitors
- Encouraging investment through regulatory reform
- Improving tourism transport capacity and infrastructure, enabling more visitors to travel throughout Australia
- Addressing labour and skills shortages, including greater Indigenous participation
- Increasing industry productivity, innovation and quality.

Tourism Australia is primarily responsible for the tourism marketing and distribution components of the strategy, while other Australian Government agencies are responsible for other areas of the strategy, including aviation development and investment attraction⁴. Tourism Australia works in collaboration with these agencies to progress these strategic areas. This means that Tourism Australia plays a key role in the **'grow demand from Asia'** and **'building competitive digital capability'** strategy areas. Further information about Tourism Australia's contribution to Tourism 2020 priorities is provided in Appendix A on page 134.

Tourism ministers from federal, state and territory governments are leading the implementation of Tourism 2020, supported by the Australian Standing Committee on Tourism (ASCOT), which comprises chief executive officers of peak government tourism organisations.

Like Tourism Australia, all state and territory tourism organisations have adopted the Tourism 2020 strategy as a base for their own strategies.

2.2.1

How we implement and measure success against Tourism 2020

A strategy map has been used to develop Tourism Australia's long-term strategy to achieve its requirements under the Tourism Australia Act, Portfolio Budget Statements, the Minister's Statement of Expectations and the Tourism 2020 strategy. Figure 1 summarises the strategy map and its alignment to Tourism Australia's government programs and our ultimate goal, to achieve between \$115 billion and \$140 billion in overnight expenditure by 2020. The strategy map has also been used to measure Tourism Australia's performance. Figure 2 summarises the performance framework and its alignment to Tourism Australia's government programs and 2020 goal.

⁴Agencies include the Department of Immigration and Border Protection, the Department of Infrastructure and Regional Development, the Department of Foreign Affairs and Trade, and Austrade

Figure 1 Australian Government programs and Tourism Australia strategies that deliver on these programs

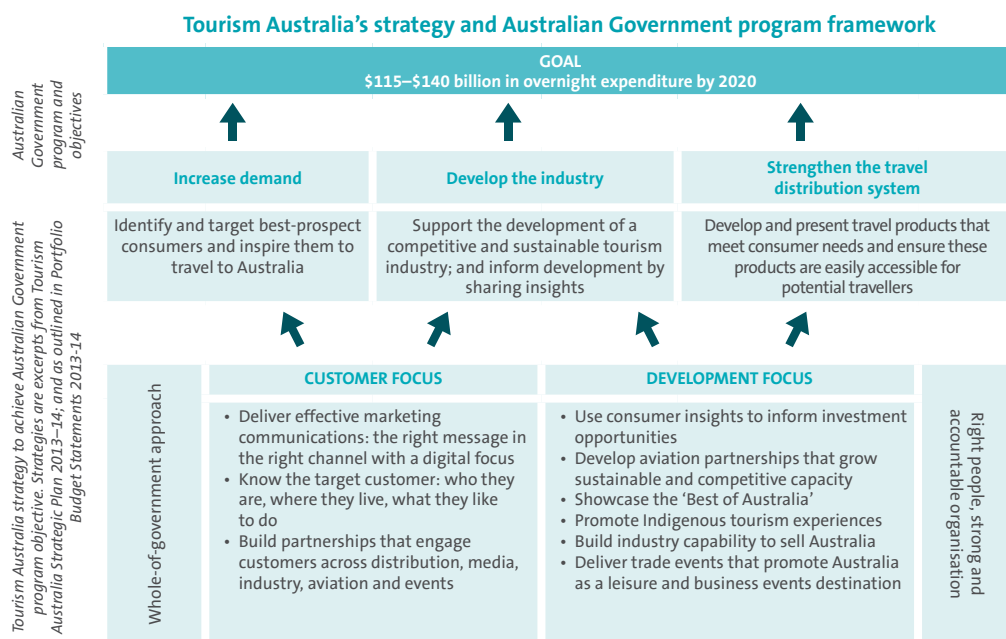
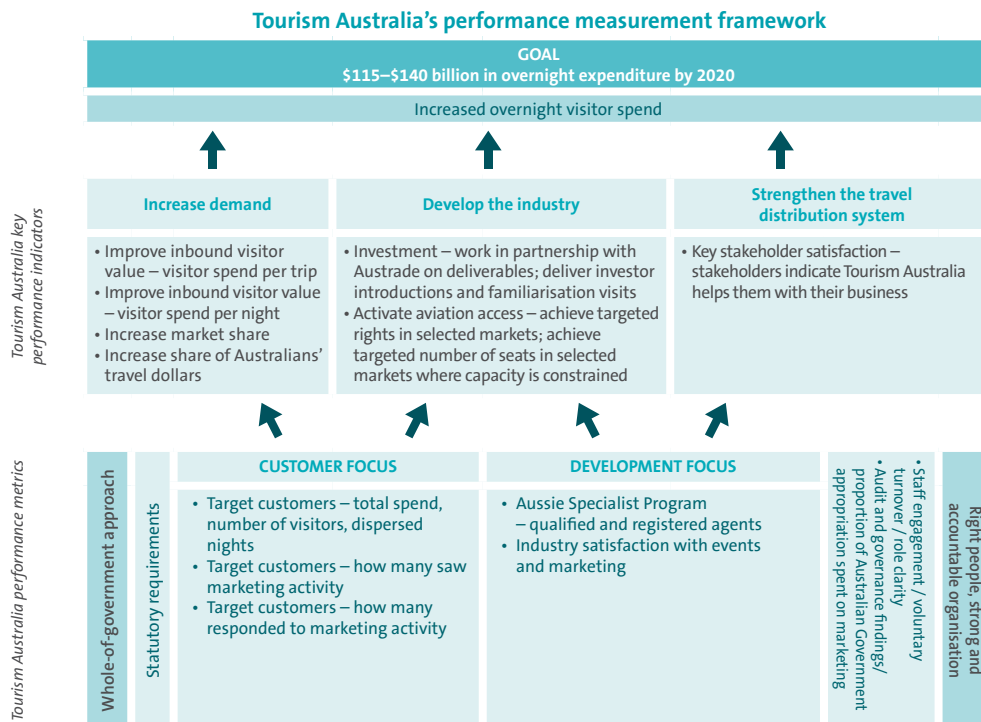


Figure 2 Australian Government programs and Tourism Australia key performance indicators (in black font) and performance metrics (in dark turquoise font). Performance metrics are used to provide understanding and context to Tourism Australia's key performance indicators.



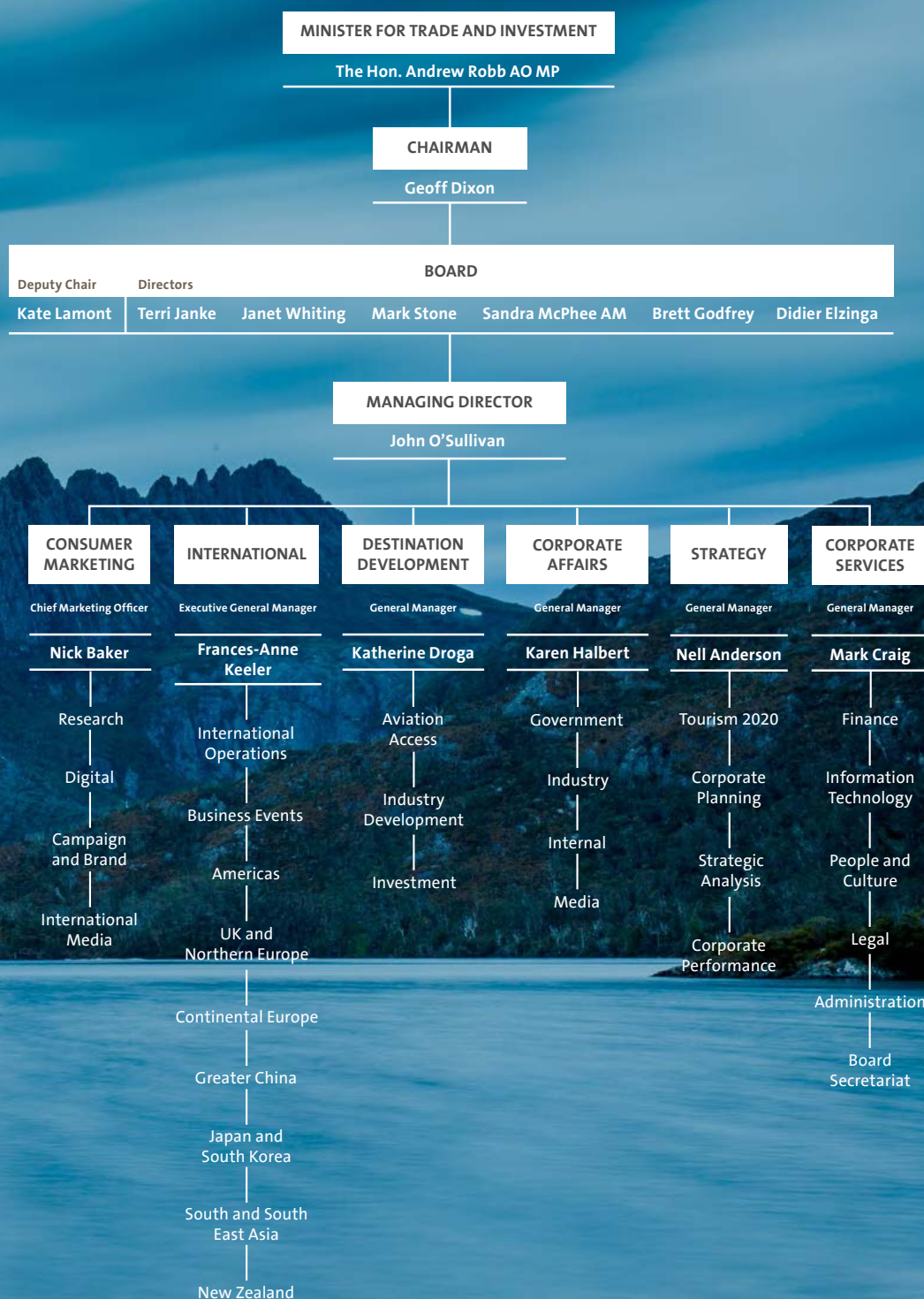


2.3 Our organisational structure

As at 30 June 2014

Biographies of Tourism Australia's leadership team are provided in section 3.4 – 'Our corporate governance and accountability'.

Cradle Mountain, TAS – Image courtesy of Tourism Tasmania's Graham Freeman



In September 2014, Tourism Australia underwent a restructure. Details will be provided in the 2014–15 Annual Report.

Performance and results

Australian tourism achieves four years of consecutive growth in visitor spend

Tourism Australia launches new website in China, Australia.cn

Air India commences direct flights to Sydney and Melbourne

The Hon. Andrew Robb AO MP is confirmed as the Cabinet Minister responsible for tourism

General election held. New Prime Minister of Australia and ministry are officially sworn in

Over 700 Indian travel staff participate in training across five cities in India

Tourism Australia's Facebook page hits 5 million fans

2013

JUL

AUG

SEP

OCT

NOV

DEC

Australia's
one
millionth
Chinese
visitor
arrives in
Australia

'Best Jobs in the World' winners commence their assignments in Australia

Tourism Australia unveils 'Restaurant Australia'

New China Tourism Law comes into effect

Aussie Specialist Program expands to include training for inbound tour operators

More than 100 international business events buyers and media participate in 'Dreamtime'

Tourism Australia signs three-year partnership marketing agreements with Air New Zealand and Air China

Tourism Australia partners with Air New Zealand and APN media, inviting New Zealanders to 'explore their passions' in Australia

A self-drive holiday promotion launches in Singapore. The campaign exceeds targets

Australian
Tourism
Directions
Conference is
held, attended
by over
300 senior
executives

Emirates and Tourism Australia join forces to encourage Britons to holiday in Australia

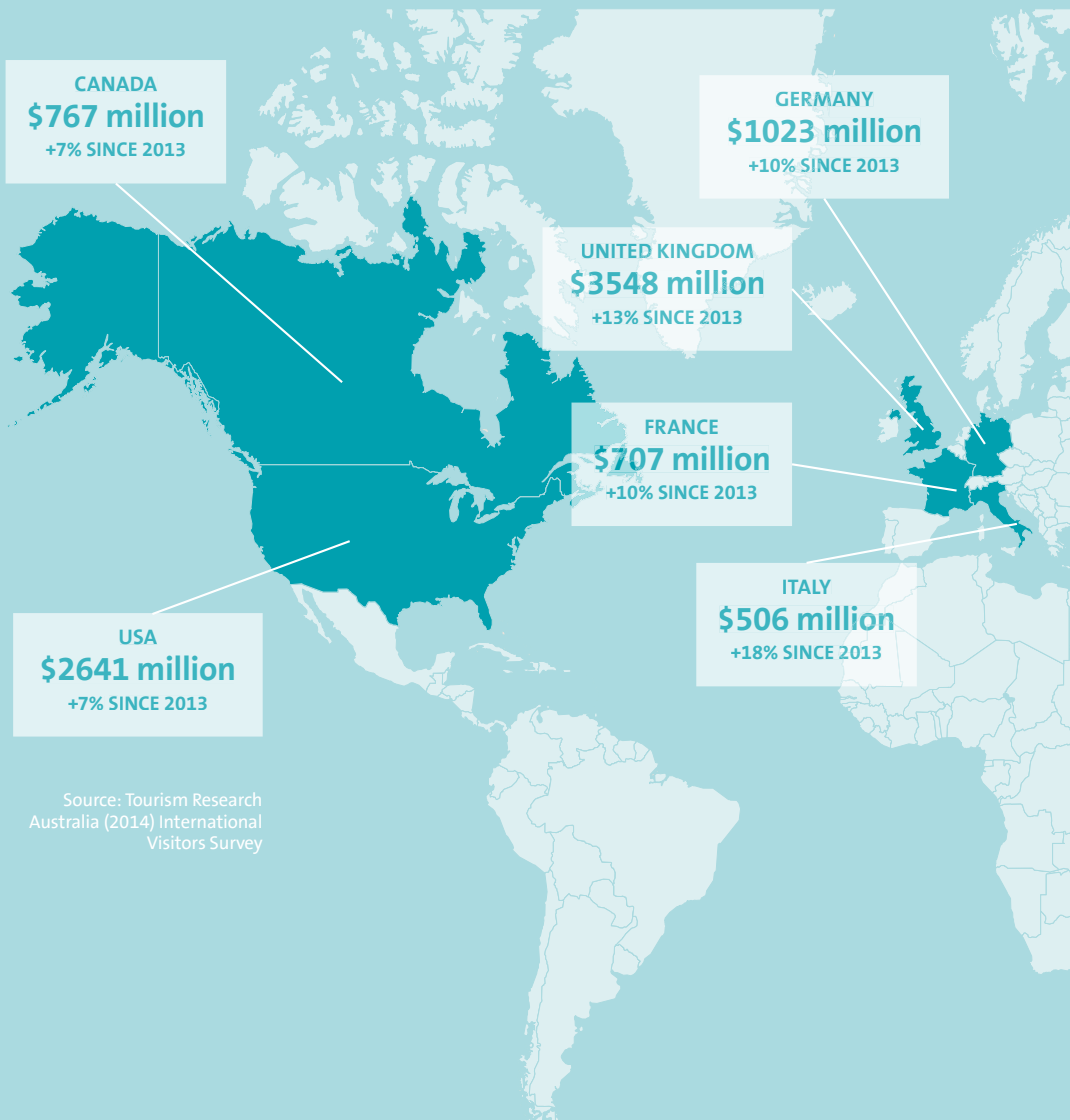
Tourism Australia tops the Australian Government Twitter Leaderboard

Tourism Australia
wins top honour
for destination
marketing at World
Marketing Awards

2014					
JAN	FEB	MAR	APR	MAY	JUN
<p>Tourism Australia hosts the Australia Tourism Summit at G'Day USA</p> <p>Australia Marketplace in Los Angeles showcases Australian products to North American buyers</p> <p>AirAsia X, Tourism Australia and state and territory tourism organisations join forces to promote special holiday offers to consumers in Malaysia and Indonesia</p>	<p>The Hon. Andrew Robb AO MP leads an Australian Government trade, investment and tourism mission to China for Australia Week 2014</p> <p>'Restaurant Australia' launches to the tourism industry and media in Australia</p> <p>'Australia on Sale' promotion begins in Germany. Trade partners offer special deals to encourage consumers to 'book a holiday to Australia now'</p>	<p>Quiksilver, Malaysia Airlines and STA Travel join Tourism Australia, promoting Australian holidays among French youth</p> <p>Tourism Australia 'Industry Events One Stop Shop' opens, assisting with planning and participating in tourism events</p> <p>Tourism Australia launches <i>Stretch Reconciliation Action Plan</i></p>	<p>'Australia Someday' campaign launches in North America</p> <p>More than 64 million viewers across India watch <i>Pyaar Ka Dard Hai</i>. The series is filmed in and around Melbourne</p> <p>More than 16 million South Koreans watch comedy <i>Running Man</i>. New South Wales, Queensland and Victoria are featured</p>	<p>A campaign targeting independent-minded travellers launches in Shanghai and is rolled out across nine cities in China. Consumers are encouraged to experience more of Australia</p> <p>Australian Tourism Exchange is held in Cairns and is voted 'best ATE ever'</p>	<p>Inaugural Corroboree Greater China is held on the Gold Coast. 270 travel agents from China, Hong Kong and Taiwan participate</p>

TOTAL VISITORS AND TOTAL SPEND

TOTAL INTERNATIONAL VISITOR SPEND BY VISITOR COUNTRY
OF RESIDENCE AT 30 JUNE 2014

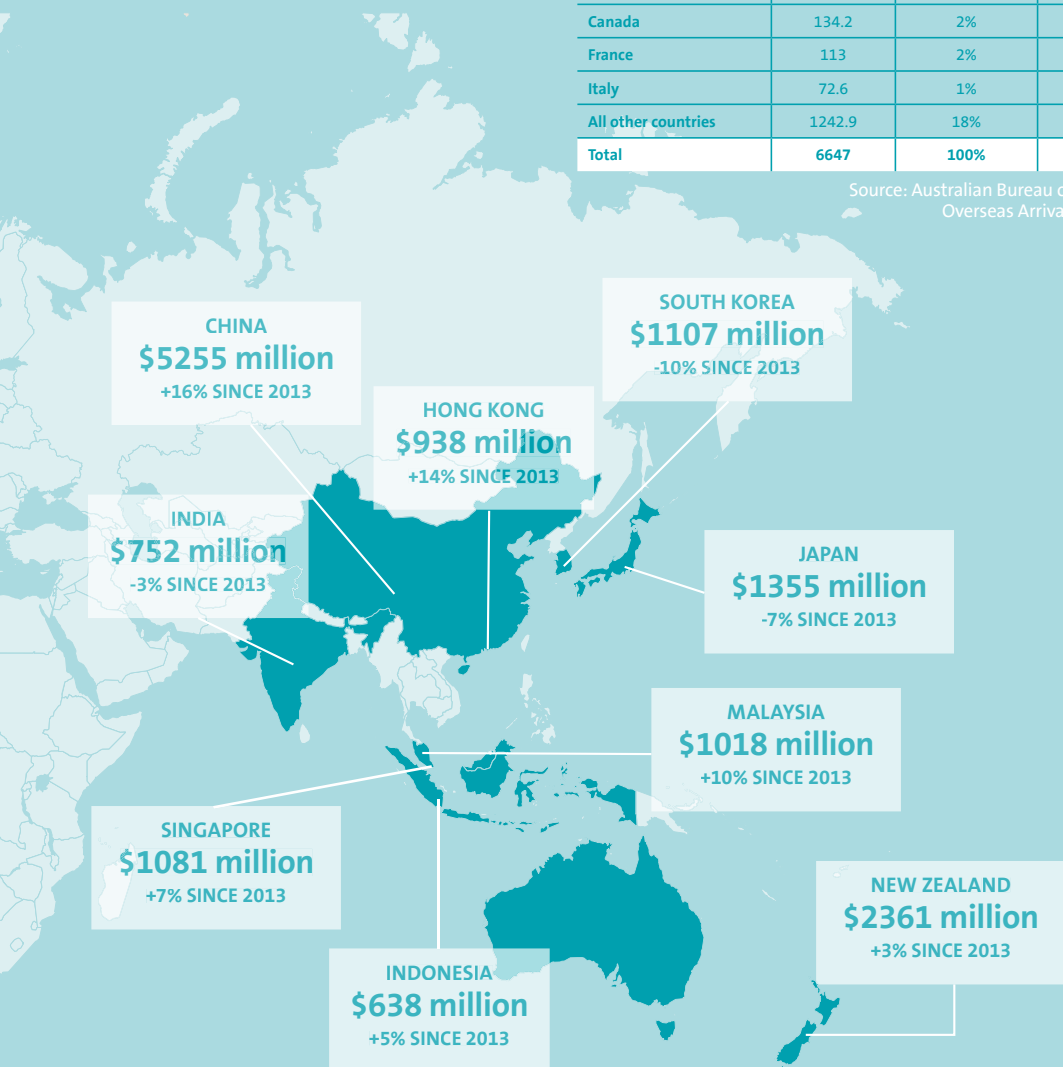


Source: Tourism Research
Australia (2014) International
Visitors Survey

Total international visitor arrivals by country of residence at 30 June 2014

Country of residence	Visitors ('000)	% of total visitors	% Change from 2013
New Zealand	1112.8	18%	4%
China	759.8	11%	12%
United Kingdom	661.9	10%	6%
United States of America	528.1	8%	9%
Singapore	366.3	6%	16%
Japan	324.8	5%	-3%
Malaysia	311.8	5%	25%
South Korea	199.9	3%	1%
Hong Kong	198.3	3%	17%
India	184.9	3%	15%
Germany	178.5	3%	9%
Indonesia	147.2	2%	8%
Canada	134.2	2%	7%
France	113	2%	5%
Italy	72.6	1%	8%
All other countries	1242.9	18%	6%
Total	6647	100%	8%

Source: Australian Bureau of Statistics (2014)
Overseas Arrivals and Departures



3.2 Our operating environment

The global importance of tourism

9% OF GDP*

1 IN 11 JOBS

6% OF WORLD EXPORTS

29% OF SERVICES EXPORTS

Source: United Nations World Tourism Organisation (UNWTO), *Tourism Highlights 2014*. Statistics quoted here from UNWTO are based on calendar years.

*Gross Domestic Product

3.2.1

Australian tourism and its place in the world

Over the past 60 years, tourism has emerged as one of the largest and fastest growing economic sectors of the world, contributing to the socio-economic progress of many nations through export revenues, the creation of jobs and enterprises, and infrastructure development. As a result, each year an increasing number of destinations around the world invest in tourism and encourage tourism visitation.

In 2013, global tourism continued to perform strongly, supported by stable consumer confidence and improving economic conditions. International tourist arrivals (overnight visitors) grew by 5 per cent worldwide, reaching 1,087 million arrivals, and international tourist receipts reached US\$1,159 billion, up 7.5 per cent from 2012.

Australia ranked 11th in the world for international tourism receipts in 2013, down one place from 10th in 2012. It ranked first for spend per visitor. This reflected the long-haul travel profile of visitors to Australia and their tendency to stay longer and do more when they visit. In terms of visitor arrivals, Australia ranked 43rd, unchanged from 2012.

China remained the world's number one source market for tourism arrivals in 2013, spending \$129 billion on international tourism. Asian visitors continued to generate opportunities for Australian tourism in 2013–14, driven by Asia's strong economic growth, increasingly affluent middle class and world-leading international aviation market. In the Asia-Pacific region, Australia accounted for 8.6 per cent of international tourism receipts, ranking fourth after China, Macao and Thailand. In 2012, Australia ranked third.

3.2.2 China Tourism Law

A new Tourism Law came into effect in China on 1 October 2013. The law applies to all domestic and international travel sales undertaken by travel sellers in China. The law outlines a number of provisions designed to protect consumers, including addressing coercive shopping practices and low-price and low-quality tours.

Tourism Australia anticipated a decrease in arrivals following the law's introduction. In the two months following its introduction, arrivals into Australia from China declined, but holiday arrivals from China returned to growth in January 2014. Almost all of the increase was sourced from holiday and those visiting friends and relatives (Tourism Research Australia).

Anecdotal feedback from inbound tour operators and Australian tourism organisations suggests businesses that relied on Chinese group tours have experienced severe booking declines, while businesses involved in the independent and high-value visitor segment report no decline and in some cases an increase in business.

Tourism Australia continued to work with states, territories and the industry to position Australia as a destination for independent travellers. In April 2014, Tourism Australia launched a campaign targeting independent travellers across nine cities – Beijing, Chengdu, Chongqing, Guangzhou, Hangzhou, Nanjing, Qingdao, Shanghai and Shenzhen.



Gunlom (Waterfall Creek), Kakadu National Park, NT – Image: Ellenor Argyropoulos, Tourism Australia's own *Best Jobs in the World* winner

3.2.3 Australian tourism industry outlook

Australian tourism is uniquely placed to take advantage of the Asian Century

Asia is forecast to provide around half of all visitors to Australia by 2020–21 (Tourism Research Australia).

China is already Australia's most valuable market in financial terms and will remain a top priority for the Australian tourism industry in 2014 and beyond. While targeting growth, Tourism Australia will continue to maintain a balanced portfolio approach to its global marketing, recognising the important contribution of traditional markets such as the UK and the USA, as well as the need to increase presence in those markets with potential to provide strong returns.

3.2.3.1 Economic environment

Tourism Research Australia (2014) anticipates an improved economic environment for inbound tourism in 2014–15, with global gross domestic product (GDP) forecast to trend at around 3.1 per cent in 2014. Economic growth in Asian economies is expected to ease slightly, while the economies of New Zealand, the USA and Western Europe are forecast to increase modestly. The Asian region provides significant opportunities for Australian tourism. It is one of the fastest growing tourism markets in the world, driven by good economic growth and an emerging urban and affluent middle class.

Over 2014–15, Australian tourism is likely to benefit from a weakening Australian dollar. The Australian dollar is expected to average US\$0.91 in 2014, depreciating to US\$0.88 by 2014–15 (Tourism Research Australia). A depreciating Australian dollar increases the price competitiveness of Australian tourism products and services for visitors from overseas, particularly for price-sensitive segments.

3.2.3.2 Destination appeal

Australia is regularly rated as one of the most desired tourism destinations in the world. In FutureBrand's 2012–13 *Country Brand Index*, Australia remained the number one country brand in the world for Advocacy, indicating that it continues to deliver on and exceed travellers' expectations. In 2014–15, Tourism Australia will strive to convert this strong support into travel to Australia.

Arrivals, expenditure and visitor nights increased in the year ending June 2014 compared to the year ending June 2013 – there were 6.6 million visitors to Australia (up 7.9 per cent), \$30.1 billion in spending (up 7.4 per cent) and 216 million visitor nights (up 1 per cent). Arrivals from Asia represented 43 per cent of total inbound arrivals, up from 42 per cent in 2013. The Asian region continues to be the fastest growing – arrivals were up 11 per cent for the year ending June 2014 (while averaging 7.4 per cent over the past five years). China was the biggest contributor to this growth.

A review of Australia's market share in 2013 compared to 2012 reveals mixed performance across key markets. Market share improved in France, India, Italy, Germany, Malaysia and the UK; was maintained in Brazil, Canada and the USA; and decreased in China, Hong Kong, Indonesia, Japan, the Middle East, New Zealand, Singapore and South Korea (Tourism Economics, May 2014). In an increasingly competitive environment, holding or growing market share is an ambitious goal that the Australian industry will strive to achieve.

Over 2014–15, travel demand is forecast to increase steadily. The number of international visitors is estimated to increase by 5.7 per cent in 2014–15 (to 7 million visitors) and by 4.5 per cent for the following financial years to 2022–23 (to 9.6 million) (Tourism Research Australia, Autumn 2014).

Through the period, Australian tourism will face a progressively competitive marketing environment, with increased marketing by competitor destinations, changing distribution channels and broadening media options.

3.2.3.3 Aviation outlook

Air access will play a fundamental role in the achievement of Tourism 2020 objectives. During 2014–15, aviation is expected to remain a positive factor for Australian tourism. Tourism Research Australia forecasts slightly weaker overall growth in inbound aviation capacity in 2014–15, up 5.4 per cent compared to an estimated increase of 7.6 per cent in 2013–14 (Tourism Research Australia, Autumn 2014).

Over 2014–15, carriers within the Asia-Pacific, Latin America and Middle East regions are likely to continue to drive global aviation growth. While Australia is expected to continue to benefit from strong capacity increases from the Middle Eastern and South-East Asian markets (including Malaysia and Singapore). Modest consolidation in capacity is expected to improve average loads and yields. Similarly, alliances, code shares and consolidation will continue to evolve both in Australia and overseas, improving connections and point-to-point booking processes for consumers.



Hot air ballooning, Canberra, ACT

3.3 Our government programs

Targets for the 'Develop the industry' and 'Strengthen the travel distribution system' programs were achieved. Performance under the 'Increase demand for Australia as a travel destination' improved, but Tourism Australia's ambitious targets were not achieved.

A performance summary by program is provided in the table on the right.

Table: Performance summary by program

PROGRAM	MEASURE OF SUCCESS
INCREASE DEMAND FOR AUSTRALIA AS A TRAVEL DESTINATION	Increased overnight spend, \$115 to \$140 billion in overnight expenditure by 2020
	Improved inbound visitor value – visitor spend per trip
	Improved inbound visitor value – visitor spend per night
	Increased market share
	Increased share of Australians' travel dollars
DEVELOP THE INDUSTRY	Investment – worked in partnership with Austrade on specific deliverables
	Investment – delivered introductions and familiarisation visits to bring investors together
	Investment – progress towards an additional 40,000 rooms in capital cities
	Activate aviation access – achieve targeted rights in selected markets
	Activate aviation access – achieve targeted number of seats in selected markets where capacity is constrained
STRENGTHEN THE TRAVEL DISTRIBUTION SYSTEM	Key stakeholder satisfaction – stakeholders indicate Tourism Australia helps them with their business

KPI	RESULT IN 2012–13	TARGET 2013–14	RESULT 2013–14
Total overnight visitor spend (all purposes, all markets)	\$77.2 BILLION (YEAR ENDED DEC 2012)	\$83.2 BILLION (low growth scenario) (YEAR ENDED DEC 2013)	\$80.4 BILLION (low growth scenario) (YEAR ENDED DEC 2013)
Spend per night (all purposes), Tourism Australia target markets	\$4,880/TRIP (YEAR ENDED DEC 2012)	\$5,289/TRIP (YEAR ENDED DEC 2013)	\$4,835/TRIP (YEAR ENDED DEC 2013)
Visitor spend per trip (all purposes), Tourism Australia target markets	\$138/NIGHT (YEAR ENDED DEC 2012)	\$155/NIGHT (YEAR ENDED DEC 2013)	\$142/NIGHT (YEAR ENDED DEC 2013)
Share of trips (all purposes) compared with competitive set	3.27% (YEAR ENDED DEC 2012)	3.27% (YEAR ENDED DEC 2013)	3.18% (YEAR ENDED DEC 2013)
Share of overnight visitor spend by Australians on interstate and intrastate travel versus outbound travel (all purposes)	52.98% (YEAR ENDED DEC 2012)	MAINTAIN OR SLIGHT INCREASE	51.99% (YEAR ENDED DEC 2013)
Austrade plan deliverables	ACHIEVED	ACHIEVE PLAN DELIVERABLES	ACHIEVED
Number of introductions / familiarisation visits	ACHIEVED	FOUR IN 2013–14	ACHIEVED
Number of rooms in capital cities	70,233 ROOMS (DEC 2011)	6,000 TO 20,000 ROOMS	INCREASED BY 1.3% (YEAR ENDED DEC 2013)
Rights in selected markets	19.9 MILLION RIGHTS (JUN 2011)	PROGRESS TOWARDS 40–50% CAPACITY GROWTH	INCREASED BY 11.6% (YEAR ENDED DEC 2013)
Seats in selected markets	6.8 MILLION SEATS (JUN 2011)	PROGRESS TOWARDS 40–50% CAPACITY GROWTH	INCREASED BY 7% (YEAR ENDED DEC 2013)
Stakeholder satisfaction – percentage that rate Tourism Australia functions as excellent, very good or good value to their business	80% (JUN 2013)	>75%	82% (JUN 2014)

Note: KPIs and targets as outlined in the Portfolio Budget Statements 2013–14. Timing of targets and results for the 'Increase demand for Australia as a travel destination' program align with the availability of data from Tourism Research Australia.

The following sections provide a detailed assessment of Tourism Australia's performance against its government programs during 2013–14.

3.3.1

Increase demand for Australia as a travel destination

Program objective: Identify and target best-prospect consumers and inspire them to travel to Australia. Use a dedicated market categorisation approach to focus activities and resources.

Overall result: achieved deliverables

- > Undertook dedicated consumer research to inform marketing strategies and market resource allocation.
- > Delivered effective marketing communications.
- > Engaged the target customer with innovative digital and social media campaigns and activities.
- > Engaged inspirational partners.
- > Presented a strong brand for Australia.

Key challenges:

- > Significant competition in Asia as other destination marketing organisations ramp up efforts.
- > Introduction of China Tourism Law in October 2013.
- > Target consumers' fast-changing preferences, which make it difficult to anchor Tourism Australia's marketing and partnership activities.
- > Australia's declining popularity as a holiday destination with Japanese and South Korean consumers and limited aviation capacity from these markets.

Looking forward:

- > Dedicated consumer research will continue, including Tourism Australia's Consumer Demand Project and Campaign Activity Evaluation research. This research will inform marketing strategies and market resource allocation.
- > Australia's food and wine offerings will be used to further differentiate Australia. 'Restaurant Australia' will be integrated into marketing activities in all markets, housed under the 'There's nothing like Australia' brand umbrella.
- > Marketing communications will focus on inspiring the target customer in relevant channels, with a focus on digital, as consumers' use of digital channels to think about, plan, book and share holiday experiences is significant and will continue to grow.
- > Partnerships will continue to be critical to success. Partnerships need to be used in most markets to heighten share of voice and strengthen marketing campaigns.

HIGHLIGHTS

TARGETED MARKETING ACTIVITY INFORMED BY CONSUMER RESEARCH STRENGTHENS OUR COMPETITIVE FOCUS

Tourism Australia is a consumer-led organisation focused on creating demand and using customer research from its Consumer Demand Project (CDP) to inform its marketing activities. These insights inform messaging and experiences to be used in marketing activity. Marketing teams then differentiate Australia through competitive communications, distribution and access.

There's nothing like a beach holiday domestic push

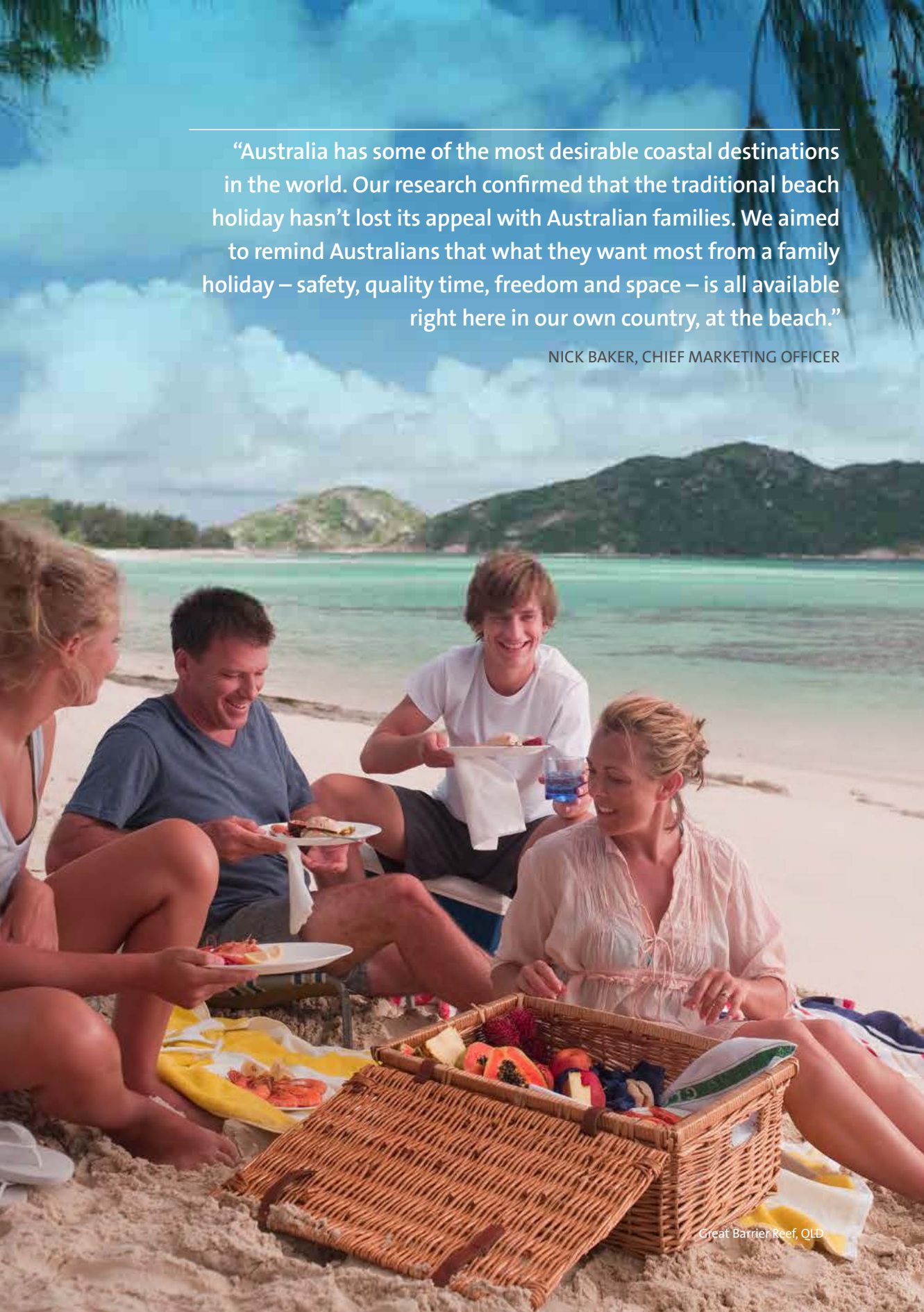
Tourism Australia ran a domestic campaign focused on the traditional beach holiday from July to September 2013 across print, television and digital channels.

The campaign sought to encourage Australian families considering an overseas trip to switch to a holiday in Australia. It was backed by research in which Australian parents and their children rated Australian beach holidays as comparable to or better than overseas holidays in 13 of 15 categories, including swimming, relaxing, fishing, exploring rock pools, playing beach games such as beach cricket, and building sandcastles.

The campaign was undertaken in partnership with state and territory tourism organisations, as well as more than 120 industry partners, including global travel agency Flight Centre and AOT Group, the largest wholesaler of Australian travel products and services in the world.

Since the 'There's nothing like Australia' campaign's launch domestically in 2010, there has been a significant turnaround in domestic travel, with 79.1 million domestic trips taken by Australians in the past 12 months. Australians now take nine times more trips in their own country than overseas (Tourism Research Australia).

Domestic tourism remains the biggest segment of the Australian tourism industry, injecting \$53.3 billion into the economy in 2013–14.



“Australia has some of the most desirable coastal destinations in the world. Our research confirmed that the traditional beach holiday hasn’t lost its appeal with Australian families. We aimed to remind Australians that what they want most from a family holiday – safety, quality time, freedom and space – is all available right here in our own country, at the beach.”

NICK BAKER, CHIEF MARKETING OFFICER



Sydney Harbour, NSW



Food and wine insights ignite ‘Restaurant Australia’

Tourism Australia conducted research in 15 of Australia’s key markets and found that food and wine is a key factor in holiday decision-making. Only ‘destination safety’ and ‘value for money’ ranked higher in importance than ‘good food, wine, local produce and cuisine’.

The research also found that, of those who have not been to Australia, only 26 per cent associate Australia with ‘good food and wine’. However, this percentage rises dramatically – to 60 per cent – among those who have visited. Consumers who have visited Australia from China, France, India, Indonesia, Malaysia, South Korea, the UK and the USA rank Australia’s food and wine as “number one”.

In short, there is a significant perception gap regarding the quality of Australia’s food and wine between those who have visited Australia and those who have not. Food and wine is an area where Australia has a great opportunity to stand out.

These insights inspired the development of the ‘Restaurant Australia’ campaign, which is based on the idea that Australia is the world’s greatest restaurant. The campaign was launched in May 2014 and features a broadcast advertisement, a dedicated online hub for Australian businesses to share their food and wine experiences with the world, and ‘Ignite the World’ consumer promotions in key international markets.

Figure 3: Perception of Australian food and wine by consumers who have visited compared with those who have not visited Australia



The figure shows there is a significant perception gap regarding Australia’s food and wine offering. Those who have visited and tried Australian food and wine rate it much higher than those who have not visited.

EFFECTIVE MARKETING COMMUNICATIONS

Tourism Australia continued to roll out marketing communications under the 'There's nothing like Australia' campaign umbrella, creating a sense of urgency to visit Australia, increasing consumer knowledge and building a strong image of Australia's tourism offerings.

A variety of approaches and channels were used to inspire target customers, including brand advertising, public relations, promotions, events and advocacy programs. Tourism Australia also strengthened its digital and social media activities in response to consumers' growing use of these channels to dream about, plan, book and share holiday experiences.

There's nothing like Australia

Since its launch in May 2010, the 'There's nothing like Australia' campaign has attracted more than 180 partners, appeared in 25 countries and has been translated into 17 languages.

In 2013–14, 'There's nothing like Australia' continued to roll out across print, digital, television, radio, cinema and social media platforms in Australia, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, New Zealand, Singapore, South Korea, the UK and the USA. The campaign enabled the tourism industry to speak with a unified voice when promoting Australia overseas and at home. Its flexibility means it can evolve to fit the needs of a variety of industry operators, from travel agents and small tour companies to large wholesalers and international airlines.

Capturing the New Zealander's passion for Australia

Tourism Australia's New Zealand 'Passions' campaign won silver in the Consumer Services award at the CAANZ 2014 Beacon Awards. The campaign focused on four Kiwi advocates who travelled to Australia to explore their passion for the country. It beat a number of high-quality finalists in the Consumer Services category, which reviews successful media campaigns for companies focused on consumer services. Delivered through Tourism Australia's key media partnership with APN Media, the 'Passions' campaign was also featured in The *New Zealand Herald* as an example of a successful content strategy.

The campaign exceeded targets significantly, with more than 69,000 competition entries received and 65 per cent of the target audience reporting they had seen the campaign.

There's nothing like Australia for business events

The business events sector is one of the highest yielding in Australian tourism, with the potential to contribute up to \$16 billion annually by 2020. In 2013–14, business events contributed \$13 billion to the Australian economy through conferences and incentives held in Australia.

Business Events Australia continued its content-driven approach to marketing strategy in 2013–14, focusing on providing the right message through the right channels. It continued the 'There's nothing like Australia for business events' campaign through brand marketing, traditional and digital media platforms, public relations and content creation.

Asia Marketing Fund

The Australian Government announced the establishment of the Asia Marketing Fund (AMF) in the 2012–13 Budget.

In 2013–14, AMF funding was used to:

- > Deliver a dedicated campaign targeting free and independent travellers in China to explore Australia, in part aimed to combat any negative impacts of the China Tourism Law.
- > Deliver inspiring marketing campaigns in South Korea and Japan in an effort to halt the declining popularity of Australia as a holiday destination. This included collaboration with television shows *Tabi Salad* in Japan and *Running Man* in South Korea.
- > Undertake research and evaluation projects in partnership with Tourism Research Australia, including gaining insights into 'what good service means' for the Japanese and South Korean consumer.
- > Developing and implementing marketing initiatives across the Asian region, supporting 'Restaurant Australia'.
- > Promoting Australia with key Asian airlines, growing capacity and maximising visitor numbers on existing and new routes via cooperative marketing activities. This included providing marketing support for three AirAsia X services.*

* A new service from Kuala Lumpur to Adelaide and increased-capacity services from Kuala Lumpur to both Melbourne and the Gold Coast.



Running Man contestants at Currumbin Wildlife Sanctuary

More than 16 million viewers see Australian episodes of *Running Man*

Some of Australia's most stunning scenery and iconic landmarks provided the backdrop to one of South Korea's most popular television shows, in a bid by Tourism Australia to entice more Koreans to holiday in Australia.

Running Man is a hugely popular show in South Korea, as well as in other countries throughout Asia.

Fans of the show watched contestants compete in kangaroo suits at Currumbin Wildlife Sanctuary and take a helicopter ride over the Gold Coast. Melbourne's laneways and Ballarat's Sovereign Hill also featured in an episode.

Tourism Australia partnered with Seoul Broadcasting System, Tourism Victoria, and Tourism and Events Queensland on the two episodes that aired in South Korea in March 2014, then in Cambodia, China, Hong Kong, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand.

Marketing initiatives developed to support the broadcast included a 'Run to Australia' consumer competition that generated more than 37,000 entries, partnership advertising, brand advertising, social media coverage, and visits by journalists and other media personnel. More than 400,000 consumers visited the campaign page and 966 articles were generated, which was well in excess of targets.

The *Running Man* Australian specials were the first episodes of the show to be filmed outside of Asia.

INNOVATIVE DIGITAL AND SOCIAL MEDIA

In 2013–14, Tourism Australia's digital marketing continued to focus on personalising, socialising and mobilising its offerings, enabling consumers to share their own stories and experiences.

In 2012, Tourism Australia set Australia's tourism industry a goal – to make Australia the most talked about holiday destination in social media. In 2013–14, Tourism Australia continued to support this goal through its Social Media Program, which focused on stimulating conversations about Australia through Facebook, Twitter, Google+, Pinterest, Instagram and Weibo.

Social media – the key to campaign success

Social media continued to be a vital ingredient in all Tourism Australia campaigns in 2013–14. This was particularly evident in the 'Best Jobs in the World' campaign, which was largely driven by social media. The campaign attracted more than 612,000 applicants worldwide.

Tourism Australia's Facebook page is the most popular destination page on Facebook. In 2013–14, it hit the 5 million 'Likes' mark. Its highly engaged audience advocate for Australia on a daily basis, sharing photographs, experiences and dream Australian destinations. Its popularity has significantly enhanced the marketing impact of all Tourism Australia's other activities, with social media now deeply ingrained in all campaigns.

As well as being the most popular destination page on Facebook, Tourism Australia is also the most followed destination on Google+ and Instagram, with 1.1 million followers on Google+ (up 39 per cent compared to 2012–13), 707,000 followers on Instagram (up 450 per cent compared to 2012–13), and more than 620,000 photos submitted to its unique #seeaustralia hashtag.

Revamped travel app to inspire more visits Down Under

Tourism Australia broke new ground when it launched its travel app in June 2012, as the first national tourism organisation to release an app of this type.

An upgraded app was launched in 2013. New features include Google™ Maps; social media integration; video streaming; and downloadable narration in English, Mandarin, Cantonese, German and Korean. It also includes additional destination content (for Adelaide, Darwin, Hobart, Kakadu and Perth), increased personalisation, easier navigation and improved usability. A unique ‘Interest Wizard’ that allows travellers to customise the app’s content according to their preferred travel experiences, from ‘Beaches’ to ‘Outback’ or ‘Food and Wine’, was also added.

The updates incorporated feedback from users as well as new research and usability testing by global research agency TNS.

“Our social media presence continues to increase, including major Asian social media platforms such as Weibo and Tudou. We know more people search and book their holidays online. This presents a huge opportunity for Australian operators to plug into and get their products and experiences noticed on the global stage.”

FRANCES-ANNE KEELER,
EXECUTIVE GENERAL MANAGER, INTERNATIONAL



Nicky Wu takes in the Great Ocean Road, Victoria

Chinese celebrity Nicky Wu’s visit spurs more than 1,000,000 conversation tags on Weibo

Celebrity Nicky Wu’s visit to Australia in October 2013 generated a lot of interest in China. Three 20-minute videos were produced and distributed via digital channels, resulting in more than 33 million video views, 10 million monthly visitors to the campaign website and more than 1 million conversation tags on Chinese social media site Weibo.

PRESENTING A STRONG BRAND FOR AUSTRALIA WITH GOVERNMENT PARTNERS

Tourism Australia continued to partner with federal, state and territory government departments and agencies to develop and promote a strong brand for Australia. Key federal partners during the year included Austrade's Tourism Division, the Department of Foreign Affairs and Trade, the Department of Immigration and Border Protection, the Department of Infrastructure and Regional Development, and Parks Australia.

Tourism Australia continued to work closely with state and territory tourism organisations to help integrate and align international tourism activities under one voice.

Chief executives and heads of marketing from Tourism Australia and the state and territory tourism organisations met throughout the year to discuss plans for six main areas: the 'There's nothing like Australia' campaign, digital marketing, the aviation industry, public events, public relations, trade events and trade missions. In addition, Tourism Australia and the state and territory tourism organisations worked closely together on the 'Best Jobs in the World' and 'Restaurant Australia' campaigns.

Inaugural Australia Week in China

In April 2014, the inaugural Australia Week was held in China. At the event, Tourism Australia hosted a leisure tourism delegation of 40 senior industry representatives and held a Business Events Showcase that was attended by 10 Australian sellers and more than 100 buyers. An Investment Roundtable was hosted in partnership with Austrade.

First-ever 'One Voice' campaign with AirAsia X

A joint campaign with AirAsia X launched in March 2014 brought Australia's hidden-gem tourism experiences to life via videos and screens in high-traffic areas across cities in Malaysia and Indonesia. Print, digital and public relations strategies were also used to promote Australia's city, food and wine, nature and event experiences.

The promotion was undertaken in partnership with AirAsia X and state and territory partners Tourism Western Australia, the South Australian Tourism Commission, Tourism Victoria, and Tourism and Events Queensland. The campaign achieved exceptional results, with AirAsia X bookings to Australia significantly exceeding targets.



Campaign screens on Kuala Lumpur's Pavilion link bridge, used by more than 600,000 pedestrians per month

International airlines boost marketing presence

During 2013–14, Tourism Australia partnered with 19 airlines in 16 countries to promote Australia, with a collective spend of more than \$30 million internationally on the 'There's nothing like Australia' campaign. This included seven new agreements: Air China (\$6 million over three years), Air New Zealand (\$6 million over three years), Etihad Airways (\$6 million over three years), Virgin Australia (doubling its commitment to \$12 million over three years), China Eastern Airlines (\$8.6 million over three years), Emirates (\$14.3 million over three years) and China Southern Airlines (\$9 million over three years).

Tourism Australia enjoys cooperative marketing relationships with most of the large international carriers serving Australia from its key tourism markets. Markets covered by these agreements align strongly with Tourism Australia's balanced portfolio approach, which is critical to achieving the industry's Tourism 2020 strategic goal.



LEISURE CONSUMER MARKETING HIGHLIGHTS OF 2013–14

Deliverable (PBS 2013–14)	Highlight
Use a dedicated market categorisation approach	<p>Global market resourcing categories in 2013–14</p> <p>Category 1: Worth more than \$5 billion by 2020 Greater China (including Hong Kong), North America (including Canada), the UK and Australia</p> <p>Category 2: Worth more than \$2.5 billion by 2020 New Zealand, South Korea, Singapore and Malaysia</p> <p>Category 3: Worth more than \$1 billion by 2020 India, Japan, Germany, Indonesia and the Middle East</p> <p>Category 4: Rest of the world Fast emerging: Brazil and Vietnam High priority: France, Italy and all other markets</p>
Continue to roll out the 'There's nothing like Australia' campaign across all major markets	<p>'There's nothing like Australia' campaign</p> <ul style="list-style-type: none"> > Continued roll-out in Canada, China, France, Germany, Hong Kong, Italy, India, Indonesia, Japan, Malaysia, the Middle East, New Zealand, Singapore, South Korea, the UK and the USA. > Undertook strategic planning for Tourism Australia's food and wine campaign, 'Restaurant Australia', in consultation with state and territory tourism organisations and industry.
Undertake cooperative campaigns and activities with industry partners to support marketing opportunities that align with the 'Destination Australia' brand and promote the best of what Australia has to offer	<p>India</p> <ul style="list-style-type: none"> > Partnered with Tourism Victoria and Malaysia Airlines to deliver 10 episodes of popular television series <i>Pyaar Ka Dard Hai</i> (The Pain of Love), showcasing iconic locations in and around Melbourne. The collaboration with Star Plus, India's leading Hindi entertainment channel, resulted in 64.5 million viewers seeing the episodes in India. The campaign achieved an equivalent advertising value of \$3.4 million (against a target of \$2.6 million). > Partnered with Destination NSW, Tourism and Events Queensland, and Tourism Victoria on a campaign with Singapore Airlines. The campaign ran across print, digital and radio channels throughout August 2013 and included discounted domestic airfares with Virgin Australia. <p>Germany</p> <ul style="list-style-type: none"> > Partnered with Etihad Airways, airberlin, Tourism Northern Territory and Tourism Western Australia on a campaign that ran on digital, print and broadcast channels. It delivered more than 91,000 unique visitors to the campaign website (exceeding the target of 75,000), and Etihad reported 'almost twice as many bookings as the same period last year'. > In June 2014, Tourism Australia launched the 'Australia on Sale' campaign with four tour operator partners: DERTOUR, Meier's Weltreisen, FTI Touristik and Boomerang Reisen. The aim of the campaign was to reinforce the improved value proposition of an Australian holiday. It ran in out-of-home channels (including digital) and online.

Deliverable (PBS 2013–14)	Highlight
Undertake cooperative campaigns and activities with industry partners to support marketing opportunities that align with the 'Destination Australia' brand and promote the best of what Australia has to offer	<p>Japan</p> <ul style="list-style-type: none"> ➤ More than 8.6 million viewers saw a 90-minute special episode of <i>Tabi Salad</i>, a popular Japanese celebrity travel television show. The broadcast was a joint initiative with Tourism and Events Queensland, Tourism Victoria and Tourism Northern Territory. The broadcast was supported by digital, print and social media. At 30 June 2014, there had been 221,477 visitors to the campaign site (exceeding the target of 80,000 visitors), 282,700 competition entries (exceeding the target of 150,000 entries) and 4,377 partner referrals (exceeding the target of 4,000 referrals). <p>UK</p> <ul style="list-style-type: none"> ➤ Partnered with Emirates, Tourism Victoria, the South Australian Tourism Commission and trade partners on a campaign that showcased Australia as a premium, unique and achievable holiday destination. The campaign ran from October to January in broadcast, print, digital and out-of-home channels and achieved 108,000 unique monthly visitors to the campaign website, a click-through rate of 0.15 per cent (exceeding the target of 0.12 per cent) and more than 32,000 video views. The 10-episode broadcast was shown on the UK's leading food channel, <i>Good Food</i>. It featured UK-based Australian chef and <i>MasterChef</i> judge John Torode. The show followed his culinary adventures through New South Wales, Queensland, South Australia, Tasmania and Victoria. More than 1.5 million viewers watched the series. ➤ Launched a campaign targeting the 'Visiting Friends and Relatives' market in April 2014. The campaign was undertaken in partnership with British Airways. At 30 June 2014, the digitally led campaign had achieved 1.2 million video views (exceeding the target of 400,000), 69,128 unique visitors to the campaign page (exceeding the target of 35,000) and 7,253 video shares on social media (exceeding the 2,578 target). ➤ From April to June 2014, Tourism Australia ran a campaign highlighting two-week itineraries. The campaign aimed to overcome the perception that Australia is a once-in-a-lifetime trip. Partnering with five distribution partners, it ran across television, print and digital channels. At 30 June 2014, the campaign had attracted more than 1.4 million video plays and 127,000 visitors to its website (exceeding the 100,000 target). <p>China</p> <ul style="list-style-type: none"> ➤ Launched Australia.cn, a significant step in marketing Australia to Chinese consumers, Australia's fastest growing and most valuable inbound market. ➤ Launched cooperative campaigns with state and territory tourism organisations and airline partners including Air China, China Eastern Airlines, China Southern Airlines, Sichuan Airlines and Singapore Airlines. ➤ Arranged for new friend of Australia and popular Chinese celebrity, Nicky Wu, to visit Australia in October 2013. Videos from his trip have exceeded 33 million views, online campaign pages received more than 10 million monthly unique visitors and #NickyWusMagicTripinAustralia was tagged in more than 1 million conversations on Chinese social media site Weibo.

Deliverable (PBS 2013–14)	Highlight
<p>Undertake cooperative campaigns and activities with industry partners to support marketing opportunities that align with the 'Destination Australia' brand and promote the best of what Australia has to offer</p>	<p>France</p> <ul style="list-style-type: none"> <p>Partnership with Australian surf brand Quiksilver, Malaysia Airlines, STA Travel, Mighty Campers campervan hire, and state and territory tourism organisations on a campaign targeting French youth. The Facebook campaign included a 'personalise your van' competition with the chance to win a trip to Australia. Marketing included digital, social media, public relations and out-of-home channels. The campaign exceeded targets, with more than 33 million impressions on digital assets, 1.4 million impressions on the Facebook app, an increase of 51,440 French Facebook fans, and more than 152,000 unique visitors to the campaign website.</p> <p>New Zealand</p> <ul style="list-style-type: none"> <p>Partnership with Air New Zealand and APN Media to create content around four passion points – nature, food and wine, culture, shopping and shows – encouraging New Zealanders to disperse more widely around Australia when they visit. Content was shared through print and digital channels, including social media. The campaign received 68,000 competition entries (exceeding the 20,000 target) and an equivalent advertising value of NZ\$5.2 million. The website hub was viewed more than 520,000 times, exceeding the target of 195,000. Consumers were engaged with the website content, spending an average of more than five minutes on the site.</p> <p>Partnership with Air New Zealand, House of Travel, and Tourism and Events Queensland on a campaign from February to April 2014 aimed at encouraging New Zealanders to choose Australia as their holiday destination for the winter months. The campaign achieved a media value of NZ\$4.58 million (exceeding the target of NZ\$2.98 million), and House of Travel's sales to Queensland increased by 46 per cent and to the rest of Australia increased by 30 per cent.</p> <p>Brazil</p> <ul style="list-style-type: none"> <p>Undertook a campaign in April 2014 targeting affluent Brazilian travellers in partnership with Brazil's top travel and lifestyle websites.</p> <p>Hong Kong</p> <ul style="list-style-type: none"> <p>Partnership with Sony, the South Australian Tourism Commission, Tourism Northern Territory and travel seller Wing On Travel to bring bloggers Raven Cheng and Will Chu to Australia. The campaign extended through digital, print and out-of-home channels and was featured on <i>Apple Daily's Action News</i> – Hong Kong's top digital news platform. It achieved 2 million video views, more than 40,000 likes on Facebook and doubled Wing On Travel's bookings during the campaign period.</p>

Deliverable (PBS 2013–14)	Highlight
Undertake cooperative campaigns and activities with industry partners to support marketing opportunities that align with the 'Destination Australia' brand and promote the best of what Australia has to offer	<p>Singapore</p> <ul style="list-style-type: none"> Partnered with Singapore Airlines, state and territory tourism organisations, Hertz and 11 distribution partners on a self-drive destination hub on Australia.com to assist with holiday planning and to encourage Singaporeans to stay longer in Australia and disperse more widely. The first phase of the campaign was timed around the release of the film <i>Three Peas in a Pod</i> in Singapore – a film that follows three friends on a road trip around Australia. To support the campaign, advertising ran in print, digital and out-of-home channels. There were 77,000 unique visitors to the australia.com hub, and 29,000 bookings through distribution partners (exceeding the target by 66 per cent). Singapore Airlines also reported positive results and healthy booking numbers for the campaign's promotional fares.
Undertake integrated and compelling marketing to stimulate target markets, including brand advertising and promotions, digital programs, public relations, an International Media Hosting Program, media content development, cooperative promotions, consumer events and advocacy programs	<p>Social media</p> <ul style="list-style-type: none"> Gained more than 1.3 million new Facebook fans, an increase of 29 per cent compared to 2012–2013, taking total Facebook fans to more than 5.8 million. Attracted more than 593,000 new followers on Instagram, taking the total follower base to 707,000, an increase of 450 per cent. Increased Twitter followers to more than 141,000, a 480 per cent rise. Supported the 'Best Jobs in the World' campaign by increasing the 'Australia Working Holiday' Facebook page fan-base from 153,000 to 425,000, an increase of 278 per cent. Increased Google+ profile followers by 39 per cent, to more than 1.1 million followers. <p>Friends of Australia</p> <ul style="list-style-type: none"> Grew the program to include more than 190 advocates, including more than 50 based overseas, who create content and share stories about Australia. Participated in more than 180 opportunities to promote Australia, including supporting the domestic and international launches of 'Restaurant Australia', International Media Hosting Program content opportunities and global campaigns. <p>International Media Hosting and Visiting Opinion Leader programs</p> <ul style="list-style-type: none"> Hosted 265 media outlets. Brought 36 broadcasters to Australia from major international television shows, including <i>Tabi Salad</i> (Japan), <i>Chef Nick</i> (China), <i>Sanjeev Kapoor's Out of Australia</i> (India), ABC's <i>Ocean Mysteries</i> with Jeff Corwin (USA), <i>Green Footprints</i> (Singapore), <i>Astro Kusinero Cinta</i> (Malaysia), Star Plus's <i>Pyaar Ka Dard Hai</i> (India) and UK TV's <i>John Torode's Australia</i> (UK). Welcomed 79 international and domestic media representatives to the inaugural ATE International Media Marketplace in Cairns in May 2014. Delivered 1,258 print, online, digital/social and broadcast articles that reached 22 billion consumers in 25 countries, with an equivalent advertising value of \$303 million.

Deliverable (PBS 2013–14)	Highlight																								
Undertake integrated and compelling marketing to stimulate target markets, including brand advertising and promotions, digital programs, public relations, an International Media Hosting Program, media content development, cooperative promotions, consumer events and advocacy programs	Digital marketing <ul style="list-style-type: none">> Generated more than 15,000 downloads of the new ‘There’s nothing like Australia’ tablet app for iOS and Android platforms.> Launched the ‘Restaurant Australia’ site on the Adobe platform, which attracted more than 160,000 unique visitors in 2013–14.> Completed the integration of all consumer sites into Australia.com, including the Business Events Australia website.																								
Continue to refine and manage Australia.com, Tourism Australia’s dedicated consumer marketing site and search engine marketing to lift Australia.com ranking	<ul style="list-style-type: none">> Continued to improve Tourism Australia website efficiency through a dedicated digital integration project, which simplified more than 50 different tactical websites to just two core sites. Unique visitors to Australia.com increased by 49.6 per cent as shown in the table below: <table><tr><th></th><th colspan="2">Number of unique visitors</th><th>% change</th></tr><tr><th></th><th>2012–2013</th><th>2013–2014</th><th></th></tr><tr><td>Australia.com</td><td>16,276,678</td><td>14,863,474</td><td></td></tr><tr><td>Australia.com mobile site</td><td>1,032,765</td><td>2,286,008</td><td></td></tr><tr><td>Australia.com China site</td><td>N/A</td><td>8,744,021</td><td></td></tr><tr><td>TOTAL</td><td>17,309,443</td><td>25,893,503</td><td>49.6%</td></tr></table>		Number of unique visitors		% change		2012–2013	2013–2014		Australia.com	16,276,678	14,863,474		Australia.com mobile site	1,032,765	2,286,008		Australia.com China site	N/A	8,744,021		TOTAL	17,309,443	25,893,503	49.6%
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TOTAL	17,309,443	25,893,503	49.6%																						

BUSINESS EVENTS AUSTRALIA MARKETING HIGHLIGHTS OF 2013–14

Deliverable (PBS 2013–14)	Highlight
Undertake cooperative campaigns and activities with industry partners to support marketing opportunities that align with the 'Destination Australia' brand and promote the best of what Australia has to offer	<ul style="list-style-type: none"> > Coordinated media relations and media hosting during an incentive visit by representatives of 'Perfect China', a personal care direct-selling company. The visit resulted in strong coverage, including television news in China – a first for Australian business events. The 3,000 delegates came to Sydney for their Annual Leadership Seminar. > Signed a cooperative licence agreement with Brand Unlimited (Austrade) to create a co-branded video for the associations sector. The video will be used as a promotional tool by Business Events Australia and the Australian business events industry when selling Australia to the associations sector. > Delivered business events showcases in Singapore, Kuala Lumpur, Jakarta, Seoul and Shanghai, with face-to-face appointments bringing together 100 corporate decision-makers and 115 business events agents in South-East Asia plus 102 corporate decision-makers, 80 business events agents and 36 media representatives in North Asia with more than 34 Australian industry participants. <p>The North Asia showcase aligned with Australia Week in China to demonstrate why there is nowhere like Australia for business events. Destinations represented included Adelaide, Brisbane, Canberra, the Gold Coast, Melbourne, the Northern Territory, Perth, the Sunshine Coast and Sydney. The business events agents confirmed that their participation enabled them to better pitch Australia for their events.</p>

Deliverable (PBS 2013–14)	Highlight
Undertake business-to-business marketing to promote Australia as a business events destination, including trade events, buyer and agent familiarisation visits, direct marketing, public relations campaigns, advocacy and stakeholder relations	<ul style="list-style-type: none"> › Delivered a comprehensive public relations program in 2013–14 and executed international and domestic campaign activity, resulting in coverage across trade, news and online publications, including more than 550 media articles. › Executed a media buy strategy across nine key markets to promote Australia as a business events destination. This included print and digital advertising in business events publications to attract both business event agents and corporate decision-makers. The media buy strategy also extended coverage across the conference and incentive sector and association sector. › Delivered educational visits for business events professionals from New Zealand (Wolgan Valley and Sydney) in August 2013; India (Melbourne and the Gold Coast) and South-East Asia (Sydney and Melbourne) in January 2014; South Korea (Sydney and the Gold Coast) and China (Brisbane and Melbourne) in February 2014; New Zealand (Melbourne) and the USA (Sydney) in March 2014; China (the Gold Coast and Tasmania) in May 2014; Hong Kong (Darwin and Cairns) and the USA (Sydney and surrounds) in June 2014. On average, 98 per cent of business event attendees said their perception of Australia as a business events destination had improved after their educational visit.
Continue to embed ‘There’s nothing like Australia for business events’	<ul style="list-style-type: none"> › Continued to promote the message ‘There’s nothing like Australia for business events’ through all communications channels. Brand executions for the campaign were placed in digital and print media in nine key markets, and content across the website, paid advertising and social media incorporated this message throughout.
Deliver ‘Dreamtime’ – Tourism Australia’s major biannual trade event for business events decision-makers	<ul style="list-style-type: none"> › Held the 2013 ‘Dreamtime’ event in Melbourne in partnership with event host Melbourne Convention Bureau, as well as Gold Coast Business Events, Northern Territory Convention Bureau, Business Events Sydney, Adelaide Convention Bureau, and Business Events Cairns and Great Barrier Reef. Dreamtime is Tourism Australia’s biennial signature business events trade activity that showcases Australia’s incentive experiences to international business events buyers. A total of 85 international business events agents, 18 media representatives (13 international and five domestic) and a record 69 Australian sellers participated from New Zealand, North America, North and South-East Asia, and the UK. According to the post-event attendee survey, 91 per cent of business event agents said their perception of Australia as a business event destination improved after attending. For Australian sellers, overall satisfaction with the Dreamtime 2013 program was 87 per cent, with a further 71 per cent rating Dreamtime as very effective for return on investment.
Continue to develop and manage the Business Events Australia website	<ul style="list-style-type: none"> › Coordinated the migration of the Business Events Australia website from a stand-alone platform (businesssevents.australia.com) to Tourism Australia’s main Australia.com domain (australia.com/businesssevents). Content was regularly updated to ensure the website delivered the latest industry news, success stories and access to the business event marketing toolkit. The website welcomed a quarter of a million unique visitors, who spent an average of 7.5 minutes on the site.

3.3.2 Develop the industry

Program objective: Develop a competitive and sustainable Australian tourism industry that meets the needs of target customers. Inform industry development by understanding customer needs and sharing insights with tourism industry organisations.

Overall result: achieved all deliverables

- › Used customer insights to drive investment opportunities and aviation partnerships.
- › Promoted the best of Australia's tourism experiences.
- › Promoted quality products and experiences, and showcased Australian investment opportunities.
- › Promoted Indigenous tourism.
- › Provided global platforms and events to foster the success of the Australian tourism industry in global distribution networks.

Key challenges:

- › Meeting target consumers' changing needs for quality experiences.
- › Maintaining aviation capacity, recognising Tourism Australia plays a support role to lead agencies. Australian tourism is heavily reliant upon a healthy aviation environment to bring visitors to Australia.

Looking forward:

- › Tourism Australia will continue to support the work of lead agencies in the areas of aviation access, immigration policy and investment. These agencies include the Department of Immigration and Border Protection, the Department of Infrastructure and Regional Development, the Department of Foreign Affairs and Trade, and Austrade.
- › Market and consumer insights will continue to be used to identify 'high appeal' experiences that will drive urgency for travel to Australia. This will be undertaken in partnership with industry, government agencies and state partners. 'Best of Australia' product bundling initiatives will be supported to build competitive advantage, including the continuation of the successful and well-established Indigenous Tourism Champions Program.
- › From 1 July 2014, Tourism Australia's marketing responsibilities for the T-QUAL Accreditation program will cease.





Sunset at Moseley Square, Glenelg Beach, SA – Image courtesy of Greg Snell *Best Jobs in the World* winner

HIGHLIGHTS

CUSTOMER INSIGHTS DRIVE INVESTMENT OPPORTUNITIES AND AVIATION PARTNERSHIPS

To ensure Australia remains a competitive tourism destination, Australian tourism needs high-quality infrastructure, products and experiences, as well as sustainable air access. To help achieve this, Tourism Australia supported the work of key agencies – including Austrade, the Department of Infrastructure and Regional Development, and state and territory governments – to develop and present products that meet changing consumer needs and ensure that products are easy to access for potential travellers.

Aviation growth

To support the growth of aviation capacity to and within Australia, Tourism Australia worked with airlines, airports, and state and territory tourism organisations to identify gaps and opportunities in the aviation market. Tourism Australia collaborated with these organisations to provide marketing support to promote new routes and enhance capacity on current routes during peak travel periods.

A number of new airline routes were also launched in Australia, as outlined in Figure 4. This resulted in significant growth in capacity, adding 650,000 seats in 2013–14. New routes included Malaysia Airlines' five new weekly Kuala Lumpur to Darwin services; Scoot's five new weekly Singapore to Perth flights, which commenced in December 2013; Sichuan Airlines's twice-weekly Chengdu–Chongqing–Sydney flights; and Etihad Airways' daily Abu Dhabi to Perth service.

Figure 4: Aviation seat capacity, 2011–12 to 2013–14

2011–12



500,000 additional seats

- > China Southern Airlines: Guangzhou to Perth
- > Scoot: Singapore to Sydney (first Scoot destination)
- > Scoot: Singapore to Gold Coast
- > AirAsia X: Kuala Lumpur to Sydney
- > Silk Air: Singapore to Darwin
- > Qantas: Santiago de Chile to Sydney

2012–13



200,000 additional seats

- > Qatar Airways: Doha to Perth
- > China Eastern Airlines: Shanghai to Cairns
- > Sichuan Airlines: Chengdu to Melbourne
- > Silk Air: Singapore to Darwin
- > Emirates: Dubai to Adelaide
- > Air China: Beijing–Wuhan–Melbourne

2013–14



650,000 additional seats

- > AirAsia X: Kuala Lumpur to the Gold Coast/Melbourne Adelaide/Perth
- > Scoot: Singapore to Perth
- > Malaysia Airlines: Kuala Lumpur to Darwin
- > Etihad Airways: Abu Dhabi to Perth
- > Sichuan Airlines: Chongqing to Sydney

INDIGENOUS TOURISM PROMOTION

The Indigenous Tourism Champions Program promotes and supports businesses that offer authentic Indigenous tourism experiences delivered by Indigenous guides or hosts. In 2013–14, the program continued to grow under the joint leadership of Tourism Australia and Indigenous Business Australia (IBA), and through support from state and territory tourism organisations.

The program now has 51 Indigenous tourism experiences, which are promoted to consumers and trade.

Partnership markets authentic Australian experiences to USA consumers

Swain Destinations worked with Indigenous Tourism Champions Program members on a campaign targeting affluent consumers in the USA who seek authentic experiences as part of their Australian vacation. The campaign, titled 'Real Adventure, Real Australia', featured Tourism Victoria, Tourism and Events Queensland, Tourism NT and Destination NSW. It was designed to highlight the in-depth Australian experiences tourists can enjoy by coupling culturally immersive activities with luxury accommodation. Tourism Australia provided assistance with media sourcing and permissions, and incorporating the top Indigenous Tourism Champions. We also strongly supported the Swain Destinations Roadshow and Awards to promote the Indigenous Tourism Champions Program. During the roadshow, Tourism Australia educated Virtuoso travel agents and American Express agents on Indigenous Tourism Champions, as well as the broader 'Real Adventure, Real Australia' campaign.

"Sand Dune Adventures has benefited immensely from participating in the Indigenous Tourism Champions Program. The value of having a mentor appointed to us has helped us so much with understanding the international distribution system in particular, and ensuring we meet their needs and requirements with rates, information, and attendance at trade shows both here in Australia and overseas.

Since joining, we have been able to participate in key trade shows, such as meeting with international trade partners at ATEC's Meeting Place, Destination NSW's New Product Workshop and the Australian Tourism Exchange. As a result, we have secured major contracts and very pleasing business growth. The support we have received from Tourism Australia, Indigenous Business Australia and Destination NSW is just fantastic."

ANDREW SMITH, CHIEF EXECUTIVE, SAND DUNE ADVENTURES, WILLIAMTOWN, NSW, AUSTRALIA

KEEPING INDUSTRY INFORMED ON TRENDS

The Australian Tourism Directions Conference is Tourism Australia's annual peak industry meeting. It examines the long-term opportunities for tourism and its growing economic value while addressing key issues. The conference also reports on the state of the Australian tourism industry and delivers research and insights.

The 2013 conference attracted more than 300 leaders and decision-makers from the tourism industry, as well as senior Australian Government officials, academics and media.

Following the national conference, Tourism Australia conducted industry briefings in Adelaide, Canberra, Cairns, Darwin, the Gold Coast, Hobart, Melbourne and Sydney. The briefings were held in collaboration with Austrade and the state and territory tourism organisations. They provided an overview of Tourism Australia's marketing initiatives, consumer insights, business events activities and partnership opportunities. They were rated 'good to excellent' by more than 90 per cent of respondents in all locations, maintaining the high standard set in previous years.

“We already know from our research that nature is a key motivator for travel to Australia. Take China, our fastest growing inbound market, as an example – 77 per cent of our Chinese visitors already engage in a nature tourism experience. With this new app we can now capitalise on this competitive advantage by showcasing many of the world-class tourism experiences that travellers can enjoy and book in the heart of our country's most spectacular natural landscapes.”

JOHN O'SULLIVAN, MANAGING DIRECTOR

MARKETING AUSTRALIA'S UNIQUE NATURAL LANDSCAPES

Australia's National Landscapes Program is a partnership between Tourism Australia and Parks Australia that focuses on tourism and conservation. The program promotes Australia's natural and cultural environments and aims to improve the quality of visitor experiences.

In 2013–14, the program continued to market 16 landscapes⁷ through Australia.com, short films that showcased Australia's wildlife, guidebooks and brochures. In 2014, a new app was introduced to better connect the consumer with tangible nature experiences they can enjoy and book.

Natural Australia app inspires more travellers to connect with nature

In a collaboration with National Landscapes Steering Committees, Tourism Australia launched a new 'Natural Australia' app to motivate more travellers to connect with Australia's nature. The app showcases many of the country's best nature-based experiences, and includes ideas and booking contacts.

Developed by *Australian Traveller* magazine, it covers more than 200 different products and experiences that can be enjoyed across 16 of Australia's natural icons, including the Great Barrier Reef, the Kimberley, the Flinders Ranges and Tasmania.

⁷The Australian National Landscapes Program comprises the Australian Alps, Australia's Coastal Wilderness, Australia's Green Cauldron, Australia's Red Centre, Australia's Timeless North, the Flinders Ranges, the Great Barrier Reef, the Greater Blue Mountains, the Great South West Edge, Kangaroo Island, Ningaloo-Shark Bay, Sydney Harbour, Tasmania's Island Heritage, The Kimberley, the Great Ocean Road and the Wet Tropics.

A photograph of a wooden balcony with a corrugated metal roof, overlooking a river. The scene is captured during sunset or sunrise, with warm golden light reflecting on the water and the sky. The balcony has wooden railings and posts. In the foreground, there are some green plants. The background shows a river with trees on the opposite bank.

LEAD WITH THE BEST

Tourism Australia research identified several high-yielding 'world's best' tourism experiences already on offer in Australia – such as golf, wine and walks – that are highly motivating to international travellers. This research highlighted the opportunity to bundle and promote these unique experiences to international and domestic audiences. Working with the tourism industry, government agencies and state partners, these tourism offerings were cooperatively marketed through the 'Best of Australia' program.

During 2013–14, Tourism Australia partnered with the following industry collectives:

- > Great Golf Courses of Australia
- > Great Walks of Australia
- > Ultimate Winery Experiences Australia
- > Luxury Lodges of Australia.

INDUSTRY DEVELOPMENT HIGHLIGHTS OF 2013–14

Deliverable (PBS 2013–14)	Highlight
Attract and facilitate investment in the Australian tourism industry	<p>Targeted stakeholder engagement program</p> <ul style="list-style-type: none"> > Profiled tourism investment opportunities through speaking engagements and at investment conferences and events. > Participated in 38 events and activities in partnership with Austrade. > Actively engaged with the Australian tourism investment community. > Provided marketing and event support for the Investment Roundtable at Australia Week in China. Tourism Australia also hosted a networking event following the roundtable and coordinated state and territory involvement. Among the event's direct outcomes was a major Chinese investor visiting Australia to view potential investment sites. > For the first time, Tourism Australia hosted two investment-focused media representatives (from China and Malaysia) during the ATE for a familiarisation visit that showcased investment opportunities in Australia. Media stories following the visit outlined the significant investment opportunities available in Australia's tourism sector. <p>Collateral and promotional materials</p> <ul style="list-style-type: none"> > A key focus for Tourism Australia was the further development of high-quality marketing collateral to assist in showcasing tourism investment opportunities. This included a searchable dynamic online database of investment opportunities, the 'Why Australian Tourism' video and printed collateral on Australia's investment market. <p>Website and online database</p> <ul style="list-style-type: none"> > Worked with state and territory tourism organisations and Austrade on the maintenance of a database of more than 40 investment opportunities across Australia (www.tourisminvestment.com.au). <p>Investment Attraction Partnership Group (IAPG)</p> <ul style="list-style-type: none"> > Chaired three meetings of the IAPG, which comprises state and territory representatives from investment promotion agencies as well as representatives from Austrade and its Tourism Division. <p>Partnership outcomes</p> <ul style="list-style-type: none"> > Tourism Australia's partnership with Austrade has resulted in eight major investments, collectively worth \$1.14 billion, since its commencement. These projects are estimated to have increased Australian hotel room numbers by approximately 1,600 rooms.
Implement the China 2020 Plan	<ul style="list-style-type: none"> > Worked in partnership with government agencies and the tourism industry to implement the China 2020 Strategic Plan, communicate progress and deliver one-voice marketing activities in China. > Increased aviation capacity from China to Australia by 3 per cent (at year ended May 2014), with Chinese carriers launching additional direct flights to new Australian destinations and secondary Chinese cities. > Shared the plan's progress with the wider tourism industry and used it to help develop Tourism Australia's <i>China 2014–15 Annual Operating Plan</i>.

Deliverable (PBS 2013–14)	Highlight
Implement the China 2020 Plan	<ul style="list-style-type: none"> > Continued to engage Chinese consumers via a dedicated website, www.australia.cn, providing accessible, easy-to-use tourism information in Chinese language. The average time spent on site was eight minutes, and unique visitors during 2013–14 totalled 8,744,021. > Continued to roll-out the China 2020 Geographic Strategy, with leisure consumer marketing and trade development in China's secondary cities.
Implement the India 2020 Plan	<ul style="list-style-type: none"> > Continued the roll-out of the India 2020 Geographic Strategy, with leisure consumer marketing and trade development. Consumer marketing activity was focused in Delhi and Mumbai, while trade and distribution work was focused in six cities – Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. > Worked in partnership with government agencies and the tourism industry to deliver one-voice marketing activities under the 'There's nothing like Australia' campaign umbrella. This included cooperative campaigns with state and territory tourism organisations and industry partners including Air India, Singapore Airlines and Malaysia Airlines. > Air India commenced direct services from August 2013, improving access. > Shared the plan's progress with the wider tourism industry and used it to help develop Tourism Australia's <i>India 2014–15 Annual Operating Plan</i>.
Activate access by growing sustainable and competitive aviation capacity to and throughout Australia, addressing visa access issues	<ul style="list-style-type: none"> > Analysed industry and aviation conditions, and shared insights with government agencies and the tourism industry to assist with strategic aviation decision-making. > Helped develop aviation capacity through developing Memoranda of Understanding, high-level relationships, new routes and cooperative marketing campaigns. > Worked to resolve high-level problems that impeded growth, including visa access issues. > Supported Australian Government departments with Tourism Access Working Groups and Air Services Agreement bilateral negotiations. > Raised Australia's profile with senior route development executives and attracted new services to Australia by accompanying Australian airport representatives to the World Route Development Forum in Abu Dhabi and Routes Asia in Mumbai. > Built stronger relationships with global carriers, engaging with senior executives of key airlines currently flying to Australia, as well as airlines with the potential to fly to Australia in the future. > Participated in the Tourism Visa Advisory Group.

Deliverable (PBS 2013–14)	Highlight
Participate in Tourism 2020 strategic groups	<p>Strategic groups included:</p> <ul style="list-style-type: none"> > Grow Demand From Asia Working Group > Investment and Regulatory Reform Working Group > Tourism Access Working Group > Tourism Quality Council of Australia > Digital Distribution Working Group > Indigenous Tourism Working Group > Tourism Research Advisory Board.
Build product quality through accreditation	<p>T-QUAL Accreditation program</p> <p>The T-QUAL Accreditation program was Australia's National Tourism Accreditation Framework (NTAF), developed by government and industry to promote quality experiences for tourism consumers by recognising sustainable and capable tourism operators nationally.</p> <p>Tourism Australia had primary responsibility for the development and implementation of the marketing strategy, brand guidelines and industry communications for T-QUAL Accreditation and its associated symbol of quality, the 'T-QUAL Tick'.</p> <p>The target audience for the 2013–14 consumer campaign was families, with the marketing mix consisting of digital advertising and public relations activities.</p> <p>Key highlights of the campaign included:</p> <ul style="list-style-type: none"> > 90,300 unique visitors to the TripAdvisor micro site > Achieving 263 per cent of the target clicks number from the behaviourally targeted digital banners > More than 50 media articles, with a potential reach of 23 million people and an advertising value of \$990,000. <p>The Government indicated in its pre-election tourism policy that it would transfer responsibility for T-QUAL Accreditation to industry through a tender process. The Government's tender process was unable to identify an industry provider that could implement a sustainable and self-funding model for the scheme, so T-QUAL Accreditation ceased to operate on 30 June 2014.</p>
Promote Indigenous tourism development	<p>Indigenous Tourism Champions Program</p> <ul style="list-style-type: none"> > Led the program with Indigenous Business Australia, promoting Australia's top Indigenous tourism products and helping champions to participate in trade and media promotions, familiarisation visits and consumer campaigns. > Educated inbound tour operators and wholesalers about Indigenous Tourism Champions through trade newsletters, product updates, champion profiles and trade events. > Distributed images of champions to consumers, inbound tour operators, wholesalers and the media through the Tourism Australia Image Gallery. > Profiled the Indigenous Tourism Champions at the ATE.

Deliverable (PBS 2013–14)	Highlight
Promote Indigenous tourism development	<p>Marketing and communications</p> <ul style="list-style-type: none"> > Partnered with the USA's Swain Destinations and the state and territory tourism organisations on a campaign to target affluent consumers seeking immersive and authentic experiences as part of their Australian vacation. Indigenous Tourism Champions were included in itineraries, as well as direct mail, advertising and online campaigns, through mediums including <i>Virtuoso Life</i> magazine, the Signature Travel network and Vacation.com. > Undertook an Indigenous Tourism Champions campaign with About Australia in the USA. The campaign ran from August to September 2013 in digital channels. The strategy aimed to generate new business for Indigenous tourism products by weaving them into mainstream vacation offers for Australia. Paul Watkins of About Australia noted: <i>"There is certainly a place for Indigenous-focused marketing campaigns to increase passenger numbers to Australia. I believe there is a strong consumer desire for this type of experience. As a result of this campaign we are now incorporating more Indigenous tours into our standard itineraries, offering an additional cultural incentive for clients to book Australia as opposed to another destination."</i>
Promote Australia's National Landscapes Program	<ul style="list-style-type: none"> > A dedicated 'Natural Australia' supplement featured in the April 2014 edition of <i>Australian Traveller</i>, showcasing 100 of Australia's best nature-based tourism experiences. > Launched the 'Natural Australia' app at the ATE in May 2014. The app showcases 16 natural icons and connects consumers and trade to 200 operators showcasing products across luxury, food and wine, Indigenous, wildlife and walking. > Completed filming on the National Landscapes Nature Series, a collection of 44 short films featuring rare insights into people and wildlife in stunning Australian landscapes. It is available on YouTube and at www.video.australia.com. > Held the 2013 National Landscapes Forum in the Greater Blue Mountains, bringing together participants from landscape regions, governments and the Reference Committee.
Undertake tourism research and disseminate insights on the 'global target customer'	<ul style="list-style-type: none"> > Profiled the global target customer by conducting specific leisure consumer behaviour research in key markets. > Continued to share the 'Insight files' – a portal for sharing consumer insights with stakeholders to help increase their understanding of trends and developments in key markets. > Shared insights into key markets and information on changing marketing environments through Market Profile publications to help improve communication with target customers. > Continued a program of consumer demand research, questioning target customers about their perception of Australian tourism products and experiences, and published summaries of this research on www.tourism.australia.com.

Deliverable (PBS 2013–14)	Highlight
Undertake tourism research and disseminate insights on the 'global target customer'	<ul style="list-style-type: none"> > Continued marketing performance research through specific campaign evaluations across all key markets, providing insights to help refine marketing activities. > Hosted 300 participants at the Australian Tourism Directions Conference in Canberra, with 90 per cent of delegates rating the event highly. > Held the second Australia Tourism Summit in January 2014 as part of the G'Day USA program. The Tourism Summit provided insights to help North American operators grow their business to Australia and support Australia's Tourism 2020 goals. The summit brought together leaders from tourism, luxury brands and media to share the latest trends and best marketing practices.
Engage industry stakeholders	<ul style="list-style-type: none"> > Held Market Advisory Panel meetings for China, India, Japan, North America, South Korea and the UK, providing insights and direction for strategy development and implementation in overseas markets. > Developed and shared information to heighten awareness and develop understanding of Australia's national tourism strategies, including <i>Essentials</i>, a weekly e-newsletter distributed to more than 5,000 subscribers, and a monthly business events e-newsletter distributed to 3,800 subscribers. > Presented at industry and government forums in Australia, including ATEC's Meeting Place, the Australian Regional Tourism Network conference, the South Australian Tourism Industry Council Conference, the Gold Coast Adventure Group Forum, the Global Eco Asia-Pacific Tourism Conference and the Asia-Pacific Incentives and Meetings Expo. > Hosted 1,200 participants at industry briefings with all state and territory tourism organisations, maintaining attendance levels from 2012–13. Ninety per cent of delegates rated the events highly. > Held the second Australia Tourism Summit in Los Angeles in January 2014, attended by 215 leaders from industry, trade and media. Post-event surveys showed attendees were highly satisfied with the event, with 95 per cent very likely to attend in 2015. > Hosted quarterly Destination Australia Marketing Alliance meetings with state and territory tourism organisations to discuss new and current joint activities. > Participated in the Brand Australia Marketing Forum.



Melbourne Star, Docklands, VIC – Image courtesy of Roberto Seba *Best Jobs in the World* winner

3.3.3

Strengthen the travel distribution system

Program objective: Work with industry and the state and territory governments to develop and present products that meet changing consumer needs and ensure products are easy to access for potential travellers.

Overall result: achieved deliverables

- > Delivered quality trade events.
- > Undertook trade development of travel agents through the Aussie Specialist Program (ASP) and dedicated familiarisation visits and educational programs for business events decision-makers.
- > Led enhanced national coordination of distribution activities.

Key challenges:

- > The tourism industry is one of the most competitive and fast-changing industries in the world and is heavily influenced by advances in technology and changes in consumer behaviour. To ensure Australia can effectively compete, our tourism industry needs efficient distribution of tourism products and experiences.
- > Travel agents are primary intermediaries in the travel purchase process. They can play an important role in the travel decision process. Tourism Australia needs to continue to develop and refresh its training products and initiatives to be competitive.

Looking forward:

- > Tourism Australia will continue to collaborate with industry and the state and territory tourism organisations to develop best-practice distribution vehicles and platforms. This will include:
 - > Acting on recommendations from the review of the ASP
 - > Monitoring the development of online distribution
 - > Refining the marketing roles and responsibilities of Tourism Australia and the state and territory tourism organisations to become more effective and efficient
 - > Making Tourism Australia's trade events more efficient, including standardisation where appropriate.

HELPING TARGET CUSTOMERS ACCESS QUALITY AUSTRALIAN TOURISM PRODUCTS AND EXPERIENCES

In March 2013, Tourism Australia and its state and territory tourism partners published *Distribution 2020: Situational Analysis*, a report examining how Australian tourism products are distributed internationally. The comprehensive review provides the tourism industry with an overview of potential new distribution models across Australia's key holiday markets.

Tourism Australia commissioned the review to ensure the Australian tourism industry is distributing tourism products in the most efficient and effective way. In response to the report, the organisation is working with states and territories to improve the coordination and delivery of these products.

Initiatives undertaken in 2013–14 included:

- > Reviewing the Aussie Specialist Program
- > Changing the Australian Tourism Exchange
- > Introducing best practices for trade missions and familiarisation visits
- > Working with state and territory tourism organisations to increase coordination of marketing activity
- > Developing a plan of trade activities in each market, centred on promoting Australia and improving efficiency.

Aussie Specialist Program review

The Aussie Specialists Program (ASP) is Tourism Australia's global online training program, designed to give travel agents and distributors the knowledge and skills to sell Australia more effectively. At 30 June 2014, Tourism Australia had 29,694 registered agents (up 18 per cent compared to 2012–13), in more than 110 countries and speaking more than 12 languages.

While the ASP has long been regarded as one of the leading training programs of its type in the world, the 2020 Distribution Strategy identified opportunities for improvement. In 2013–14, a global review was undertaken. The review found that the ASP is a high-quality platform that is valued for its role in trade activities. Strong satisfaction and recommendations from its users place the platform 'above average' when compared to other travel programs; however, it is no longer the stand-out program that it once was.

Work is now underway to improve the image of the ASP. By the end of 2015, it is envisioned that the program will be a dynamic world-class platform to help global retail distributors, state and territory tourism organisations and industry partners connect and sell Australian holidays more effectively. A blended learning approach will enhance our partnership model and help connect the ASP community with Australian tourism operators and state and territory tourism organisations through digital tools, trade events and familiarisation visits, as well as face-to-face training.

Agents from Greater China learn about Australian products and experiences first hand

The first Corroboree event for the Greater China market was held on the Gold Coast in June 2014, bringing together 120 of Australia's leading tourism operators, key trade and media with 270 Aussie Specialist agents from Mainland China, Hong Kong and Taiwan. The agents had the chance to learn from quality Australian sellers, strengthening their product knowledge and enhancing their ability to promote their products to Chinese travellers. Corroboree Greater China 2014 was hosted by Tourism Australia, in partnership with Gold Coast Tourism, and Tourism and Events Queensland.

DEVELOPING THE BUSINESS EVENTS TRADE

During 2013–14, Business Events Australia staged 10 educational visits for business events and corporate decision-makers from China, Hong Kong, New Zealand, South-East Asia, South Korea, the UK and the USA. The education program enabled Business Events Australia, state convention bureaux and the tourism industry to showcase Australia's best incentive offerings.

Tourism Australia and the state and territory tourism organisations also showcased Australia's business events capabilities with dedicated in-market functions. These included events across Jakarta, Kuala Lumpur, Seoul, Shanghai and Singapore. The North Asia showcase aligned with Australia Week in China, demonstrating the theme 'There is nothing like Australia for business events'.

Business Events Australia led delegations at business events conferences across the world, including the China Incentives, Business Travel and Meetings Expo (CIBTM) in Shanghai, the Pacific Area Incentives and Conferences Expo (PAICE) in New Zealand, the European Incentive, Business Travel and Meetings Exhibition (EIBTM) in Spain, and IMEX in the USA and Germany.

Chinese business events agents enjoy the Aussie experience

Business Events Australia hosted Chinese business events agents on a six-day dual-destination visit. The group landed on the Gold Coast, where they met native Australian wildlife and ascended to the top of the SkyPoint building. Their next stop was Tasmania, where they discovered the island's natural beauty and enjoyed a seafood experience with Rob Pennicott of Pennicott Wilderness Journeys.



Chinese Business Events agents get a taste for Australian seafood

TRAVEL DISTRIBUTION SYSTEM HIGHLIGHTS OF 2013–14

Deliverable (PBS 2013–14)	Highlight																																																						
Deliver trade events	<p>Managed and participated in a range of trade events in Australia and overseas to promote Australia as a destination for leisure and business events travel:</p> <ul style="list-style-type: none">> Participated in or coordinated 20 international trade shows, travel markets and trade missions in markets around the world, enabling Australian tourism businesses to meet travel agents and wholesalers, and build new relationships and distribution networks.> Brought 700 travel wholesale and retail buyers together with 1,700 representatives from 600 Australian tourism companies at the ATE, which received an overall satisfaction rating of 99 per cent from buyers and 96 per cent from sellers.> Hosted the Australia stand at business events tradeshow, including CIBTM in Shanghai, IMEX Frankfurt, IMEX USA, EIBTM in Barcelona, PAICE in New Zealand and the International and European Associations Congress in Portugal.> Partnered with TravMedia to deliver the inaugural ATE International Media Marketplace in Palm Cove, Queensland, in May 2014. The event connected more than 75 international and domestic media with state and territory tourism organisations and 65 Australian tourism operators through one-on-one appointments and networking events. The New Media Workshop program provided an opportunity to hear from some of Australia’s leading social media and digital experts and learn from industry best practice. <table><tr><th>EVENT</th><th>DATE HELD</th><th>COUNTRY</th></tr><tr><td>National Landscapes Forum</td><td>24–26 July 2013</td><td>Australia</td></tr><tr><td>India Travel Mission</td><td>25–28 August 2013</td><td>Australia</td></tr><tr><td>China Incentives, Business Travel and Meetings Expo</td><td>2–4 September 2013</td><td>China</td></tr><tr><td>TTG Incontri</td><td>17–19 October 2013</td><td>Italy</td></tr><tr><td>IMEX America</td><td>15–17 October 2013</td><td>USA</td></tr><tr><td>Corroboree Greater China</td><td>25–27 June 2014</td><td>Australia</td></tr><tr><td>World Travel Market</td><td>4–7 November 2013</td><td>UK</td></tr><tr><td>Pacific Area Incentives and Conferences Expo</td><td>13 November 2013</td><td>New Zealand</td></tr><tr><td>European Incentive, Business Travel and Meetings Exhibition</td><td>18–20 November 2013</td><td>Spain</td></tr><tr><td>International Luxury Travel Market</td><td>1–4 December 2013</td><td>France</td></tr><tr><td>Dreamtime</td><td>9–13 December 2013</td><td>Australia</td></tr><tr><td>ATEC Meeting Place</td><td>4 December 2013</td><td>Australia</td></tr><tr><td>Asia Pacific Incentives and Meetings Expo</td><td>17–19 February 2014</td><td>Australia</td></tr><tr><td>Indonesia Sales Mission</td><td>23–26 February 2014</td><td>Indonesia</td></tr><tr><td>Internationale Tourismus Börse</td><td>5–9 March 2014</td><td>Germany</td></tr><tr><td>European New Product Workshop</td><td>7–9 April 2014</td><td>UK</td></tr><tr><td>Business Events North Asia Roadshow</td><td>6–11 April 2014</td><td>Singapore, Malaysia and Indonesia</td></tr></table>	EVENT	DATE HELD	COUNTRY	National Landscapes Forum	24–26 July 2013	Australia	India Travel Mission	25–28 August 2013	Australia	China Incentives, Business Travel and Meetings Expo	2–4 September 2013	China	TTG Incontri	17–19 October 2013	Italy	IMEX America	15–17 October 2013	USA	Corroboree Greater China	25–27 June 2014	Australia	World Travel Market	4–7 November 2013	UK	Pacific Area Incentives and Conferences Expo	13 November 2013	New Zealand	European Incentive, Business Travel and Meetings Exhibition	18–20 November 2013	Spain	International Luxury Travel Market	1–4 December 2013	France	Dreamtime	9–13 December 2013	Australia	ATEC Meeting Place	4 December 2013	Australia	Asia Pacific Incentives and Meetings Expo	17–19 February 2014	Australia	Indonesia Sales Mission	23–26 February 2014	Indonesia	Internationale Tourismus Börse	5–9 March 2014	Germany	European New Product Workshop	7–9 April 2014	UK	Business Events North Asia Roadshow	6–11 April 2014	Singapore, Malaysia and Indonesia
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Deliverable (PBS 2013–14)	Highlight												
Deliver trade events	<table><tr><th>EVENT</th><th>DATE HELD</th><th>COUNTRY</th></tr><tr><td>IMEX Frankfurt</td><td>20–22 May 2014</td><td>Germany</td></tr><tr><td>Australian Tourism Exchange</td><td>11–15 May 2014</td><td>Australia</td></tr><tr><td>International and European Associations Congress</td><td>27–29 April 2014</td><td>Portugal</td></tr></table>	EVENT	DATE HELD	COUNTRY	IMEX Frankfurt	20–22 May 2014	Germany	Australian Tourism Exchange	11–15 May 2014	Australia	International and European Associations Congress	27–29 April 2014	Portugal
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IMEX Frankfurt	20–22 May 2014	Germany											
Australian Tourism Exchange	11–15 May 2014	Australia											
International and European Associations Congress	27–29 April 2014	Portugal											
Undertake trade development	<p>Delivered the ASP, including recruiting and training agents, holding specific events for retail travel agents and delivering product information with state and territory tourism organisations. This included:</p> <ul style="list-style-type: none">> Improving overall participation in the program, increasing the number of registered agents by 18 per cent to 29,694.> Launching a program for inbound tour operators, extending the program beyond travel agents.> Arranging familiarisation visits for international travel agents to build direct connections with the Australian tourism industry, including the inaugural Corroboree China. <p>Held training sessions for travel sellers in key markets, including:</p> <ul style="list-style-type: none">> The annual Indian Travel Mission in Goa, where 100 top-selling Indian travel sellers met with operators of 50 Australian tourism products, as well as the state and territory tourism organisations, Air India and Malaysia Airlines.> The Indonesia Sales Mission.												
Lead enhanced national coordination of distribution activities	<ul style="list-style-type: none">> Continued rolling out the 2020 Distribution Strategy.> Produced the <i>2014–15 Working with Tourism Australia: Global Marketing Prospectus</i>, outlining the opportunities, resources and programs available to help the tourism industry reach target customers.> Produced seven short videos where tourism operators explained how they keep up to date with Tourism Australia and how they use the resources, research and programs available to help them grow their business.> Produced Volume 4 of the <i>Planning for Inbound Success</i> guide, outlining the basic tools, knowledge and key contacts tourism operators need to enter the tourism export market.> Organised the Australian Village at the World Youth and Student Travel Conference, which enabled industry and state and territory partners to promote Australia as a youth destination.> Supported the cruise sector by working closely with Cruise Down Under and state and territory partners.> Presented at industry and government forums in Australia, including the Australian Regional Tourism Network conference, Australian Tourism Export Council, Discover South Australia conference and various regional tourism organisation industry workshops across Australia.												



Blue Mountains, NSW – Image: Ellenor Argyropoulos, Tourism Australia's own *Best Jobs in the World* winner

3.4

Our corporate governance and accountability

3.4.1

Enabling legislation and responsible minister

Tourism Australia's governance arrangements are prescribed by the *Tourism Australia Act 2004* (TA Act) and the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The TA Act is Tourism Australia's enabling legislation and describes the organisation's specific objectives, functions and powers. The CAC Act describes the financial management, accountability and audit obligations of Commonwealth statutory authorities. As a portfolio agency, Tourism Australia must also consider and apply Ministerial Directions and Statements of Expectations issued from time to time by the Minister for Trade and Investment, the Hon. Andrew Robb AO MP.

Parliamentary accountability

Tourism Australia is accountable to the Australian Parliament through the Senate Estimates process, Senate Orders, and the tabling of its annual report and CAC Act compliance report. In 2013–14, Tourism Australia participated in the Senate Standing Committees on Foreign Affairs, Defence and Trade Supplementary Budget Estimates hearings in November 2013; its Additional Budget Estimates hearing in February 2014; and its Budget Estimates hearing in June 2014.

3.4.2 Board and committees

Tourism Australia Board

Tourism Australia is governed by a nine-person Board of Directors. As prescribed in Part 3 of the TA Act, the Board's main responsibilities are to ensure the proper and efficient performance of Tourism Australia's functions and to determine Tourism Australia's policies.

Specifically, the Board is accountable for ensuring that there is an appropriate governance framework to enable Tourism Australia to fulfil its statutory mandate, and that the organisation acts in line with the general policies, guidelines and directions of the Australian Government.

From 1 July 2014, Tourism Australia's compliance arrangements move to the Public Governance Performance and Accountability (PGPA) Act 2013, as part of the Australian Government's public management reform agenda.

Under the Board Charter, the Board's responsibilities include:

- > Setting Tourism Australia's strategic direction, including approving strategies and targets and establishing policies
- > Monitoring Tourism Australia's business
- > Communicating with the Minister for Trade and Investment
- > Complying with general government policy as directed by the Minister for Trade and Investment and according to Tourism Australia's statutory obligations
- > Determining, upholding and promoting Tourism Australia's corporate values and Code of Conduct
- > Ensuring that Tourism Australia performs its functions and exercises its powers in a manner consistent with, and designed to give effect to, the current Corporate Plan and Annual Operational Plan
- > Selecting the Managing Director and monitoring his or her performance
- > Reviewing the performance of executive management
- > Ensuring Tourism Australia's corporate governance is sound, including in terms of effective risk management, legal compliance, strategic direction and appropriate structure.

In addition to these responsibilities, the Board must balance Tourism Australia's competing demands, remain independent from executive management, and consider the particular interests of all stakeholders and the wider public.

Tourism Australia holds directors' and officers' liability insurance to the amount of \$100 million with Comcover, the Australian Government's general insurance fund.

Tourism Australia Board

Board members and meeting attendance in 2013–14

	BM082	BM083	BM084	BM085	BM086	BM087	BM088	TOTAL	TOTAL	%
	8 AUG 1	11 SEP 13	28 OCT 13	12 DEC 13	13 FEB 14	20 MAR 14	5 JUN 14	ATTENDED	ELIGIBLE	ATTENDED
	SYDNEY	SYDNEY	SYDNEY	SYDNEY	ADELAIDE	SYDNEY	SYDNEY			
GEOFF DIXON Chairman	Y	Y	Y	Y	Y	Y	Y	7	7	100
KATE LAMONT Deputy Chair	Y	Y	Y	Y	Y	Y	Y	7	7	100
DIDIER ELZINGA Director	Y	Y	Y	Y	Y	Y	Y	7	7	100
BRETT GODFREY Director	Y	Y	Y	Y	Y	Y	Y	7	7	100
TERRI JANKE Director	Y	Y	Y	Y	Y	Y	Y	7	7	100
SANDRA MCPHEE Director	Y	N	Y	Y	Y	Y	Y	6	7	86
MARK STONE Director	Y	Y	Y	Y	Y	Y	Y	7	7	100
JANET WHITING Director	Y	Y	Y	Y	Y	Y	Y	7	7	100
ANDREW MCEVOY Managing Director	Y	Y	Y	Y				4	4	100
JOHN O'SULLIVAN Managing Director							Y	1	1	100
TOTAL	9	8	9	9	8	8	9	95%		

Tourism Australia Board Audit and Finance Committee

Under the CAC Act, Tourism Australia is required to have an Audit and Finance Committee. The Committee provides independent assurance and assistance to the Board on Tourism Australia's risk, control and compliance framework, as well as its financial reporting responsibilities. The Committee is also responsible for advising the Board on Tourism Australia's legislative compliance, and on internal and external audit programs.

Board Audit and Finance Committee members and meeting attendance in 2013–14

	AUD046	AUD047	AUD048	AUD049	AUD050	AUD051	TOTAL	TOTAL	%
	8 AUG 13	28 OCT 13	12 DEC 13	13 FEB 14	20 MAR 14	5 JUN 14	ATTENDED	ELIGIBLE	ATTENDED
	SYDNEY	SYDNEY	SYDNEY	ADELAIDE	SYDNEY	SYDNEY			
JANET WHITING Chair	Y	Y	Y	Y	Y	Y	6	6	100
DIDIER ELZINGA Member	Y	Y	Y	Y	Y	Y	6	6	100
SANDRA MCPHEE Member	Y	Y	Y	Y	Y	Y	6	6	100
TOTAL	3	3	3	3	3	3	100%		

Tourism Australia's leadership



Our Minister

The Hon. Andrew Robb AO MP

Minister for Trade and Investment

Following the Coalition victory at the 2013 election, Andrew Robb was appointed to the Cabinet as Minister for Trade and Investment.

Prior to his current role, Andrew held positions as Chairman of the Government's Workplace Relations Taskforce, Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs, and Minister for Vocational and Further Education. In Opposition, he held positions as Shadow Minister for Foreign Affairs, Shadow Minister for Infrastructure and Climate Change, Chairman of the Coalition Policy Development Committee, and Shadow Minister for Finance, Deregulation and Debt Reduction.

Before entering politics, Andrew held senior positions in commerce and industry that included advising major companies in Australia and overseas. He also built an Australia-wide direct marketing technology company, was on the investment team for the Gorgon gas project and was a board member of Sinclair Knight Merz, Australia's largest consulting engineering company. In 2003, Andrew was appointed as an Officer of the Order of Australia for his service to agriculture, politics and the community.

"Tourism is a critical component of my focus to increase export income, attract more international investment, create more jobs and strengthen Australia's prosperity. Tourism operates in a global marketplace and we are determined to demonstrate to the world that we are very much open for business."

THE HON. ANDREW ROBB AO MP



Our Board

Geoff Dixon

Chairman

Geoff Dixon is Chairman of the Garvan Medical Research Foundation and sits on the boards of publicly listed Australian companies Crown Limited and Adslot Limited. Geoff is also on the boards of the Museum of Contemporary Art Australia and the Local Organising Committee of the AFC Asia Cup 2015, and he is an Ambassador for the Australian Indigenous Education Foundation. Geoff was Managing Director and Chief Executive Officer of Qantas Airways Limited from 2001 to 2008. He joined Qantas in 1994, and also acted as Chief Commercial Officer and, for two years, Deputy Chief Executive. He has also worked in the media, mining and government sectors.



Kate Lamont

Deputy Chair

Kate Lamont has three decades of experience in culinary tourism in Western Australia. She is a managing partner in the Lamont's family business, an integrated food and wine operation incorporating grape growing, wine production and sales, which produces more than 8,000 cases per annum. The business operates restaurants, liquor stores and bars in the Swan Valley, Margaret River, Perth central business district and Cottesloe. Previously, Kate served as the Chair of Tourism Western Australia.



Terri Janke

Director

Terri Janke is Solicitor Director of Terri Janke and Company, a Sydney-based legal firm specialising in intellectual property law. She has extensive experience in Indigenous culture and intellectual property at the international and national levels. Terri is also a council member of the Australian Institute of Aboriginal and Torres Strait Islander Studies and Chair of National Indigenous Television.



Sandra McPhee

Director

Sandra McPhee currently serves on the boards of Australia Post, AGL Energy Limited, and St Vincents and Mater Health. She is also the Vice President of the Art Gallery of NSW. Sandra has previously held non-executive director roles at Coles Group Limited, CARE Australia, Perpetual Limited and SA Water. She has extensive international senior executive leadership experience in consumer-facing roles with major international brands, including Qantas and the Traveland Group.

Our Board



Janet Whiting

Director

Janet Whiting has extensive legal experience in corporate governance, probity and regulation. Janet has been a partner of the national law firm Corrs Chambers Westgarth since 1991, practising as a commercial lawyer in litigious and non-litigious areas and advising leading Australian organisations. Janet has also been actively involved in the not-for-profit sector, in the areas of arts and health. She is the Deputy Chairman of the Victorian Major Events Company, President of the Victorian Arts Centre Trust and a Director of the National Australia Day Council. She has also served as a director on a number of boards, including the Royal Women's Hospital (Melbourne), L'Oréal Melbourne Fashion Festival, State Film Centre Council of Victoria and Melbourne International Film Festival. She is the Vice President of Melbourne International Festival of the Arts Limited, and Women's and Children's Health, as well as the Chairman of the Harold Mitchell Foundation and the Royal Women's Hospital Foundation.



Brett Godfrey

Director

Brett Godfrey is a leading aviation industry figure who was Chief Executive Officer of Virgin Blue until stepping down in 2010. He has a strong financial background and has won a number of awards, including the 2003 Centenary Medal for services to the Queensland tourism industry, the 2004 Chief Executive Officer of the Year for the Customer Service Institute Awards and the 2003 Outstanding Chartered Accountants in Business Award.



Mark Stone

Director

Mark Stone is currently the Chief Executive Officer of the Victorian Employers' Chamber of Commerce and Industry. He has a wealth of experience in the areas of natural resources, tourism investment and infrastructure. He has held senior positions in four natural resource management agencies, in regional and metropolitan Victoria.

Our Board



Didier Elzinga
Director

Didier Elzinga is a leading Australian software and new technology expert. A former Chief Executive Officer of Rising Sun Pictures, he oversaw digital effects for popular and successful films including *The Lord of the Rings* and *The Last Samurai*. Didier is also the founder and Chief Executive Officer of Culture Amp, a people-development software company that helps fast-growing companies adopt a radical approach to performance reviews. He has strong skills in harnessing current and emerging technologies, as well as business, financial management, marketing and promotional skills.

Anna Guillan, Tony South and Andrew Fairley were appointed to the Tourism Australia Board in July 2014 following the departure of Terri Janke, Didier Elzinga and Janet Whiting.

Anna Guillan

Director (from July 2014)

With a respected career in tourism sales and marketing, Anna Guillan is the Australia and New Zealand Regional Director of Sales and Marketing for Kerzner International, a global operator of luxury resorts. An alumnus of the year, and with an MBA in Tourism and Hotel Management, Anna served as Vice Chair of the Australian Tourism Export Council and was acknowledged with its Outstanding Contribution to Industry Award in 2013. Anna currently serves on the board of Tourism and Events Queensland, and is also a Non-Executive Director of aeromedical retrieval service CareFlight, and a co-founder and director of cancer support group The NELUNE Foundation.

Tony South

Director (from July 2014)

Tony South is the Chairman of Tourism Accommodation Australia, a role he took up following his retirement as Chief Development Officer of InterContinental Hotels Group Asia-Pacific in 2011. A Chartered Accountant, Tony has more than 40 years of accounting, management, property brokerage and consulting experience, mostly in the tourism, hospitality and leisure sectors. He is currently a director of Campus Living Funds Management Limited and CAMS Limited (the Confederation of Australian Motor Sport).

Andrew Fairley

Director (from July 2014)

Andrew Fairley has developed a distinguished association with ecotourism, conservation, parks and resort management over many years and has significant international tourism experience. In addition to his Board position with Tourism Australia, Andrew is the Chairman of Parks Victoria and a Director of Tourism Victoria. Andrew is also the Chairman of Equisuper, an industry super fund that manages \$6.5 billion in assets for the energy and water sector. He is regarded as one of Australia's leading superannuation lawyers. He has been awarded a number of prestigious accolades in the tourism sector, including the 2006 Australian Travel Innovators Award from *Travel + Leisure* magazine.

Our Executive



Managing Director

John O'Sullivan, Managing Director

As the Managing Director of the nation's global tourism marketing agency, John is responsible for driving strategies to achieve Tourism 2020, helping to grow the sector to between \$115 billion and \$140 billion annually by the end of the decade.

John joined Tourism Australia in March 2014 as Managing Director. He was previously Chief Operating Officer of Fox Sports. He has also held executive positions with Events Queensland (Chief Executive from 2010 to 2012) and Football Federation Australia (Chief Commercial Officer from 2004 to 2010), as well as with the Sydney 2000 Olympic and Paralympic Organising Committee and the 1995 Rugby World Cup.



International

Frances-Anne Keeler, Executive General Manager

Tourism Australia's International division is responsible for global marketing operations and Business Events Australia, working in partnership with the Australian tourism industry to grow the inbound market. Tourism Australia's seven international hubs undertake consumer marketing and industry development in 18 international markets, with rest-of-world activity managed by the Sydney-based International Operations team. Business Events Australia focuses on marketing and trade events in nine international markets.

Frances-Anne is the Executive General Manager International for Tourism Australia. She joined Tourism Australia in July 2008. Prior to that, she was Regional Director Europe for VisitBritain, the UK's national tourist board, where she was responsible for marketing and operations in 18 countries. She has more than 15 years of experience in destination marketing and has managed teams across Europe, the Middle East, Africa and North America.



Consumer Marketing

Nick Baker, Chief Marketing Officer

Consumer Marketing is responsible for the creation and development of Tourism Australia's brand assets for global campaigns and the domestic marketing of Australia. Consumer Marketing manages the roll-out of Tourism Australia's global marketing strategy, ensuring that Australia's tourism marketing efforts continue to cut through in the competitive international marketplace.

Nick joined Tourism Australia in August 2007 following 10 years with Voyages Hotels and Resorts as Executive General Manager Sales and Marketing.

Our Executive



Destination Development

Katherine Droga, General Manager

Destination Development is responsible for supply-side issues, including aviation growth and attracting new investment to Australian tourism. It includes trade events, industry development, Indigenous tourism and the National Landscapes Program.

Katherine is a long-serving member of Tourism Australia. She joined the national tourism organisation in February 2005 as Manager Australia Marketing. She was later promoted to Regional General Manager Continental Europe, which saw her spend four years in Frankfurt.



Corporate Affairs

Karen Halbert, General Manager

The Corporate Affairs team is Tourism Australia's main interface with government, Australian news media and the tourism industry.

Karen has extensive experience in corporate affairs, with a strong background in government and media relations. Prior to joining Tourism Australia, Karen worked as the Principal Advisor – Media Relations for Rio Tinto and also held senior positions at Macquarie Group and AstraZeneca. Karen has also worked for a federal MP.



Strategy

Nell Anderson, General Manager

The Strategy team is responsible for delivering corporate plans aligned to the Tourism 2020 strategy, as well as reporting on industry and Tourism Australia performance.

Nell has extensive experience in strategy development. Prior to joining Tourism Australia, she held a range of senior Asia-Pacific roles at Merck Sharp & Dohme, with extensive work in Australia, China and India, as well as other markets across the region.



Corporate Services

Mark Craig, General Manager

Corporate Services is responsible for enabling the business and improving corporate governance through information technology, finance, administration, human resources, legal advice and board secretariat duties.

Prior to joining Tourism Australia, Mark was Chief Financial Officer at the NSW Human Services Department. He has also held senior executive roles with EnergyAustralia, Scottish Water and Ernst & Young.

3.4.3 Corporate governance

Tourism Australia is committed to implementing best practice in matters of corporate governance, and to ensuring accountability, integrity, transparency and efficiency are reflected in its day-to-day operations. Tourism Australia places a strong emphasis on the importance of these values by ensuring that:

- > There is a focus on project planning and that the performance of key projects and contracts is monitored in line with best practice
- > There is open communication with the Australian Government, the Minister for Trade and Investment, and the applicable regulatory bodies
- > Sound risk management policies and procedures are in place.

Governance practices, including corporate and operational planning, reporting and review

Tourism Australia has a robust internal governance framework that ensures business operations are compliant with relevant local and foreign legislation, yet enables strong commercial performance.

Through annual corporate and operational planning processes, quarterly business evaluations and an annual internal audit program, Tourism Australia can assess the effectiveness of its governance framework and its vulnerabilities to new and emerging risks. Tourism Australia also undertakes:

- > Systematic scrutiny of operations through its participation in internal and external audits, and scrutiny of internal controls set out in organisational policies and procedures
- > Regular reviews of key governance documents such as the Board and Audit and Finance Committee charters, the Delegations Policy and Instrument, the Industry Advisory Panel Guidelines and the Code of Conduct

- > Rolling risk assessment and risk planning programs
- > Regular training in corporate governance for staff both in Australia and overseas
- > Standard internal and external compliance reporting.

Consultancies and contracts

In 2013–14 Tourism Australia had an ongoing contract with one consultancy with a total value of \$150,645.

All major contracts undertaken in 2013–14 included a requirement for contractors to allow access to their premises by the Australian National Audit Office. In accordance with Commonwealth Procurement Rules, Tourism Australia's 2013–14 annual procurement plan and information in regard to all contracts over \$400,000 were published on the AusTender website at tenders.gov.au.



Barramundi Gorge, Kakadu National Park, NT – Image: Ellenor Argyropoulos, Tourism Australia's own *Best Jobs in the World* winner

3.4.5 Audit

In 2013–14, Tourism Australia's internal audit function was performed by Ernst & Young to provide independent, objective assurance and advice. This year's internal audit plan was developed in line with Tourism Australia's strategic risks and focused on six key areas of operation, including work health and safety, partnership marketing, implementation of new business systems, business continuity management, and the strategic planning and budgeting processes.

Tourism Australia's external audit function is performed by the Australian National Audit Office, and this report is included in the financial statements on page 88. No material audit issues or compliance breaches were noted during the year.

3.4.6 Fraud control

Chairman's statement on fraud control

"I am satisfied that Tourism Australia has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes, in line with its fraud risk assessment and fraud control plan. I am also satisfied that these arrangements meet the specific needs of Tourism Australia, and that all reasonable measures to minimise the incidence of fraud, as well as investigate and recover the proceeds of fraud, have been taken. There were no reported fraud incidents during 2013–14."

GEOFF DIXON, CHAIRMAN

3.4.7 Freedom of Information

Tourism Australia is required to comply with the *Freedom of Information Act 1982*. Tourism Australia received two Freedom of Information requests during 2013–14 and has published this information on its corporate website, www.tourism.australia.com, in line with the Australian Government's Information Publication Scheme.

3.4.8 Ethics

Tourism Australia's two corporate values are professionalism and integrity. Staff are inducted in the organisation's Code of Conduct, including the corporate values and governance basics, upon joining the organisation. They are also required to sign the Code to declare they accept its provisions and commit to upholding them. Tourism Australia's Code of Conduct and other ethics policies are updated regularly and are available to all staff on the Tourism Australia intranet. Certain ethics policies are also published on Tourism Australia's corporate website in the 'About Us' section.

3.4.9 Environmental performance

Energy and waste

Tourism Australia's Sydney head office is situated in the MidCity complex at 420 George Street, which has an unassisted 5 Star NABERS rating and a 5 Star Green Star rating.

Tourism Australia continued to minimise its environmental impact in 2013–14. Key practices included the following:

- > Double-sided printing and copying was set as the default option on all printers and photocopiers
- > The majority of office copy paper was sourced from sustainably managed plantations
- > Paper and waste recycling systems were installed in workspaces and kitchen areas for a variety of office supplies and consumables
- > Contract cleaners ensured recyclable materials were not contaminated by food waste.

During the year, Tourism Australia installed more energy-efficient printers, and replaced and upgraded video and web-conferencing systems at its head office. This has lowered energy consumption and helped reduce carbon emissions generated by staff travel.

All lighting in the head office is activated by motion sensors, with the timing function set at the lowest workable level.

3.5 Our human resources

2013–14 key achievements

- > Strong results in the engagement, culture and service survey indexes (91 per cent staff engagement rate).
- > Developed and implemented a 'stretch' Reconciliation Action Plan – the first Australian Government agency to do so.
- > Continued executive and leadership learning and development to ensure core skills training is appropriate, cost-effective and consistent.
- > Tourism Australia's 'Careers' page was the number one national tourism organisation online careers platform.
- > Introduced a work health and safety induction program to keep staff up to date with changes to work health and safety legislation, including identifying and addressing work health and safety risks within business groups.

In 2013–14, Tourism Australia continued to build a constructive culture, an efficient organisational structure, and effective communication and decision-making channels.

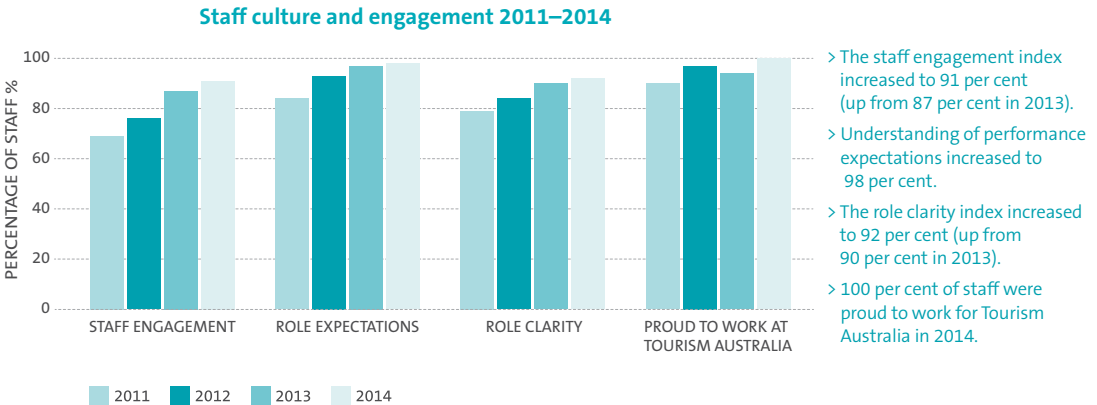
The organisation's values are based on the following principles:

- > *There's nothing like getting value for money.* Tourism Australia encourages staff to treat every dollar as if it is their own. This means being accountable in managing money, planning work effectively, looking for efficiencies and achieving value for money in all their endeavours.
- > *There's nothing like an enquiring mind.* Tourism Australia's staff members are enthusiastic, collaborative and creative. They are hungry for knowledge and are always looking for ways to improve outcomes for Australian tourism.
- > *There's nothing like sharing for success.* Tourism Australia expects its staff members to work together cooperatively and professionally, to be respectful and trusting of others, to collaborate freely, to focus on the customer, and to use their expertise and experience to get the best possible results.



Balmoral Beach, Sydney, NSW – Image: Ellenor Argyropoulos, Tourism Australia's own *Best Jobs in the World* winner

Figure 5: Key results from the Tourism Australia staff survey, 2011–2014



3.5.1 Workforce planning

Tourism Australia continued to create a culture of high performance and to evolve its organisational capabilities and structures to meet the changing demands of a digital and content-driven industry. Attracting the right calibre of staff with the required skills sets and managing them effectively are central to achieving the Tourism 2020 vision. In 2013–14 the organisation focused on programs designed to develop people management capability throughout the business.

3.5.2 Attracting and retaining staff

Tourism Australia has a strong and positive brand and value proposition. Staff retention rates remained above industry averages in 2013–14. Ninety-one per cent of new staff stayed for at least 12 months (surpassing the 90 per cent target), and 89 per cent stayed for at least two years (against a target of 80 per cent). Voluntary turnover for 2013–14 was 9.1 per cent (against a target of 12.5 per cent), lower than in 2012–13 (17.6 per cent).

3.5.3 Staff statistics

At 30 June 2014, Tourism Australia employed 206 staff. Ninety-two (45 per cent) were employed overseas, and 68 per cent were female (compared to the industry average of 49 per cent). The Global Leadership Team comprised 39 per cent women. Tourism Australia's workforce is younger than the Australian average of 41.2 years, at 38.3 years.

3.5.4 Indigenous participation

Tourism Australia's Reconciliation Action Plan aims to increase demand for Indigenous tourism experiences by improving industry and consumer awareness of their quality and diversity.

In November 2012, Tourism Australia committed to achieving 5 per cent Indigenous representation in its Sydney office by 2014–15. By the end of 2013, the Sydney office had 4.2 per cent Indigenous representation. Tourism Australia is also increasing its employment of Indigenous Australians by collaborating with other Australian Government agencies, Reconciliation Australia, the Tourism Employment Plan Indigenous Working Groups, and Indigenous stakeholders and their communities.

3.5.5 Training and development

A Learning Needs Analysis was conducted in late 2013, which informed the creation of the Learning and Development Strategy. This strategy identified the key focus areas for the year, which saw the roll-out of programs around business storytelling (and presentation skills), cross-cultural acumen, negotiation for partnerships and executive coaching.

Corporate governance training was delivered regularly across the business throughout 2013–14, as was training in risk management, work health and safety, and governance. Functional heads have continued to drive business unit-specific training, in areas such as technology, marketing, digital strategy, social media and communications. Training has also been delivered to support the Business System Replacement Program around procurement, payroll and human resources.

3.5.6 Work health and safety

Tourism Australia is committed to protecting its key asset – its people – and strives to provide a workplace that is safe for all workers; poses no risk to the environment; and is compliant with relevant legislation, standards and codes of practice.

Tourism Australia also ensures that its key employment policies, procedures and practices comply with the requirements of the *Work Health and Safety Act 2011*, the *Disability Discrimination Act 1992*, the *Racial Discrimination Act 1975* and the *Sex Discrimination Act 1984*.

Key work health and safety initiatives in 2013–14

- > Held a Health and Safety Week that centred on stress management, bullying and harassment training, and First Aid courses for Australia-based staff. Regional offices then used the Australian program to develop their own local activities, which ran throughout quarters one and two.
- > Reviewed safety systems and processes for large events. Specialist safety risk management consultants were engaged to develop event-specific advice and materials.
- > Launched a new global Safe Workplace online induction module for all staff.

Wellbeing

Tourism Australia continued to provide a range of initiatives to support the wellbeing of its staff, offering annual health assessments, influenza vaccinations and its Employee Assistance Program to all staff members.

3.5.7 Workers compensation and industrial disputes

In 2013–14, Tourism Australia received one workers compensation claim. Fifty days of time were lost due to reported injuries.

3.5.8 Work health and safety incidents

Four work health and safety incidents were reported to Tourism Australia management during 2013–14.

3.5.9 Looking forward

In 2014–2015, Tourism Australia will build on its current People Strategy, focusing on identifying and developing great talent; building on skills and competencies; and delivering an efficient organisational structure that enables digital work practices. This will involve:

- > Focusing on managing Tourism Australia's talent and creating a globally oriented workforce with strong capabilities in Asia
- > Continuing to build digital content capability and capacity
- > Developing Tourism Australia's leadership capabilities
- > Evolving Tourism Australia's digital employer of choice profile through digital platforms such as LinkedIn, Facebook and Twitter to build a pipeline of strong talent for all key business segments
- > Embedding Tourism Australia's new business systems, which will result in a simpler and more efficient organisation, allowing staff to focus on value-add activities.

3.6 Our Finances

The overall financial result for Tourism Australia, excluding foreign exchange losses, was a small surplus of \$0.1 million, which is within 0.1 per cent of budget.

The Australian dollar's fall in value from the previous financial year (between 10 per cent and 14 per cent in the UK, the USA, Europe and China) resulted in an overall foreign exchange loss for the year of \$9 million compared to the budgeted exchange rates provided by the Australian Government. This foreign exchange loss will be returned to Tourism Australia in 2014–15 by the Department of Finance in line with Australian Government policy.

Tourism Australia had a deficit of \$8.9 million in 2013–14, taking the impact of foreign exchange into consideration.

Revenue

Tourism Australia received direct revenue of \$33.1 million (2013: \$29.7 million), including \$14 million from the Australian Government in relation to the Asia Marketing Fund, Australia Week in China and the T-QUAL Program. Other major components included industry contributions of \$8.8 million, co-operative advertising revenue of \$6.4 million and bank interest of \$1.8 million. This revenue was supplemented by indirect partnership contributions from state and territory tourism organisations, airline partners and other industry participants of \$30.7 million. The latter are not reflected in the financial statements of Tourism Australia.

Expenditure

Overall, Tourism Australia's expenditure is up 8 per cent to \$175.4 million due to the effects of foreign exchange and Asia Marketing Fund increases.

Advertising expenditure is up 16 per cent to \$91.6 million, reflecting the continuing shift of support costs to consumer-facing activities. Advertising expenditure has increased by \$23 million over the past two years.

Remuneration costs of \$29.3 million (2013: \$28.7 million) are only 1.9 per cent higher than last year, reflecting the focus on minimising wage growth in an environment of a 3 per cent increase in Australia and generally higher wage growth for Asia-based staff. Contractor and temporary staff costs have also decreased.

Other major costs of \$22 million were attributed to events, promotions and publicity (2013: \$21.5 million). This incorporates the costs of trade events such as the ATE, business events and global public relations.

Statement of Financial Position

Net assets for Tourism Australia decreased by \$8.9 million to \$13.6 million, primarily due to foreign exchange losses in 2013–14. As noted previously, these losses will be refunded to Tourism Australia in 2014–15.

The cash balance at year end was \$10 million, which is \$11.7 million lower than 30 June 2013 due to foreign exchange losses and higher trade receivables at 30 June 2014.

During the year, Tourism Australia had capital expenditure of \$6.5 million, primarily for 'Restaurant Australia' assets of \$1.8 million, new business systems worth \$0.6 million and australia.com version 5 of \$0.4 million.

After the refund of foreign exchange losses by the Department of Finance, Tourism Australia expects to have an average cash balance of \$20 million during 2014–15 and should not face liquidity issues.

FOR THE YEAR ENDED 30 JUNE 2014



INDEPENDENT AUDITOR'S REPORT

To the Minister for Foreign Affairs

I have audited the accompanying financial statements of Tourism Australia for the year ended 30 June 2014, which comprise: a Statement by the Board Chairman, Audit & Finance Committee Chairman, and Managing Director and EGM Corporate Services; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of Tourism Australia are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the 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 about whether the financial statements are free from 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 the 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 Australia's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tourism Australia's internal control. An audit also includes evaluating the appropriateness of the 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.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Independence

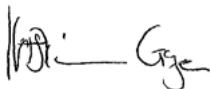
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of Tourism Australia :

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including Tourism Australia's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage
Acting Executive Director
Delegate of the Auditor-General
Canberra
27 August 2014

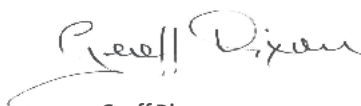
Statement

By the Board Chairman, Audit and Finance Committee Chairman, Managing Director and EGM Corporate Services.

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997 (CAC Act)*, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Tourism Australia will be able to pay its debts as and when they become due and payable.

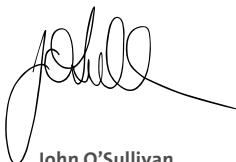
This statement is made in accordance with a resolution of the directors.



Geoff Dixon
Board Chairman
26 August 2014



Sandra McPhee AM
Chairperson
Audit and Finance Committee
26 August 2014



John O'Sullivan
Managing Director
26 August 2014



Mark Craig
Executive General Manager
Corporate Services
26 August 2014

Statement of Comprehensive Income

for the period ended 30 June 2014

		2014	2013
Net Cost of Services	Notes	\$'000	\$'000
Expenses			
Employee benefits	3A	29,270	28,721
Suppliers	3B	134,789	125,745
Depreciation and amortisation	3C	3,308	3,923
Finance costs	3D	30	14
Write-down and impairment of assets	3E	19	552
Other expenses	3F	7,936	3,733
Total expenses		175,352	162,688
Less			
Own-source income			
Own-source revenue			
Provision of services	4A	6,406	6,120
Interest	4B	1,817	2,272
Contributions revenue	4C	8,774	9,221
Rental income	4D	1,063	682
Other revenue	4E	15,032	11,390
Total own-source revenue		33,092	29,685
Gains			
Foreign exchange	4F	2,793	1,144
Other gains	4G	175	20
Total gains		2,968	1,164
Total own-source income		36,060	30,849
Net cost of services		139,292	131,839
Revenue from the Australian Government	4H	130,351	129,656
Deficit attributable to the Australian Government		(8,941)	(2,183)
Other Comprehensive Income			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		120	39
Total comprehensive loss attributable to the Australian Government		120	39
Total comprehensive income		(8,821)	(2,144)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Assets			
Financial assets			
Cash and cash equivalents	5A	10,002	21,716
Trade and other receivables	5B	7,529	5,560
Investments	5C	—	—
Total financial assets		17,531	27,276
Non-financial assets			
Land and buildings	6A	4,233	4,488
Infrastructure, plant and equipment	6B	973	599
Intangibles	6C	6,981	4,293
Other non-financial assets	6D	3,096	2,802
Total non-financial assets		15,283	12,182
Total assets		32,814	39,458
Liabilities			
Payables			
Suppliers	7A	(4,619)	(6,250)
Other payables	7B	(7,583)	(6,633)
Total payables		(12,202)	(12,883)
Provisions			
Employee provisions	8A	(3,497)	(3,264)
Other provisions	8B	(792)	(864)
Total provisions		(4,289)	(4,128)
Total liabilities		(16,491)	(17,011)
Net assets		16,323	22,447
Equity			
Contributed equity		1,543	1,543
Reserves		1,964	1,844
Retained surplus		12,816	19,060
Total equity		16,323	22,447

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Opening balance								
Balance carried forward from previous period	19,060	22,926	1,844	1,805	1,543	1,543	22,447	26,274
Adjusted opening balance	19,060	22,926	1,844	1,805	1,543	1,543	22,447	26,274
Comprehensive income								
Deficit for the period	(8,941)	(2,183)	—	—	—	—	(8,941)	(2,183)
Other comprehensive income	—	—	120	39	—	—	120	39
Total comprehensive income	(8,941)	(2,183)	120	39	—	—	(8,821)	(2,144)
Transactions with owners								
Equity injection	—	—	—	—	—	—	—	—
Return of foreign exchange	2,697	(1,683)	—	—	—	—	2,697	(1,683)
Total transactions with owners	2,697	(1,683)	—	—	—	—	2,697	(1,683)
Closing balance as at 30 June	12,816	19,060	1,964	1,844	1,543	1,543	16,323	22,447

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Operating Activities			
Cash received			
Receipts from the Australian Government		130,351	129,656
Sales of goods and rendering of services		29,303	24,918
Interest		1,803	2,315
Net GST received		3,005	3,673
Total cash received		164,462	160,562
Cash used			
Employees		(28,525)	(29,360)
Suppliers		(146,636)	(132,943)
Total cash used		(175,161)	(162,303)
Net cash (used by)/operating activities	9	(10,699)	(1,741)
Investing Activities			
Cash used			
Purchase of property, plant and equipment		(1,100)	(1,231)
Purchase of intangibles		(5,405)	(1,627)
Total cash used		(6,505)	(2,858)
Net cash (used by)/investing activities		(6,505)	(2,858)
Financing Activities			
Cash received			
Contributed equity		2,697	—
Total cash received		2,697	—
Cash used			
Distribution to the Australian Government		—	(1,683)
Total cash used		—	(1,683)
Net cash (used by)/financing activities		2,697	(1,683)
Net (decrease) in cash held		(14,507)	(6,282)
Cash and cash equivalents at the beginning of the reporting period		21,716	26,854
Effect of exchange rate movements on cash and cash equivalents		2,793	1,144
Cash and cash equivalents at the end of the reporting period	5A	10,002	21,716

The above statement should be read in conjunction with the accompanying notes.

Schedule of Commitments¹

as at 30 June 2014

	2014 \$'000	2013 \$'000
By Type		
Commitments receivable²		
Sublease rental income	1,247	882
Net GST recoverable on commitments	4,427	4,643
Total commitments receivable	5,674	5,525
Commitments payable		
Other commitments		
Operating leases ³	(22,601)	(24,593)
Other commitments ⁴	(30,121)	(35,109)
Total other commitments	(52,722)	(59,702)
Net commitments by type	(47,048)	(54,177)
By Maturity		
Commitments receivable		
One year or less	2,881	2,267
From one to five years	2,065	2,285
Over five years	728	973
Total commitments receivable	5,674	5,525
Commitments payable		
Operating lease commitments		
One year or less	(4,159)	(4,463)
From one to five years	(11,160)	(10,402)
Over five years	(7,282)	(9,728)
Total operating lease commitments	(22,601)	(24,593)
Other commitments		
One year or less	(22,485)	(22,113)
From one to five years	(7,636)	(12,996)
Total other commitments	(30,121)	(35,109)
Net commitments by maturity	(47,048)	(54,177)

Notes:

1. Commitments are GST inclusive where relevant.
2. Commitments receivable comprises sublease rental receivable and GST recoverable.
3. Operating leases comprise leases for office accommodation and equipment leases.
4. Other commitments comprise amounts payable under project agreements in respect of which the recipient is yet to either perform the services required or meet eligibility conditions.

Schedule of Commitments

as at 30 June 2014

Nature of lease	General description of leasing arrangement
Leases for office accommodation	The lease payments for some offices are subject to annual increases in accordance with the terms of the leases. The initial periods of the office accommodation leases are still current and some of the leases may be renewed for up to five years at Tourism Australia's discretion, with adjustment of rent according to lease terms.
Leases in relation to computer equipment held as at 30 June 2014	The lessors provide all computer equipment and software designated as necessary in the supply contract for two to three years. Items of computer equipment supplied under these leases have useful lives of two to three years from the commencement of the contracts.

The above statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the **FINANCIAL STATEMENTS**

for the year ended 30 June 2014

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Notes

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Tourism Australia

Tourism Australia is a not-for-profit Australian Government statutory authority. Its objective is to promote tourism to and within Australia. Its revenues are sourced primarily via government and industry funding. Tourism Australia's activities to promote Australia as an international tourist destination are focused primarily overseas with the majority of expenditure incurred via Tourism Australia's international offices in Asia, Europe, Japan, New Zealand and North America.

Tourism Australia is structured to ensure one outcome: to increase demand for Australia as a destination; strengthen the travel distribution system; and contribute to the development of a sustainable tourism industry through consumer marketing, trade development and research activities.

Tourism Australia's statutory objectives are to:

- » Influence people to travel to Australia, including for events
- » Influence people travelling to Australia to also travel throughout Australia
- » Influence Australians to travel throughout Australia, including for events
- » Help foster a sustainable tourism industry in Australia
- » Help increase the economic benefits to Australia from tourism.

Three Australian Government Programs were identified to achieve this outcome:

- » **Program component 1: Develop the industry:** An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer. Industry development will be informed by understanding the needs of the target customer and sharing these insights with government and industry stakeholders.
- » **Program component 2: Strengthen the travel distribution system:** Work with industry and state and territory governments to develop and present products that meet changing consumer needs and ensure products are easy to access for potential travellers.
- » **Program component 3: Increase demand for Australia as a tourism destination:** Identify and target best-prospect consumers, and inspire them to travel to Australia. A dedicated market categorization approach will be used to focus activities and the use of resources.

The continued existence of Tourism Australia in its present form and with its present programs is dependent on Australian Government policy and Parliament continuing funding for Tourism Australia's administration and programs.

1.2 Basis of preparation of the financial statements

The financial statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and are general-purpose financial statements.

The financial statements and notes have been prepared in accordance with:

- » Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011
- » Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply to the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost conventions, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars, unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or FMO, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to Tourism Australia or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are not recognised are reported in the Schedule of Commitments or the Schedule of Contingencies (other than unquantifiable contingencies, which are reported at Note 10).

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Notes

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of new Australian accounting standards

No accounting standard has been adopted earlier than the application date as stated in the standard.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

Tourism Australia has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets, whereas liabilities are measured using transfer value. The standard requires increased disclosures where fair value is used.

Future Australian accounting standards requirements

The following new standards, which are expected to have a material impact on the entity's financial statements for future reporting periods, were issued by the AASB prior to the signing of the statement by the Managing Director:

Pronouncement

AASB 1055 *Budgetary Reporting* and AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements*

What's changed?

AASB 1055 specifies the nature of budgetary disclosures and the circumstances in which they are to be included in applicable financial statements.

Impact

The impact is limited to budgetary disclosure by the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS.

Transitional arrangements

Early adoption is permitted.

Effective date

1 July 2014

1.5 Revenue

Revenue from rendering services is recognised by reference to contracts' stage of completion at the reporting date. The revenue is recognised when:

- » the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- » the probable economic benefits associated with the transaction will flow to Tourism Australia.

Contracts' stage of completion at the reporting date are determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due, less any impairment allowance account. Debt collectability is reviewed at the balance date. Allowances are made when the debt's collectability is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Resources received free of charge

Resources received free of charge are recognised as revenue only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains, depending on their nature.

Contributions of assets with no or nominal acquisition costs are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government agency or authority as a consequence of a restructuring of administrative arrangements.

Revenue from Australian Government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to Tourism Australia) is recognised as revenue from the Australian Government. Government funding not appropriated is recognised in 'Other revenue', which included \$12.5 million in 2013–14 (\$8.5 million in 2012–13) for the Asia Marketing Fund. Prior-year foreign exchange impacts are recognised in equity.

Paid Parental Leave Scheme

Amounts received under the Paid Parental Leave Scheme by Tourism Australia not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to Note 4H: Revenue from Government.

Notes

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets with no or nominal cost of acquisition are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government agency or authority as a consequence of a restructuring of administrative arrangements.

Sale of assets

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Australian Government as Owner

Equity injection

Amounts that are designated as equity injections for a year are recognised directly in contributed equity in that year. In 2013–14, this included the foreign exchange loss for 2012–13 refunded in 2013–14.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require distributions to owners to be debited to contributed equity unless they are in the nature of a dividend.

1.8 Employee benefits

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within 12 months of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any), out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave, long service leave, time off in lieu, bonus leave and purchased leave. No provision has been

made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by Tourism Australia employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, at the estimated salary rates that will be applied at the time the leave is taken, including Tourism Australia's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2014. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. Tourism Australia recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees that it will carry out the terminations.

Tourism Australia incurred \$0.7 million (2013: \$1.5 million) in separation or redundancy costs during the current financial year.

Superannuation

Australian employees

Tourism Australia employees are members of the Australian Government Employee Superannuation Trust (AGEST), the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or a plan of their own choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The AGEST and PSSap are accumulation schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item.

Tourism Australia makes employer contributions to the defined benefits schemes at rates determined by an actuary to be sufficient to meet the current cost of its employees' superannuation entitlements to the Australian Government. Tourism Australia accounts for these contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2014 represents outstanding contributions for the final fortnight of the year.

Notes

The 2013–14 contribution rate for Tourism Australia as a Group 2 Authority was 9.25 per cent for AGEST (2012–13: 9 per cent), 18.4 per cent for CSS (2012–13: 18.4 per cent), 12.9 per cent for PSS (2012–13: 11.2 per cent), 15.4 per cent for PSSap (2012–13: 15.4 per cent) and for other fund choices between 9.25 per cent to 15.4 per cent of salaries.

In addition, Tourism Australia remitted Employer Productivity Superannuation Contributions to ComSuper for employees in defined benefits schemes only. The contribution rate was variable and banded according to earnings at between 2 per cent and 3 per cent of salaries in 2013–14.

In **Hong Kong**, in accordance with local regulations, Tourism Australia provided superannuation for its locally engaged staff with HSBC Life (International) Ltd. The contribution rate was 11.5 per cent of gross salaries in 2013–14 for employees who joined before 1 December 2000 (11.5 per cent in 2011–12). Tourism Australia matched employees' contributions up to a maximum of 5 per cent of gross salary in 2013–14.

In **India**, Tourism Australia provided superannuation for its locally engaged staff with Provident Fund. The contribution rate was 13 per cent of base pay, and the associated administration fees varied between 1.13 per cent and 1.39 per cent since 2009.

In **Malaysia**, Tourism Australia provided superannuation for its locally engaged staff with Provident Fund at a rate of 12 per cent.

In **Singapore**, Tourism Australia provided superannuation for its locally engaged staff with the Central Provident Fund at a regulated rate of 15.5 per cent (capped at a monthly ceiling of SG\$4,500) until August 2011. From September 2011 the contribution rate was 16 per cent (capped at a monthly ceiling of SG\$5,000).

In **Korea**, Tourism Australia provided superannuation for its locally engaged staff with the National Pension Service. The contribution rate was 4.5 per cent of salaries in 2013–14 (4.5 per cent in 2012–13).

In **China**, Tourism Australia provided superannuation for its locally engaged staff with the local official agency, FESCO. The monthly contribution for resident staff was between 39 per cent and 44 per cent of index salary (set annually by the local government) per staff member in 2013–14. The contribution ranged from around CNY2,100 to CNY6,600 (unchanged from 2012–13).

In **Japan**, Tourism Australia provided superannuation for its locally engaged staff with Japan's National Pension Scheme. The contribution rate was 8.206 per cent of salaries in 2013–14 (8.206 per cent in 2012–13).

In the **USA**, Tourism Australia provided an optional employee retirement benefit for its locally engaged staff with Mutual of America. Tourism Australia matched

employees' contributions up to a maximum of 3 per cent of gross salary in 2013–14 with an annual limit of US\$11,500 for employees less than 50 years of age. For employees who were 50 years of age or older, the limit was US\$14,000. These limits apply to employee contributions only on a calendar year basis.

In the **United Kingdom**, in accordance with terms and conditions of employment, Tourism Australia provided a group personal pension scheme for its locally engaged staff with Standard Life Assurance Co. Contributions to the scheme were fixed at 10 per cent in 2013–14 (10 per cent in 2012–13).

In **Germany**, Tourism Australia contributed an inclusive social amount to the government statutory insurance fund for its locally engaged staff. Tourism Australia matched staff contributions on a 1:1 basis. The contribution rate is not separately nominated.

In **New Zealand**, Tourism Australia provides the opportunity for all staff to join the New Zealand Government superannuation scheme – Kiwisaver. The scheme is not mandatory for locally engaged staff; however, Tourism Australia currently contributes 4 per cent toward the scheme, and staff members can contribute 2 per cent, 4 per cent or 8 per cent depending on their preference.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively substantially transfer from the lessor to the lessee all the risks and rewards incidental to owning leased assets. An operating lease differs in that the lessor effectively substantially retains all such risks and benefits. Tourism Australia has not entered into any finance leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Finance costs

All finance costs from the unwinding of make-good provisions are expensed as incurred.

1.11 Fair value measurement

The entity deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.12 Cash

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

Notes

1.13 Financial assets

Tourism Australia classifies its financial assets as 'loans and receivables' and 'held-to-maturity investments'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised on the 'trade date'.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that Tourism Australia has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised using the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost: If there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost: If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the current market rate for similar assets.

1.14 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities. Financial liabilities are recognised and derecognised on the 'trade date'.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense

recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.15 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable but not virtually certain, and contingent liabilities are recognised when the possibility of settlement is greater than remote.

1.16 Financial guarantee contracts

Tourism Australia had no financial guarantee contracts during the financial year.

1.17 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value, plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as owner contributions at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.18 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

Notes

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to make-good provisions in property leases Tourism Australia takes up that include an obligation to restore the property to its original condition. These costs are included in the value of Tourism Australia's leasehold improvements with a corresponding provision for the make-good recognised.

Revaluations

Valuations undertaken each year are recorded as at 30 June.

Following initial recognition at cost, property, plant and equipment was carried at fair value, less subsequently accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended on the volatility of market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of 'asset revaluation reserve', except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any depreciation accumulated at the revaluation date was eliminated against the gross carrying amount of the asset, and the asset was restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to Tourism Australia using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date, and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

Impairment

All assets are assessed for impairment at 30 June.

Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

1.19 Intangibles

Tourism Australia's intangibles comprise internally developed software for internal use, campaign production and trademarks. These assets are carried at cost, less accumulated amortisation and impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of Tourism Australia's software assets are two to five years. All software assets are assessed for indications of impairment at 30 June.

Campaign production is amortised on a straight-line basis over three years. The campaign production was assessed for indications of impairment as at 30 June.

The useful life of trademarks is estimated at 10 years.

1.20 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- » Where the amount of GST incurred is not recoverable from the Australian Taxation Office
- » For receivables and payables.

Tourism Australia is exempt from all foreign taxation laws except for any consumption taxes.

Note 2: Events After the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Notes

Note 3: Expenses

	2014	2013
Expenses	\$'000	\$'000
Note 3A: Employee benefits		
Wages and salaries	(23,100)	(22,283)
Superannuation		
Defined benefit plans	(481)	(498)
Defined contribution plans	(1,845)	(1,727)
Leave and other entitlements	(2,216)	(1,986)
Separation and redundancies	(718)	(1,526)
Other employee benefits expense	(910)	(701)
Total employee benefits	(29,270)	(28,721)
Note 3B: Suppliers		
Goods and services supplied or rendered		
Advertising	(91,617)	(78,395)
Promotion and publicity	(22,046)	(21,476)
Films, publications and distribution	(2,877)	(4,821)
Information systems and telecommunications	(6,061)	(6,848)
Research, service fees and travel	(7,029)	(9,555)
Total goods and services supplied or rendered	(129,630)	(121,095)
Other supplier expenses		
Operating lease rentals in connection with related parties 29/08/2014		
Minimum lease payments	(5,146)	(4,638)
Workers compensation premiums	(13)	(12)
Total other supplier expenses	(5,159)	(4,650)
Total supplier expenses	(134,789)	(125,745)
Note 3C: Depreciation and Amortisation		
Depreciation		
Infrastructure, plant and equipment	(694)	(772)
Total depreciation	(694)	(772)
Amortisation		
Intangibles		
Computer software	(737)	(1,066)
Campaign production	(1,723)	(1,963)
Trademarks	(28)	(11)
Make good	(126)	(111)
Total amortisation	(2,614)	(3,151)
Total depreciation and amortisation	(3,308)	(3,923)
Note 3D: Finance Costs		
Unwinding of discount	(30)	(14)
Total finance costs	(30)	(14)

Notes

Note 3: Expenses (continued)

	2014	2013
Expenses	\$'000	\$'000
Note 3E: Write-Down and Impairment of Assets		
Asset write-down and impairments from		
Impairment on intangible assets - Campaign Production and Trade Marks	–	(154)
Impairment on intangible assets - Computer Hardware and software	–	(362)
Write-down of non-financial assets	(19)	(36)
Total write-down and impairment of assets	(19)	(552)
Note 3F: Other Expenses		
Other operating expenses	(7,936)	(3,733)
Total other expenses	(7,936)	(3,733)

Note 4: Own-Source Income

	2013	2012
Own-Source Revenue	\$'000	\$'000
Note 4A: Rendering of Services		
Rendering of Services in connection with		
External Parties	6,406	6,120
Total rendering of services	6,406	6,120
Note 4B: Interest		
Deposits	1,817	2,272
Total interest	1,817	2,272
Note 4C: Contributions revenue		
Industry contributions*	8,774	9,221
Total contributions revenue	8,774	9,221

* Industry contributions reflect the actual value of industry support for Tourism Australia's activities from direct revenue. In addition to direct revenue from the industry, joint marketing programs were undertaken. Through these programs, the industry supplements funds provided by Tourism Australia for product development, visiting journalists and tactical marketing programs. Due to the nature of the programs, these funds do not form part of the industry contributions Tourism Australia reports, but are in addition to it.

Note 4D: Rental Income		
Operating lease		
Office sub-tenancies	1,063	682
Total rental income	1,063	682
Note 4E: Other revenue		
Other revenue	1,039	1,045
Payments from other Australian Government bodies	13,993	10,345
Total other revenue	15,032	11,390

Notes

Note 4: Income (continued)

	2014 \$'000	2013 \$'000
Gains		
Note 4F: Foreign Exchange		
Non-speculative	2,793	1,144
Total foreign exchange gains	2,793	1,144
Note 4G: Other gains		
Reversal of restoration provision	175	20
Total other gains	175	20
Note 4H: Revenue from the Australian Government*		
Department of Foreign Affairs and Trade		
CAC Act body payment	130,351	129,656
Total revenue from the Australian Government	130,351	129,656

* Tourism Australia received \$85,054 (2013: \$62,000) under the Paid Parental Leave Scheme.

Note 5: Financial Assets

	2014 \$'000	2013 \$'000
Note 5A: Cash and Cash Equivalents		
Australian dollars	5,608	19,931
Canadian dollars	78	79
Chinese yuan	1,442	438
Euro	329	291
British pounds	303	130
Hong Kong dollars	41	66
Japanese yen	48	140
South Korean won	469	41
Malaysian ringgit	95	139
New Zealand dollars	117	109
Singapore dollars	472	189
Thai baht	–	55
Indian rupee	129	17
United States dollars	809	35
Taiwanese dollars	59	53
Cash at bank or on deposit	9,999	21,713
Cash on hand	3	3
Total cash and cash equivalents	10,002	21,716

Notes

Note 5: Financial Assets (continued)

	2013 \$'000	2012 \$'000
Note 5B: Trade and Other Receivables		
Goods and services receivable	5,425	4,210
GST receivable from the Australian Taxation Office	1,176	427
Deposits and advances	936	919
Other		
Interest	13	11
Other receivables	–	19
Total other receivables	13	30
Total trade and other receivables (gross)	7,550	5,586
Less impairment allowance account		
Goods and services receivable	(21)	(26)
Total trade and other receivables (net)	7,529	5,560
Receivables are aged as follows		
Not overdue	3,481	5,360
Overdue by		
Less than 30 days	3,037	187
30 to 60 days	6	–
61 to 90 days	3	22
More than 90 days	1,023	17
Total receivables (gross)	7,550	5,586
The impairment allowance account is aged as follows		
Overdue by		
30 to 60 days	–	–
61 to 90 days	(3)	(9)
More than 90 days	(18)	(17)
Total impairment allowance account	(21)	(26)
Reconciliation of the impairment allowance account		
Goods and services		
Opening balance	(26)	(22)
Amounts reversed	5	(4)
Closing balance	(21)	(26)
Receivables are expected to be recovered in		
No more than 12 months	7,529	5,560
Total trade and other receivables (net)	7,529	5,560
Note 5C: Investments		
Shares in other company – unlisted (at cost)*	400	400
Less: Provision for diminution in value	(400)	(400)
Total investments	–	–
Investments are expected to be recovered in		
More than 12 months	–	–
Total investments	–	–

* Tourism Australia holds 11.9 per cent interest in Australian Tourism Data Warehouse Pty Ltd (ATDW), which is carried at cost less provision for diminution in value. ATDW's principal activity is developing an Australian Tourism Products database.

Notes

Note 6: Non-Financial Assets

	2014	2013
	\$'000	\$'000
Note 6A: Land and Buildings		
Leasehold improvements		
Work in progress	161	220
Fair value	11,691	11,063
Accumulated depreciation	(8,110)	(7,321)
Total leasehold improvements	3,742	3,962
Leasehold improvements make-good		
Fair value	720	788
Accumulated depreciation	(229)	(262)
Total leasehold improvements make-good	491	526
Total land and buildings	4,233	4,488

Leasehold improvements and make-good were subject to revaluation. The carrying amount of \$220,000 was included in the valuation figures above.

No indicators of impairment were found for land and buildings. No land or buildings were expected to be sold or disposed of within the next 12 months.

Note 6B: Infrastructure, Plant and Equipment		
Computer and office equipment		
Cost	1,885	1,732
Work in progress	–	143
Accumulated depreciation	(1,022)	(1,270)
Impairment losses	–	(102)
Total computer and office equipment	863	503
Furniture and fittings		
Cost	450	414
Accumulated depreciation	(340)	(318)
Total furniture and fittings	110	96
Total infrastructure, plant and equipment	973	599

No indicators of impairment were found for infrastructure, plant and equipment. No infrastructure, plant or equipment is expected to be sold or disposed of within the next 12 months.

Notes

Note 6: Non-Financial Assets (continued)

	2014 \$'000	2013 \$'000
Note 6C: Intangibles		
Software at cost		
In use	2,407	11,658
Work in progress	1,544	465
Accumulated amortisation	(1,418)	(10,537)
Write-back amortisation	(229)	(34)
Impairment losses	–	(260)
Total software	2,304	1,292
Campaign production at cost		
Work in progress	182	165
In use	16,029	12,698
Accumulated amortisation	(11,686)	(9,808)
Impairment losses	–	(144)
Total campaign production	4,525	2,911
Trade marks		
At cost	180	108
In progress	–	90
Accumulated amortisation	(28)	(98)
Impairment losses	–	(10)
Total trade marks	152	90
Total intangibles	6,981	4,293
<i>No intangibles are expected to be sold or disposed of within the next 12 months. No indicators of impairment were found for intangibles.</i>		
Note 6D: Other non-financial assets		
Prepayments	1,620	1,142
Lease incentive	1,476	1,660
Total other non-financial assets	3,096	2,802
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	1,804	1,326
More than 12 months	1,292	1,476
Total other non-financial assets	3,096	2,802

No indicators of impairment were found for other non-financial assets.

Notes

Note 6: Non-Financial Assets (continued)

Note 6E: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013–14)	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
As at 1 July 2013			
Gross book value	12,071	2,290	14,361
Accumulated depreciation and impairment	(7,583)	(1,691)	(9,274)
Total as at 1 July 2013	4,488	599	5,087
Additions			
By purchase	334	752	1,086
Effect of exchange rate movements	14	—	14
Revaluation on leasehold improvements	152	—	152
Revaluation on make-good	68	—	68
Depreciation expense	(452)	(368)	(820)
Disposals	(10)	(9)	(19)
Reversal of depreciation lease incentive	(361)	—	(361)
Total as at 30 June 2014	4,233	974	5,207
Total as at 30 June 2014 represented by:			
Gross book value	12,572	2,335	14,907
Accumulated depreciation and impairment	(8,339)	(1,361)	(9,700)
Total as at 30 June 2014	4,233	974	5,207

Note 6E (cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012–13)	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
As at 1 July 2012			
Gross book value	7,833	1,937	9,770
Accumulated depreciation and impairment	(7,056)	(1,147)	(8,203)
Total as at 1 July 2012	777	790	1,567
Additions			
By purchase	4,234	392	4,626
Effect of foreign exchange movements	49	1	50
Revaluation on make-good	39	—	39
Depreciation expense	(401)	(482)	(883)
Disposals	(31)	—	(31)
Impairment recognised in other comprehensive income	—	(102)	(102)
Reversal of depreciation lease incentive	(179)	—	(179)
Total as at 30 June 2013	4,488	599	5,087
Total as at 30 June 2013 represented by:			
Gross book value	12,071	2,290	14,361
Accumulated depreciation and impairment	(7,583)	(1,691)	(9,274)
Total as at 30 June 2013	4,488	599	5,087

Notes

Note 6: Non-Financial Assets (continued)

Note 6F: Reconciliation of the Opening and Closing Balances of Intangibles (2013–14)	Internally Developed Computer Software \$'000	Campaign Production \$'000	Trademarks \$'000	Total \$'000
As at 1 July 2013				
Gross book value	12,123	12,864	198	25,185
Accumulated amortisation and impairment	(10,831)	(9,953)	(108)	(20,892)
Total as at 1 July 2013	1,292	2,911	90	4,293
Additions				
By purchase or internally developed	1,977	3,333	90	5,400
Effect of exchange rate movements	—	5	—	5
Amortisation	(736)	(1,724)	(28)	(2,488)
Write-back of amortisation and impairment	(229)	—	—	(229)
Total as at 30 June 2014	2,304	4,525	152	6,981
Total as at 30 June 2014 represented by:				
Gross book value	3,951	16,211	288	20,450
Accumulated amortisation and impairment	(1,647)	(11,686)	(136)	(13,469)
Total as at 30 June 2014	2,304	4,525	152	6,981

Note 6F (cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2012–13)	Internally Developed Computer Software \$'000	Campaign Production \$'000	Trademarks \$'000	Total \$'000
As at 1 July 2012				
Gross book value	10,987	12,458	108	23,553
Accumulated amortisation and impairment	(9,472)	(7,840)	(87)	(17,399)
Total as at 1 July 2012	1,515	4,618	21	6,154
Additions				
By purchase or internally developed	1,137	397	90	1,624
Effect of exchange rate movements	—	3	—	3
Amortisation	(1,066)	(1,963)	(11)	(3,040)
Impairment recognised in profit or loss	(260)	(144)	(10)	(414)
Write-back of amortisation and impairment	(34)	—	—	(34)
Total as at 30 June 2013	1,292	2,911	90	4,293
Total as at 30 June 2013 represented by:				
Gross book value	12,123	12,864	198	25,185
Accumulated amortisation and impairment	(10,831)	(9,953)	(108)	(20,892)
Total as at 30 June 2013	1,292	2,911	90	4,293

Notes

Note 6: Non-Financial Assets (continued)

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 6G: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

	Fair Value \$'000	Level 1 Inputs \$'000	Level 2 Inputs \$'000	Level 3 Inputs \$'000
Non-financial assets				
Leasehold improvements				
Leasehold improvements	11,691	—	—	11,691
Leasehold improvements make-good	720	—	—	720
Total non-financial assets	12,411	—	—	12,411
Total fair value measurements of assets in the statement of financial position	12,411	—	—	12,411

No transfers between levels has occurred in 2014.

Note 6H: Valuation Technique and Input for Level 2 and Level 3 Fair Value Measurements

Level 2 and 3 fair value measurements – valuation technique and the inputs for assets and liabilities in 2014

	Category (Level 2 or Level 3)	Fair Value \$'000	Valuation Technique(s)	Input Used	Range
Non-financial assets					
Land and buildings					
Leasehold improvements	Level 3	11,691	Market comparables	Construction cost parity index	47.3 – 120.5
Leasehold improvements make good	Level 3	720	Market comparables	Price per square metre	\$1000 – \$1500 per square metre

No change in valuation technique occurred during the period.

Recurring and non-recurring Level 3 fair value measurements – valuation processes

Tourism Australia procured valuation services from B&A Valuers and relied on valuation models provided by B&A. Tourism Australia tests the procedures of the valuation every 12 months. The model is developed in compliance with AASB 13.

Recurring Level 3 fair value measurements/sensitivity of inputs

The significant unobservable inputs used in the fair value measurement of Tourism Australia's leasehold improvements are cost parity index and cost per square metre. Significant increases/(decreases) in any of those inputs in isolation would result in a significantly higher/(lower) fair value measurement.

Notes

Note 7: Payables

	2014 \$'000	2013 \$'000
Note 7A: Suppliers		
Trade creditors and accruals	(4,619)	(6,250)
Total supplier payables	(4,619)	(6,250)
Supplier payables expected to be settled within 12 months		
External parties	(4,619)	(6,250)
Total supplier payables	(4,619)	(6,250)
<i>Settlement is usually made within 30 days.</i>		
Note 7B: Other payables		
Salaries and wages	(1,297)	(784)
Superannuation	(59)	(55)
Prepayment received/unearned income	(1,858)	(813)
Lease incentive	(4,360)	(4,905)
Other liabilities	(9)	(76)
Total other payables	(7,583)	(6,633)
Total other payables are expected to be settled in		
No more than 12 months	(3,407)	(1,831)
More than 12 months	(4,176)	(4,802)
Total other payables	(7,583)	(6,633)

Tourism Australia entered into a new lease for its Sydney office in 2012–13. Under this lease Tourism Australia received a \$5.1 million lease incentive, which was partly applied to leasehold improvements of \$3.4 million in 2012–13.

Notes

Note 8: Provisions

	2014 \$'000	2013 \$'000
Note 8A: Employee Provisions		
Leave	(3,497)	(3,264)
Total employee provisions	(3,497)	(3,264)
Employee provisions are expected to be settled in		
No more than 12 months	(2,286)	(2,167)
More than 12 months	(1,211)	(1,097)
Total employee provisions	(3,497)	(3,264)
Note 8B: Other Provisions		
Provision for restoration obligations	(792)	(864)
Total other provisions	(792)	(864)
Other provisions are expected to be settled in:		
No more than 12 months	(132)	(126)
More than 12 months	(660)	(738)
Total other provisions	(792)	(864)
Provision for restoration		
Carrying amount as at 1 July	(864)	(830)
Additional provisions made	(26)	(479)
Amounts used for restoration of premises	36	16
Amounts adjusted for revaluation	(84)	—
Amounts reversed for expired leases	176	443
Unwinding of discount or change in discount rate	(30)	(14)
Closing balance as at 30 June	(792)	(864)

Tourism Australia currently has eight agreements for the leasing of premises, which have provisions requiring Tourism Australia to restore the premises to their original condition at the conclusion of the lease. Tourism Australia has made a provision to reflect the present value of these obligations.

Notes

Note 9: Cash Flow Reconciliation

	2014 \$'000	2013 \$'000
Reconciliation of Cash and Cash Equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	10,002	21,716
Statement of Financial Position	10,002	21,716
Difference	–	–
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	(139,292)	(131,839)
Add revenue from the Australian Government	130,351	129,656
Adjustments for non-cash items		
Depreciation/amortisation	3,308	3,923
Revaluation of restoration provision		(39)
Reversal of restoration provision	43	(458)
Finance cost	30	–
Bad debts	5	(3)
Recognition of lease incentive liability	–	(5,176)
Application of lease incentives	–	385
Impairment losses	–	552
Write-down of non-financial asset	19	–
Other gains	(175)	(20)
Net foreign exchange (gain)/losses	(2,793)	(1,144)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(1,969)	(1,748)
(Increase)/decrease in prepayments	294	207
Increase/(decrease) in employee provisions	233	(500)
Increase/(decrease) in other provisions	(72)	34
Increase/(decrease) in supplier payables	(1,631)	17
Increase/(decrease) in other payables	950	4,412
Net cash from/(used by) operating activities	(10,699)	(1,741)

Note 10: Contingent Liabilities and Assets

Tourism Australia has no contingent assets or liabilities, quantifiable or unquantifiable.

Notes

Note 11: Directors' Remuneration

	2014 No.	2013 No.
The number of non-executive directors of Tourism Australia included in these figures is shown below in the relevant remuneration bands:		
\$30,000 to \$59,999	5	5
\$60,000 to \$89,999	2	2
\$90,000 to \$119,999	1	1
\$120,000 to \$149,000	—	—
Total number of non-executive directors	8	8

The total remuneration received or due and receivable by non-executive directors of Tourism Australia for 2014 was \$492,071 (2013: \$484,808). Remuneration of executive directors is included in Note 13: Senior Executive Remuneration.

Note 12: Related Party Disclosures

No director has entered into any transaction with Tourism Australia during the year ended 30 June 2014 (2013: \$nil).

Note 13: Senior Executive Remuneration

	2014 \$	2013 \$
Note 13A: Senior Executive Remuneration Expenses for the Reporting Period		
Salary	6,502,387	6,728,399
Other short-term benefits	441,183	417,330
Total short-term employee benefits	6,943,570	7,145,729
Post-employment benefits		
Superannuation	531,814	525,062
Total post-employment benefits	531,814	525,062
Other long-term employee benefits		
Long-service leave	100,274	82,670
Total other long-term employee benefits	100,274	82,670
Termination benefits	—	839,902
Total senior executive remuneration expenses	7,575,658	8,593,363

Notes:

1. Note 13A is prepared on an accrual basis

2. Note 13A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$195,000.

Notes

Note 13: Senior Executive Remuneration (continued)

Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the reporting period

Average annual reportable remuneration paid to substantive senior executives in 2014

2014						
Average annual reportable remuneration ¹	Substantive Senior Executives No.	Reportable Salary ² \$	Contributed Superannuation ³ \$	Reportable Allowances ⁴ \$	Bonus Paid ⁵ \$	Total \$
Total remuneration (including part-time arrangements)						
Less than \$195,000	7	156,733	7,678	—	—	164,411
\$195,000 to \$224,999	4	188,503	14,173	—	—	202,676
\$225,000 to \$254,999	7	224,545	20,081	—	—	244,626
\$255,000 to \$284,999	2	260,461	13,302	—	—	273,763
\$285,000 to \$314,999	4	274,185	30,733	236	—	305,154
\$315,000 to \$344,999	1	319,147	24,746	—	—	343,893
\$345,000 to \$374,999	1	329,043	24,969	—	—	354,012
\$375,000 to \$414,999	1	380,824	23,400	27	—	404,251
\$415,000 to \$444,999	—	—	—	—	—	—
\$445,000 to \$474,999	1	436,704	30,323	—	—	467,027
Total number of substantive senior executives	28					

In 2012–13 one senior executive officer and one highly paid officer in Japan received final payment of retirement allowances. These payments are reflected in Notes 13B and 13C.

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) Gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) Reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) Exempt foreign employment income.
 - d) Exempt foreign employment income.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors, such as individuals commencing with or leaving the entity during the financial year.

Notes

Note 13: Senior Executive Remuneration (continued)

Average Annual Reportable Remuneration Paid to Substantive Senior Executives in 2013						
2013						
Average annual reportable remuneration¹	Substantive Senior Executives No.	Reportable Salary² \$	Contributed Superannuation³ \$	Reportable Allowances⁴ \$	Bonus Paid⁵ \$	Total Reportable Remuneration \$
Total remuneration (including part-time arrangements)						
Less than \$195,000	6	142,227	11,209	—	—	153,436
\$195,000 to \$224,999	6	197,157	18,509	—	—	215,666
\$225,000 to \$254,999	5	227,415	20,461	—	—	247,876
\$255,000 to \$284,999	—	—	—	—	—	—
\$285,000 to \$314,999	6	282,503	19,820	—	—	302,323
\$315,000 to \$344,999	2	308,210	25,647	—	—	333,857
\$345,000 to \$374,999	1	362,126	—	—	—	362,126
\$375,000 to \$414,999	1	368,097	25,000	—	—	393,097
\$415,000 to \$444,999	1	410,759	18,106	—	—	428,865
\$445,000 to \$474,999	—	—	—	—	—	—
\$475,000 to \$504,999	1	443,168	51,593	—	—	494,761
\$830,000 to \$859,000	1	856,098	—	—	—	856,098
Total number of substantive senior executives	30					

In 2012–13 one senior executive officer and one highly paid officer in Japan received final payment of retirement allowances. These payments are reflected in Notes 13B and 13C.

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) Gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
 - b) Reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits)
 - c) Exempt foreign employment income
 - d) Exempt foreign employment income.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors, such as individuals commencing with or leaving the entity during the financial year.

Notes

Note 13: Senior Executive Remuneration (continued)

Note 13C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the reporting period						
Average annual reportable remuneration paid to other highly paid staff in 2014						
2014						
Average annual reportable remuneration¹	Other Highly Paid Staff No.	Reportable Salary² \$	Contributed Superannuation³ \$	Reportable Allowances⁴ \$	Bonus Paid⁵ \$	Total Reportable Remuneration \$
Total remuneration (including part-time arrangements)						
\$225,000 to \$254,999	1	206,371	23,716	—	—	230,087
Total	1					

2013						
Average annual reportable remuneration¹	Other Highly Paid Staff No.	Reportable Salary² \$	Contributed Superannuation³ \$	Reportable Allowances⁴ \$	Bonus Paid⁵ \$	Total Reportable Remuneration \$
Total remuneration (including part-time arrangements)						
\$195,000 to \$224,999	1	223,624	223,624	—	—	223,624
\$225,000 to \$254,999	—	—	—	—	—	—
\$255,000 to \$284,999	2	257,830	257,830	—	—	269,381
\$830,000 to \$859,999	1	839,866	839,866	—	—	839,866
Total	4					

In 2012–13 one senior executive officer and one highly paid officer in Japan received final payment of retirement allowances. These payments are reflected in Notes 13B and 13C.

Notes:

1. This table reports staff:

- a) Who were employed by the entity during the reporting period
- b) Whose reportable remuneration was \$195,000 or more for the financial period
- c) Were not required to be disclosed in Table B or director disclosures.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

- a) Gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
- b) Reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes)
- c) Exempt foreign employment income
- d) Reportable employer superannuation contributions.

3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors, such as individuals commencing with or leaving the entity during the financial year.

Notes

Note 14: Remuneration of Auditors

	2014 \$'000	2013 \$'000
Fair value of the services received for auditing the financial statements for the reporting period	(113)	(113)
Total	(113)	(113)

No other services were provided by the Auditor-General during the reporting period.

Note 15: Financial Instruments

	2014 \$'000	2013 \$'000
Note 15A: Categories of Financial Instruments		
Financial assets		
Loans and receivables		
Cash at bank and cash equivalents	10,002	21,716
Trade and other receivables	6,353	5,133
Total	16,355	26,849
Carrying amount of financial assets	16,355	26,849
Financial liabilities		
At amortised cost		
Trade creditors and other payables	(12,202)	(12,883)
Carrying amount of financial liabilities	(12,202)	(12,883)
Note 15B: Net Income and Expense from Financial Assets		
Loans and receivables		
Interest revenue (refer to Note 4B)	1,817	2,272
Net gain from loans and receivables	1,817	2,272
Net gain from financial assets	1,817	2,272
<i>The total interest income from financial assets not at fair value through profit and loss in the year ended 30 June 2014 was \$1,817,000 (2013: \$2,272,000).</i>		
Note 15C: Net Income and Expense from Financial Liabilities		
Financial liabilities – at amortised cost		
Exchange gains (refer to Note 4F)	2,793	1,144
Net gain from financial liabilities – at amortised cost	2,793	1,144
Net gain from financial liabilities	2,793	1,144

Notes

Note 15: Financial Instruments (continued)

		Carrying Amount 2014 \$'000	Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Fair Value 2013 \$'000
Note 15D: Fair Values of Financial Instruments	Notes				
Financial assets					
Cash at bank	5A	6,568	6,568	13,394	13,394
Deposits at call	5A	3,434	3,434	8,322	8,322
Receivables for goods and services	5B	6,353	6,353	5,133	5,133
Total financial assets		16,355	16,355	26,849	26,849
Financial liabilities (recognised)					
Trade creditors	7A	(4,619)	(4,619)	(6,250)	(6,250)
Other payables	7B	(7,583)	(7,583)	(6,633)	(6,633)
Total financial liabilities		(12,202)	(12,202)	(12,883)	(12,883)

Note 15E: Credit Risk Exposures

Tourism Australia is exposed to minimal credit risk as the majority of loans and receivables are cash at bank and on deposit, and trade receivables for goods and services. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2014: \$7,550,000; 2013: \$5,586,000). Tourism Australia has assessed the risk of default on payment and has allocated \$21,000 in 2014 (2013: \$26,000) to an impairment allowance account. Tourism Australia managed its credit risk by undertaking background and credit checks prior to allowing a debtor relationship.

Tourism Australia has established debt collection policies and procedures.

Tourism Australia holds no collateral to mitigate credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due nor Impaired 2014 \$'000	Not Past Due nor Impaired 2013 \$'000	Past Due or Impaired 2014 \$'000	Past Due or Impaired 2013 \$'000
Cash and cash equivalents	10,002	21,716	—	—
Receivables for goods and services	2,305	4,933	4,069	226
Total	12,307	26,649	4,069	226

Notes

Note 15: Financial Instruments (continued)

Ageing of financial assets that are past due but not impaired for 2014

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	3,037	6	3	1,023	4,069
Total	3,037	6	3	1,023	4,069

Ageing of financial assets that are past due but not impaired for 2013

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	187	–	22	17	226
Total	187	–	22	17	226

Note 15F: Liquidity risk

Tourism Australia's financial liabilities are supplier payables. The exposure to liquidity risk is based on the notion that Tourism Australia will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to Australian Government funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations. Tourism Australia has no derivative financial liabilities in either 2014 or 2013.

Maturities for non-derivative financial liabilities in 2014

	On Demand 2014 \$'000	Within 1 year 2014 \$'000	1 to 5 years 2014 \$'000	>5 years 2014 \$'000	Total 2014 \$'000
Trade creditors	–	4,619	–	–	4,619
Other payables	–	3,407	4,176	–	7,583
Total	–	8,026	4,176	–	12,202

Maturities for non-derivative financial liabilities 2013

	On Demand 2013 \$'000	Within 1 year 2013 \$'000	1 to 5 years 2013 \$'000	>5 years 2013 \$'000	Total 2013 \$'000
Trade creditors	–	6,250	–	–	6,250
Other payables	–	1,831	4,802	–	6,633
Total	–	8,081	4,802	–	12,883

Tourism Australia receives funding from the Australian Government. Tourism Australia manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, Tourism Australia has policies in place to ensure timely payments are made when due and has no past experience of default.

Notes

Note 15: Financial Instruments (continued)

Note 15G: Market Risk

Tourism Australia holds basic financial instruments that do not expose the organisation to major market risks. Due to the basic nature of its financial instruments, no sensitivity analysis has been performed as it is deemed it would have no material impact on the financial statements. Tourism Australia accounts for its financial instruments (cash and cash equivalents) in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* and reports these instruments under AASB 7 *Financial Instruments: Disclosures*.

Foreign exchange

Tourism Australia maintains foreign bank accounts that facilitate local transactions and at balance date reported an Australian dollar equivalent cash balance of \$4.4 million (2013: \$1.8 million). Assets and liabilities denominated in foreign currency are converted to Australian dollar equivalents at the exchange rate prevailing on the balance date. Realised and unrealised gains and losses on foreign currency are taken to profit and loss.

Tourism Australia expends a significant amount of revenue from the Australian Government in foreign currencies and uses budget parameter rates to measure its performance against budgets. In 2014, the movement of the Australian dollar against foreign currencies resulted in an estimated loss of \$9.1 million (2013: loss of \$2.7 million). This movement also contributed to a decrease in the overall cash balance.

The principal exchange rates affecting the foreign exchange loss are the Chinese yuan, the US dollar, the British pound, the Euro and the Japanese yen.

Interest rate

Tourism Australia maintains operating and investment bank accounts to manage cash. The operating bank accounts are non-interest bearing and investment accounts are designated in liquid and short-term interest-bearing deposits. At balance date, all cash deposits are held in operating accounts (2014: \$10.0 million; 2013: \$21.7 million).

The average interest rates during the year for the interest-bearing accounts were between 2.75 and 3.70 per cent.

Note 16: Restructuring

There was no restructuring in 2013–14.

Notes

Note 17: Reporting of Outcomes

Note 17A: Net Cost of Outcome Delivery (Outcome 1)

	2014 \$'000	2013 \$'000
Expenses		
Departmental	(175,352)	(162,688)
Total expenses	(175,352)	(162,688)
Own-source income		
Advertising	6,406	6,120
Industry contribution	8,774	9,221
Interest	1,817	2,272
Gains	2,968	1,164
Rental income	1,063	682
Other revenue	15,032	11,390
Total Own-Source income	36,060	30,849
Net cost of outcome delivery	(139,292)	(131,839)

Refer to Note 1.1 for a description of Outcome 1.

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

4

References and appendices



4.1 Glossary

Term	Meaning
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Corporate governance	The process by which agencies are directed and controlled. Corporate governance is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Depreciation	A method of allocating the cost of a tangible asset over its useful life. Businesses depreciate long-term assets for both tax and accounting purposes.
Enterprise Agreement	Details Tourism Australia's employment conditions. The Agreement is approved by the Workplace Authority.
Estimates	An agency's expected revenues, expenses, assets, liabilities and cash flows. They are prepared for each output in the agency's budget in consultation with the Department of Finance.
Expenses	The full costs of an activity, the total value of all the resources consumed in producing goods and services, or the loss of future economic benefits in the form of asset reductions or increases in an entity's liabilities.
Inbound tour operator	A tour operator that arranges tours for people coming from their home countries.
Outcomes	The Australian Government's objectives for an agency or portfolio. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. The outcomes are assessments of the end results or impacts actually achieved.
Portfolio Additional Estimates	Changes in funding requirements that occur after the Federal Budget is presented. These changes to funding require the House of Representatives and the Senate to consider the Additional Estimates.
Portfolio Budget Statements	Budget papers that inform senators and members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio.
Reconciliation Action Plan	Tourism Australia's Reconciliation Action Plan confirms commitment to strong and productive relationships with Indigenous peoples in an effort to improve the lives of Indigenous Australians and to provide a better future for Indigenous children.
Stretch Reconciliation Action Plan	A Stretch Reconciliation Action Plan focuses on implementing long-term strategies and working towards defined targets and goals. For example, targets are set for areas such as cultural awareness, recruitment, retention, promotion, and procuring of services from Indigenous Australians.
Asia Marketing Fund	Announced in May 2012, the Asia Marketing Fund aims to generate greater visitation and economic returns from Asia, Australia's fastest growing tourism region. The Australian Government allocated \$48.5 million between 2012 and 2016.
Program	An activity or group of activities that delivers benefits or services. Programs are the primary vehicles for government agencies to achieve the intended results of their outcomes statement.
Revenue	The total value of resources earned or received to cover the production of goods and services.
Travel distribution system	The 'link between the producers of tourism services and their customers' (Gartner & Bachri, 1994, p. 164).
Approved Destination Status	The ADS visa is a bilateral arrangement between the Chinese Government and a destination country, allowing Chinese tourists to undertake group leisure travel to that country.
Share of voice	Percentage of advertising for one brand in a particular product category as compared to other brands in the same category.

Gartner, W. & Bachri, T. (1994), *Tour Operators' Role in the Tourism Distribution System: An Indonesia Case Study*. In M. Uysal (Ed.), *Global Tourist Behaviour* (pp. 161–180). New York: International Business Press.

4.2 Abbreviations and acronyms

AASB	Australian Accounting Standards Board	PAES	Portfolio Additional Estimates Statements
ACT	Australian Capital Territory	PAICE	Pacific Area Incentives and Conference Expo
ADS	Approved Destination Status	PBS	Portfolio Budget Statement
AGEST	Australian Government Employee Superannuation Trust	PSS	Public Sector Superannuation Scheme
AMF	Asia Marketing Fund	PSSap	PSS accumulation plan
ASP	Aussie Specialist Program	QLD	Queensland
ATDC	Australian Tourism Directions Conference	R&D	Research and Development
ATDW	Australian Tourism Data Warehouse	TAS	Tasmania
ATE	Australian Tourism Exchange	T-QUAL	National Tourism Accreditation Framework
ATEC	Australian Tourism Export Council	TRA	Tourism Research Australia
AWA	Australian Workplace Agreement	UNWTO	United Nations World Tourism Organization
BEA	Business Events Australia	VIC	Victoria
CIBTM	China Incentive, Business Travel and Meetings Exhibition	VFR	Visiting Friends and Relatives
CSS	Commonwealth Superannuation Scheme	WA	Western Australia
DVS	Destination Visitor Survey	WHM	Working Holiday Maker
DFAT	Department of Foreign Affairs and Trade		
FIT	Free independent travellers		
FMOs	Finance Minister's Orders		
IAPG	Investment Attraction Partnership Group		
IMHP	International Media Hosting Program		
ITM	India Travel Mission		
KPI	Key performance indicator		
MoU	Memorandum of Understanding		
N/A	Not applicable		
NABERS	National Australian Built Environment Rating System		
NSW	New South Wales		
NT	Northern Territory		

4.3 Compliance index

Requirement	Note	Page with compliance information
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Contact officer(s)	Mandatory	137
Internet home page address and internet address for report	Mandatory	137
Reviews by Chairman and Managing Director		
Review by Chairman	Mandatory	4 – 5
Review by Managing Director	Mandatory	6 – 7
Agency Overview		
Role and functions	Mandatory	22 – 23
Organisational structure	Mandatory	26 – 27
Outcome and program structure	Mandatory	23, 25
Where outcome and program structures differ from Portfolio Budget Statements (PBS)/Portfolio Additional Estimates Statements (PAES) or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	N/A
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Summary of significant issues and developments	Suggested	4 – 21
Overview of performance and financial results	Suggested	8 – 21, 28 – 29, 36 – 38, 54, 66, 86
Outlook for following year	Suggested	34, 38, 54, 66
Significant issues and developments – portfolio	Suggested	N/A
Report on Performance		
Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	36 – 70
Actual performance in relation to deliverables and KPIs set out in PBS/PAES or other portfolio statements	Mandatory	36 – 70
Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	N/A
Narrative discussion and analysis of performance	Mandatory	4–70
Trend information	Mandatory	30 – 31, 36 – 37
Significant changes in nature of principal functions/services	Suggested	N/A
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Factors, events or trends influencing performance	Suggested	32 – 35
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Social inclusion outcomes	If applicable, mandatory	N/A
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Discussion of any significant changes from the prior year's budget anticipated to have a significant impact on future operations	Mandatory	N/A

Requirement	Note	Page with compliance information
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Significant developments in external scrutiny	Mandatory	N/A
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Assessment of effectiveness of asset management	Mandatory	82
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Assessment of purchasing against core policies and principles	Mandatory	

4.3 Compliance index (continued)

Requirement	Note	Page with compliance information
Consultants		
A summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure on ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website	Mandatory	80
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Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	N/A
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	82
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Grant programs	Mandatory	N/A
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Appendix A

PROGRESS REPORT ON TOURISM 2020 PRIORITIES FOR 2014				
Whole of government working with industry to achieve Australia's tourism potential				
Build demand from Asia to deliver increased market penetration and focus into the Asia region	Build competitive digital capability and deliver tools for tourism businesses to embrace digital opportunities	Encourage investment and implement regulatory reform agenda – deliver more investment into world-class tourism product for Australia	Ensure tourism transport environment supports growth – better leverage tourism opportunities from transport infrastructure and regulation	Increase supply of labour, skills and indigenous participation – deliver a bigger and better-trained workforce to service industry growth
<p>Build industry resilience, productivity and quality – deliver stronger tourism businesses that provide better visitor experiences</p>	<p>Build demand from Asia to deliver increased market penetration and focus into the Asia region</p>	<p>Build industry resilience, productivity and quality – deliver stronger tourism businesses that provide better visitor experiences</p>	<p>Build industry resilience, productivity and quality – deliver stronger tourism businesses that provide better visitor experiences</p>	<p>Build industry resilience, productivity and quality – deliver stronger tourism businesses that provide better visitor experiences</p>
<p>Deliver Asia Marketing Fund (AMF), including:</p> <ul style="list-style-type: none"> » Continued to deliver initiatives of the National Online Strategy for Tourism Going Global Action Plan, to increase online capability including: » A digital information storage facility 'knowledge base' and online community to improve information sharing for digital marketing and distribution. » Enhancement of the Tourism e-kit, including the introduction of face-to-face delivery options. 	<p>» Continue to implement the national Tourism Investment Attraction programme.</p>	<p>» Continue negotiation and liberalisation of air service agreements ahead of demand.</p>	<p>» Continue to identify and advocate for labour and skills policy reforms, including Working Holiday Maker visa reforms.</p>	<p>» Facilitate transfer of responsibilities of T-QUAL Accreditation to industry.</p>
<p>» China: Tourism Australia China 2020 Geographic Strategy targeting three of China's 'second tier' cities.</p>	<p>» Promote and implement the Tourism Major Project Facilitation service.</p>	<p>» Facilitate greater cruise ship access across Australia.</p>	<p>» Implement Tourism Employment Plans, including Indigenous employment outcomes.</p>	<p>» Refocus the Tourism Industry Regional Development Fund grants program on demand-driven infrastructure.</p>
<p>» Japan and Korea: strengthen efforts to rebuild the Japanese and 5th Korea inbound markets.</p>	<p>» Progress priority recommendations in the Investment and Regulatory Reform Report Card.</p>	<p>» Facilitate and improve the movement and experience of inbound passengers (such as streamlining trans-Tasman travel requirements, and extending Smart Gate eligibility).</p>	<p>» Administer the Labour and Skills Enhance grants programme.</p>	<p>» Management of T-QUAL Grants Tourism Quality Projects funded through the 2012 and 2013 funding rounds.</p>
<p>» Across Asia: increase aviation cooperative partnerships between Tourism Australia, State Tourism Organisations, airlines, and airports serving Australia from Asia.</p>	<p>» Bring the findings of the Accessible Accommodation report to the attention of other stakeholders as appropriate.</p>	<p>» Expanded online tourist visa applications.</p>	<p>» Promote the Seasonal Worker Program trial to accommodation providers.</p>	<p>» T-QUAL Strategic Tourism Investment grants program:</p> <ul style="list-style-type: none"> • National Landscapes program • Indigenous Product Development Projects • Indigenous Tourism Business Quality and Skills project
<p>» Research: undertake new research assisting industry's understanding and engagement with Asia.</p>			<p>» Roll out of Workforce Futures by Service Skills Australia.</p>	
<p>Deliver the Servicing Chinese Visitors Strategic Tourism Investment Grant.</p>			<p>» Continue to advocate for the development of a Template Labour Agreement for industry.</p>	
			<p>» Improve coordination and delivery of indigenous programmes, including through the Indigenous Tourism Business Leader program.</p>	
Provision of high quality tourism research				
<p>» Continue consumer demand research in key Asian markets.</p>	<p>» Tourism Investment Monitor 2014.</p>	<p>» Examine traveller responses to price changes in the short-haul travel market.</p>	<p>» Initial scoping of Indigenous businesses and labour.</p>	<p>» Track tourism labour productivity growth.</p>
<p>» Conduct satisfaction research for visitors from Korea and Japan (AMF).</p>	<p>» Small-scale accommodation survey.</p>			
State of the Industry Report 2014				
Australian Tourism Directions Conference				
Ongoing Tourism Research Australia surveys and forecasting program				

LEGEND: ■ Completed/ongoing ■ In Progress/development ■ Not Commenced/delayed Areas of involvement by Tourism Australia in blue font



Skyline, Melbourne, VIC – Image courtesy of Roberto Seba *Best Jobs in the World* winner

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Contacting Tourism Australia

AUSTRALIA

Level 29, 420 George Street
Sydney NSW 2000
Telephone: +61 2 9360 1111
Facsimile: +61 2 9331 6469
Email: ask.us@tourism.australia.com

CHINA

Room 5205, Level 52
No. 1717 West Nanjing Road
Wheelock Square
Jingan District
Shanghai 200000
Telephone: +86 21 6010 3988
Facsimile: +86 21 6010 3989
Email: ask.us@tourism.australia.com

GERMANY

Neue Mainzer Strasse 22
D 60311 Frankfurt/Main
Telephone: +49 69 274 00622
Facsimile: +49 69 2740 0640
Email: ask.us@tourism.australia.com

HONG KONG

Suite 6706
67th Floor
Central Plaza
18 Harbour Road
Wanchai
Telephone: +852 2531 3800
Facsimile: +852 2802 8211
Email: ask.us@tourism.australia.com

INDIA

Office No. 97,
9th Floor, 3rd North Avenue,
Maker Maxity, Bandra Kurla Complex,
Bandra (East), Mumbai 400051
Telephone: +91 22 6628 0200
Facsimile: +91 22 6743 9765
Email: ask.us@tourism.australia.com

JAPAN

12F Marunouchi Trust
Tower North
1-8-1 Marunouchi, Chiyoda-ku
Tokyo 100-0005
Telephone: +81 3 5218 2560
Facsimile: +81 3 5218 2577
Email: ask.us@tourism.australia.com

SOUTH KOREA

20th Floor, Youngpoong Building
41 Cheonggyecheon-ro
Jongno-gu, Seoul 110-752
Telephone: +82 2 399 6500
Facsimile: +82 2 399 6507
Email: ask.us@tourism.australia.com

MALAYSIA

Suite 12-1, Faber Imperial Court
Jalan Sultan Ismail 50250
Kuala Lumpur
Telephone: +60 3 2611 1148
Facsimile: +60 3 2070 4302
Email: ask.us@tourism.australia.com

NEW ZEALAND

Level 3, 125 The Strand
Parnell 1001
Auckland
Telephone: +64 9 915 2826
Facsimile: +64 9 915 2881
Email: ask.us@tourism.australia.com

SINGAPORE

101 Thomson Road
United Square #08-03
Singapore 307591
Telephone: +65 6255 4555
Facsimile: +65 6253 8431
Email: ask.us@tourism.australia.com

UK

6th Floor
Australia Centre
Australia House
Melbourne Place/Strand
London WC2B 4LG
Telephone: +44 20 7438 4601
Facsimile: +44 20 7240 6690
Email: ask.us@tourism.australia.com

USA

Suite 3150, Century Plaza Towers
2029 Century Park East, Century City
Los Angeles, California 90067
Telephone: +1 310 695 3200
Facsimile: +1 310 695 3201
Email: ask.us@tourism.australia.com

CONTACT OFFICER

For more information about this report, please contact:

Karen Halbert
General Manager Corporate Affairs
Tourism Australia
GPO Box 2721
Sydney NSW 1006
Australia

Telephone: +61 2 9360 1111

This report can be accessed online at
www.tourism.australia.com.

ADDITIONAL INFORMATION SOURCES

2013–14 Portfolio Budget Statements
Tourism Australia Corporate Plan 2014–17

FREEDOM OF INFORMATION

Tourism Australia is a prescribed authority under the *Freedom of Information Act 1982*. Tourism Australia's contact officer for Freedom of Information requests is Mark Craig, General Manager, Corporate Services.

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Best Jobs in the World Campaign

Tourism Australia took one of the most successful tourism campaigns in recent times – Tourism Queensland's 2009 'Best Job in the World' – and made it bigger by involving state tourism organisations in a concerted effort to promote the whole of Australia internationally with a single voice. Six extraordinary jobs in six extraordinary areas were offered, showcasing the best of our country and the best that Australian tourism has to offer the world's youth travellers. The campaign was a huge success. During the six-week campaign, Tourism Australia received 620,000 applications from 330,000 individuals in 196 countries.

Such was the quality of the candidates that Tourism Australia created its own 'Best Job'. Photographer, cinematographer, director and 'Best Jobs in the World' contestant Ellenor Argyropoulos accepted a six-month role with Tourism Australia's social media team in May 2013. A number of the photographs in this report are the result of her assignment with Tourism Australia.

Cover images from 'Best Jobs in the World' contributors, right to left:

- Hobart city from Mount Wellington Lookout, Tasmania, Ellenor Argyropoulos
- Barramundi Gorge, Kakadu National Park, Northern Territory, Ellenor Argyropoulos
- Vivonne Bay, Kangaroo Island, South Australia, Greg Snell
- Daintree National Park, Queensland, Maxime Coquard



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