



Tabled by
Tourism Australia
23/2/11

THE HON MARTIN FERGUSON AM MP
MINISTER FOR RESOURCES AND ENERGY
MINISTER FOR TOURISM

PO BOX 6022
PARLIAMENT HOUSE
CANBERRA ACT 2600

03 FEB 2010

Mr Rick Allert AO
Executive Chair
Tourism Australia Board
GPO Box 2721
SYDNEY NSW 1006

B09/1433

Dear Mr Allert *Rick,*

I am pleased with the progress Tourism Australia has made over the last couple of years. In particular, I acknowledge the significant progress that has been made on the issue of governance. Please find attached the updated Statement of Expectations for Tourism Australia.

The Statement of Expectations is developed in response to the *Review of the Corporate Governance of Statutory Authorities and Office Holders* by Mr John Uhrig AC. It applies from the date of receipt until otherwise amended with the Government's priorities. Its purpose is to increase the transparency and accountability of Statutory Authorities.

The Statement of Expectations articulates my priorities for Tourism Australia, and therefore will need to be incorporated into Tourism Australia's planning and reporting process.

I look forward to receiving your Statement of Intent outlining how you propose to implement the Statement of Expectations. I request that you provide me with a copy of your Statement of Intent by 19 March 2010 and I look forward to meeting with you and the Board to discuss the priorities and the future work program.

Yours sincerely

Martin Ferguson

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MINISTER FOR TOURISM

STATEMENT OF EXPECTATIONS FOR TOURISM AUSTRALIA

1. I am pleased to provide you with a Statement of Expectations. This document communicates my expectations of, and priorities for, Tourism Australia.
2. As the Minister for Tourism I am responsible for the *Tourism Australia Act 2004* (the Act) and for Tourism Australia which was established under the Act. Tourism Australia is required to meet a range of accountability and reporting requirements under the Act and the *Commonwealth Authorities and Companies Act (1997)*.
3. I expect that you, as Chairman of the Board of Tourism Australia, will respond with a Statement of Intent for my approval. The Statement of Intent should outline how Tourism Australia will meet the expectations set out in this Statement of Expectations.
4. This Statement of Expectations should also inform Tourism Australia's Corporate and Annual Operating Plans, which require my endorsement under the Act.
5. This Statement of Expectations is current from the time of receipt until otherwise amended.

Role of Tourism Australia

6. The objects of Tourism Australia as defined in *Part 2, Section 6* of the Act are:
 - a) To influence people to travel to Australia, including for events;
 - b) To influence people travelling to Australia to also travel throughout Australia;
 - c) To influence Australians to travel throughout Australia, including for events;
 - d) To help foster a sustainable tourism industry in Australia; and
 - e) To help increase the economic benefits to Australia from tourism
7. The functions of Tourism Australia as defined in *Part 2, Section 7(1)* of the Act are:
 - a) To increase the awareness of potential international travellers of Australia as a destination
 - b) To increase awareness of potential domestic travellers of Australia as a place to travel;
 - c) To increase the knowledge of potential travellers, both international and domestic, of Australia;
 - d) To increase the desire of potential international travellers to travel to Australia;
 - e) To increase the desire of potential travellers, both international and domestic, to travel throughout Australia;
 - f) To conduct research into, and analysis of, international and domestic travel;
 - g) To report on trends in international and domestic travel;
 - h) To communicate effectively with the Australian tourism industry on issues that may affect it; and
 - i) To increase awareness throughout Australia of the contribution of tourism to Australia's economy, society and environment.

Expectations and Priorities

8. I expect Tourism Australia to perform its functions as defined in the Act. I would like to see Tourism Australia continue to strengthen its corporate governance, transparency and accountability arrangements in accordance with auditing standards.
9. The requirement of Tourism Australia to establish performance indicators to assess its performance and functions is a priority. These performance indicators should be limited to those crucial to the success of Tourism Australia and include both financial and non-financial measures. They should be reported against, as appropriate, in the *Tourism Australia Corporate Plan, Annual Report* and *Annual Operating Plan*.
10. A priority of mine is to ensure Tourism Australia manages its planning and performance of key projects and/or contracts in line with best practice. This will ensure that Tourism Australia is able to identify the factors impacting on the success, or otherwise, initiatives and apply lessons learned.

11. Tourism Australia's management of complex projects should be strategic and outline details regarding governance, transparency, accountability, timelines, budgets, resources, reporting and risk management.
12. In meeting its requirement to help increase the economic benefits to Australia from tourism, I expect Tourism Australia to:
 - 12.1. Implement the Government's priorities for tourism promotions including:
 - 12.1.1. Marketing Australia internationally by maintaining trade with traditional markets and focusing on emerging short to medium haul markets;
 - 12.1.2. Focusing on high yielding business events such as meetings, conventions, incentives and exhibitions;
 - 12.1.3. Developing and targeting a portfolio of travel segments which includes emerging segments where opportunities may exist to expand Australia's tourism offering beyond leisure, business and education tourism;
 - 12.1.4. Promoting growth in the domestic tourism industry. An important priority is the continued implementation of the No Leave No Life initiative to encourage Australians to take annual leave and to travel within Australia;
 - 12.1.5. Working with TRA and other bodies to provide quality marketing research and insights to state, territory regional and local tourism organisations, and operators;
 - 12.1.6. Engaging the support of industry partners in domestic and international cooperative marketing campaigns, and ensuring maximum state and territory government and private sector investment;
 - 12.1.7. Ensuring all marketing activity is conducted on the basis of rigorous research to maximise private sector, state and local government investment and demonstrates value for money;
 - 12.1.8. Working to support the improvement of quality standards in the Australian tourism industry including through the promotion of the National Tourism Accreditation framework; and
 - 12.2. Work with Australian Government departments and agencies such as Austrade and the Department of Foreign Affairs and Trade, and state and territory governments to extend Brand Australia;
 - 12.3. Lead industry communications, including an annual industry outlook conference, and disseminate research and development information in accordance with the overall directions established by the Research and Development Advisory Board; and
 - 12.4. Actively support and assist with the implementation of the National Long-Term Tourism Strategy and associated workplans via active participation on the associated working groups:
 - 12.4.1. Investment and Regulatory reform
 - 12.4.2. Destination Management Planning, including branding and promoting National Landscapes;
 - 12.4.3. Tourism Access;
 - 12.4.4. Industry resilience;
 - 12.4.5. Quality Assurance and Accreditation;
 - 12.4.6. Indigenous Tourism Development;
 - 12.4.7. Distribution of Quality Product; and
 - 12.4.8. Research and Development.

Relationship with the Minister and reporting requirements

13. I would like to institute a meeting with the Board at the time of the issuing of the Statement of Expectations and then once annually.
14. I would like to institute a quarterly reporting process with Tourism Australia to provide me with detailed reports on Tourism Australia's progress in meeting the priorities set out in this Statement of Expectations. The report should cover, in relation to each Government priority listed in paragraph 12 of this document, progress to date, any impediments to timely achievement of the relevant key performance indicators and any risks (internal or external) to continued progress.
15. I also expect that you will provide me with a quarterly report on Tourism Australia's performance against the key performance indicators contained in the *Tourism Australia Corporate Plan* and *Annual Operating Plan* and raise any issues affecting its capacity to achieve its objects and functions under the Act.
16. I also require that you provide me with a comprehensive written report within 10 business days after each meeting of the Tourism Australia Board. This report should outline key deliberations as well as outcomes.
17. In addition to the quarterly reports to me against the *Tourism Australia Corporate Plan*, *Annual Operating Plan* and my priorities contained within the Statement of Expectations, a high level meeting between the Department of Resources, Energy and Tourism (the Department) and Tourism Australia should occur at least quarterly. Other key agencies, such as Austrade, should be involved, as appropriate, to ensure strong outcomes for tourism across relevant Government activities. These quarterly meetings will be chaired by the RET Secretary or a nominee. The quarterly reports outlined in paragraphs 14 and 15 should be tabled prior to these quarterly meetings.

Communication with the Department

18. Open communication and the exchange of information between the Department and Tourism Australia is critical given my responsibility to Parliament for the manner in which Tourism Australia operates and for the outcomes it delivers.
19. In keeping with current practice, the information described in paragraphs 14 – 16 and all other briefings from Tourism Australia should be provided at the same time to the Secretary and other relevant officers of the Department.

Financial Management

20. In accordance with Sections 33-38 of the Act, Tourism Australia is required to prepare a Corporate Plan and Annual Operating Plan for my approval. The Annual Operating Plan will specify the programs that the Board proposes Tourism Australia to carry out and the resources that the Board proposes to allocate to each program.
21. In accordance with Section 59 of the Act and in seeking my approval for a procurement which is anticipated to be valued in excess of \$3 million or enter into a lease of land for a period of 10 years or more and is based on an approach to the market, I expect Tourism Australia to:
 - 21.1. provide me with advice about the nature and scope of the planned procurement process; relevance in terms of achieving key performance indicators; assurance that the Commonwealth Government Procurement Guidelines will be complied with; an assessment of the procurement risk and Tourism Australia's strategy for managing the risk; and all other information that I may request to assist me in making an informed decision, no less than 10 business days prior to Tourism Australia approaching the market; and
 - 21.2. give me at least 10 business days notice to approve a decision on the preferred tenderer. Tourism Australia's advice will need to include confirmation that Tourism Australia complied with the Commonwealth Procurement Guidelines and acted in accordance with the procurement strategy; that probity was maintained; and that I am advised of any new risk(s) that emerged during the process, an assessment of risk(s) and Tourism Australia's strategy for managing risk.

22. In all other cases for contracts valued in excess of \$3 million or where Tourism Australia enters into a lease of land for a period of 10 years or more, Tourism Australia must provide me with at least 10 business days notice to approve a decision on the contract. Tourism Australia's advice will need to include confirmation that Tourism Australia complied with the Commonwealth Procurement Guidelines and acted in accordance with the procurement strategy; that probity was maintained; relevance in terms of achieving key performance indicators; and that I am advised of any risk(s), an assessment of risk(s) and Tourism Australia's strategy for managing risk.