

**HOUSE OF ASSEMBLY
LAID ON THE TABLE**

29 Oct 2019



**Government
of South Australia**

**SOUTH AUSTRALIAN TOURISM
COMMISSION
2018-19 Annual Report**

SOUTH AUSTRALIAN TOURISM COMMISSION

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To:
Hon. David Ridgway MLC
Minister for Trade, Tourism and Investment

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *South Australian Tourism Commission Act 1993* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*. This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Tourism Commission by:

Rodney Harrex
Chief Executive

Date: **23 September 2019**

Signature:



From the Chief Executive



Bursting with culture, wildlife encounters, exceptional food and wine, events and entertainment, South Australia has a lot to offer visitors to our state. It's great to see that the message is getting 'out there' with tourism continuing to enjoy record growth.

2018-19 has been a great year for tourism in South Australia, which has seen us make excellent progress towards achieving our 2020 targets. Our state's visitor economy is at an all-time high of \$7.6 billion, on track to reach \$8 billion by 2020. Tourism employment is now at 38,900 as we work towards 41,000 tourism jobs by 2020.

To achieve these results for our industry, we've undertaken key activities around marketing, events and destination development which are detailed throughout this Annual Report. Some highlights include our Rewards Wonder campaign which showcased the many unique wonders of South Australia from a helicopter ride above the Flinders Ranges to visiting the other-worldly d'Arenberg Cube. This campaign was also carried through into winter demonstrating that South Australia is a great place to visit year-round.

On the events front, our managed events have achieved record-breaking results including the Santos Tour Down Under and Superloop Adelaide 500 which not only increased their economic impact but attracted more visitors as well.

In terms of Destination Development, the team have been dedicated to the planning and organisation of the World Routes aviation conference in September 2019. This event is expected to attract around 2,500 delegates and inject \$20 million into our state's economy.

We've been able to grow tourism in South Australia because we have a very clear plan to 2020. Since the South Australian Tourism Plan 2020 was published in 2014, tourism has grown from \$5.1 billion to \$7.6 billion. To build on this momentum, the SATC concentrated on developing the South Australian Visitor Economy Sector Plan 2030 in 2018-19, to take our industry to new heights into the future. The plan sets a bold ambition to grow our visitor economy to \$12.8 billion by 2030 and grow tourism jobs to 52,000. This plan was developed with extensive industry consultation and I was delighted to see the plan launch in August 2019.

We remain committed to achieving our 2020 targets; and are excited to work with industry and government to deliver the sectors bold ambition for 2030.

A handwritten signature in blue ink, appearing to read 'Rodney Harrex'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Rodney Harrex
Chief Executive | South Australian Tourism Commission

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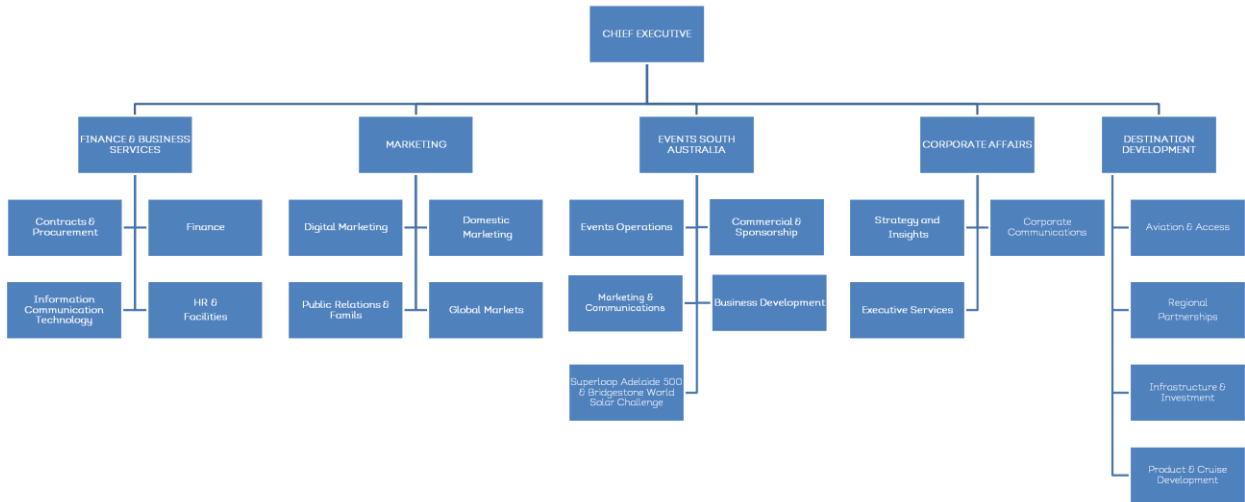
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Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>The South Australian Tourism Commission’s overall role, under the <i>South Australian Tourism Commission Act 1993</i>, is to assist in securing economic and social benefits for the people of South Australia through promoting the state as a tourism destination and further developing and improving the state’s tourism industry.</p>
<p>Our Vision</p>	<p>To grow the Visitor Economy in South Australia to \$8.0b by December 2020 and boosting direct employment in tourism by 10,000 additional jobs.</p>
<p>Our Values</p>	<p><i>Go Boldly</i> - We thrive on taking risks and enjoy stepping outside our comfort zone.</p> <p><i>Dig Deeper</i> - We never settle for simply scratching the surface. We’re hungry for knowledge, fresh ideas and innovations.</p> <p><i>Can Do</i> - We believe there’s nothing we can’t do as a team.</p> <p><i>Share The Love</i> - We have a passion for excellence and exceeding expectations.</p>
<p>Our functions, objectives and deliverables</p>	<p>Our current areas of work, as summarised in the <i>South Australian Tourism Plan 2020</i>, are:</p> <ul style="list-style-type: none"> • Driving demand; • Working better together; • Supporting what we have; • Increasing the recognition of the value of tourism; and • Using events to grow visitation.

Our organisational structure



Changes to the agency

During 2018-19 there were no changes to the agency’s structure and objectives as a result of internal reviews.

During 2018-19, one machinery of government change occurred with the transfer of the Convention Bid Fund and the Adelaide Convention Bureau grant funding to the Department of Trade, Tourism and Investment.

Our Minister



The Hon David Ridgway MLC is the Minister for Trade, Tourism and Investment. The Minister oversees Tourism and Trade and Investment and is a Member of the Legislative Council.

Our Executive team

The SATC executive leadership team is collectively responsible for the achievement of the objectives of the SATC, and for realising the required growth to the visitor economy.



Hitaf Rasheed is the Executive Director - Events South Australia, responsible for delivering a range of major events, growing existing events and attracting new events to the state, in order to drive the visitor economy and tell the story of South Australia.



Brent Hill is the Executive Director - Marketing, responsible for developing and delivering marketing activity that promotes South Australia and creates demand for the state among our high yield experience seeker market.



Ben Tuffnell is the Executive Director – Corporate Affairs, responsible for influencing policies to enhance growth in the industry and educate decision makers to understand the sector’s value in being a key economic driver and creator of jobs for South Australia.



Stephanie Rozokos is the Chief Financial Officer, responsible for driving the financial, business services and cultural direction of the agency, leading the finance, contracts, procurement, risk management, human resources and information communications technology functions.



Nick Jones is the Executive Director – Destination Development and is responsible for driving the supply side of the South Australian tourism industry, including increasing aviation access and cruise visitation.

Legislation administered by the agency

South Australian Tourism Commission Act 1993

South Australian Motor Sport Act 1984

Major Events Act 2013.

Other related agencies (within the Minister's area/s of responsibility)

The South Australian Tourism Commission (SATC) is associated with the Department of Trade, Tourism and Investment, but maintains its operational autonomy owing to its position as a statutory authority.

The agency's performance

Performance at a glance

South Australia's tourism industry has enjoyed strong growth for a number of years now and 2018-19 has been no exception. During this time our state's visitor economy has grown to a record \$7.6 billion, employing 38,900 people across 18,000 businesses. These results show we are tracking well against our 2020 targets of growing our visitor economy to \$8 billion and reaching 41,000 tourism jobs.

We are also experiencing record levels of visitation, welcoming 7.9 million international and domestic visitors as of June 2019, up eleven per cent since June 2018.

Agency contribution to whole of Government objectives

The following includes a brief summary of the agency's high level contributions to the Government's objectives.

Key objective	Agency's contribution
More jobs	Generate 10,000 additional jobs in the visitor economy by December 2020. Latest data shows we are on track to deliver 41,000 jobs by 2020, with employment reaching 38,900 as of 2017-18.
Lower costs	<p>The SATC provides services that benefit South Australian tourism operators through lowering costs associated with doing business. This includes:</p> <ul style="list-style-type: none"> - The SATC covers the listing fees for SA tourism operators who list their products through the Australian Tourism Data Warehouse, a digital database and multi-channel distribution network for tourism data, industry products and destination information. - The SATC offers an Emerging Product Program (EPP), which is aimed at tourism operators who have a product which is distribution ready and have limited to no involvement in distributing their product through the travel trade. - The SATC's marketing campaigns provide promotion opportunities for a range of operators across the State. This also includes making footage captured available for operators and regions to use in their own marketing. - Industry events and products are promoted through the SATC website and social media platforms, which are at a nil cost to the operator. - The SATC manage three event related funding streams – the Major Events Bidding Fund, the Regional Events and Festivals Program and the Community Events Development Fund. - Eleven Regional Tourism Organisations (RTOs) continued to receive funding from the SATC to support their role as the key contact between the SATC and regional stakeholders and industry. - Between 2014 - 1 April 2019, the SATC administered the Convention Bid Fund (CBF), which is used to attract large scale national and international business events to Adelaide.

Better Services	Since 2016, the SATC has provided funding to the Tourism Industry Council of South Australia (TICSA), the State's peak body for tourism, to assist their industry capability building programs and to provide service excellence training to tourism operators on a range of topics such as social media basics and online distribution and customer relationships. The ServiceIQ Smarter Business Program is one example of a program that helps raise the standards, productivity and quality of South Australian tourism businesses throughout the state. In 2018-19 21 workshops were delivered to 458 tourism operators representing over 250 businesses. 17 hours of one to one coaching were also provided as part of the program.
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Agency specific objectives and performance

As part of the development of the national Tourism 2020 plan, forecasting was conducted to identify the maximum potential value for the tourism industry in Australia by 2020. South Australia's plans draw on this forecasting to set relative targets for the State. Consequently, our plan identifies a shared goal with the South Australian tourism industry to increase visitor expenditure in South Australia to a potential of \$8.0 billion by 2020. The required waypoint to achieve this goal is \$7.2 billion by June 2019.

The Key Focus Areas to achieve these targets were:

- Driving Demand;
- Working better together;
- Supporting what we have;
- Using Events to drive visitation; and
- Recognising the importance of the value of tourism.

Specifically, in 2018-19, the SATC increased focus on the following areas to maximise achievement against these objectives:

- Intrastate marketing;
- Increased collaboration with international education;
- Emerging markets;
- Sustainable model for managed events; and
- Tourism infrastructure development.

Latest available data shows that visitor expenditure in South Australia reached \$7.6 billion in the year to June 2019. This represented an annual growth rate of 12 per cent and was the fifth consecutive year of growth in the overall visitor economy. The

result is higher than the June 2019 'Full Potential' waypoint of \$7.2 billion and is solidly above the "Linear Trend" waypoint of \$5.9 billion.

The growth that has led to these strong tourism outcomes has been unprecedented and despite this positive progress, achieving \$8.0 billion by 2020 remains a challenging target. To be successful it is essential that robust growth continues in the latter part of 2019 and throughout 2020.

	Baseline	Corporate Plan 2015-2017			Corporate Plan 2018-2020			2020 Potential
	Dec 2013	June 2015	June 2016	June 2017	June 2018	June 2019	June 2020	Dec 2020
Linear Trend	5.1	5.3	5.5	5.6	5.8	5.9	6.0	6.1
Full Potential	5.1	5.7	6.0	6.2	6.8	7.2	7.7	8.0
Actuals	5.1	5.5	6.0	6.3	6.7	7.6		

Agency objectives	Indicators	Performance
Driving Demand	Increase the value of our tourism sector from \$5.1 billion to \$7.2 billion per annum by June 2019 (on the way to our December 2020 target of \$8.0 billion).	Target achieved: the value of South Australia's tourism sector grew 12 per cent to \$7.6 billion in the year to June 2019 – June waypoint is \$7.2 billion.
Driving Demand	Increase tourism direct employment from 31,000 to 36,900 by June 2018.	Target achieved: the latest data shows direct employment in the tourism sector was 38,900 in the year to June 2018.
Driving Demand	Grow international tourism expenditure in South Australia to \$1.2 billion by 2020, with a milestone of \$1.1 billion by June 2019.	Target achieved: the value of South Australia's international tourism fell 5 per cent to \$1.1 billion in the year to June 2019 - June waypoint is \$1.1 billion.
Driving Demand	Grow interstate overnight expenditure in South Australia to \$2.4 billion by June 2019 and intrastate overnight expenditure to \$2.0 billion.	Target achieved: the value of South Australia's interstate tourism sector reached \$2.5 billion (waypoint \$2.4 billion) and intrastate reached \$2.3 billion (waypoint \$2.1 billion) in the year to June 2019 (latest available data).

<p>Working Better Together</p>	<p>Implement the Regional Visitor Strategy and actively partner with each region to deliver Tourism 2020 outcomes. Increase the value of regional tourism \$3.0 billion by June 2019, on the way to \$3.55 billion by December 2020 as outlined in the Regional Visitor Strategy.</p>	<p>Target Achieved: the value of South Australia’s regional tourism grew 19 per cent to \$3.3 billion in the year to June 2019 – June waypoint is \$3.2 billion.</p>
<p>Supporting What We Have</p>	<p>Establish an international reputation for our premium food and wine experiences.</p>	<p>Target achieved: That SATC, in partnership with the South Australian Wine Industry Association and PIRSA, developed the South Australian International Wine Tourism Strategy. This was used to secure funding to support \$6.1 million of projects across South Australia. \$1.9 million of this will be used by the SATC in 2018-19 and 2019-20 to promote Wine Tourism in China, UK and USA.</p> <p>As of June 2019, South Australia is associated with “Good Food & Wine” by 58 per cent of the interstate audience, ranking equal first with Victoria.</p> <p>Adelaide continues to be a member of the Great Wine Capitals global network.</p>

<p>Increasing the recognition of the value of tourism</p>	<p>Build on the current strong research program and make evidence-based information available to increase the understanding of the value and relevance of tourism to our stakeholders.</p>	<p>The SATC continued to publish the International Visitor Survey and National Visitor Survey results on its corporate website. Four infographics were produced to clearly communicate the survey results to a broad range of stakeholders.</p>
<p>Increasing the recognition of the value of tourism</p>	<p>Increase the understanding of the value and relevance of tourism to our stakeholders through a varied program of corporate communications.</p>	<p>Five Tourism Champion videos and case studies released in 2018-19 to recognise businesses and events that highlight the importance of tourism to our state. On average, each video was viewed 1,464 times.</p> <p>Nine infographics distributed to our stakeholder database in 2018-19. The infographics page on the SATC corporate website received a total of 1,067 unique page views.</p> <p>Seven corporate videos produced to keep key stakeholders informed of important updates in the tourism space. On average, each video was viewed 779 times.</p>

<p>Using Events to Drive Visitation</p>	<p>Increase the economic value of events to the Full Potential of \$400 million by 2020 a milestone of \$359 million by June 2019.</p>	<p>Target achieved: the value of South Australia's leisure events sector fell 5 per cent to \$393 million in the year to March 2019 (latest available data) – March waypoint is \$354 million.</p>
<p>Using Events to Drive Visitation</p>	<p>Attract two additional major events each year.</p>	<p>Target achieved: as at June 2019, 63 events have been secured through the Leisure Events Bid Fund. These events are forecast to inject more than \$295 million into the South Australian economy. In 2018-19 there were 9 events secured through the Leisure Events Bid Fund including:</p> <ol style="list-style-type: none"> 1. 2019 Australian Open Water Swimming Championships 2. Asian Le Man Series

<p>Using Events to Drive Visitation</p>	<p>Attract 78,000 conference delegates to the Adelaide Convention Centre, generating 312,000 bed nights.</p>	<p>Target achieved: The Convention Bid Fund (CBF) continued to attract large scale national and international business events to Adelaide. Responsibility for administering the CBF transferred to DTTI as of 1 April 2019. As at 1 May 2019, the CBF has delivered 90 business events, 121,000 delegates and 635,000 room nights.</p>
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Corporate performance summary

The SATC continued to administer a range of processes and practices in delivering its responsibilities under the *South Australian Tourism Act 1993* and in adherence to government financial, procurement, contracting, human resources, ICT, governance, risk management and auditing requirements.

The SATC maintains a high level of financial control over its destination development, events and marketing operations to ensure accountability for government resources. The SATC ended the 2018-19 financial year in line with budget and met all savings targets required.

In 2018-19 staff took part in SATC’s annual staff engagement survey and the ‘I Work For SA’ survey. These surveys provided an objective mechanism for assessing the cultural environment. Results from both surveys were consistent and reported high levels of staff engagement, well above available industry benchmarks. Individual performance reviews were used to identify both organisational and individual learning and development needs and opportunities.

The SATC’s values are promoted within the organisation. The ‘Culture and Values’ working group met regularly with the aim to drive and influence the agency’s culture through staff engagement and implementation of initiatives which endorse our values. For example, in 2018-19, the SATC introduced an agency wide recognition program.

Employment opportunity programs

Program name	Performance
SATC student placement program	SATC works with local higher education providers to offer placements to students currently enrolled in courses related to tourism, marketing and events. In 2018-19, 10 placements were supported.
Aboriginal employment strategy	SATC's Aboriginal Employment Strategy, resulted in one Aboriginal employee being employed.

Agency performance management and development systems

Performance management and development system	Performance
Employee Performance Management and Development Reviews (Compliance is measured via a custom made online recording tool)	<p>All employees are required to have individual performance management and development plans reviewed as a minimum on a biannual basis.</p> <p>In 2018-19, 92 per cent of employees had a current performance review in place (the 8 per cent without plans include new employees, employees on periods of extended leave and employees recently returning from extended leave).</p>
Employee Performance Management and Development Training	<p>The SATC delivers in-house training to ensure employees have the knowledge required to complete biannual reviews.</p> <p>100 per cent of employees have attended training relating to SATC's current performance management and development review process.</p>
Training Needs Analysis (TNA)	A TNA is conducted using information captured within Employee Performance Management and Development Reviews. From this, individual and group learning and development activities are identified. Group learning and development activities which occurred during 2018-19 include project management, presentation skills, and managing mental health in the workplace.

Work health, safety and return to work programs

Program name	Performance
Work Health and Safety Briefings and Induction	<p>All employees are required to attend a Work, Health and Safety briefing on joining the agency. Refreshers are delivered on a regular basis to ensure knowledge remains current.</p> <p>Contractors engaged by the SATC to undertake work on its sites are provided with site specific inductions and where required, provided with safety specific Work, Health and Safety documentation and briefings.</p>
Work Health and Safety Policies and Procedures	<p>The SATC has a suite of policies and procedures which address work health and safety matters and outline safe working practices. Policies are reviewed on an annual basis to ensure they remain current.</p> <p>Work, Health and Safety Management Plans are created for events and are reviewed yearly. All construction works conducted by the SATC are accompanied by the relevant Work, Health and Safety Management Plans as required by law, and regular inspections are conducted to ensure the requirements of the plans are being carried out.</p>
Work Health and Safety Training	<p>The SATC has a specific Work, Health and Safety training needs analysis in place in order to identify required Work, Health and Safety training for individual roles. The SATC supports the appointment of two trained Bullying and Harassment Contact Officers.</p>
Work Health and Safety Committee	<p>The SATC has an active Work, Health and Safety Committee, which meets four times annually. The Committee provides a forum for management and employees to discuss Work, Health and Safety matters and acts as the key Work, Health and Safety consultative mechanism.</p>
Employee Assistance Program (EAP)	<p>The SATC provides a free and confidential EAP to employees. The SATC's EAP provider also delivers wellbeing sessions to employees on a biannual basis.</p>
Health, Safety and Wellbeing Initiatives	<p>Human Resources and Work, Health and Safety teams work to deliver a calendar of initiatives aimed at promoting physical and mental wellbeing.</p>

Workplace injury claims	Current year 2018-19	Past year 2017- 2018	% Change (+ / -)
Total new workplace injury claims	0	1	-100%
Fatalities	0	0	NA
Seriously injured workers*	0	0	NA
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	NA

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2018-19	Past year 2017- 2018	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	3	1	+200%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	2	0	+200%

Return to work costs**	Current year 2018-19	Past year 2017- 2018	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$5,130	\$26,335	-80.5%
Income support payments – gross (\$)	0	0	NA

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-tourism-commission>

Executive employment in the agency

Executive classification	Number of executives
EXEEOA	1
EXEEOB	3
EXEEOC	1
EXEEOE	1

Data for previous years is available at: <https://data.sa.gov.au/data/organization/sa-tourism-commission>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

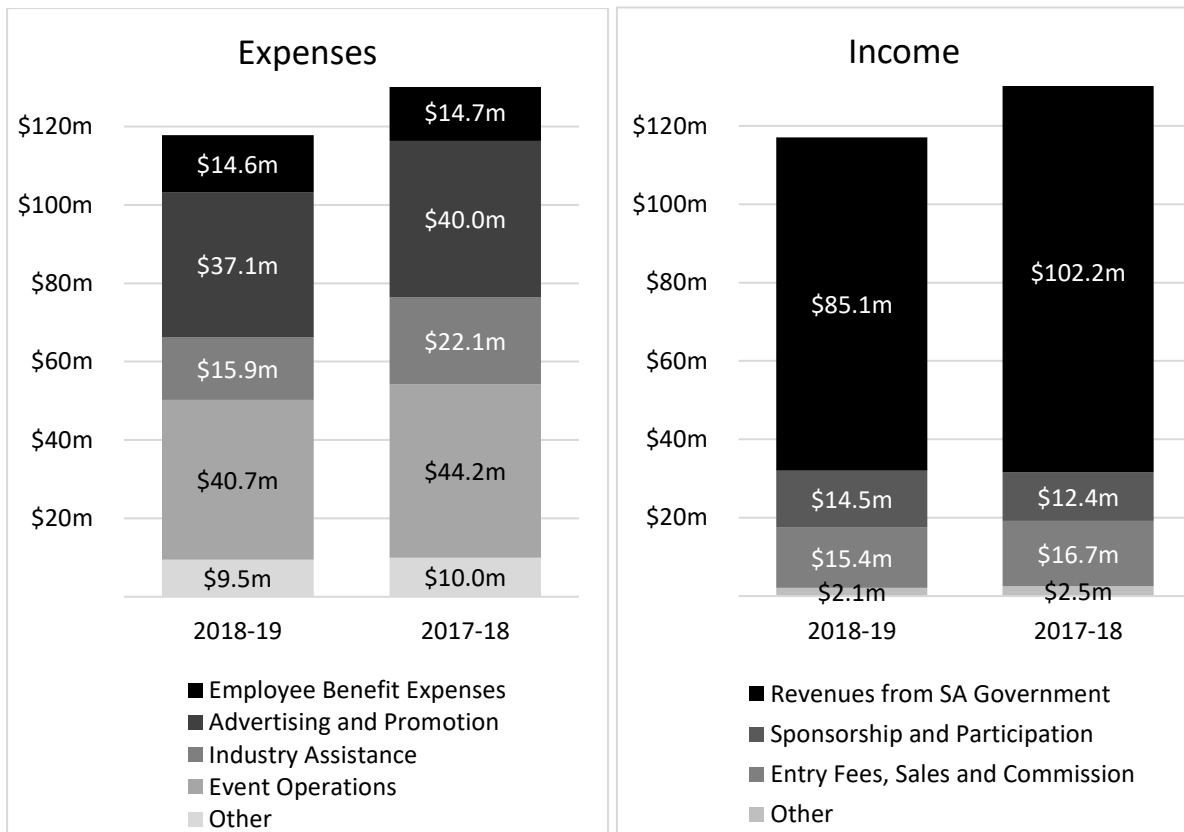
The following is a brief summary of the overall financial performance and financial position of the agency. The information is unaudited. For more information refer to the audited 2018-19 financial statements, which are included with this report.

Statement of Comprehensive Income for the year ended 30 June 2019	2018-19 \$'000	2017-18 \$'000
Expenses	117 807	131 022
Revenues	32 025	31 631
Net cost of providing services	85 782	99 391
Net Revenue from SA Government	85 055	102 172
Net result	(727)	2 781
Other comprehensive income	-	5 949
Total Comprehensive Result	(727)	8 730

Statement of Financial Position as at 30 June 2019	2018-19 \$'000	2017-18 \$'000
Current assets	19 118	16 948
Non-current assets	15 810	17 676
Total assets	34 928	34 624
Current liabilities	8 437	7 817
Non-current liabilities	2 726	2 314
Total liabilities	11 163	10 131
Equity (net assets)	23 765	24 493

Financial report audit opinion: unmodified

The following graphs show the main expense and income items for 2017-18 and 2018-19.



Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with actual payments less than \$10,000 each

Consultancies	Purpose	Actual payment
All consultancies below \$10,000 each - combined	Various	\$2,273

Consultancies with actual payments of \$10,000 or greater each

Consultancies	Purpose	Actual payment
Haymakr Pty Ltd	Tour Down Under strategy	\$10,000
Hames Sharley (SA) Pty Ltd	Great Southern Bike Trail economic impact assessment	\$59,000
	Total	\$69,000

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/consultants-reporting-south-australian-tourism-commission>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency and the nature of work undertaken, where the actual payments made for work undertaken during the financial year was \$10,000 or greater.

Contractor	Purpose
2OC Productions	Video production and editing
AAA Crewing Services Pty Ltd	Temporary staff (labour)
Access Hire South Australia	Event infrastructure services
Accordant Pty Ltd	ICT services
Accucorp Pty Ltd	Event infrastructure services
Action Market Research Pty Ltd	Market research services
Active Air Conditioning and Refrigeration Pty Ltd	Event infrastructure services
Adelaide Event Group Pty Ltd	Event infrastructure services
Adelaide Expo Hire Pty Ltd	Event infrastructure services

Contractor	Purpose
Adelaide Green Clean (Events) Pty Ltd	Cleaning and waste services
Adelaide Symphony Orchestra	Entertainment services
Adobe Australia Trading Pty Ltd	Digital marketing services
Adventium Digital Pty Ltd	Marketing services
Advertiser Newspapers Pty Ltd	Advertising services
AFI Branding Solutions Pty Ltd	Event infrastructure services
Agile Security	Security services
Alec Stevens	Risk management services
Alliance Airlines Pty Ltd	Transport services
Allianz Australia Insurance Ltd	Event catering services
Altus Traffic Pty Ltd	Traffic management services
Amadio Wines Pty Ltd	Event catering services
Anna Meares	Public relations services
Apollo Lighting Service Pty Ltd	Event production services
Artcraft Pty Ltd	Printing and signage services
Arte Grafica Printing Pty Ltd	Printing services
ATF Services Pty Ltd	Event infrastructure services
Atomix Design Pty Ltd	Creative/design services
Ausco Modular Pty Ltd	Event infrastructure services
Australia Post	Postal services
Australian Sports Medicine Federation SA Branch Inc	Event operations services
Australian Tourism Data Warehouse Pty Ltd	ICT services
Australian Trade Commission	Market research services
AYBS Pty Ltd	Temporary staff (hospitality)
Azalea Models	Temporary staff (models)
Bad Business Pty Ltd	Creative/design services
BD ANZ Pty Ltd	Photography services

Contractor	Purpose
BDA Marketing Planning Pty Ltd	Market research services
BEA Motors Pty Ltd	Event operations services
Belgiovane Williams Mackay Pty Ltd	Creative/design services
Benfx Event Production	Event production services
Bianco Hiring Service Pty Ltd	Event infrastructure services
Big Bay Gelding	Familiarisation hosting services
Big Fish Events Group	Event management services
Big Screen Video Pty Ltd	Event infrastructure services
Bikesport Australia Pty Ltd	Event management services
Bikesportz Imports Pty Ltd	Event operations services
Black Box Prostage SA	Event infrastructure services
Black Sheep Advertising Pty Ltd	Creative/design services
Boltz Pty Ltd	Event infrastructure services
Brian Gleeson Event Management Pty Ltd	Event management services
Budget Rent a Car Australia Pty Ltd	Transport services
CardSprint Pty Ltd	Printing services
Carlton United Breweries	Event catering services
Caroline Tran	Public relations services
CCTV Hire Pty Ltd	Event infrastructure services
Chic Artist Pty Ltd	Event operations services
Chubb Fire & Security Pty Ltd	Security services
Cirka Pty Ltd	Cleaning and waste services
City of Port Lincoln	Tourism services
Civil Tech Pty Ltd	Event infrastructure services
Clifton Productions Pty Ltd	Event infrastructure services
CNK Creative	Event management services
Coates Hire Operations Pty Ltd	Event infrastructure services

Contractor	Purpose
Coca-Cola Amatil (Aust) Pty Ltd	Event catering services
Colmar Brunton Pty Ltd	Market research services
Coopers Brewery Ltd	Event catering services
COR Berlin Kommunikation GmbH	Public relations services
Corporation of the City of Adelaide	Event infrastructure services
Crawford Containers Pty Ltd	Event infrastructure services
CSE Crosscom Pty Ltd	Event infrastructure services
Cul-De-Sac	Creative/design services
Dada Supreme Pty Ltd	Video production and editing
Damian Nieuwesteeg	Event management services
Daniela Di Monaco Immagine & Comunicazione	Public relations services
Data #3 Ltd	ICT services
Dell Australia Pty Ltd	ICT services
Deloitte Risk Advisory Pty Ltd	Risk management services
Denk Pro Cycling GmbH & Co KG	Public relations and event operations services
Digital Spring Ltd	Advertising services
Dirty Foods Pty Ltd	Event management services
Dirty Sweet Pty Ltd	Entertainment services
Diverse Travel Australia	Training services
Dontas Group	Event operations services
Duy Dash	Photography services
East End Cellars	Temporary staff (hospitality)
Ellismgt Pty Ltd	Event infrastructure services
Emma Humphreys Communications Ltd	Public relations services
Emma Reeves	Event catering services
Emma Sadie Thomson	Facilities maintenance services
Empired Ltd	ICT services

Contractor	Purpose
Encore Event Technologies Pty Ltd	Event production services
Enerven Energy Infrastructure Pty Ltd	Event infrastructure services
Enventive Incorporated	Event management services
Envyus Design	Creative/design services
EPS Australia Pty Ltd	Event infrastructure services
Event Managers Australia	Event management services
Event Timing Pty Ltd	Event infrastructure services
Eventelec Events Pty Ltd	Event infrastructure services
Fabfloor Pty Ltd	Event infrastructure services
Festival Hire	Event infrastructure services
Finesse Model Agency	Temporary staff (models)
Firstpoint Marketing and Communication	Public relations services
Flashpoint Events	Event production services
Fleurieu Cranes Pty Ltd	Event infrastructure services
Flooring Solutions (SA) Pty Ltd	Event infrastructure services
Formile Events Pty Ltd	Traffic management services
Frame Creative Pty Ltd	Creative/design services
Friendly Society Medical Association Ltd	Event operations services
Fringe Innovations Pty Ltd	Ticketing services
Frontline Print	Printing services
Full Throttle Management Pty Ltd	Event operations services
Fuller Brand and Communication	Creative/design services
G.O. Shelving	Facilities installation services
Gearhouse Broadcast Pty Ltd	Event communications services
Germein Sisters	Entertainment services
GGPR Pty Ltd	Event management services
Giancarlo Truffa	Marketing representation services

Contractor	Purpose
Girdler Amusements Pty Ltd	Event operations services
Gliderol International Pty Ltd	Event infrastructure services
Golf Car Solutions	Event operations services
Grant's Coachlines Pty Ltd	Transport services
Gray Management Group Pty Ltd	Public relations services
Harry the Hirer Pty Ltd	Event infrastructure services
Havas Australia Pty Ltd	Creative/design services
Havas Melbourne Pty Ltd	Promotional services
Hawkins Security Consultancy	Security services
Hender Consulting	Recruitment services
Henschke Cellars	Event catering services
Hilton Adelaide	Accommodation, catering and function services
Hoban Recruitment Pty Ltd	Temporary staff (labour)
HTS Group Pty Ltd	Event infrastructure services
I am Helium Pty Ltd	Training and ICT services
In Front Events Australia Pty Ltd	Event management services
Indulgence Food Design Pty Ltd	Event catering services
Initiative Auslandszeit	Promotional services
Integrated Event Delivery Management	Event management services
Interflora Australian Unit Ltd	Event operations services
IRS Refrigeration Pty Ltd	Event infrastructure services
Isentia Pty Ltd	Media monitoring services
It's a Gas	Event operations services
Jennie Bell Ink Pty Ltd	Event management services
Jens Voigt	Public relations services
Johns Print Centre Pty Ltd	Printing services
Jointer Digital Co Ltd	Marketing services

Contractor	Purpose
Jordan Plumbing	Event infrastructure services
Josie Withers Photography	Photography services
Kangaroo Island Sealink Pty Ltd	Transport services
Karmabunny Pty Ltd	ICT services
Kimberly Conte	Event management services
KPMG	Audit services
Lara Inc Events	Event production services
Leader Computers	ICT services
L'Hotelier Group Pty Ltd	Event infrastructure services
Lieb Management & Beteiligungs GmbH	Marketing representation services
Lincoln College Inc	Accommodation, catering and function services
Link SA Pty Ltd	Transport services
Live Nation Australasia Pty Ltd	Entertainment services
Lost in a Forest Pty Ltd	Event catering services
Lumino Events Pty Ltd	Event management services
Lumo Energy (SA) Pty Ltd	Event infrastructure services
Magnolia Quince Pty Ltd	Event catering services
Mainairservice Pty Ltd	Event infrastructure services
Marshall Power Pty Ltd	Event infrastructure services
Matilda Bay Food & Wine	Event catering services
McCready Bale Media Ltd	Advertising services
McGregor Tan Research Pty Ltd	Market research services
McMahon Services Australia Pty Ltd	Event infrastructure services
Mediabrand Australia Pty Ltd	Advertising services
Medical Edge Australia Pty Ltd	Event operations services
Mercure Grosvenor Hotel Adelaide	Accommodation services
MI Associates Pty Ltd	Market research services

Contractor	Purpose
Michelle Logie Consulting	Public relations services
Motorola Solutions Australia Pty Ltd	Event communications services
Mr Rigger Pty Ltd	Event production services
Mtrack Consulting	Public relations services
Nation Creative Pty Ltd	Creative/design services
NEC Australia Pty Ltd	ICT services
Network Ten Pty Ltd	Event production and advertising services
New Focus Pty Ltd	Market research services
NewStyle Printing Co Pty Ltd	Printing services
Nexstage Staging and Rigging Technologies Pty Ltd	Event infrastructure services
Nielsen Sports Pty Ltd	Market research services
Nova Entertainment Pty Ltd	Advertising services
Novatech Creative Event Technology Pty Ltd	Event production services
Now and Then Photography	Photography services
NW Group Australasia Pty Ltd	Event production services
Onsite Rental Group Operations Pty Ltd	Event infrastructure services
OzTiming Pty Ltd	Event infrastructure services
Peter Drew Arts	Video production and editing
Peter Mason	Event operations services
Philippa Brophy	Event production services
Pierre Vives Tourism Consulting	Marketing representation services
Pikes Food and Beverage Pty Ltd	Event catering services
Pink Fence Pty Ltd	Event infrastructure services
Pivotal Business Technology Pty Ltd	ICT services
PJ Cini Plumbing	Event infrastructure services
PJ Corporate Electrical Pty Ltd	Facilities installation services
Power On Solutions Pty Ltd	Event communications services

Contractor	Purpose
PPI Promotion & Apparel Pty Ltd	Promotional merchandise and uniforms
Practice Strategic Communications	Public relations services
Premiair Services Pty Ltd	Event infrastructure services
Pride Models	Temporary staff (models)
Qantas Airways Ltd	Transport services
Railroad Contractors of Australia Pty Ltd	Event infrastructure services
Redbikini Pty Ltd	Video production and editing
Reylag Pty Ltd (Andy J Sound)	Event production services
Ricoh Australia Pty Ltd	Event operations services
SA Ambulance Service Incorporated	Event operations services
SA Staging	Event production services
Same River Studio	Video production and editing
Satalyst Pty Ltd	ICT services
Scody Pty Ltd	Promotional merchandise
Select Music Agency Pty Ltd	Entertainment services
Seven Network (Operations) Ltd	Event production and advertising services
Seven West Media Ltd	Broadcast services
Shimano Australia Cycling Pty Ltd	Event operations services
Showpony Advertising	Creative/design services
Showtime FMX Pty Ltd	Entertainment services
Signs Incorporated Pty Ltd	Event infrastructure services
Simon Romaniuk	Event sponsorship services
Sitecore Australia Pty Ltd	ICT services
Skee Kee International Pty Ltd	Event operations services
Socialbakers A.S.	Digital marketing services
South Australian Contemporary Music Co Ltd	Event production services
South Australian Water Corporation	Event infrastructure services

Contractor	Purpose
Specialised Solutions	Event infrastructure services
Splashdown (Aust) Corporate Bathroom Rentals Pty Ltd	Event infrastructure services
Sports Drug Testing International Pty Ltd	Event operations services
Spotless Facility Services Pty Ltd	Catering, cleaning, security and ground staff services
SRS Security	Security services
St John Ambulance Australia SA Inc	Event operations services
Stewie's Rigging and Hire Pty Ltd	Event infrastructure services
Subaru (Aust) Pty Ltd	Event operations services
Sunset Food & Wine	Event catering services
Superloop Broadband Pty Ltd	Event infrastructure services
Suzuki Australia Pty Ltd	Event operations services
TBWA Pty Ltd	Creative/design services
Telstra Corporation Ltd	Telecommunications services
TFH Hire Services Pty Ltd	Event infrastructure services
The Booking Centre Pty Ltd	Transport services
The Emporium Australasia Pty Ltd	Facilities installation services
The Life Like Company Pty Ltd	Event operations services
The Models Mgmt Pty Ltd	Temporary staff (models)
The Red Agency Pty Ltd	Public relations services
The StreetVelodrome Company Ltd	Event operations services
Tick Services	Event operations services
Ticketmaster Australasia Pty Ltd	Ticketing services
TJ's Amusements	Event operations services
TLA Worldwide (Aust) Pty Ltd	Public relations services
Tourism Australia	Administrative, market research, function and training services
Traffic Group Australia Pty Ltd	Event operations services

Contractor	Purpose
Trojan Fire Protection Pty Ltd	Facilities installation services
Ultimo Catering and Events Pty Ltd	Event catering services
United Fire Protection Pty Ltd	Event infrastructure services
Urban Soul Consultancy Pte Ltd	Marketing representation services
V8 Supercars Australia Pty Ltd	Event management and advertising services
Viking Rentals	Event infrastructure services
Village Sounds Agency Pty Ltd	Entertainment services
Vintner's Bar & Grill	Event catering services
Vislex Media Solutions	Production services
Visualcom Pty Ltd	Event operations services
Wagstaff Worldwide Inc	Marketing representation services
Wavemaker Australia Pty Ltd	Advertising services
WDM Design and Advertising Pty Ltd	Creative/design services
Weathersafe Shades Pty Ltd	Event infrastructure services
Westin Hotel Pazhou	Function services
Wilson Parking Australia Pty Ltd	Parking services
Winc Australia Pty Limited	Storage and distribution services
Yao Marketing Consulting	Marketing representation services
Ziptrak Pty Ltd	Event infrastructure services
Zonfrillo Consulting Pty Ltd	Event management services

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/contractors-reporting-south-australian-tourism-commission>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other financial information

None to report.

Other information

None to report.

Risk management

Risk and audit at a glance

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The SATC is committed to maintaining a work environment free of fraud and corrupt behaviour. The SATC has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and policies, in line with its fraud risk assessment and Fraud and Corruption Policy. The SATC offers protection to genuine whistleblowers to enable disclosure of illegal activities or corruption to be made. These arrangements meet the specific needs of the SATC, and all reasonable measures to minimise the incidence of fraud, as well as to investigate and recover the proceeds of fraud, have been taken. There were no reported fraud incidents during 2018–19.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/fraud-reportingsouth-australian-tourism-commission>

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/whistle-blowers-reporting-south-australian-tourism-commission>

Reporting required under any other act or regulation

Act or Regulation	Requirement
<p><i>South Australian Tourism Commission Act, 1993</i></p>	<p>Section 24 – Annual Report</p> <ul style="list-style-type: none"> • The Commission must, on or before 30 September in every year, forward to the Minister a report on the Commission’ operations for the preceding financial year. • The report must contain— <ol style="list-style-type: none"> 1. the audited statements of account of the Commission for the preceding financial year; and 2. a report on— <ol style="list-style-type: none"> (i) the state of tourism and the tourism industry in the State; and (ii) the Commission's plans and the extent to which they have been implemented; and (iii) the extent to which the Commission met the targets set in the performance agreement for the preceding financial year; and 3. any other information required by or under the provisions of this Act or any other Act. • The Minister must, within 12 sitting days after receiving a report under this section, have copies of the report laid before both Houses of Parliament.

➤ **The state of tourism and the tourism industry in the State**

South Australia’s tourism industry has enjoyed strong growth for a number of years now and 2018-19 has been no exception. During this time our state’s visitor economy has grown to a record \$7.6 billion, employing 38,900 people across 18,000 businesses. These results show we are tracking well against our 2020 targets of growing our visitor economy to \$8 billion and reaching 41,000 tourism jobs.

We are also experiencing record levels of visitation, welcoming 7.9 million international and domestic visitors as of June 2019, up eleven per cent since June 2018.

With 2020 fast approaching, the SATC undertook a significant piece of work during 2018-19 – the development of the new *South Australian Visitor Economy Sector Plan 2030*. Setting ambitious targets to grow our industry into the future, the plan

aims to grow our visitor economy to \$12.8 billion and employment to 52,000. The plan was developed extensively with industry which saw the SATC travel 5,000 kilometres across every region in our state to conduct 37 hours of workshops at 16 locations. Almost 700 people across industry and government directly participated in the development of the plan, making it a strong plan for industry, by industry. We were pleased to see our 2030 plan launched in the new 2019-20 financial year by the Premier and Minister for Trade, Tourism and Investment, David Ridgway.

The SATC is committed to delivering its 2020 targets and, to this end, has delivered a range of key activities during 2018-19 to achieve growth for our industry.

Marketing

Our international marketing continues to concentrate on key markets such as the UK and China. China is now our state's top international market recording 66,500 visits and expenditure of \$378 million as of June 2019. The use of images and video content for the China and Hong Kong markets in 2018-19 featuring Global Tourism Ambassador, Huang Xiaoming has seen some great results. Our trade partners reported an average increase in bookings of 37 per cent, while there was a 357 per cent increase in leads to China Southern Airlines with a reach of five billion consumers. International visitor spend for the year end June 2019 sits at \$1.1 billion, in line with the waypoint of \$1.1 billion to reach our 2020 target of \$1.2 billion.

On the domestic marketing front and the Rewards Wonder campaign, launched in October 2018, has also delivered great results for the state. These include: domestic visits to our consumer website, www.southaustralia.com during the campaign period were up 73 per cent, year on year, while leads to South Australian tourism operators and travel industry partners increased by 186 per cent.

Events

Events are an important driver of visitation to our state and contribute to our visitor economy. As of March 2019, the economic impact of key leisure events reached \$393 million, on our way to our 2020 target of \$400 million.

Our managed events have performed very well during 2018-19 with record breaking results. The 2019 Santos Tour Down Under generated an economic impact of \$70.7 million, up 11 per cent on the 2018 event. 2019 also saw 48,000 event specific visitors from overseas and interstate travel to South Australia just for the Tour Down Under, up from 46,000 the previous year.

The 2019 Superloop Adelaide 500 also generated a record economic impact of \$45.9 million, up 9.5 per cent compared to 2018. The event attracted an estimated 15,200 interstate and overseas visitors, compared to 12,197 in 2018.

The 13th edition of Tasting Australia, held in April 2019 was the most popular in the event's history. 64,000 people attended Town Square, the free festival hub in the Adelaide CBD, up 18 per cent compared to 2018. The event also attracted 11,377 international and interstate visitors, a 42 per cent increase on 2018.

The 2018 Credit Union Christmas Pageant saw a live audience of 429,000 people view the pageant at the event or on television and an additional 58,000 watched the same day television replay. The PR media value was \$17.44 million. This event was the last one with the People's Choice Credit Union, Beyond Bank Australia, Credit Union SA and Police Credit Union as collective naming-rights sponsor after 23 years. National Pharmacies is the new naming rights sponsor for the 2019 event.

The SATC had overseen the Convention Bid Fund, but as of 1 April 2019, responsibility for this fund transferred to the Department of Trade, Tourism and Investment in line with the recommendations made by the Joyce Review.

Destination Development

Direct air access continues to be a focus and as at 30 June 2019, there were ten international airlines operating 49 flights per week to Adelaide. This equates to around 12,500 international seats to Adelaide each week.

Development and organisation of the World Routes 2019 aviation conference was a significant focus during 2018-19. World Routes is the global meeting place for airlines, airports and aviation stakeholders. In September 2019 it will be held in Adelaide, South Australia – making it the first time the event will be held in Australasia. The event is expected to provide new aviation development opportunities for our state going forward and promote South Australia as a tourism destination to a large group of business visitors.

Our cruise ship season for 2018-19 saw a record 82 cruise ship visits to South Australian ports, a 21 per cent increase on last year. The 2018-19 season also attracted over 167,000 passengers and crew to our state.

These key activities all contribute to driving tourism in our state forward. The SATC is committed to growing the visitor economy, growing jobs and driving demand for South Australia. We will continue to work with the State Government and our industry partners and operators to grow tourism to \$8 billion and deliver an additional 10,000 jobs by 2020.

- **The Commission's plans and the extent to which they have been implemented**

This information is outlined throughout this Annual Report and in part iii below.

- **The extent to which the Commission met the targets set in the performance agreement for the preceding financial year**

The 2018-19 SATC Board Performance Agreement Report can be viewed on the SATC Corporate website here: <https://tourism.sa.gov.au/about/satc/annual-reports>

Reporting required under the *Carers' Recognition Act 2005*

None to report.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy	0

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information displayed was to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; insufficient information to investigate	0
		Total	0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/public-complaints-reporting-south-australian-tourism-commission>

Service improvements for period

Service improvements that responded to customer complaints or feedback
N/A

Appendix: Audited financial statements 2018-19



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The Chair South Australian Tourism Commission

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(3) of the *South Australian Tourism Commission Act 1993*, I have audited the financial report of the South Australian Tourism Commission for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Tourism Commission as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive Officer and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of South Australian Tourism Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Chief Executive Officer and the Board of Directors for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Board of Directors are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 the South Australian Tourism Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and the Board of Directors about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

17 September 2019

SOUTH AUSTRALIAN TOURISM COMMISSION

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the South Australian Tourism Commission (SATC):

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the SATC, and
- present a true and fair view of the financial position of the SATC as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the SATC for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Signed in accordance with a resolution of the board members.



Andrew Bullock
Chair
South Australian Tourism
Commission Board

11 / 9 / 2019



Rodney Harrex
Chief Executive Officer
South Australian Tourism
Commission

09 / 09 / 2019



Stephanie Rozokos
Chief Financial Officer
South Australian Tourism
Commission

9 / 9 / 2019

SOUTH AUSTRALIAN TOURISM COMMISSION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
EXPENSES			
Employee benefits expenses	2.3	14 550	14 711
Advertising and promotion	3.1	37 105	39 973
Industry assistance	3.2	15 915	22 110
Administration and accommodation	3.3	7 050	7 678
Event operations	3.4	40 742	44 241
Depreciation expense	3.5	2 410	2 273
Net loss from the disposal of non-current assets	3.6	39	13
Loss (gain) on impairment of receivables	5.2.1	(4)	23
TOTAL EXPENSES		117 807	131 022
INCOME			
Sponsorship and participation	4.1	14 538	12 429
Entry fees, licence fees and sales	4.2	15 353	16 700
Interest		160	77
Other income	4.3	1 974	2 425
TOTAL INCOME		32 025	31 631
NET COST OF PROVIDING SERVICES		85 782	99 391
REVENUES FROM SA GOVERNMENT			
Revenues from SA Government	4.4	85 055	102 172
TOTAL REVENUES FROM SA GOVERNMENT		85 055	102 172
NET RESULT		(727)	2 781
OTHER COMPREHENSIVE INCOME			
Changes in plant and equipment asset revaluation surplus		-	5 949
TOTAL OTHER COMPREHENSIVE INCOME		-	5 949
TOTAL COMPREHENSIVE RESULT		(727)	8 730

The net result and total comprehensive result are attributable to the SA Government as owner.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5.1	16 568	14 069
Receivables	5.2	2 550	2 736
Other assets	5.3	-	143
TOTAL CURRENT ASSETS		19 118	16 948
NON-CURRENT ASSETS			
Plant and equipment	6.1	15 810	17 676
TOTAL NON-CURRENT ASSETS		15 810	17 676
TOTAL ASSETS		34 928	34 624
LIABILITIES			
CURRENT LIABILITIES			
Payables	7.1	5 382	5 348
Other current liabilities	7.2	1 498	904
Employee benefits	2.4	1 531	1 538
Provisions	7.3	26	27
TOTAL CURRENT LIABILITIES		8 437	7 817
NON-CURRENT LIABILITIES			
Payables	7.1	165	144
Other non-current liabilities	7.2	408	217
Employee benefits	2.4	2 113	1 912
Provisions	7.3	40	41
TOTAL NON-CURRENT LIABILITIES		2 726	2 314
TOTAL LIABILITIES		11 163	10 131
NET ASSETS		23 765	24 493
EQUITY			
Contributed capital		64	64
Asset revaluation surplus		8 453	8 599
Retained earnings		15 248	15 830
TOTAL EQUITY	8.1	23 765	24 493
The total equity is attributable to the SA Government as owner.			
Unrecognised contractual commitments	10		

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
BALANCE AT 30 JUNE 2017		64	2 650	13 049	15 763
Net result for 2017-18		-	-	2 781	2 781
Gain on revaluation of plant and equipment during 2017-18		-	5 949	-	5 949
Total comprehensive result for 2017-18		-	5 949	2 781	8 730
BALANCE AT 30 JUNE 2018		64	8 599	15 830	24 493
Adjustments on initial adoption of AASB 9	9.2.2	-	-	(1)	(1)
ADJUSTED BALANCE AT 1 JULY 2018		64	8 599	15 829	24 492
Net result for 2018-19		-	-	(727)	(727)
Total comprehensive result for 2018-19		-	-	(727)	(727)
Transfer between equity components	6.2.2	-	(146)	146	-
BALANCE AT 30 JUNE 2019		64	8 453	15 248	23 765

All changes in equity are attributed to the SA Government as owner.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH OUTFLOWS			
Employee benefits payments		(14 351)	(14 618)
Payments for supplies and services		(104 571)	(121 047)
Payments for Paid Parental Leave scheme		(91)	(53)
CASH USED IN OPERATIONS		(119 013)	(135 718)
CASH INFLOWS			
Receipts from the sale of goods and services		32 105	30 471
Interest received		160	78
GST recovered from the ATO	8.2	5 648	6 734
Receipts for Paid Parental Leave scheme		97	57
CASH GENERATED FROM OPERATIONS		38 010	37 340
CASH FLOWS FROM SA GOVERNMENT			
Receipts from SA Government		85 055	102 172
CASH GENERATED FROM SA GOVERNMENT		85 055	102 172
NET CASH PROVIDED BY OPERATING ACTIVITIES	8.2	4 052	3 794
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH OUTFLOWS			
Purchase of plant and equipment		(1 585)	(614)
CASH USED IN INVESTING ACTIVITIES		(1 585)	(614)
CASH INFLOWS			
Proceeds from the sale of plant and equipment	3.6	32	-
CASH GENERATED FROM INVESTING ACTIVITIES		32	-
NET CASH USED IN INVESTING ACTIVITIES		(1 553)	(614)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		2 499	3 180
CASH AND CASH EQUIVALENTS AT 1 JULY		14 069	10 889
CASH AND CASH EQUIVALENTS AT 30 JUNE	5.1	16 568	14 069

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THE SOUTH AUSTRALIAN TOURISM COMMISSION

1.1 REPORTING ENTITY

The South Australian Tourism Commission (SATC) is a not-for-profit statutory corporation of the State of South Australia, established pursuant to the *South Australian Tourism Commission Act 1993*. The SATC is an instrumentality of the Crown and holds its property on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the SATC. The SATC does not control any other entity and has no interests in unconsolidated structured entities.

1.2 BASIS OF PREPARATION

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*, including the new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019
- relevant Australian Accounting Standards, including AASB 9 *Financial Instruments* first adopted in 2018-19.

The financial statements have been prepared on a twelve-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of an asset or part of an expense item as applicable
- trade receivables and creditors, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes. Changes in accounting policy are disclosed in note 9.

1.3 OBJECTIVES AND PROGRAMS

The purpose of the SATC is to assist in securing economic and social benefits for the people of South Australia through the promotion of South Australia as a tourism destination, including the promotion of events, festivals and other activities, and the further development and improvement of the State's tourism industry. The principal goals of the SATC are to:

- add value to the efforts of the tourism industry and other government agencies, by ensuring a coordinated approach to the promotion of South Australia which results in an increase in visitor numbers to all regions of the State, thereby increasing the value of tourism to the economy and generating employment for South Australians
- attract, develop, own and support major and strategic events that generate substantial economic and social benefits for South Australia and promote the image and profile of Adelaide and South Australia
- ensure the development of South Australia's tourism resources in a socially responsible way with emphasis on the continued maintenance and preservation of South Australia's environmental and cultural heritage and the profitability and effective utilisation of infrastructure
- achieve a strong corporate team and positive corporate culture that uses its resources in the most effective and efficient manner.

The functions and powers of the SATC in relation to motor sport are established under the *South Australian Motor Sport Act 1984* and include the promotion of motor sport events and the establishment of a motor racing circuit on a temporary basis.

In achieving its objectives, the SATC provides a range of services classified into the following programs:

- **Tourism Development**
To build tourism opportunities by improving visitor access into and around the state, building industry capability and providing advice to the industry in terms of research, policy and planning.
- **Tourism Events**
To strategically build and promote the state's event calendar by developing and attracting new events and managing and growing existing events.
- **Tourism Marketing**
To develop and implement marketing activities and campaigns to increase the number of international and national visitors to and within South Australia.

The following tables present information about expenses, income, assets and liabilities attributed to each program. Expenses and income attributed to the SATC as a whole have been proportionally allocated to each of the programs based on full time equivalent employees in each of the programs.

1.4 EXPENSES AND INCOME BY PROGRAM

for the year ended 30 June 2019

	<i>Tourism Development</i>		<i>Tourism Events</i>		<i>Tourism Marketing</i>		<i>Total</i>	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
EXPENSES								
Employee benefits expenses	3 483	3 655	6 036	5 831	5 031	5 225	14 550	14 711
Advertising and promotion	1 568	3 723	6 331	8 022	29 206	28 228	37 105	39 973
Industry assistance	5 686	9 461	9 948	11 574	281	1 075	15 915	22 110
Administration and accommodation	1 039	1 029	2 772	3 331	3 239	3 318	7 050	7 678
Event operations	650	487	40 092	43 754	-	-	40 742	44 241
Depreciation expense	50	85	2 217	1 911	143	277	2 410	2 273
Net loss from the disposal of non-current assets	3	-	27	13	9	-	39	13
Loss (gain) on impairment of receivables	-	-	(4)	23	-	-	(4)	23
TOTAL EXPENSES	12 479	18 440	67 419	74 459	37 909	38 123	117 807	131 022
INCOME								
Sponsorship and participation	401	1 803	9 264	9 342	4 873	1 284	14 538	12 429
Entry fees, sales and commission	7	-	15 346	16 693	-	7	15 353	16 700
Interest	-	-	160	77	-	-	160	77
Other income	339	319	1 323	1 763	312	343	1 974	2 425
TOTAL INCOME	747	2 122	26 093	27 875	5 185	1 634	32 025	31 631
NET COST OF PROVIDING SERVICES	11 732	16 318	41 326	46 584	32 724	36 489	85 782	99 391
REVENUES FROM SA GOVERNMENT								
Revenues from SA Government	11 438	17 973	40 784	46 570	32 833	37 629	85 055	102 172
TOTAL REVENUES FROM SA GOVERNMENT	11 438	17 973	40 784	46 570	32 833	37 629	85 055	102 172
NET RESULT	(294)	1 655	(542)	(14)	109	1 140	(727)	2 781
OTHER COMPREHENSIVE INCOME								
Changes in plant and equipment asset revaluation surplus	-	-	-	5 949	-	-	-	5 949
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	5 949	-	-	-	5 949
TOTAL COMPREHENSIVE RESULT	(294)	1 655	(542)	5 935	109	1 140	(727)	8 730

1.5 ASSETS AND LIABILITIES BY PROGRAM

as at 30 June 2019

	<i>Tourism Development</i>		<i>Tourism Events</i>		<i>Tourism Marketing</i>		<i>General or Not Attributable</i>		<i>Total</i>	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
ASSETS										
Cash and equivalents	-	-	4 493	5 371	1 854	476	10 221	8 222	16 568	14 069
Receivables	17	14	1 159	1 153	436	122	938	1 447	2 550	2 736
Other assets	-	-	-	24	-	119	-	-	-	143
Plant and equipment	-	-	14 780	16 413	-	-	1 030	1 263	15 810	17 676
TOTAL ASSETS	17	14	20 432	22 961	2 290	717	12 189	10 932	34 928	34 624
LIABILITIES										
Payables	187	601	1 581	1 906	3 108	1 212	671	1 774	5 547	5 492
Other liabilities	-	-	1 441	1 041	109	1	356	79	1 906	1 121
Employee benefits	473	385	1 098	1 027	1 115	1 081	958	957	3 644	3 450
Provisions	-	-	-	-	-	-	66	68	66	68
TOTAL LIABILITIES	660	986	4 120	3 974	4 332	2 294	2 051	2 878	11 163	10 131

1.6 RELATED PARTY TRANSACTIONS

Related parties of the SATC include all key management personnel and their close family members, all Cabinet Ministers and their close family members, any entities controlled or jointly controlled by a related party, all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government. See note 2.1 for transactions with key management personnel.

1.6.1 Significant Transactions with Government Related Entities

Other than as disclosed elsewhere in the financial statements, the SATC had the following significant transactions with government:

- revenue received from the Economic and Business Growth Fund of \$3.0 million (refer to note 4.1)
- rent and outgoings of \$1.1 million paid to the South Australian Water Corporation for an office lease (refer to note 3.3).

2. BOARD, COMMITTEES AND EMPLOYEES

2.1 KEY MANAGEMENT PERSONNEL

The key management personnel of the SATC are the Minister for Trade, Tourism and Investment, Board directors, the Chief Executive Officer and the members of the Executive Team who have responsibility for the strategic direction and management of the SATC. Total compensation for key management personnel detailed in this note excludes salaries and other benefits received by the Minister for Trade, Tourism and Investment. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

2.1.1 Compensation

	2019	2018
	\$'000	\$'000
Salaries and other short-term employee benefits	1 517	1 671
Post-employment benefits	186	196
Termination benefits	-	90
Total compensation	1 703	1 957

2.1.2 Significant Transactions with Key Management Personnel

The SATC had no individually significant transactions with key management personnel, their close family members or any entities controlled or jointly controlled by key management personnel or their close family members.

2.2 BOARD DIRECTORS

Members of the South Australian Tourism Commission Board during the 2019 financial year were:

Jayne Bates OAM	Judith Griggs	John Irving	Julie Smith	Andrew Killey (resigned 30 September 2018)
Joanne Collins*	Ian Horne	Sean Keenihan	Mark Young	

The number of directors whose total remuneration received or receivable falls within the following bands:

	2019	2018
	Number	Number
\$0 - \$19 999	8	9
\$20 000 - \$39 999	1	1
Total number of directors	9	10

The total remuneration received or receivable by directors was \$150 000 (\$153 000). Remuneration of directors includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3 EMPLOYEE BENEFITS EXPENSES

	2019	2018
	\$'000	\$'000
Salaries and wages	10 914	11 366
Targeted voluntary separation packages	198	-
Long service leave	498	281
Annual leave	919	947
Skills and experience retention leave	26	24
Employment on-costs – superannuation	1 148	1 211
Employment on-costs – other	668	687
Board and committee fees	137	139
Other employment related expenses	42	56
Total employee benefits expenses	14 550	14 711

Superannuation employment on-costs represent contributions to superannuation plans for the current services of current employees.

* In accordance with Premier and Cabinet Circular PC016, government employees received no remuneration for board duties during the financial year

2.3.1 Targeted Voluntary Separation Packages (TVSPs)

	2019	2018
	\$'000	\$'000
Amount paid to separated employees:		
TVSPs	198	-
Leave paid to separated employees	162	-
Recovery from the Department of Treasury and Finance	(198)	-
Net cost to the SATC	162	-

The number of employees who received a TVSP during the reporting period was 2 (nil).

2.3.2 Remuneration of Employees

	2019	2018
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$151 001 - \$171 000	1	-
\$171 001 - \$191 000	-	1
\$191 001 - \$211 000	2	2
\$211 001 - \$231 000	-	2
\$231 001 - \$251 000	2	1
\$251 001 - \$271 000	1	-
\$271 000 - \$291 000	-	1
\$391 001 - \$411 000	1	-
\$411 000 - \$431 000	-	1
	7	8

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, termination payments, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. The total remuneration received by these employees for the year was \$1 705 000 (\$1 979 000).

2.4 EMPLOYEE BENEFITS LIABILITY

	2019	2018
	\$'000	\$'000
Current:		
Annual leave	895	951
Long service leave	284	278
Skills and experience retention leave	36	38
Accrued salaries and wages	316	271
Total current employee benefits	1 531	1 538
Non-Current:		
Long service leave	2 113	1 912
Total non-current employee benefits	2 113	1 912
Total employee benefits	3 644	3 450

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts

2.4.1 Salaries and Wages, Annual Leave, Skills and Experience Retention Leave and Sick Leave Liabilities

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable within twelve months and are measured at the undiscounted amounts expected to be paid. The actuarial assessment performed by the Department of Treasury and Finance reduced the salary inflation rate to 2.2% (2019) from 3.0% (2018) for annual leave and skills and experience retention leave. The net financial effect in the 2019 financial year is a decrease in the annual leave liability and skills and experience retention leave liability of \$7 000 and employee benefits expenses of \$8 000. The estimated impact in 2020 is \$15 000 and \$9 000 respectively. The estimated impact in 2021 is \$23 000 and \$9 000 respectively.

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 employees is estimated to be less than the annual entitlement for sick leave.

2.4.2 Long Service Leave Liability

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Current long service leave reflects the portion of leave expected to be settled within the next twelve months based on previous experience. All other long service leave is classified as non-current.

AASB 119 *Employee Benefits* determines the calculation methodology for long service leave liability. An actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The actuarial assessment left the salary inflation rate at 4.0% for long service leave. As a result, there is no net financial effect.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds which is used as the rate to discount future long service leave cash flows has decreased to 1.25% (2019) from 2.5% (2018). The decrease in the bond yield results in an increase in the reported long service leave liability.

The net financial effect in the current financial year of the changes to actuarial assumptions and the bond yield rate is an increase in the long service leave liability of \$252 000 and employee benefits expenses of \$272 000. The impact on future periods is not possible to estimate as the long service leave liability is calculated using several demographic and financial assumptions, including the long-term discount rate.

3. EXPENSES

Employee benefits expenses are disclosed in note 2.3.

3.1 ADVERTISING AND PROMOTION	2019	2018
	\$'000	\$'000
Consumer advertising	13 673	13 281
Cooperative consumer marketing	7 123	6 645
Familiarisations	1 545	2 467
Other consumer marketing	152	312
Production	6 214	8 195
Representation and contractors	3 177	3 026
Marketing research	975	1 049
Trade marketing	2 046	2 507
Other advertising and promotion	2 200	2 491
Total advertising and promotion	37 105	39 973
3.2 INDUSTRY ASSISTANCE	2019	2018
	\$'000	\$'000
Sponsorship of events	8 963	11 170
Marketing/industry support	5 062	8 838
Tourism infrastructure	1 191	1 451
Tourism marketing boards/information centre grants	578	524
Trade show subsidies/membership of tourism industry bodies	121	127
Total industry assistance	15 915	22 110
3.3 ADMINISTRATION AND ACCOMMODATION	2019	2018
	\$'000	\$'000
Accommodation and service costs	3 332	3 143
Communication and computing	1 973	1 870
Stationery, postage, couriers and freight	94	206
Contractors and consultants	186	278
Motor vehicles, taxis and car parking	171	272
Domestic and international travel	346	444
Seminars, courses and training	127	168
Insurance	309	458
Audit, legal and other fees	237	377
Loss on foreign exchange	74	49
Other	201	413
Total administration and accommodation	7 050	7 678

Industry assistance is recognised as a liability and expense when the SATC has a contractual obligation to pay and the expense recognition criteria are met.

3.3.1 Consultants

The number and dollar amount of consultancies included in Administration and Accommodation that fell within the following bands:

	2019		2018	
	No.	\$'000	No.	\$'000
Below \$10 000	1	2	2	15
\$10 000 and above	2	69	1	11
Total paid/payable to the consultants engaged	3	71	3	26

3.3.2 Audit Fees

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$90 000 (\$66 000). No other services were provided by the Auditor-General's Department.

3.4 EVENT OPERATIONS

	2019	2018
	\$'000	\$'000
Event facilities	10 478	11 964
Construction	4 796	4 807
Catering and entertainment	5 141	6 285
Communications	1 223	1 240
Transport	1 158	573
Participants and contractors	10 531	11 208
Television and media	3 185	3 392
Event management	4 230	4 772
Total event operations	40 742	44 241

3.5 DEPRECIATION EXPENSE

	2019	2018
	\$'000	\$'000
General plant and equipment	66	71
Pageant plant and equipment	147	153
Motor sport infrastructure	1 839	1 423
Fitouts	358	626
Total depreciation expense	2 410	2 273

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

Lease incentives in the form of fitouts are capitalised as assets and depreciated over the remaining term of the lease or estimated useful life of the fitout, whichever is shorter.

3.5.1 Review of Accounting Estimates

Assets' residual values, useful lives and amortisation methods are reviewed annually and adjusted if appropriate. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate. The value of fitouts is amortised over the estimated remaining useful life of each fitout, or the unexpired period of the relevant lease, whichever is shorter.

3.5.2 Useful Life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful Life
General plant and equipment	3-10
Pageant plant and equipment	3-35
Motor sport infrastructure	2-20
Fitouts	6-9

3.6 NET LOSS FROM THE DISPOSAL OF NON-CURRENT ASSETS

	2019	2018
	\$'000	\$'000
Plant and equipment		
Net book value of assets disposed	71	13
Proceeds from disposal	(32)	-
Total net loss from the disposal of non-current assets	39	13

Gains and losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are disposed of, the revaluation surplus is transferred to retained earnings.

4. INCOME

4.1 SPONSORSHIP AND PARTICIPATION	2019	2018
	\$'000	\$'000
Sponsorship income	9 608	10 568
Industry contributions	1 363	1 439
Cooperative marketing/advertising	395	234
Industry participation fees	107	88
State Government grants	3 065	-
Commonwealth grants	-	100
Total sponsorship and participation	14 538	12 429

Contributions are recognised as assets and income when the SATC obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met. All contributions received by the SATC have been contributions with unconditional stipulations attached and have been recognised as income upon receipt.

Sponsorship income and industry contributions are recognised when the SATC has a contractual right to receive the income and the income recognition criteria are met.

State Government grants consist of funding from the Economic and Business Growth Fund and the Premier's Contingency Fund. As the grants are non-recourse grants, they have been recognised upon receipt.

Commonwealth grants consist of funding for Tourism Demand Driver Infrastructure projects. Under the terms of these grants the State is not required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated costs. As the grants are non-recourse grants, they have been recognised upon receipt.

4.2 ENTRY FEES, LICENCE FEES AND SALES	2019	2018
	\$'000	\$'000
Event entry fees	12 548	14 091
Licence fees	2 743	2 528
Sale of merchandise	62	81
Total entry fees, licence fees and sales	15 353	16 700

Income from event entry fees and licence fees is recognised in the period that the event to which it relates occurs. Where cash is received for event entry fees and licence fees in an earlier period, it is disclosed in note 7.2 as unearned revenue.

4.3 OTHER INCOME	2019	2018
	\$'000	\$'000
Refunds and recoups	1 028	1 329
Service fees	344	376
Rental income	343	320
Sundry income	28	22
Gain on foreign exchange	231	378
Total other income	1 974	2 425

4.4 REVENUES FROM SA GOVERNMENT	2019	2018
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	83 605	100 908
Other revenues from SA Government	1 450	1 264
Total revenues from SA Government	85 055	102 172

Appropriations are recognised on receipt.

Total revenues from SA Government consist of \$84 405 000 (\$100 526 000) of operational funding and \$650 000 (\$1 646 000) for capital purposes. For details on the expenditure associated with the operational and capital funding received refer to notes 2.3, 3 and 6.1. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

4.4.1 Reconciliation of Appropriations pursuant to the Appropriations Act	2019	2018
	\$'000	\$'000
Original amount appropriated to the SATC under the annual <i>Appropriation Act</i>	87 381	89 112
Transfer to Department for Trade, Tourism and Investment for the Convention Bid Fund	(3 759)	-
Transfer to Department of Treasury and Finance for Shared Services SA pricing increase	(17)	-
Received from the Treasurer via the Governor's Appropriation Fund.	-	11 796
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	83 605	100 908

5. FINANCIAL ASSETS

5.1 CASH AND CASH EQUIVALENTS	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	10 207	8 213
Cash at bank	6 347	5 847
Cash on hand	14	9
Total cash and cash equivalents	16 568	14 069

Cash is measured as nominal amounts.

5.1.1 Deposits with the Treasurer

The SATC has three deposit accounts with the Treasurer, consisting of two general operating accounts and the Accrual Appropriation Excess Funds Account (AAEFA). The SATC controls the money in the AAEFA but its use must be approved by the Treasurer. The SATC does not earn interest on its deposits with the Treasurer.

5.2 RECEIVABLES	2019	2018
	\$'000	\$'000
Current:		
Trade receivables	1 226	950
Allowance for doubtful debts	(7)	(35)
	1 219	915
GST input tax recoverable	780	678
Accrued revenues	279	917
Prepayments	272	226
Total receivables	2 550	2 736

Trade receivables arise in the normal course of selling goods and services to the public and to other government agencies. Trade receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Trade receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The net amount of GST payable to the ATO is included as part of trade receivables.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of trade receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 11 for information on risk management.

5.2.1 Impairment of Receivables	2019	2018
	\$'000	\$'000
Movement in the allowance for doubtful debts		
Balance at 30 June 2018 under AASB 139	35	-
Adjustments on adoption of AASB 9 (refer to note 9.2.2)	1	-
Carrying amount at 1 July	36	15
Increase in the allowance	6	23
Amounts recovered during the year	(10)	-
Increase (decrease) in allowance recognised in profit or loss	(4)	23
Amounts written off	(25)	(3)
Carrying amount at 30 June	7	35

Refer to note 11.3 for information on credit risk and the methodology for determining impairment.

5.3 OTHER ASSETS	2019	2018
	\$'000	\$'000
Current:		
Foreign exchange forward contracts	-	143
Total other assets	-	143

Refer to note 11.4 for information on market risk.

6. NON-FINANCIAL ASSETS

6.1 PLANT AND EQUIPMENT	2019	2018
	\$'000	\$'000
General plant and equipment		
At cost (deemed fair value)	248	474
Accumulated depreciation at the end of the period	(185)	(344)
Total general plant and equipment	63	130
Pageant plant and equipment		
At cost (deemed fair value)	2 040	2 064
Accumulated depreciation at the end of the period	(1 099)	(1 137)
Total Pageant plant and equipment	941	927
Motor sport infrastructure		
At cost (deemed fair value)	336	-
Accumulated depreciation at the end of the period	(10)	-
At fair value	14 808	14 816
Accumulated depreciation at the end of the period	(1 829)	-
Total motor sport infrastructure	13 305	14 816
Fitouts		
At cost (deemed fair value)	2 128	2 120
Accumulated depreciation at the end of the period	(627)	(417)
At fair value	-	899
Accumulated depreciation at the end of the period	-	(799)
Total fitouts	1 501	1 803
Total plant and equipment	15 810	17 676

Plant and equipment is valued at fair value or deemed fair value. Refer to note 6.2 for information about fair value.

All Pageant floats, regardless of their value, are recognised as non-current assets. Pageant floats are recorded at historic cost less accumulated depreciation. All other non-current tangible assets with a value equal to or in excess of \$15 000 are capitalised.

Plant and equipment includes \$225 000 (\$193 000) of fully depreciated plant and equipment still in use.

6.1.1 Impairment

The SATC holds its plant and equipment assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible. Accordingly, the recoverable amount will be close to or greater than fair value.

There were no indications of impairment of plant and equipment at 30 June 2019.

6.1.2 Reconciliation of Movements in Plant and Equipment during 2018-19

	General Plant & Equipment \$'000	Pageant Plant & Equipment \$'000	Motor Sport Infrastructure \$'000	Fitouts \$'000	Total \$'000
Carrying amount at 1 July	130	927	14 816	1 803	17 676
Additions	-	169	336	110	615
Disposals	-	(8)	(8)	(55)	(71)
Depreciation	(67)	(147)	(1 839)	(357)	(2 410)
Carrying amount at 30 June	63	941	13 305	1 501	15 810

6.1.3 Reconciliation of Movements in Plant and Equipment during 2017-18

	General Plant & Equipment \$'000	Pageant Plant & Equipment \$'000	Motor Sport Infrastructure \$'000	Fitouts \$'000	Total \$'000
Carrying amount at 1 July	190	916	9 985	1 338	12 429
Additions	11	177	305	1 091	1 584
Disposals	-	(13)	-	-	(13)
Depreciation	(71)	(153)	(1 423)	(626)	(2 273)
Revaluation increment	-	-	5 949	-	5 949
Carrying amount at 30 June	130	927	14 816	1 803	17 676

6.2 FAIR VALUE MEASUREMENT

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

6.2.1 Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value.

6.2.2 Revaluation

The valuation processes and fair value changes are reviewed by the Chief Financial Officer at each reporting date.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years. A valuation appraisal by a Certified Practising Valuer is performed at least every six years.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

6.2.3 Fair Value Hierarchy

The SATC classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

Fair value measurements recognised in the Statement of Financial Position are categorised into level 3 at 30 June. The SATC had no valuations categorised into level 1 or level 2. There were no transfers of assets between fair value hierarchy levels and there were no changes in valuation techniques during 2018-19.

6.2.4 Fair Value Measurements

All items of general plant and equipment, Pageant plant and equipment and fitouts had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years. In accordance with *Treasurer's Instructions (Accounting Policy Statements) 2019* APS 116.D these assets have not been revalued. The carrying value of assets not revalued is deemed to approximate fair value.

Motor sport infrastructure is classified in level 3 as observable market inputs are lacking, limited or unreliable. Fair value is determined using the cost approach which considers current replacement costs based on modern equivalent assets including all costs directly attributable to bringing the assets to working condition for their intended use, as well as improvements in asset designs, material and technology, less allowances for physical depreciation based on the current condition and use of the assets.

7. LIABILITIES

Employee benefits liabilities are disclosed in note 2.4.

7.1 PAYABLES	2019	2018
	\$'000	\$'000
Current:		
Creditors	2 153	1 712
Accrued expenses	2 971	3 363
Employment on-costs	249	264
Paid Parental Leave scheme payable	9	9
Total current payables	5 382	5 348
Non-Current:		
Employment on-costs	165	144
Total non-current payables	165	144
Total payables	5 547	5 492

All payables are non-interest bearing. The net amount of GST recoverable from the ATO is included as part of creditors. The carrying amount of payables represents fair value due to their short-term nature. Refer to note 11.1 for information on risk management.

7.1.1 Creditors

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the SATC.

7.1.2 Accrued Expenses

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice had not been received.

7.1.3 Employment On-Costs

Employment on-costs include payroll tax, workers compensation levies and superannuation contributions. The SATC makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as expenses when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The liabilities outstanding at the reporting date are for contributions due but not yet paid to superannuation schemes, payroll tax payable to Revenue SA and the estimated on-costs on liabilities for accrued salaries and wages, long service leave, annual leave and skills and experience retention leave.

An actuarial assessment performed by the Department of Treasury and Finance determined that the average factor for the calculation of employer superannuation contribution on-cost on long service leave decreased to 9.8% (2019) from 9.9% (2018). The percentage of long service leave taken as leave is 27.9% (24.8%), calculated as the actual percentage of leave taken during the last five years. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year and the estimated impact on 2020 and 2021 is immaterial.

7.1.4 Paid Parental Leave Scheme

Paid Parental Leave scheme payable represents amounts which the SATC has received from the Commonwealth Government to forward onto eligible employees by standard payroll processes. That is, the SATC is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

7.2 OTHER LIABILITIES	2019	2018
	\$'000	\$'000
Current:		
Lease incentive	108	57
Unearned revenue	1 318	846
Foreign exchange forward contracts	72	1
Total current other liabilities	1 498	904
Non-Current:		
Lease incentive	408	217
Total non-current other liabilities	408	217
Total other liabilities	1 906	1 121

Refer to note 11.4 for information on market risk.

7.3 PROVISIONS

	2019	2018
	\$'000	\$'000
Current:		
Provision for workers compensation	26	27
Total current provisions	26	27
Non-Current:		
Provision for workers compensation	40	41
Total non-current provisions	40	41
Total provisions	66	68

7.3.1 Movement in Provisions

	2019	2018
	\$'000	\$'000
Carrying amount at 1 July	68	25
Additional provisions recognised	23	49
Reductions resulting from payments/other sacrifice of future economic benefits	(3)	(26)
Increase (reduction) resulting from re-measurement or settlement without cost	(22)	20
Carrying amount at 30 June	66	68

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged through the Office of the Commission for Public Sector. The provision reflects unsettled workers compensation claims and is for the estimated cost of ongoing payments to employees as required under current legislation.

The SATC is responsible for the payment of workers compensation claims.

8. OTHER DISCLOSURES**8.1 EQUITY**

The asset revaluation surplus is used to record increments and decrements in the fair value of plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

8.2 CASH FLOWS

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

8.2.1 Cash Flow Reconciliation

	2019	2018
	\$'000	\$'000
Reconciliation of cash and cash equivalents at 30 June:		
Cash and cash equivalents disclosed in the Statement of Financial Position	16 568	14 069
Balance as per the Statement of Cash Flows	16 568	14 069
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	4 052	3 794
Revenues from SA Government	(85 055)	(102 172)
Non-cash items		
Depreciation expense	(2 410)	(2 273)
Net loss from disposal of non-current assets	(39)	(13)
Movement in assets and liabilities		
Receivables	(185)	264
Other assets	(143)	99
Payables	(1 025)	84
Other liabilities	(785)	934
Employee benefits	(194)	(65)
Provisions	2	(43)
Net cost of providing services	(85 782)	(99 391)

8.3 EVENTS AFTER THE REPORTING PERIOD

Effective 2 July 2019, the Governor appointed Andrew Bullock as the Chair of the South Australian Tourism Commission Board, and appointed Donna Gauci and Grant Wilckens as Directors. The appointments of Sean Keenihan and Julie Smith concluded on 1 July 2019.

8.4 BUDGET PERFORMANCE

The budget performance tables compare the SATC's outcome against budget information presented to Parliament (2018-19 Budget Paper 4). The original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements, and have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

In accordance with *Treasurer's Instructions (Accounting Policy Statements) 2019* APS 1055.B, explanations are only provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses.

8.4.1 Statement of Comprehensive Income

	Original Budget	Actual	Variance
	2019	2019	
	\$'000	\$'000	\$'000
Expenses			
Employee benefits expenses	14 436	14 550	114
Advertising and promotion	32 499	37 105	4 606
Industry assistance	18 028	15 915	(2 113)
Administration and accommodation	7 155	7 050	(105)
Event operations	39 601	40 742	1 141
Depreciation expense	2 310	2 410	100
Net loss from the disposal of non-current assets	535	39	(496)
Loss (gain) on impairment of receivables	-	(4)	(4)
Total expenses	114 564	117 807	3 243
Income			
Sponsorship and participation	10 781	14 538	3 757
Entry fees, licence fees and sales	14 578	15 353	775
Interest	104	160	56
Other income	1 185	1 974	789
Total income	26 648	32 025	5 377
Net cost of providing services	87 916	85 782	(2 134)
Revenues from SA Government			
Revenues from SA Government	87 381	85 055	(2 326)
Total revenues from SA Government	87 381	85 055	(2 326)
Net result	(535)	(727)	(192)
Total comprehensive result	(535)	(727)	(192)

8.4.2 Investing Expenditure Summary

	Original Budget	Actual	Variance
	2019	2019	
	\$'000	\$'000	\$'000
Investing expenditure			
Total existing projects	-	110	110
Total annual programs	626	505	(121)
Total investing expenditure	626	615	(11)

9. CHANGES IN ACCOUNTING POLICY

9.1 TREASURER'S INSTRUCTIONS (ACCOUNTING POLICY STATEMENTS)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* (Accounting Policy Statements) were issued by the Treasurer under the *Public Finance and Audit Act 1987*, replacing the existing Accounting Policy Framework.

Changes that impact on these financial statements but not on the amounts reported are:

- removal of the additional requirement to report transactions with the SA Government
- increasing the bands from \$10 000 to \$20 000 for employee and board member reporting.

The Accounting Policy Statements also set out requirements in relation to accounting standards and statements not yet effective. This is discussed in note 9.3.

9.2 AASB 9 FINANCIAL INSTRUMENTS

AASB 9 *Financial Instruments* supersedes the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the implementation of AASB 9, the SATC adopted consequential amendments to other accounting standards and the Accounting Policy Statements as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior years this information was presented as part of Administration and Accommodation expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year and the comparatives have not been restated.

In accordance with transitional provisions and the Accounting Policy Statements, AASB 9 was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has had no material effect on the recognition, measurement or classification of financial liabilities.

The total impact on the SATC's retained earnings as at 1 July 2018:

	2018
	\$'000
Closing retained earnings 30 June 2018 – AASB 139	15 830
Increase in provision for trade receivables	(1)
Opening retained earnings 1 July 2018 – AASB 9	15 829

9.2.1 Reclassification of Financial Instruments on Adoption of AASB 9

On 1 July 2018 the SATC assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of *held to maturity, loans and receivables* and *available for sale*.

On the date of initial application, the SATC's financial instruments were as follows, with any reclassifications noted.

Statement of Financial Position item	Measurement category		Carrying amount		AASB 9 at 1 July 2018 \$'000
	AASB 139	AASB 9	AASB 139 at 30 June 2018 \$'000	Remeasurement \$'000	
Financial assets					
Cash and cash equivalents	Cash and equivalents	Cash and equivalents	14 069	-	14 069
Receivables	Loans and receivables	Amortised cost	1 824	(1)	1 823
Other financial assets	Held-to-maturity	Amortised cost	143	-	143
Financial liabilities					
Payables	Amortised cost	Amortised cost	3 973	-	3 973
Other financial liabilities	Amortised cost	Amortised cost	847	-	847

9.2.2 Impairment of Financial Assets (Trade Receivables)

AASB 9 replaces the incurred loss model in AASB 139 with a new expected credit loss model. This model generally results in earlier recognition of credit losses than the previous one.

The SATC's financial assets subject to the AASB 9 expected credit loss model are trade receivables from provision of goods and services.

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The SATC has adopted the simplified approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision. This resulted in an increase of the loss allowance on 1 July 2018 of \$1 000 for trade receivables external to Government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to high-quality government credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

9.2.3 Other Financial Assets (Foreign Exchange Forward Contracts)

AASB 9 replaces the rules-based hedge accounting requirements of AASB 139 with a principles-based approach focused on an entity's risk management. To manage its foreign exchange risk the SATC implements forward foreign exchange cover through the South Australian Government Financing Authority (SAFA) in accordance with Treasurer's Instruction 23 *Management of Foreign Currency Exposures*. Under both AASB 9 and AASB 139, the application of hedge accounting to forward contracts is optional. Due to their short-term nature, the SATC does not designate its foreign exchange forward contracts as hedging instruments, and any losses or gains are recognised in profit and loss.

The fair value of a forward contract is affected by changes in the spot rate and changes in the forward points, which arise from the interest rate differential between currencies specified in a forward contract. On commitment date, the net fair value of the forward contracts is nil, as the fair values of the rights and obligations are equal.

Forward foreign exchange contracts held with SAFA that would previously have been classified as held-to-maturity investments are now classified at amortised cost.

9.3 IMPACT OF STANDARDS NOT YET IMPLEMENTED

The SATC has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective. Expected impacts are outlined below.

9.3.1 AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases - Incentives and Interpretation*, and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The new standard introduces a single accounting model for leases, which requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee will be required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments. Leases currently classified as operating leases will be reported on the Statement of Financial Position.

The lessor accounting requirements in AASB 117 are substantially carried forward in AASB 16. A lessor will continue to classify leases as operating leases or finance leases, and to account for those two types differently. AASB 16 requires such classification to be made based on whether substantially all the risks and rewards associated with the right-of-use asset arising from the head lease have been transferred to the sublessee. This differs from AASB 117, which required consideration of whether substantially all the risks and rewards incidental to ownership of the underlying asset (such as a building) had been transferred to the sublessee.

The SATC has one arrangement where it subleases property. Under AASB 16 the sublease will continue to be classified as an operating lease.

The SATC will apply AASB 16 from 1 July 2019. The new standard is a significant change from the current method of accounting for leases. The SATC will recognise significant lease liabilities and corresponding right-of-use assets in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 will also impact the Statement of Comprehensive Income. Operating leases previously included in Administration and Accommodation expenses will mostly be replaced with depreciation expenses that represent the use of the right-of-use assets, and borrowing costs associated with financing the right-of-use assets.

The estimated impact is based on applying AASB 16's transition approach, together with key requirements mandated by the Accounting Policy Statements. The incremental borrowing rates applied to estimate the lease liability were the South Australian Government Financing Authority's forecast interest rates for principal and interest loans to SA Government agencies for 1 July 2019 as at 4 February 2019.

The estimated impact of adopting AASB 16:	As at 1 July 2019
	\$'000
Assets	
Right-of-use assets	9 319
Liabilities	
Lease liabilities	9 835
Other liabilities (lease incentive liabilities)	(516)
Net impact on equity	-
	2020
	\$'000
Expenses	
Administration and accommodation	(1 532)
Depreciation expense	1 464
Borrowing costs	164
Net impact on net cost of providing services	96

The amounts disclosed are current estimates only. The SATC is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

9.3.2 AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts*, and introduces a five-step process for revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of AASB 1004 *Contributions*.

The SATC will apply AASB 15 and AASB 1058 from 1 July 2019. The new revenue recognition requirements are not expected to have a material impact on the 2019-20 financial statements.

10. UNRECOGNISED CONTRACTUAL COMMITMENTS

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments are disclosed on a gross basis.

10.1 OPERATING LEASE COMMITMENTS

Operating leases contracted for at the reporting date but not recognised as liabilities	2019	2018
are payable as follows:	\$'000	\$'000
Within one year	1 490	1 646
Later than one year but not longer than five years	5 436	5 991
Later than five years	470	1 508
Total operating lease commitments	7 396	9 145

The SATC's operating leases are for office accommodation and warehousing. These commitments have been calculated at rates specified in the lease agreements. The leases are non-cancellable with terms ranging up to 10 years with some leases having the right of renewal. There are no purchase options available to the SATC. Rent is payable monthly in advance.

10.2 EXPENDITURE COMMITMENTS

Expenditure commitments at the reporting date not recognised as liabilities	2019	2018
are payable as follows:	\$'000	\$'000
Within one year	47 508	34 185
Later than one year but not longer than five years	29 635	36 755
Later than five years	-	1 925
Total expenditure commitments	77 143	72 865

The SATC's commitments arise from agreements for marketing services, circuit construction, event operations, event sponsorship and other cooperative and service contracts. There are no purchase options available to the SATC.

11. FINANCIAL INSTRUMENTS

11.1 FINANCIAL RISK MANAGEMENT

Risk management is managed by the SATC's Finance and Business Services group. Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*. The SATC's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

11.2 LIQUIDITY RISK

The SATC is funded principally from appropriation by the SA Government. The SATC works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to note 7.1 and note 7.2 for further information.

11.3 CREDIT RISK

The SATC has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. No collateral is held as security and no credit enhancements relate to financial assets held by the SATC.

11.3.1 Impairment of Financial Assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The SATC uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors. Receivables are grouped based on shared risks characteristics and days past due, taking into account reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the SATC's historical experience and informed credit assessment, including any relevant forward-looking information. Loss rates are calculated based on the probability of a receivable progressing through stages to write-off based on the common risk characteristics of the transaction and debtor.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

The following table provides information about the SATC's exposure to credit risk and expected credit loss for non-government debtors.

	Gross carrying amount	Loss	Lifetime expected losses
	\$'000	%	\$'000
Non-government debtors at 30 June 2019			
Current (not past due)	733	0.05	<1
1 – 30 days past due	219	0.08	<1
31 – 60 days past due	185	0.18	<1
61 – 90 days past due	22	0.32	<1
91 – 120 days past due	54	0.61	<1
More than 120 days past due	24	26.46	6
Loss allowance			7

Loss rates are based on the actual history of credit loss, adjusted to reflect differences between previous economic conditions, current conditions and the SATC's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are recognised on a net basis in profit and loss. Subsequent recoveries of amounts previously written off credited against the same line item. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the SATC and a failure to make contractual payments for a period of greater than 120 days past due.

Cash and cash equivalents have low credit risk due to the external credit ratings of the counterparties and therefore the expected credit loss is nil.

In the comparative period, the impairment of receivables was measured using the incurred loss model. An allowance for doubtful debts was recognised when there was objective evidence that a receivable was impaired. The allowance was recognised in Administration and Accommodation expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

11.4 MARKET RISK

The SATC does not trade in foreign currency, enter into transactions for speculative purposes nor engage in high risk hedging for its financial assets. To manage its exchange risk the SATC implements forward foreign exchange cover through the South Australian Government Financing Authority (SAFA) in accordance with Treasurer's Instruction 23 *Management of Foreign Currency Exposures*. Due to their short-term nature, the SATC does not designate its foreign currency forward contracts as hedging instruments

On behalf of the SATC, at 30 June 2019 SAFA had in place 9 (11) foreign exchange forward contracts totalling \$8 107 000 (\$9 195 000). In 2018-19 the SATC had 11 (18) foreign exchange forward contracts mature totalling \$9 195 000 (\$7 522 000). The forward contracts are to cover commitments denominated in foreign currencies, including for the payment of representation fees, event participation fees and global marketing activity.

As with all forward foreign exchange contracts there are financial risks. Cashflows from foreign exchange forward contracts in 2018-19 are included in the Statement of Comprehensive Income, and where material are shown separately as losses in note 3.3 and as gains in note 4.3. Refer to note 5.3, note 7.2 and note 9.2.3 for further information.

The SATC does not undertake any hedging of interest rate risk. There is no exposure to other price risks.

A sensitivity analysis has not been undertaken for the interest rate risk and exchange risk of the SATC as it has been determined that the possible impact on total comprehensive result or total equity from fluctuations in interest rates and exchange rates is immaterial.

11.5 CATEGORISATION OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised for each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset or financial liability note.

11.5.1 Classification under AASB 139 applicable until 30 June 2018

The carrying amounts of each of the financial assets and financial liabilities categories of *held-to-maturity investments, loans and receivables, and financial liabilities at cost* are detailed below.

The SATC does not recognise any financial assets or financial liabilities at fair value but discloses fair value in the notes. All fair value estimates are included in level 2 as all significant inputs are observable. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short-term nature. Refer to notes 5.2 and 7.1. Other financial assets are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances. Refer to note 5.3.

11.5.2 Classification under AASB 9 applicable from 1 July 2018

On initial recognition, a financial asset is classified as either *measured at amortised cost, fair value through other comprehensive income (debt instrument), fair value through other comprehensive income (equity instrument) or fair value through profit or loss*.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The SATC measures all financial instruments at amortised cost.

The following table discloses the carrying amount of each category of financial instrument held by the SATC. The SATC has assessed the maturity of its financial assets and financial liabilities as being less than one year.

Category of financial asset and financial liability		Note	Carrying amount	
			2019 \$'000	2018 \$'000
From 1 July 2018	Until 30 June 2018			
Classification under AASB 9	Classification under AASB 139			
Financial Assets	Financial Assets			
Cash and equivalents	Cash and equivalents			
Cash and cash equivalents	Cash and cash equivalents	5.1, 8.2	16 568	14 069
Amortised cost	Loans and receivables			
Receivables	Receivables	5.2	1 506	1 824
Other financial assets	Held-to-maturity investments			
	Other financial assets	5.3	-	143
	Total financial assets		18 074	16 036
Financial liabilities	Financial liabilities			
Amortised cost	Amortised cost			
Payables	Payables	7.1	4 847	3 973
Other financial liabilities	Other financial liabilities	7.2	1 390	847
	Total financial Liabilities		6 237	4 820

Receivables and payables amounts disclosed above exclude amounts relating to statutory receivables and payables. AASB 132 paragraph 13 defines contract as an agreement that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable by law. In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, taxes and equivalents and Auditor-General's Department audit fees payable they are excluded from the disclosure. All amounts recorded are carried at cost (not materially different from amortised cost).

Receivables amounts disclosed here excludes prepayments. Prepayments are presented in note 5.2 as receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

11.6 CREDIT STANDBY ARRANGEMENTS

The SATC has a \$250 000 (\$250 000) purchasing card facility with the ANZ Bank. The unused portion of this facility as at 30 June 2019 was \$120 000 (\$127 000).

2018-19
PERFORMANCE AGREEMENT

Between

THE SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

and

THE MINISTER FOR TOURISM

KEY FOCUS

The 2018-19 Board Performance Agreement with the Minister for Tourism directly flows from the *South Australian Tourism Plan 2020*. The plan is a whole-of-industry document, which identifies the key objectives for all tourism stakeholders to drive growth in tourism in South Australia.

The plan reaffirms the tourism industry expenditure potential of \$8.0 billion by 2020, and the waypoints for international visitors, interstate visitors and intrastate visitors.

The *South Australian Tourism Plan 2020* identifies five key Priority Action Areas:

- Driving demand
- Working better together
- Supporting what we have
- Increasing the recognition of the value of tourism
- Using events to grow visitation

The Board believes that achievement of the key priority action areas identified in the *South Australian Tourism Plan 2020* is critical to the future of the tourism industry in South Australia.

The *South Australian Tourism Commission Corporate Plan 2018-2020* implements the *South Australian Tourism Plan 2020* and establishes the planning framework for the South Australian Tourism Commission.

The *South Australian Tourism Commission Operational Plan 2018-19* outlines the key areas of government investment that will continue in the 2018-19 financial year and details the key focus areas and projects for the South Australian Tourism Commission.

The Board Performance Agreement also identifies the Government's commitments of relevance to the Visitor Economy and affirms the SATC's support for the achievement of these initiatives.

We have a shared goal with our industry to increase visitor expenditure in South Australia to between \$6.7 billion and \$8.0 billion by 2020.

- The base target of \$6.7 billion by 2020 is based on the original forecast for the State *holding* market share of national tourism expenditure, and growing expenditure in the State in line with the projected overall national growth.
- The Full Potential target of \$8 billion by 2020 is based on the original forecast for the State *growing* its current market share of national tourism expenditure.

The table below shows the target milestones for both scenarios.

	Corporate Plan 2018-2020					2020 Potential
	Mar 2016	Mar 2017	June 2018	June 2019	June 2020	Dec 2020
Hold Share	5.5	5.8	6.1	6.3	6.6	6.7
Full Potential	5.9	6.2	6.8	7.2	7.7	8.0
Actuals	5.7	6.3	6.7 (Mar 2018)			

Unprecedented growth in certain sectors of the South Australian visitor economy in the past few years has seen a number of way-point targets achieved ahead of time. Additional funding for marketing and events has been a key driver of this growth and allowed the SATC to expand its marketing presence in traditional and emerging markets and deliver an expanded events calendar. This activity has helped drive above-trend additional visitation, expenditure and job creation in the local South Australian economy.

It should be noted that projecting tourism expenditure through to 2020 based purely on historic performance shows a 2020 result of \$6.2 billion. Achievement of the Full Potential target of \$8.0 billion requires solid market share gains for South Australia through to 2020, and this will include, among other factors, the SATC being effectively resourced.

Key Performance Indicators

In 2018-19, the Board will set, refine and monitor the strategic direction of the South Australian Tourism Commission and will focus its deliberations on the following key performance indicators and targets:

- Grow total tourism expenditure in South Australia to the Full Potential of \$8 billion by December 2020 with a milestone of \$7.2 billion by June 2019. Recent strong gains have resulted in \$6.7 billion already being achieved by March 2018. While recent strong gains have meant we are already above the lower bound of this target (\$6.3 billion by June 2019), achievement of the upper bound requires the continuation of current momentum.
- Increase tourism expenditure in regional areas to \$3.2 billion by June 2019, on the way to achieving \$3.55 billion by December 2020, the headline target of the Regional Visitor Strategy.
- Grow international tourism expenditure in South Australia to \$1.2 billion by 2020, with a milestone of \$1.1 billion by June 2019. Due to recent strong growth to \$1.2 billion to March 2018, this June 2019 target has already been exceeded. These gains should first be consolidated and where practical grow beyond \$1.2 billion by June 2019 to exceed the 2020 target.
- Grow interstate overnight expenditure in South Australia to from \$2.0 billion (March 2018) to \$2.4 billion by June 2019, and intrastate overnight expenditure from \$1.9 billion (March 2018) to \$2.1 billion. These areas represent the majority of growth required in the coming year, but also the greatest risk to meeting our overall \$8 billion target and therefore will require a continuation of the current strategy and momentum.
- Grow direct jobs in the tourism industry in South Australia to the Full Potential target of 41,000 jobs by December 2020, with a milestone of 38,000 by June 2019. (Note: direct jobs currently stand at 36,000 as at June 2017, an increase of 5,000 since the June 2013 baseline as outlined in the *South Australian Tourism Plan 2020*).

- Grow airline seat capacity to 110,000 domestic seats per week and 14,500 international seats per week by 2020, working towards a milestone of 104,000 domestic seats and 13,200 international seats by October 2019. (Note: As at April 2018 we stand at 12,100 international seats; and 85,500 domestic seats. The growth in international seats should be consolidated and continued efforts made to push on toward domestic seats target for October 2019).
- Grow the number of cruise ship visits to South Australian ports to 100 by 2020. With 65 ship visits to June 2018, these gains should first be consolidated and where practical built towards 87 ship visits by June 2019. Note that due to strong performance in the industry, the original 2020 target has been raised from 43 port visits to 100 port visits.
- Increase the economic value of events to the Full Potential target of \$400 million by 2020, including a milestone of \$359 million by June 2019. Due to recent strong growth to \$396 million to March 2018, this target has already been achieved. These gains should first be consolidated and where practical built beyond \$400 million by June 2019 to achieve the 2020 target ahead of time.
- Ensure that the Conventions Bid Fund provides a Return on Investment to the State of 35:1, with an exception of 15:1 during winter (June to August) to stimulate visitor activity in the low season, with priority given to international conferences and consideration given to hosting of business events in regional locations

STRATEGIC PRIORITIES

Driving demand:

- Utilise the additional government investment for international and domestic marketing to drive the achievement of the tourism industry's 2020 Full Potential.
- Continue intrastate marketing and public relations activities to increase consideration and visitation by South Australians within South Australia's regions, via traditional and digital mechanisms.
- Deliver brand, tactical marketing and public relations activities, in priority international countries and leverage this with partners using traditional and digital mechanisms.
- Provide targeted, brand-aligned, user friendly content and images to help get shared messages out more strongly across our target markets and via multiple digital platforms including mobile, tablet and desktop.
- Develop marketing activities in China, the US and UK as specified in the funding agreement for the State Based Grants Program under Wine Australia's Export and Regional Wine Support Package and PIRSA's South Australian Wine Industry Development Scheme. Support South Australian wine organisations in the implementation of their successful Competitive Grants through the same program.

Working better together:

- Work with the newly formed Department of Trade, Tourism and Investment to drive job creation and expenditure within South Australia.
- Work with the regions in implementing the Regional Visitor Strategy to drive regional expenditure.
- Facilitate the running of the World Routes Conference in Adelaide in 2019, the largest conference and meeting forum in the aviation industry.
- Support the South Australian Tourism Industry Council (SATIC) to deliver Service Excellence training to South Australian operators and host the annual State Tourism Awards.
- Work with Study Adelaide to support the government's commitment to promote Adelaide as a centre of education excellence.
- Support the Government's commitment to Build Heritage and Eco-Tourism

Opportunities, including assistance to the Department of Environment and Water in the development of a Heritage Tourism Strategy.

Supporting what we have:

- Work with partners on maintaining and increasing access to and within South Australia, including through joint marketing initiatives.
- Work with Regional Tourism Organisations, as well as industry and other key players to better connect our tourism industry.
- Support operators and other stakeholders to leverage funding sources from outside of the state to drive investment in South Australian tourism. The most significant of these are the Federal Government's *Building Better Regions Fund* and the *Export and Regional Wine Support Package*.
- Support the Government's commitment to cycle tourism and conduct a scoping study to assess the feasibility of the Great Southern Bike Trail.

Increasing the recognition of the value of tourism:

- Build on the current strong research program and make evidence based information available to increase the understanding of the value and relevance of tourism to our stakeholders.
- Provide leadership to the Tourism Industry by developing the next South Australian Tourism Plan, through extensive consultation with South Australian industry, government and other key stakeholders from late 2018. Input will be sought from both the SATC Board and the Minister. The proposed timeline for the South Australian Plan is 2030 and it is proposed that it be published in late 2019.
- Input into the draft National Tourism Strategy which is led by Austrade.

Using events to grow visitation:

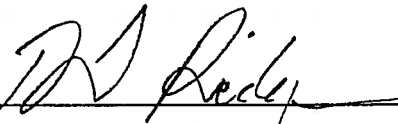
- Focus sponsorships on core strength areas such as food and wine, arts and culture, live music, national and international sports and mass participation events, with a particular focus on off-peak periods and utilising key infrastructure.
- Continue to deliver an innovative program of 'owned' events to drive visitation and raise the profile of the State as a world class event destination.
- Develop the capacity building program for major, regional and local/ community events and festivals across the State.
- Increase awareness and consideration of South Australian hero events, through collaborative marketing, public relations and partnerships to trigger visitation.
- Reduction of Grandstand build and removal time for the Adelaide 500.
- Support the Government's commitment to bid for new major leisure events as part of the ongoing strategy to boost the State's profile. This will be achieved through the strategic utilisation of the additional funding allocated to the Events Bid Fund as part of the 2018-19 State Budget.
- Work with the Adelaide Convention Bureau (ACB) and Adelaide Convention Centre (ACC) and regional conference venues to support the government's commitment to Business Events as outlined in the "Billion Dollar Benefit" policy


Organisational effectiveness:

- Provide systems and support across all aspects of corporate services to maximise the effective and efficient use of South Australian Tourism Commission resources and ensure public accountability expectations are met.
- Embed a strong planning and performance monitoring approach that links long term planning and outcomes to the daily work of each individual in the office, covering strategic risk as well as operational risks.
- Embed organisational values and drive continual improvement through review processes.

SIGNATURES

We the undersigned do hereby agree to the outcomes outlined in the 2018-19 Performance Agreement between the South Australian Tourism Commission Board and the Minister for Tourism.

Signed:  Dated: 9/10/18
Hon. David Ridgway MLC
MINISTER FOR TRADE, TOURISM AND INVESTMENT

Signed:  Dated: _____
Sean Keenihan
CHAIR
On behalf of the SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

SOUTH AUSTRALIAN TOURISM COMMISSION BOARD PERFORMANCE AGREEMENT 2018-19

REPORT AGAINST STRATEGIC PRIORITIES

PRIORITY 1: DRIVING DEMAND		
Priority	Responsible Department	Action
Utilise the additional government investment for international and domestic marketing to drive the achievement of the tourism industry's 2020 Full Potential.	Marketing	<p><u>Global Markets</u></p> <p>International visitor spend for the year end June 2019 sits at \$1.1 billion, in line with the waypoint of \$1.1 billion to reach our 2020 target of \$1.2 billion. This has been led by China with a record 66,500 visitors, spending \$378 million. China is now our number one market for visits, nights and expenditure.</p> <p>Funding for the international markets was allocated towards direct to consumer cooperative digital marketing campaigns in Singapore and Malaysia. Funds for China enabled the SATC to appoint Mr Huang Xiaoming, an influential Chinese superstar, actor and singer with a social media following of more than 59 million, as the Global Tourism Ambassador for South Australia in China. Mr Huang visited South Australia in November 2017 and the SATC created images and video content for use extensively in marketing activities in China and in Hong Kong in the 2018-19 year. Results included trade partners reporting an average increase in bookings of 37 per cent, a 357 per cent increase in leads to China Southern Airlines with a reach of five billion consumers.</p> <p>Funding for the UK market was allocated towards an integrated brand campaign to position South Australia as the premier destination to see Australian wildlife in the wild, a key experience which drives visitation from the UK market.</p> <p><u>Domestic Markets</u></p> <p>Domestic expenditure currently stands at \$6.5 billion, a rise of 15 per cent year on year in the twelve months to 30 June 2019. This brings the domestic metric above its required waypoint to achieve the \$8.0 billion by</p>

		<p>December 2020.</p> <p>The additional government investment for domestic marketing has been used to launch the SATC's new brand positioning 'Rewards Wonder' and increase media reach for associated campaigns across the year, namely the Tell us Where social media campaign, the 120 Hour Five Day Streamed Video, Summer and Winter campaigns and Events and Festivals activity.</p> <p>In April 2019, an additional allocation of \$3 million (excluding GST) from the Government's Economic and Business Growth Fund was provided to the SATC to amplify and extend the Winter campaign activity.</p> <p>As a result, the campaign has delivered results above expectations. These include 2.99 million domestic visits to southaustralia.com during the campaign period (8 March to 31 August) which is up 69 per cent, year on year, while leads to South Australian tourism operators and travel industry partners have increased by 175 per cent. Anecdotally the feedback from a range of tourism operators has been overwhelmingly positive with many reporting increased bookings and activity during this typically quieter period.</p>
<p>Continue intrastate marketing and public relations activities to increase consideration and visitation by South Australians within South Australia's regions, via traditional and digital mechanisms.</p>	<p>Marketing</p>	<p>The SATC's intrastate marketing activity has continued to focus on motivating South Australians to explore unfamiliar regions and spend weekends away each year by showcasing new and exciting products and challenging the consumer to take another look at their own State. Secondary to that, intrastate activity also encourages South Australians to re-discover familiar regions.</p> <p>Activity has supported the SATC's brand positioning 'Rewards Wonder', namely Tell us Where social media campaign, the 120 Hour Five Day Streamed Video, Summer and Winter campaigns and Events and Festivals activity.</p> <p>Each campaign has typically included television commercials, outdoor advertising and digital advertising supported by social media and public relations. Where possible, a travel partner or operator has been included as the featured booking operator to encourage consumers to book a trip. Intrastate growth has accelerated with expenditure currently at \$2.3 billion, a rise of 20 per cent year on year in the twelve months to 30</p>

		<p>June 2019. This is beyond the required waypoint of \$2.1 billion.</p> <p>To further encourage intrastate visitation and consideration, the SATC entered into sponsorship agreements with a number of partners, including Adelady, South Aussie With Cosi, the RAA and Nine News. These partnerships provided a focus on new products and operators within various key South Australian regions further extending the campaign reach.</p>
<p>Deliver brand, tactical marketing and public relations activities, in priority international countries and leverage this with partners using traditional and digital mechanisms.</p>	Marketing	<p>To increase awareness in the US market, the SATC partnered with Sports Illustrated for the 2019 Swim edition which saw Kangaroo Island feature as one of six destinations worldwide.</p> <p>The partnership opportunity offered high volume exposure and audience reach for South Australia and positioned Kangaroo Island as a premium travel destination to its 60 million global readers.</p> <p>The articles highlighted how to get to Kangaroo Island, accommodation on Kangaroo Island, and things to do on Kangaroo Island supported with imagery from Kangaroo Island. The SATC partnered with leading US wholesaler About Australia and airline Virgin Australia, who have developed Australian packages incorporating South Australia and Kangaroo Island.</p> <p>The activity resulted in US media coverage that has an Advertising Space Rate of \$32.5 million (AUD) and reached an audience of 2.2 billion.</p>
<p>Provide targeted, brand-aligned, user friendly content and images to help get shared messages out more strongly across our target markets and via multiple digital platforms including mobile, tablet and desktop.</p>	Marketing	<p>During the year, the SATC launched a new media gallery. The new gallery provides an improved and user-friendly experience for external stakeholders to access images and video content. In addition, an extensive review of all brand assets has been carried out and 1,200 new assets have been sourced and uploaded. With imagery being a key part of our marketing effort this initiative positions the agency well for future campaigns and content.</p>
<p>Develop marketing activities in China, the US and UK as specified in the funding agreement for the State Based Grants Program under Wine Australia's Export and Regional Wine Support Package and PIRSA's South Australian Wine Industry Development Scheme. Support South Australian wine organisations in the implementation of their successful</p>	Marketing	<p>The SATC executed campaign activity in China, Hong Kong, the US and the UK to generate unique wine tourism messaging in these markets. Using digital and audience behavioural insights, the activity comprised of video and still images, PR activity and cooperative partnership marketing activations.</p> <p>In year ending June 2019, there was seven per cent growth in</p>

Competitive Grants through the same program.		international overnight visitors to wine regions.
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PRIORITY 2: WORKING BETTER TOGETHER		
Priority	Responsible Department	Action
Work with the newly formed Department of Trade, Tourism and Investment to drive job creation and expenditure within South Australia.	Corporate Affairs	Since the creation of the new Department for Trade, Tourism and Investment, the SATC has ensured its efforts are coordinated to ensure outcomes in the areas of international marketing, hotel and infrastructure investment and education drive growth across the broader economy.
Work with the regions in implementing the Regional Visitor Strategy to drive regional expenditure.	Destination Development	The SATC has worked to ensure that the Regional Visitor Strategy is communicated across all 11 regions with a key focus of encouraging regional tourism stakeholders to use the document as a driver to increase tourism expenditure. The Regional Visitor Strategy is an industry led plan and its implementation is overseen by an independent Steering Committee of which the SATC is a member.
Facilitate the running of the World Routes Conference in Adelaide in 2019, the largest conference and meeting forum in the aviation industry.	Destination Development	The SATC has worked with key partners, including Adelaide Airport Limited to ensure World Routes 2019 is a success for our State. The event will showcase the State to influential aviation planners, highlighting the strengths of the destination and demonstrating Adelaide's ability to host influential international events.
Support the Tourism Industry Council South Australia (TiCSA) to deliver Service Excellence training to South Australian operators and host the annual State Tourism Awards.	Corporate Affairs	The SATC continues to work closely with TiCSA to assist them in delivering services to the tourism industry. In this financial year the SATC has provided funding to support the Service IQ training program aimed at developing service excellence in the tourism industry. Funding was also provided to deliver a Support Program for those operators entering the 2018 Tourism Awards. The Awards had a strong representation of operators and resulted in three gold awards, two silver and four bronze for South Australian operators at a National level. The SATC also provided sponsorship support for the Tourism Industry Conference run by TiCSA.

<p>Work with Study Adelaide to support the government's commitment to promote Adelaide as a centre of education excellence.</p>	<p>Corporate Affairs</p>	<p>The SATC worked closely with Study Adelaide at the annual Australian Tourism Exchange in Perth this year to provide Chinese students with an opportunity to work alongside tourism businesses, offering such services as translation and assessment of their China readiness. This program has led to a number of Chinese students gaining subsequent employment in the tourism sector.</p>
<p>Support the Government's commitment to Build Heritage and Eco-Tourism Opportunities, including assistance to the Department of Environment and Water in the development of a Heritage Tourism Strategy.</p>	<p>Corporate Affairs</p>	<p>The SATC has been highly engaged in the development of the Heritage Tourism Strategy with representation on both the Steering Committee and the Heritage Tourism Alliance. The SATC also continues to be involved in the development of eco-tourism opportunities with the Department of Environment and Water with representation on the Ecologically Sensitive Development in National Parks Steering Committee.</p>

PRIORITY 3: SUPPORTING WHAT WE HAVE

Priority	Responsible Unit	Action Taken
<p>Work with partners on maintaining and increasing access to and within South Australia, including through joint marketing initiatives.</p>	<p>Destination Development Marketing</p>	<p>The SATC maintains regular contact with each of the airlines that currently operate flights to Adelaide. This ensures that the airlines are appraised of the strengths of the state's economy and tourism growth.</p> <p>The SATC, together with Adelaide Airport Ltd has also developed relationships with airlines who may be interested in adding Adelaide as a route in the future., During the course of the year, numerous business cases have been presented to airlines that fly from key markets of interest to our State and more than 20 presentations to new and existing airlines have been made</p> <p>In addition, the National Markets team has worked with and supported national and state airline partners through cooperative marketing campaigns, digital marketing activity and sponsorships to ensure flight loads are sustained.</p>
<p>Work with Regional Tourism Organisations, as well as industry and other key players to better connect our tourism industry.</p>	<p>Destination Development Marketing</p>	<p>The 11 Regional Tourism Organisations (RTOs) continued to receive funding from the SATC to support their role as the key contact between the SATC and regional stakeholders and industry.</p> <p>The Destination Development team works closely with RTO's to identify and support new products and experiences, and major tourism developments. The team also works with RTOs to support tourism operators in building their industry capabilities, through advice and industry education.</p> <p>The Marketing team has continued to work with all regions and share marketing plans to ensure they are able to effectively leverage any SATC led domestic campaigns.</p>
<p>Support operators and other stakeholders to leverage funding sources from outside of the state to drive investment in South Australian tourism. The most significant of these are the Federal Government's Building Better Regions Fund and the</p>	<p>Destination Development</p>	<p>The SATC regularly communicates funding opportunities to the Regional Tourism Managers and industry partners. In 2018-19, the SATC provided a number of industry partners with letters of support to assist in their application for funding that would benefit tourism.</p>

Export and Regional Wine Support Package.		
Support the Government's commitment to cycle tourism and conduct a scoping study to assess the feasibility of the Great Southern Bike Trail.	Corporate Affairs Destination Development	The SATC, as the lead state government agency, has been charged with investigating the opportunity to develop the Great Southern Bike Trail, and in the first instance, to undertake an economic impact assessment to determine the social and economic impacts of the development of the trail. In January 2019, the SATC contracted the services of Hames Sharley to undertake the Economic Impact Assessment of the Great Southern Bike Trail with expected completion due by 30 August 2019.

PRIORITY 4: INCREASING THE RECOGNITION OF THE VALUE OF TOURISM

Priority	Responsible Unit	Action Taken
Build on the current strong research program and make evidence-based information available to increase the understanding of the value and relevance of tourism to our stakeholders.	Corporate Affairs Corporate Comms	The SATC continued to publish the International Visitor Survey and National Visitor Survey results on its corporate website. Associated communications activities were undertaken, including industry news bulletins and publication of various infographics to communicate the survey results to a broad range of stakeholders.
Provide leadership to the Tourism Industry by developing the next South Australian Tourism Plan, through extensive consultation with South Australian industry, government and other key stakeholders from late 2018. Input will be sought from both the SATC Board and the Minister. The proposed timeline for the South Australian Plan is 2030 and it is proposed that it be published in late 2019	Corporate Affairs	The South Australian Visitor Economy Sector Plan 2030 was developed based on extensive consultation across South Australia with industry and stakeholders. This included 37 hours of workshops conducted in 16 locations across the State, 19 direct consultations conducted with key stakeholders and 182 responses received to the survey made available to the public through the YourSAy and SATC corporate websites. This extensive consultation culminated in an industry-led plan that outlines six strategic priorities to drive the tourism industry forward to a total of \$12.8 billion and 16,000 additional jobs by 2030. The Plan was launched on 6 August 2019.
Input into the draft National Tourism Strategy which is led by Austrade.	Corporate Affairs	The SATC has provided several rounds of input to the development of the national Beyond 2020 strategy. The SATC was also represented at a workshop hosted by Austrade and took this opportunity to assist in the development of the strategy. Consultation is ongoing, as is the SATC's involvement.

PRIORITY 5: USING EVENTS TO GROW VISITATION

Priority	Responsible Unit	Action Taken
<p>Focus sponsorships on core strength areas such as food and wine, arts and culture, live music, national and international sports and mass participation events, with a particular focus on off-peak periods and utilising key infrastructure.</p>	<p>Events South Australia</p>	<p>A total of 44 major and regional events were provided sponsorship or were staged in 2018-19.</p> <p>Event highlights include:</p> <p>Australian Scout Jamboree – the 25th edition of the Jamboree was held from 4 to 15 January 2019 at The Bend Motorsport Park – Tailern Bend. 10,792 Scouting participants took part in the event with 18 countries represented.</p> <p>WOMADelaide - the 2019 WOMADelaide festival was held from 8 to 11 March. Event organisers, Arts Projects Australia reported a total attendance of 94,722, with 24,768 in scope attendees across the four-day event, and 11,508 (46.5 per cent) of attendees from interstate and overseas. The festival delivered \$18.3 million in economic benefit to the State, including the addition of 176 full time jobs.</p> <p>Colours of Impressionism – the Colours of Impressionism Exhibition was held at the Art Gallery of South Australia from 29 March to 29 July 2018. The exhibition broke Gallery records attracting 159,442 attendees and an estimated 35,000 visitors to the State.</p>
<p>Continue to deliver an innovative program of 'owned' events to drive visitation and raise the profile of the State as a world class event destination.</p>	<p>Events South Australia</p>	<p>In 2018-19, the SATC through Events South Australia delivered six owned events. Some of the highlights are detailed below.</p> <p>In 2018, a live audience of 429,000 people viewed the Credit Union Christmas Pageant live at the event or on television and an additional 58,000 watched the same day television replay. The PR media value was \$17.44 million.</p> <p>The 2019 Santos Tour Down Under once again proved to be one of Australia's premier major events. For the first time, a final men's stage finish took place on Willunga Hill with 18 riders in contention. The women's peloton assembled was arguably the strongest field of international female riders in the event's four-year history. Independent</p>

		<p>research undertaken showed the event had an economic impact of \$70.7 million up from \$63.7 million in 2019, 48,000 event specific visitors up from 46,000 in 2018, 837 full time equivalent jobs up from 774 in 2018 and a media value of \$230 million including more than 25,181 items of media coverage with a potential reach of 449 million people. International print media coverage appeared in 43 countries around the world across 1,312 different publications and 862 hours of broadcast television was screened across 190 territories with a potential audience of 1.24 billion including 33.5 hours of domestic coverage from new domestic broadcast partner, Seven West Media.</p> <p>The 2019 Superloop Adelaide 500 achieved a record economic benefit of \$45.9 million injected into the South Australian economy, with 15,200 interstate visitors travelling to South Australia to attend the event and the creation of 435 new full-time equivalent jobs. The event maintains its status as round one of the Virgin Australia Supercars Championships and Australia's largest domestic ticketed sports festival. The 2019 Tasting Australia saw 9,400 ticket sales across the festival and an estimated 64,000 people visit the event hub, Town Square in Victoria Square. The 2019 results are a record attendance for this event. Tasting Australia 2019 generated \$5.5 million in expenditure for the State, an increase from \$5.2 million in 2018. This included 6,293 interstate guests and 4,984 international guests. The event generated significant media coverage nationally and internationally achieving an estimated PR value of \$25 million.</p>
<p>Develop the capacity building program for major, regional and local/ community events and festivals across the State.</p>	<p>Events South Australia</p>	<p>In 2018-19, Events South Australia conducted a review of our event industry workshops to ensure the workshop outcomes aligned with the event priorities identified in the Regional Visitor Strategy.</p> <p>ESA subsequently worked with Associate Professor Steve Brown to program two workshops aimed at developing the event management skills of existing volunteers / coordinators and encourage strategic / creative / innovative thinking / event planning (as identified in the Regional Visitor Strategy). These will be delivered in 2019-20.</p> <p>The SATC also identified opportunities and provided advice to regional event organisers on an ongoing basis.</p> <p>The SATC chairs the Major Events Group fostering greater collaboration, growth, communication and efficiencies between the</p>

		State's major events.
Increase awareness and consideration of South Australian hero events, through collaborative marketing, public relations and partnerships to trigger visitation.	Events South Australia Marketing	<p>The SATC continued to promote events to drive visitation to South Australia</p> <p>For the SATC's managed events, including the Santos Tour Down Under and Superloop Adelaide 500, dedicated interstate marketing and publicity campaigns were developed to build awareness and consideration and drive additional interstate and international visitation to South Australia. These campaigns included TV, outdoor and paid and organic digital strategies, and were complimented and amplified through collaboration with broadcast, print and radio media partners and through tactical partnerships, as well as through Public Relations activity. The Santos Tour Down Under, Tasting Australia and Superloop Adelaide 500 all delivered record number of visitors to the State</p> <p>The SATC also leveraged its sponsorships of hero events with marketing support, including the Adelaide Fringe, Adelaide Festival feature event Magic Flute, WOMADelaide and the ISPS Handa Women's Australian Open Golf.</p> <p>The SATC promoted some of South Australia's major and regional events to increase awareness and consideration but to also reinforce the vibrancy and progressiveness of our State. The campaign was in market from 25 February to 30 June 2019 and promoted a total of 23 festivals and events across the State. A total of 4.8 million impressions and 8,000 click throughs was achieved.</p>
Reduction of Grandstand build and removal time for the Adelaide 500.	Events South Australia	In 2019, the Superloop Adelaide 500 event build was reduced by one and a half weeks from 19.5 weeks to 18 weeks. Additional improvements that were undertaken for the 2019 event included a consolidation of the event footprint, which saw the return of green space and Rymill Lake for public use over the event period, a change in track configuration to allow Fullarton Road to remain open without lane closures from Grant Avenue to the Britannia Roundabout and incorporation of the Pirie Street Grandstand into Grandstands within Victoria Park.
Support the Government's commitment to bid for new major leisure events as part of the ongoing strategy to boost the	Events South Australia	To date, 63 events have been supported through the Leisure Events Bid Fund. These events are forecast to inject more than \$295 million

<p>State's profile. This will be achieved through the strategic utilisation of the additional funding allocated to the Events Bid Fund as part of the 2018-19 State Budget.</p>		<p>into the South Australian economy.</p> <p>Since November 2018, nine new events have been secured for the State. These events include:</p> <p>2019 Australian Open Water Swimming Championships which were held at Brighton Beach.</p> <p>The Adelaide International - an internationally sanctioned ATP (men's) and WTA (women's) tennis tournament will be held from 12 to 18 January 2020, forming part of Tennis Australia's Summer of Tennis event calendar. The tournament will be staged annually for the next five years (2020-2024) at the redeveloped Memorial Drive Tennis Centre.</p> <p>Asian Le Mans Series - South Australia will host three rounds of the Asian Le Mans Series from (2020 to 2022) at The Bend Motorsport Park, with the first race to be staged from 11 to 12 January 2020.</p> <p>Work is being undertaken to look at opportunities to secure events in the coming years, opportunities are assessed in the context of budget, competing priorities and return on investment, including value to the South Australian economy.</p>
<p>Work with the Adelaide Convention Bureau (ACB) and Adelaide Convention Centre (ACC) and regional conference venues to support the government's commitment to Business Events as outlined in the "Billion Dollar Benefit" policy</p>	<p>Corporate Affairs</p>	<p>The SATC continued to work with the Adelaide Convention Centre (ACC) and Adelaide Convention Bureau (ACB) to attract strategic and large scale national and international business events to Adelaide. As of 1 April 2019 responsibility for the oversight and management of the Convention Bid Fund moved to the Department of Trade, Tourism and Investment. The SATC assisted with the handover and continues to maintain an interest in the outcome from a visitor economy perspective.</p>

<p>PRIORITY 6: ORGANISATIONAL EFFECTIVENESS</p>		
<p>Priority</p>	<p>Responsible Unit</p>	<p>Action Taken</p>
<p>Provide systems and support across all aspects of corporate services to maximise the effective and efficient use of South</p>	<p>Finance and Business</p>	<p>The SATC continued to administer a range of processes and practices in delivering its responsibilities under the <i>South Australian Tourism</i></p>

<p>Australian Tourism Commission resources and ensure public accountability expectations are met.</p>	<p>Services</p>	<p><i>Commission Act 1993</i> and in adherence to government financial, procurement, contracting, human resources, ICT, governance and auditing requirements. The SATC maintains a high level of financial control over its events, domestic and international operations to ensure accountability for government resources.</p>
<p>Embed a strong planning and performance monitoring approach that links long term planning and outcomes to the daily work of each individual in the office, covering strategic risk as well as operational risks.</p>	<p>Strategy and Insights</p>	<p>Activities of the SATC continue to be guided by the annual Operational Planning process. The SATC Operational Plan 2019-20 was developed by the Executive team from November 2018 and presented to the Board in February 2019. Board feedback was integrated into the document and final sign off was achieved in early March 2019.</p>
<p>Embed organisational values and drive continual improvement through review processes.</p>	<p>Finance and Business Services</p>	<p>Training and development requirements are established as part of individual performance reviews to identify both organisational and individual learning and development needs and opportunities. The SATC's values are promoted within the organisation. The 'Culture and Values' working group aims to drive and influence the agency's culture through staff engagement and implementation of initiatives which endorse our values. For example, in 2018-19, the SATC introduced an agency wide recognition program. The annual staff engagement survey provides an objective mechanism for assessing the cultural environment.</p>