Section 82 Notice - Financial Management Act 2006

Legislative Assembly Question on Notice 576

Pursuant to section 82 of the *Financial Management Act 2006*, I give notice to both houses that I am unable to provide an answer to Parts (vi) (A) - (H), Parts (vi) (J) - (N), and Parts (vii) (A) and (B) of Legislative Assembly Question on Notice 576.

Notice is also being provided to the Auditor General, as required under section 82 of the *Financial Management Act 2006.*

Attached for information please see Question on Notice 576 with my answers (Attachment 1). The specific questions that I am unable to answer are below:

Assembly 576. Mr R.S. Love to the Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science

- (c) In reference to the campaign "Walking on a dream Tourism WA" (https://www.westernaustralia.com/au/pages/western-australia-walking-on-adream):
- (vi) Please provide a breakdown of expenditure by print, digital, TV and radio advertisements in the following jurisdictions:
- (A) Western Australia;
- (B) Queensland;
- (C) New South Wales;
- (D) Victoria;
- (E) Tasmania;
- (F) Northern Territory;
- (G) Australian Capital Territory:
- (H) South Australia;
- (J) Singapore;
- (K) India;
- (L) United States of America:
- (M) China:
- (N) United Kingdom;
- (vii) Please provide a breakdown of fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream':
- (A) Are these fees once off or paid on a royalty basis; and
- (B) If paid on a royalty basis, please list the cost per annum for each year of the campaign.

With respect to Tourism Western Australia's "Walking On A Dream" brand campaign and questions (c)(vi)(A)-(H) and (c)(vi)(J)-(N), I am not prepared to provide details of the funding amounts spent by Tourism Western Australia (Tourism WA) with media companies across specific media as this information should not be made public in order to maintain the Government's ability to negotiate the best outcome for the State on media buys for future tourism campaigns.

In relation to questions (c)(vii)(A)-(B), I am also not prepared to disclose information about fees and payments made to any licence holder, producer and/or artist for the commercial use of the song, 'Walking on a Dream', which is commercially sensitive and confidential.

In making this decision I have considered the public interest, and while the public has a general right of access to information held by government agencies, this right has to be balanced against the need to protect the financial and commercial affairs of the State.

The information requested has not been provided for the following reasons:

Tourism WA's marketing activities include a significant amount of media advertising. Tourism WA strives to ensure it negotiates the best possible deal with media companies so the buying power of taxpayer's funds is maximised. Releasing funding information publicly, impacts Tourism WA's ability to secure the best deal for the State. If media companies became aware of how much the State Government is prepared to pay for media, the overall cost of buying media for State campaigns could increase or opportunities could be lost.

In addition, knowledge of the State Government's tourism campaign budgets could be used by other Australian States and Territories or overseas destinations to outbuy Western Australia for campaign share of voice and give them an unfair advantage in negotiations with media companies, particularly in opportunities where bidding is involved.

The release of specific information about the value of media deals negotiated would also significantly affect Tourism WA's business, professional, commercial and financial affairs, as well as those of associated third parties, such as media companies, in relation to the specific deals they are prepared to do to win business.

With respect to fees and payments for the licence to use the 'Walking on a Dream' song, Tourism WA has licence agreements with the three companies representing the three individuals responsible for the song — Universal Music Group, BMG Rights Management (Australia) Pty Ltd and Sony Music Publishing (Australia) Pty Limited — and the company responsible for publishing the song — Universal Music Publishing Group.

BMG Rights Management (Australia) Pty Ltd has confirmed its expectation the Confidentiality sections of the agreement will apply and any disclosure of the music licence fees to an external party will be a breach of contract. Similarly, the Universal Music Group's and Universal Music Publishing Group's strict Global Code of Conduct stipulates confidentiality of details within the agreement with Tourism WA and all negotiations covered under the agreement.

Within the Sony Music Publishing (Australia) Pty Limited agreement, a clause binding all four agreements together is the Most Favoured Nations (MFN). MFN applies to the licence fees, meaning all publishers receive their rightful portion of a publishing fee that they all agree to, and in addition, this publishing fee must be exactly matched by the label. Because of MFN, if the total music licence fee amount is shared with an external party, a person outside of the parties to the BMG agreement will be able to determine the exact fee given to BMG based on publicly available information as to the ownership splits of the three publishers. For this reason, any disclosure of the music licence fee to an external party will result in a breach of contract with BMG.

In summary, all Australian States and Territories are competing with one another, in many cases targeting the same audiences, as the tourism industry and jurisdictions across the country work to restore visitor numbers and visitor spend to levels enjoyed prior to the COVID-19 pandemic. Tourism WA has invested significant amounts of money on behalf of the State to gain a competitive advantage in its marketing activities and the release of amounts spent across different media in domestic and overseas markets would jeopardise Tourism WA's ability to negotiate specific deals with media outlets.

Furthermore, it is the expectation of all companies involved in the licencing of rights for Tourism WA to use the 'Walking on a Dream' song that confidentiality will be maintained.

The McGowan Government takes its responsibility to grow visitor numbers by implementing a range of domestic and international marketing initiatives very seriously. A key strategy is to safeguard information that may jeopardise the State's business relationships, reputation and ability to negotiate successfully with media outlets.

A copy of Tourism WA's *Policy and Guidelines for the Release of Event Sponsorship and/or other Commercial Information*, which has been used to determine this recommendation, is at **Attachment 2**.

Should you have any queries relating to this matter, please contact Department of Jobs, Tourism, Science and Innovation Director Risk and Governance, Margaret Strong Smith, by email to Margaret.STRONGESMITH@jtsi.wa.gov.au or by telephone on 6277 2939.

HON ROGER COOK MLA
DEPUTY PREMIER;

MINISTER FOR TOURISM

Attachment 1

Extract from Hansard of LA QoN 576 22 November 2022

Attachment 2

Tourism WA's Policy and Guidelines for the Release of Event Sponsorship and/or other

Commercial Information

23 DEC 2022

LEGISLATIVE ASSEMBLY Question On Notice

Wednesday, 19 October 2022

576. Mr R.S. Love to the Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science

I refer to campaigns under your portfolios as the Minister for Jobs and Trade and Minister for Tourism:

- (a) In reference to the website and campaign "Build a Life in WA" (https://www.buildalifeinwa.com.au/):
- (i) What was the cost to build this website;
- (ii) When was the website first conceived as an idea to attract people to WA;
- (iii) How many unique visitors have been to the website? Please breakdown by country of origin;
- (iv) How is the website being marketed and how much money is budgeted in total for marketing:
- (A) Interstate; and
- (B) Internationally;
- (v) What is the expected lifetime of the website;
- (vi) What is the ongoing cost of the website;
- (vii) Are there key performance indicators for the website, and if yes how will they be tracked; and
- (viii) How many people have identified the website as a direct reason they have moved to Western Australia, and how is this being quantified by the Department of Jobs, Tourism, Science and Innovation;
- (b) In reference to the website and campaign "Like no other" (https://likenoother.wa.gov.au/):
- (i) What was the cost to build this website;
- (ii) When was the website first conceived as an idea to attract people to WA;
- (iii) How many unique visitors have been to the website? Please breakdown by country of origin;
- (iv) How is the website being marketed and how much money is budgeted in total for marketing:
- (A) Interstate; and
- (B) Internationally;
- (v) What is the expected lifetime of the website;
- (vi) What is the ongoing cost of the website;
- (vii) Are there key performance indicators for the website, and if yes how will they be tracked; and
- (viii) How many people have identified the website as a direct reason they have moved to Western Australia, and how is this being quantified by the Department of Jobs, Tourism, Science and Innovation; and

- (c) In reference to the campaign "Walking on a dream Tourism WA" (https://www.westernaustralia.com/au/pages/western-australia-walking-on-a-dream):
- (i) What was the cost to build this website;
- (ii) When was the campaign first conceived;
- (iii) How many unique visitors have been to the website? Please breakdown by country of origin;
- (iv) What is the expected lifetime of the website;
- (v) Please provide an annual expected breakdown of the \$15 million budgeted for the campaign, detailing how much has been spent to date;
- (vi) Please provide a breakdown of expenditure by print, digital, TV and radio advertisements in the following jurisdictions:
- (A) Western Australia;
- (B) Queensland;
- (C) New South Wales;
- (D) Victoria;
- (E) Tasmania;
- (F) Northern Territory;
- (G) Australian Capital Territory;
- (H) South Australia;
- (I) International total;
- (J) Singapore;
- (K) India;
- (L) United States of America;
- (M) China;
- (N) United Kingdom;
- (vii) Please provide a breakdown of fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream':
- (A) Are these fees once off or paid on a royalty basis; and
- (B) If paid on a royalty basis, please list the cost per annum for each year of the campaign; and
- (viii) Has there been any commercial agreement to use other songs by or featuring Luke Steele in other Government funded advertisement campaigns:
- (A) If yes please detail.?

Answer

- (a) The Build a Life in WA campaign is managed by the Department of the Premier and Cabinet. Questions relating to the Build a Life in WA campaign should be directed to the Premier, as the responsible Minister.
- (b) (i) \$18,000 ex GST
- (ii) The campaign 'Western Australia It's Like No Other' and website, were launched on 15 December 2021.

(iii) As at 7 November 2022 1.32million unique visitors, with the top 10 countries:

594,137 India 224,275 Philippines 155,489 Indonesia 119,051 Pakistan 97,089 Vietnam 52,565 Nepal 38,582 Malaysia 11,784 Bhutan 5,660 Hong Kong

5,228 Australia

- (iv) (A) & (B) The website is the digital destination for a variety of marketing activities, and forms a key component of campaign engagement. The marketing campaign 'Western Australia It's Like No Other' generates awareness of Western Australia to an international audience with a spend of \$2.93 million ex GST until the end of 2022 through digital and press advertising. The website is not currently promoted to an interstate audience.
- (v) The website will be utilised for the duration of the "Western Australia-It's like no other" campaign.
- (vi) Cost managed within standard annual operational funding.
- (vii) Yes sessions, engagement rate, user journey, devices used and web traffic by geographic location and language.
- (viii) The purpose of the website it to provide awareness of Western Australia's key pillars for visitors, students, investors and workers; and provide referrals to other platforms under the key pillars. It does not quantify the number of people identifying the website as a direct reason for moving to Western Australia.
- (c) (i) \$878,384 to add significant functional enhancements to Tourism Western Australia's consumer website, westernaustralia.com, and incorporate new "Walking on a Dream" design elements.
- (ii) October 2021
- (iii) As at 19 October 2022 and since its soft launch on 1 September 2022, 343,237 unique visitors from:

277,152 Australia
28,136 New Zealand
10,103 Singapore
8,367 United Kingdom
6,342 United States of America
4,665 India
4,592 Germany
3,880 Malaysia

(iv) 7 years before the website is likely to require a redesign and further enhancements

(v) 2021-22 - \$1,400,000 2022-23 - \$13,759,712 (budget spent or is committed to be spent) Total - \$15,159,712

(vi)(A)-(H) Domestic media buys across television networks and social media platforms make it impossible to provide a breakdown of expenditure across specific markets, however, total expenditure in the domestic market is \$4,894,712.

Confidentiality of funding amounts spent with media companies across specific media is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed that this information is confidential and commercially sensitive and cannot be released.

Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the *Financial Management Act* 2006.

(vi)(I) \$2,000,000 has been committed in 2022-23, with campaign activity commencing in different international markets at different times of the year.

(vi)(J)-(N) Confidentiality of funding amounts spent in specific markets is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed that this information is confidential and commercially sensitive and cannot be released.

Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the *Financial Management Act* 2006.

(vii)(A)-(B) Confidentiality of negotiations, contract terms and funding amounts is critical in order to maintain the Government's ability to negotiate the best outcome for the State on future Tourism Western Australia campaigns. Tourism Western Australia has assessed that contract information, including the fees and payments to date to any licence holder, producer and/or artist for the commercial use of the song 'Walking on a Dream' is confidential and commercially sensitive and cannot be released.

Accordingly, I will notify the Auditor General's office and both houses of Parliament that part of the questions will not be answered as per Section 82 of the *Financial Management Act* 2006.

(viii) No (A) N/A

D.

Policy and Guidelines

Release of Event Sponsorship and/or other Commercial Information



1. Purpose

This policy and guidelines document has been developed primarily to assist in providing advice to the Minister for Tourism in responding to parliamentary questions or other parliamentary proceedings¹ that may involve the potential release of event sponsorship information and/or other commercial information (i.e. financial, contractual and/or other information acquired as part of either an event sponsorship process or other business activity).

This document may also be useful in guiding the preparation of advice to the Minister for Tourism in any situation (including the above) where it may be considered "reasonable and appropriate" not to provide information to Parliament.

2. Background

Tourism Western Australia (Tourism WA), as a Western Australian Public Sector entity, operates within a governance and accountability framework established under both legislation and policy. The agency's accountability depends on the availability of information about how the activities of the agency have been conducted.

Section 82 of the *Financial Management Act 2006* (FM Act) provides that, if a Minister decides that it is reasonable and appropriate <u>not</u> to provide certain information to Parliament concerning the conduct or operation of an agency, then within 14 days of the decision the Minister is to cause written notice of the decision to be given to both Houses of Parliament and the Auditor General.

Section 24 of the *Auditor General Act 2006* (AG Act) requires the Auditor General to report to Parliament an opinion "as to whether a decision by a Minister to <u>not</u> provide the information to Parliament concerning any conduct or operation of an agency is reasonable and appropriate".

Note: Whilst the *Freedom of Information Act 1992* may provide a valuable reference point in considering whether information should be withheld in answer to a request in Parliament, it is a separate process to that of responding to a request in Parliament.

When are section 82 notices not required?

A notice under section 82 of the FM Act is unlikely to be required in the following circumstances:

- the Minister has advised that information will be provided at a later date and there is reasonable justification for the delay
- an answer has been provided in a previous question
- the information is already publicly available
- the requested information does not concern the conduct or operation of an agency as required by the FM Act

¹ Note: Section 82 of the *Financial Management Act 2006* is not restricted to parliamentary questions on notice but to any parliamentary proceeding.

- the information is already being sought under the Freedom of Information Act 1992 (however, refusal to provide information simply because it can be accessed under the FOI Act is likely to be considered unreasonable and not appropriate)²
- the Minister refers the request for information to another Minister, with responsibility for the agency in question.

Extract from the Office of Auditor General Audit Practice Statement www.audit.wa.gov.au

3. Policy Statement

Advice provided by the agency on the release (or not) of event sponsorship and/or other commercial information shall in all cases involve:

- A An assessment of the confidentiality of the commercial information (including contractual requirements³ in relation to confidentiality);
- **B** An assessment against reasonable criteria for determining the commercial sensitivity of the information and possible detriment to the State and/or other parties; and
- C Documentation of the above assessments.

Other considerations may include the:

- i. Resources required to collect the information;
- ii. Information being protected by legal professional privilege; and/or
- iii. Information being protected by public interest immunity.

4. Guidelines

Contact Tourism WA's Ministerial Liaison Unit prior to commencing any assessment action for additional assistance, including a copy of additional guidance documents and templates.

A Assessing the confidentiality of the information

(including any contractual requirements in relation to confidentiality)

For the purposes of this policy, for commercial information to be considered as confidential, it must satisfy <u>all</u> of the following criteria:

- i. The information to be protected must be specifically identified.
- ii. The information must be 'commercially sensitive'. (Refer guideline 4B Assessing Commercial Sensitivity of the information and possible detriment to the State and/or other parties.)
- iii. Disclosure would cause unreasonable detriment to the owner of the information or another party.
- iv. The information was provided under an understanding that it would remain confidential. (This requires consideration of the circumstances in which the information was provided and whether there was a mutual, express or implied understanding that confidentiality would be maintained.)

² Refer also to the 17 September 2015 Statement in the Upper House of Parliament by the Hon Barry House MLC, President of the Legislative Council regarding the *FOI Act*. HPRM Reference: E15/16738 (file GOV/0460)

³ Note: Section 81 of of the *Financial Management Act 2006* requires that no contractual or other arrangement is to be entered into that would prevent or inhibit the provision of information by the Minister to Parliament concerning any conduct or operation of the agency.

- B Assessing commercial sensitivity of the information and possible detriment to the State and/or other parties
 - i. Is the information generally known or ascertainable?
 - ii. Has the information already been disclosed by another party (e.g. by another government entity) and/or another process (e.g. a freedom of information request, annual reporting, media statement, response to other parliamentary questions or a parliamentary committee, etc)?
 - iii. Is the information a trade secret or other business information that has commercial value and its disclosure could reasonably be expected to destroy or diminish that value?

Some potential considerations:

(a) Would the release of financial, contractual or other information compromise Tourism WA's (the State Government's) ability to successfully attract, develop and/or retain an event or other business activity for Western Australia?

For example

- Could it provide another city or State with an unfair advantage?
- Could it lead to substantially increased costs should another city or State seek to attract the event or business activity?
- Is the event or business activity sufficiently 'mobile' that it could be secured or hosted in another city or State?
- (b) Would the release of financial, contractual or other information compromise Tourism WA's (the State Government's) future *ability to successfully negotiate favourable terms and conditions* for an event or other business activity?

For example:

- If future event holders or other companies knew the information is not being treated as commercially sensitive, would they be more reluctant to negotiate favourable terms and conditions with Tourism WA (the State Government) because other cities or states may demand the benefit of the same business arrangements.
- (c) Consultation with Partners

In some instances, consultation with Tourism WA's commercial partners on the release of information may be required. In these instances, it is important that Tourism WA provide guidance to its commercial partners on identifying and justifying commercially sensitive information.

All responses from commercial partners need to be assessed by Tourism WA as to whether there is support (or not) for information proposed to be treated as confidential. Where multiple partners are involved, a consistent approach across of partners is required unless exceptional circumstances exist and this has been documented as part of the assessment.

In all cases, responses from commercial partners and Tourism WA's assessment are to be documented.

C Documentation of the Assessment(s)

The Ministerial Liaison Unit has a template to guide the documentation of the agency's assessment and subsequent advice to the Minister for Tourism, given a thorough evaluation against relevant criteria is required (ie it is not sufficient for example to simply state the requested information is commercial in confidence).

Wherever possible, the draft assessment should be referred to either the Executive Director or the Manager Procurement & Contracts within the Corporate Services division for internal review, prior to finalising the assessment. This process step should also be reflected in the documented assessment, where applicable.

In instances involving a **Question Without Notice**, if the advice to the Minister for Tourism is not to provide information to Parliament, a conscious and deliberate consideration of the matter is still required to have occurred in preparing this advice. However, whilst written documentation of the deliberative process is required in all cases, due to the time constraints in responding to a Question Without Notice, this documentation step may need to occur after the advice has been provided to the Minister for Tourism.

In all instances where the draft response recommended to the Minister for Tourism involves the **provision of a redacted document to Parliament**, the original document and the proposed redacted version are to be referred to the agency's Chief Information Officer for review to ensure transparency and consistency of the redaction process that has been employed.

Other considerations

Contact the Executive Director Corporate Services for additional assistance if one or more of the following may be relevant to providing advice to the Minister for Tourism on whether or not to provide information to Parliament:

- i. The resources required to collect the information would be manifestly unreasonable;
- ii. The information is protected by legal professional privilege; and/or
- iii. The information is protected by public interest immunity (eg Cabinet Documents).

5. Impact of Time

Related to the above is the question of time: At what point in time does the information no longer have commercial sensitivity and, as such, no longer needs to be held in confidence? The setting of a specific timeframe has not been deemed appropriate and therefore each case needs to be assessed on its own merits or context (i.e. parallels to other current events/business activity, potential for that or a similar event/business activity to return or recur in the near future, etc).

6. Auditor General Reports for Referencing

8/2018 | 10 December 2018

Cost of each current brand and marketing campaign [Question: 8 May 2018]

8/2018 | 10 December 2018

Information about State Government costs for the Qantas Broome Discounted Fares Program [Question: 28 June 2018]

10/2018 | 24 May 2018

HPRM Reference: FIN/1511

Funding of Margaret River Gourmet Escape [Question: 31 Oct 2017]

4/2018 | 11 April 2018

HPRM Reference: FIN/1508

Funding of Margaret River Gourmet Escape [Question: 16 Oct 2017]

19/2017 | 1 November 2017

HPRM Reference: FIN/1472

Funding of Margaret River Pro.

22/2016 | 13 October 2016

HPRM Reference: FIN/1302

Annual cost of 16 sponsorship agreements to Parliament.

21/2015 | 8 October 2015

HPRM Reference: FIN/1057

Funding provided to attract a 2018 FIFA World Cop Socceroos' Qualifying Match to Perth.

12/2015 | 12 June 2015

HPRM Reference: FIN/1041

Sale of public land (FESA House).

17/2014 | 25 September 2014 HPRM Reference: FIN/1008

Feasibility for International Cricket (Cricket Test Matches) and Analysis of the Experience Extraordinary campaign.

3/2014 | 18 March 2014

HPRM Reference: FIN/0901

Funding for some Tourism WA sponsored events.

9/2012 | 28 June 2012

HPRM Reference: FIN/0727

Funding for the Perth International Arts Festival.

2/2012 | 22 February 2012

HPRM Reference: FIN/0704-2

Funding for some Tourism WA sponsored events.

2/2011 | 23 March 2011

Information on the theatre production of The Graduate.

7. Additional Information

- State Solicitor's Office (Nov 2016): Guideline to Ministers Deciding Whether to Provide Information Requested by Parliament. Refer HPRM reference: STM/0509
- Identifying and Protecting Confidential Information, Australian Government Solicitor, Legal Briefing No. 64, 4 July 2002, http://www.ags.gov.au/publications/legal-briefing/br64.pdf
- Audit Practice Statement, Office of the Auditor General (WA), www.audit.wa.gov.au
- Various media articles including *Victoria vows to fight for every major event "worth taking"* (June 2015) refer HPRM reference: STM/0509
- 17 September 2015 Statement in the Upper House of Parliament by the Hon Barry House MLA, President of the Legislative Council regarding the *FOI Act*. Refer HPRM reference: E15/16738 (Tourism WA file GOV/0460).
- Decision of the Office of the Information Commissioner (Decision Ref: D0062014): Freedom of Information – refusal of access – clause 4(1) – trade secrets. (Tourism WA file: STM/0509)

8. Legislative Base/Related Policies

- Financial Management Act 2006
- Auditor General Act 2006

9. Forms & Templates

Refer Ministerial Liaison Unit

10. Version Control

Version	Date	Approved By	Comment/Amendment
1.0	Jul 2012	CEO	New policy. First version
2.0	Jul 2015	CEO	Revision to include other business activities (i.e. in addition to event sponsorship) and a clarification/expansion of the assessment criteria.
3.0	Oct 2015	ED, CBS	Insert of additional references: Auditor General Report (21/2015) 17 Sep 2015 Statement by the President of the Legislative Council.
4.0	Jan 2017	CEO	Revision to include additional information from the State Solicitor's Office Nov 2016 Guideline to Ministers Deciding Whether to Provide Information Requested by Parliament. Insert of additional references: Auditor General Report (22/2015) Decision of the Office of the Information Commissioner (Trade Secrets).
5.0	Feb 2021	A/CEO	Revision to address OAG findings from Section 82 audit of response to Question on Notice asked of the Minister for Tourism on the Hotel Perth Campaign on 12 March 2019. Insert of additional references (Auditor General Reports 2017 & 2018)