



South Australian Tourism Commission

2017-18 Annual Report

South Australian Tourism Commission

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To:

Hon. David Ridgway MLC

Minister for Trade, Tourism and Investment

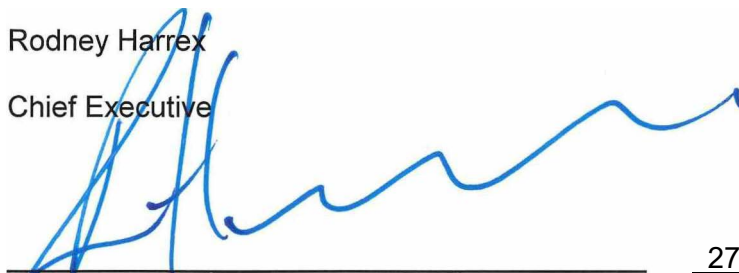
This annual report is to be presented to Parliament to meet the statutory reporting requirements of *South Australian Tourism Commission Act 1993* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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



Signature

27/09/2018

Date

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The South Australian Tourism Commission's (SATC) purpose 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.

The SATC is committed to growing the value of tourism in South Australia (currently \$6.7 billion) to \$8 billion and boosting direct employment in tourism by 10,000 additional jobs by 2020 (currently 5,000 additional jobs created since 2013).

To achieve these goals the SATC undertakes a range of activities to grow visitation to South Australia such as marketing South Australia to national and international audiences and bringing new and exciting events, conferences and festivals to the state.

Objectives

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

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
South Australian Tourism Plan 2020	<ul style="list-style-type: none">• Increase the value of tourism to \$8 billion by 2020.• Increase tourism direct employment to 10,000 additional jobs by 2020.

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Driving demand	<p>Increase the value of our tourism sector from \$5.2 billion to \$6.8 billion per annum by June 2018 (on the way to our December 2020 target of \$8.0 billion).</p> <p>Increase tourism direct employment from 31,000 to 36,000, on the way to our target of 10,000 additional jobs by 2020.</p> <p>Grow international tourism expenditure in South Australia to \$1.2 billion by 2020, with a milestone of \$998 million by June 2018.</p> <p>Grow interstate overnight expenditure in South Australia to \$2.2 billion by June 2018 and intrastate overnight expenditure to \$2.1 billion.</p>	<p>Target achieved: the value of South Australia’s tourism sector grew 6 per cent to \$6.7 billion in the year to March 2018 (latest available data) – March waypoint is \$6.7b.</p> <p>Target achieved: the latest data shows direct employment in the tourism sector was 36,000 in the year to June 2017, an increase of 5,000 on the June 2013 baseline.</p> <p>Target achieved: the value of South Australia’s international tourism grew 10 per cent to \$1.2 billion in the year to March 2018 (latest available data) – March waypoint is \$976m.</p> <p>Progress made: the value of South Australia’s interstate tourism sector reached \$2.0b (waypoint \$2.2b) and intrastate reached \$1.9b (waypoint \$2.0b) in the year to March 2018 (latest available data).</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Working better together	Implement the Regional Visitor Strategy and actively partner with each region to deliver Tourism 2020 outcomes. Increase the value of regional tourism \$3.0b by June 2018, on the way to \$3.55 billion by December 2020 as outlined in the Regional Visitor Strategy	Progress made: the value of South Australia’s regional tourism grew 4 per cent to \$2.7 billion in the year to March 2018 (latest available data) – March waypoint is \$2.9b.
Supporting what we have	Establish an international reputation for our premium food and wine experiences.	<p>Target achieved: The 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 \$6.1m of projects across South Australia. \$1.9m 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 2018, South Australia is associated with “Good Food & Wine” by 52 per cent of the interstate audience, ranking second behind Victoria.</p> <p>Adelaide continues to be a member of the Great Wine Capitals global network.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
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	The SATC continued to publish the International Visitor Survey and National Visitor Survey results on its corporate website. Eight infographics were produced to clearly communicate the survey results to a broad range of stakeholders.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Increasing the recognition of the value of tourism	Increase the understanding of the value and relevance of tourism to our stakeholders through a varied program of corporate communications.	<p>12 Tourism Champion videos and case studies released in 2017-18 to recognise businesses and events that highlight the importance of tourism to our state. On average, each video was viewed 426 times.</p> <p>Total SATC PR coverage valued at an estimated advertising space rate of \$112.32 million with a cumulative potential audience of 5.46 billion.</p> <p>Eight infographics distributed to our stakeholder database in 2017-18. The infographics page on the SATC corporate website received a total of 1443 unique page views.</p> <p>11 corporate videos produced to keep key stakeholders informed of important updates in the tourism space. On average, each video was viewed 559 times.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Using events to drive visitation	<p>Increase the economic value of events to the Full Potential of \$400 million by 2020 a milestone of \$338 million by June 2018.</p> <p>Attract two additional major events each year.</p> <p>Attract 78,000 conference delegates to the Adelaide Convention Centre, generating 312,000 bed nights.</p>	<p>Target achieved: the value of South Australia’s leisure events sector grew 12 per cent to \$396 million in the year to December 2017 (latest available data) – December waypoint is \$327m.</p> <p>Target achieved: as at June 2018, 54 events have been secured through the Leisure Events Bid Fund. These events are forecast to inject more than \$245 million into the South Australian economy. In 2017-18 there were 17 events secured through the Leisure Events Bid Fund including:</p> <ul style="list-style-type: none"> • NRL State of Origin 2020 • World Twenty20 - Cricket <p>Target achieved: as at July 2018, confirmed bookings at the Adelaide Convention Centre for the period Jan 2015 to Jun 2018 are 92,000 delegates and 469,000 room nights.</p>

At the time of writing the latest available visitation statistics were the Year to March 2018. The year to June figures are expected to be released in October 2018 and will be published to the South Australian Tourism Commission’s Corporate Website: (<http://tourism.sa.gov.au/research-and-statistics/south-australia/value-of-tourism>).

Legislation administered by the agency

South Australian Tourism Commission Act 1993

Major Events Act 2013

South Australian Motor Sport Act 1984

Organisation of the agency

Corporate Affairs

Destination Development

Events South Australia

Finance and Business Services

Marketing

<http://www.tourism.sa.gov.au/about/satc/business-groups-and-roles>

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

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

Employment opportunity programs

Program name	Result of the program
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 2017 – 2018 seven placements were supported
Aboriginal Employment Strategy	SATC's aboriginal employment strategy, implemented in 2017 – 2018 resulted in one Aboriginal employee being employed.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
Employee Performance Management and Development Reviews (Compliance is measured via a custom-made online recording tool)	All employees are required to have individual performance management and development plans reviewed as a minimum on a biannual basis. In 2017-18, 95 per cent of employees met this requirement (the remaining five percent include new employees and employees recently returning from extended leave).
Employee Performance Management and Development Training	SATC delivers in-house training to ensure employees have the knowledge required to complete biannual reviews. 95 per cent of employees have attended training relating to SATC's current performance management and development review process.

Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
Work Health and Safety Briefings and Induction	All employees are required to attend a WH&S briefing on joining the agency. Refreshers are delivered on a regular basis to ensure knowledge remains current. Contractors engaged by the SATC to undertake work on its sites are provided with site specific inductions and where required provided with safety specific WHS documentations and briefings.
Work Health and Safety Policies and Procedures	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. 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.
Work Health and Safety Training	SATC provides role specific WH&S training to employees. SATC supports the appointment of two trained Bullying and Harassment Contact Officers.

Program name and brief description	Effectiveness
Work Health and Safety Committee	SATC has an active WHS committee, which meets four times annually. The committee provides a forum for management and employees to discuss WHS matters and acts as the key WH&S consultative mechanism
Employee Assistance Program (EAP)	SATC provides a free and confidential EAP to employees. SATC's EAP provider also delivers wellbeing sessions to employees on a biannual basis.
Health, Safety and Wellbeing Initiatives	Human Resources and Work Health and Safety work to deliver a calendar of initiatives aimed at promoting physical and mental wellbeing.

Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	1	0	+100%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%
Work health and safety regulation			
Number of notifiable incidents (<i>WHS Act 2012, Part 3</i>)	1	1	+100%
Number of provisional improvement, improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	0	1	-100%
Return to work costs**			
Total gross workers compensation expenditure (\$)	\$26,335	\$0	N/A
Income support payments – gross (\$)	0	0	0

*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)*

**before third party recovery

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

Fraud detected in the agency

Category/nature of fraud	Number of instances
Small value transactions tested by an external party on SATC's Commonwealth Bank BPoint online merchant facility. Detected by SATC within hours, with controls implemented to reduce risk of recurrence.	1

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 was one reported fraud incident during 2017–18.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/fraud-reporting-south-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 *Whistle-blowers' 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>

Executive employment in the agency

Executive classification	Number of executives
EXEC0F	1
EXEC0C	3
EXEC0B	2

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/executive-employment-reporting-south-australian-tourism-commission>

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

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultancies below \$10,000 each		
Go Fish Australia	South Australian fishing tourism strategy	\$ 9,345
John Lewin	Human resources management services	\$5,985
	Subtotal	\$15,330
Consultancies above \$10,000 each		
Haymakr	Adelaide 500 strategy	\$11,000
	Subtotal	\$11,000
Total all consultancies		\$26,330

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 <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Contractors

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken.

Contractor	Purpose
AAA Crewing Services Pty Ltd	Temporary staff (labour)
Aardvark Entertainment	Entertainment services
Accordant Pty Ltd	Training services
Aceik Pty Ltd	ICT services
Adam Bruzzone Photography	Photography services
Adelaide Event Group Pty Ltd	Event infrastructure services
Adelaide Green Clean (Events) Pty Ltd	Cleaning services
Aggreko Generator Rentals Pty Ltd	Event infrastructure services
Alec Stevens	Risk management services
Alma Roja	Production services
Aloha Media Pty Ltd	Production services

Alpha State	Creative/design services
Altus Traffic Pty Ltd	Traffic management services
Apollo Lighting Service Pty Ltd	Event production services
Artist Group	Photography services
ATF Services Pty Ltd	Event infrastructure services
Atomix Design Pty Ltd	Creative/design services
Audiopod Accounts	Event management services
Australian Tourism Data Warehouse Pty Ltd	ICT services
Azalea Models	Temporary staff (models)
B&H Australia Pty Ltd	ICT services
Bad Business Pty Ltd	Creative/design services
BDA Marketing Planning Pty Ltd	Research services
Belgiovane Williams Mackay Pty Ltd	Creative/design services
Bespoke Hospitality Ptd Ltd	Temporary staff (hospitality)
Big Fish Events Group Pty Ltd	Event production services
Big Picture - Marketing Strategy & Research Ltd	Research services
Big Screen Video Pty Ltd	Event infrastructure services
Bluebottle Pty Ltd	Creative/design services
Boltz Production & Electrics Co	Event infrastructure services
Brian Gleeson Event Management Ptd Ltd	Event operations services
Carolyne Jasinski	Familiarisation hosting services
CBRE (V) Pty Ltd	Real-estate services
CCTV Hire Pty Ltd	Event infrastructure services
Cheong's Kitchen	Catering services
Cirka Pty Ltd	Cleaning services
Civil Tech Pty Ltd	Event infrastructure services
Clifton Productions	Event infrastructure services
CNK Creative	Event management services
Coates Hire Operations Pty Ltd	Event infrastructure services
Colmar Brunton Pty Ltd	Research services
Company1 Agency Pty Ltd	Event production services
Conde Nast Publications Ltd	Event management 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
Cummins and Partners South Australia Pty Ltd	Creative/design services
Daniela Di Monaco Immagine & Comunicazione	Marketing representation services
Darwin Waterfront Corporation	Event infrastructure services
Data#3 Ltd	ICT services
Dell Australia Pty Ltd	ICT services
Deloitte Access Economics	Research services
Dirty Food Pty Ltd	Event management services
Dontas Group	Event operations services
Duografik	Creative/design services
East End Cellars	Temporary staff (hospitality)
Ecocaddy Pty Ltd	Visitor services
Ecotel	Event infrastructure services
Editrix Australia Pty Ltd	Event production services
Elliot Ambrose Grafton	Photography services
Ellismgt Pty Ltd	Event infrastructure services
Emma Humphreys Communications Ltd	Public relations services
Empired Ltd	ICT services
Enventive Inc	Event management services
Envyus Design	Creative/design services
EPS Australia Pty Ltd	Event infrastructure services
EPS Productions	Event management services
Event Managers Australia	Event management services
EVENT SITE SAFETY	Event management services
Event Timing Pty Ltd	Event infrastructure services
Eventelec Events Pty Ltd	Event infrastructure services
Events Time	Familiarisation hosting services
Fabfloor Pty Ltd	Event infrastructure services
Festival Hire	Event infrastructure services
Finesse Model Agency	Temporary staff (models)
Firstpoint Marketing and Communications Pty Ltd	Public relations services
Flashpoint Events	Event production services
Fleurieu Cranes Pty Ltd	Event infrastructure services
Flipp Management Pty Ltd	Photography services
For Mile Events Pty Ltd	Event management services
Fusion Digital Pty Ltd	ICT services

Gearhouse Broadcast Pty Ltd	Event production services
Genesis Transport & Removals	Transport services
Getty Images Sales Australia Pty Ltd	Photography services
Giancarlo Truffa	Marketing representation services
Golf Car Solutions	Event operations services
Gray Management Group Pty Ltd	Public relations services
Greenhill Research & Planning	Research services
Hands On Theatrical Event	Event production services
Harry The Hirer Pty Ltd	Event infrastructure services
Hawkins Security Consultancy	Security services
Hoban Recruitment Pty Ltd	Temporary staff (labour)
HTS Group Pty Ltd	Event infrastructure services
Ian Routledge Photography	Photography services
Illuminart Productions Pty Ltd	Production services
Impact Advertising	Printing services
In Front Events Australia Pty Ltd	Event operations services
IRS Refrigeration Pty Ltd	Event infrastructure services
Isentia Pty Ltd	Media monitoring services
Jennie Bell Ink Pty Ltd	Event management services
John Hadaway	Event operations services
Jointer Digital Co Ltd	Public relations services
Jordan Plumbing	Event infrastructure services
JPJ Audio Pty Ltd	Event production services
Karmabunny Web Design	ICT services
Katherine Droga	Creative/design services
Kimberley Conte	Event management services
KWP Advertising Ptd Ltd	Creative/design services
Lara Inc Events	Event production services
Lieb Management & Beteiligungs GmbH	Marketing representation services
Lincoln College Inc	Accommodation and catering services
Link SA Pty Ltd	Transport services
Lonely Planet Global Inc	Advertising services
Lumino Events Pty Ltd	Event management services
Lumo Energy (SA) Pty Ltd	Event infrastructure services
M One Eight Pty Ltd	Creative/design services

Magnolia Quince Pty Ltd	Event operations services
Mark Evans Productions	Event production services
Marsh Pty Ltd	Insurance advisory services
McGregor Tan Research	Research services
McMahon Services Australia Pty Ltd	Event infrastructure services
Mediatec Asia Pacific Pty Ltd	Event infrastructure services
Melzelco Pty Ltd	Event infrastructure services
Michelle Logie Consulting	Public relations services
Millmaine Entertainment Australia Pty Ltd	Creative/design services
Mobile Autocare	Event management services
MSS Security Pty Ltd	Security services
Mtrack Consulting	Public relations services
National Wine Centre of Australia	Venue hire
NEC Australia Pty Ltd	ICT services
Nexstage Staging And Rigging Technologies Pty Ltd	Event infrastructure services
Nicknack Creative Pty Ltd	Creative/design services
Novatech Creative Event Technology Pty Ltd	Event production services
Now and Then Photography	Photography services
Orana Foundation Limited	Familiarisation hosting services
Oven Hire	Event operations services
PEPR Publicity	Public relations services
Performance and Art Development Agency Inc	Event management services
Peter Beroukas	Familiarisation hosting services
Peter Mason	Event operations services
Philippa Brophy	Event production services
Pierre Vives Tourism Consulting	Marketing representation services
Power On Solutions Pty Ltd	ICT services
Practice Strategic Comms India	Public relations services
Pride Models	Temporary staff (models)
PRM Operations Pty Ltd	Security services
Production Resource Group (Australia) Pty Ltd	Event production services
Railroad Contractors Of Australia Pty Ltd	Event infrastructure services
Redbikini Pty Ltd	Creative/design services
Responsorship	Event sponsorship services
Reylag Pty Ltd (Andy J Sound)	Event production services

RFID Race Timing Systems	Race timing services
Samaras Structural Engineers	Event infrastructure services
Satalyst Pty Ltd	ICT services
Seeley International Pty Ltd	Event infrastructure services
Showpony Advertising	Creative/design services
Signs Incorporated Pty Ltd	Event infrastructure services
Sinclair Communications Ltd	Public relations services
Sitecore Australia Pty Ltd	ICT services
Skee Kee International Pty Ltd	Event management services
Socialbakers A.S.	ICT services
Sound Knowledge Pty Ltd	Event operations services
Specialised Solutions Pty Ltd	Event infrastructure services
Splashdown (Aust) Corporate Bathroom Rentals Pty Ltd	Event infrastructure services
Spotless Facility Services Pty Ltd	Cleaning, catering and security services
St John Ambulance Australia SA Inc	Event operations services
Staging Connections Pty Ltd	Event production services
Sugar & Partners	Advertising services
Super Yin Chao Studio	Photography services
Telstra Corporation Ltd	Telecommunications services
Temporary Fence Hire Pty Ltd	Event infrastructure services
The Food Film Ltd	Event management services
The Life Like Company Pty Ltd	Entertainment services
The Red Agency Pty Ltd	Public relations services
Thomson Reuters (Markets) Australia Pty Ltd	Due diligence services
Ticketmaster Australiasia Pty Ltd	Ticketing services
TLA Worldwide (Aust) Pty Ltd	Public relations services
Tourism Central Australia Inc	Photography services
Traction Digital Pty Ltd	ICT services
Ultimo Catering & Events Ptd Ltd	Catering services
United Expo Service Co Ltd	Event management services
United Fire Protection Pty Ltd	Event infrastructure services
Urban Soul Consultancy Pte Ltd	Marketing representation services
V8 Supercars Australia Pty Ltd	Event management services
Viking Rentals	Event infrastructure services
Vinod Advani	Marketing representation services

Virgin Australia Airlines Pty Ltd	Advertising services
Visualcom Pty Ltd	Event operations services
Wagstaff Worldwide Inc	Marketing representation services
Walks Creations Pty Ltd	Photography services
WDM Design & Advertising Pty Ltd	Creative/design services
We Like Travel SAS	Public relations services
Weathersafe Shades Pty Ltd	Event infrastructure services
Whip Pty Ltd	Public relations services
Wilson Parking	Parking services
Winc Australia Pty Ltd	Storage and distribution services
Yao Marketing Consulting Co	Marketing representation services
Zonfrillo Consulting Pty Ltd	Event management services

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

The details of South Australian Government-awarded contracts for goods and services over \$500,000 are displayed on the SA Tenders and Contracts website [here](#).

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

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

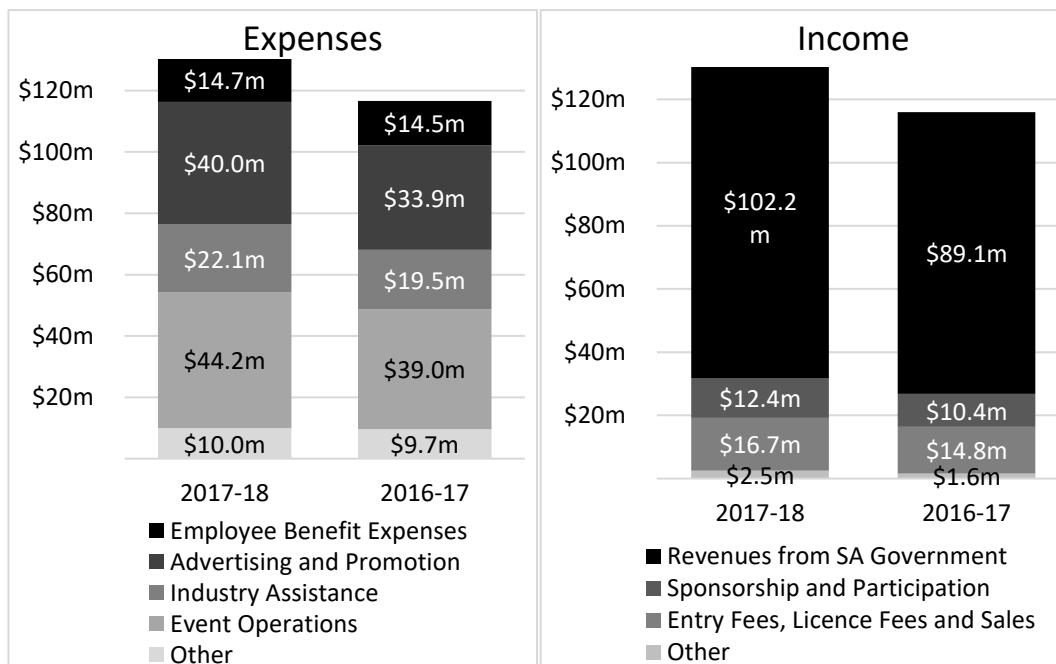
Financial summary

Financial statistics	Net cost of providing services:	\$99.4 million
	Total appropriation:	\$102.2 million
	Total expenses:	\$131.0 million
	Total income:	\$133.8 million
	Net result:	\$2.8 million
	Total comprehensive result:	\$8.7 million
	Total equity (net assets):	\$24.5 million
Financial statement audit opinion		Unmodified
Financial controls audit opinion		Unmodified

Statement of Comprehensive Income

Total expenses increased by \$14.4 million in 2017-18, and total income (including revenues from SA Government) increased by \$17.9 million. The increase in both is mostly due to additional government funding for brand, trade and events marketing, tourism industry support, event sponsorship and managed events operations.

The following graphs show expenses and income items for 2017-18 and 2016-17.



Statement of Financial Position

At 30 June 2018 total assets were \$34.6 million, exceeding total liabilities of \$10.1 million. Total equity (net assets) was \$24.5 million.

Other financial information

None to report.

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

None to report.

Section B: Reporting required under any other act or regulation

<p>Name and date of act or regulation</p>
<p>South Australian Tourism Commission Act 1993</p>
<p>Section 24 – Annual Report</p> <p>(1) The Commission must, on or before 30 September in every year, forward to the Minister a report on the Commission's operations for the preceding financial year.</p> <p>(2) The report must contain—</p> <ul style="list-style-type: none">(a) the audited statements of account of the Commission for the preceding financial year; and(b) a report on—<ul 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(c) any other information required by or under the provisions of this Act or any other Act.

(3) 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.

(i) the state of tourism and the tourism industry in the state

Tourism is an economic priority for both South Australia and the Marshall Liberal Government. The sector makes strong direct and indirect contributions to jobs and economic prosperity in South Australia.

Tourism is the lifeblood of our State and transcends across many sectors. Its impact can be felt across cafes, restaurants, retail establishments, accommodation providers, transport services, bars, tour companies, the arts and events - across metropolitan and regional South Australia. It encourages future investment in education, real estate and in many instances migration, all critical to growing the State's economy.

Our sector is represented by 18,000 tourism businesses and tourism jobs have grown by 5,000 since 2013. This means we are also well on our way to growing tourism jobs by 10,000 by 2020. Tourism is especially important to regional economies – 41% of visitor expenditure occurs in regional areas, well above their 23% share of population.

Gross State Product in South Australia grew by 8%, while tourism grew by 28%. Tourism outpaced the overall South Australian economy in other key economic measures including Consumption, Output and Gross Value Added.

We have experienced unprecedented growth in visitor expenditure with our visitor economy at a record \$6.7 billion. Our visitor numbers are breaking records, with the year ending March 2018 welcoming 6.9 million international and domestic visitors.

In 2017-18, the South Australian Tourism Commission (SATC) has been focused on delivering a range of projects and initiatives, all fueling the road to our 2020 target of \$8 bn in tourism expenditure.

Our marketing focus continues to be on key markets like the United Kingdom, United States, New Zealand and Germany, as well as on emerging markets like China. Chinese travellers are the fastest growing inbound market for South Australia, with 57,000 visitors spending a record \$415 million. A key initiative that has delivered strong results in the Chinese market has been signing of Huang Xiaoming as our Tourism Ambassador. Feedback from our operators has been extremely positive and many are reporting an increase in enquiries and bookings directly because of the Huang Xiaoming phenomenon.

Food and drink are amongst our State's best assets and we're constantly seeking ways to stimulate the appetite for SA. Our investment in MasterChef SA Week has served as a strong showcase of South Australian produce, talent and innovation. The show achieved an average nightly audience of 1.16 million viewers (including TV, online and catch-up TV views) with a total TV audience reach of 5.2 million equating to 23% of the Australian population. The impact it will have on international audiences is still to be measured.

To capitalise on our investment in MasterChef, Celebrity Chef and MasterChef Australia judge, Gary Mehigan has been signed on as a South Australian Tourism ambassador. As part of his role, Gary will be involved in campaigns to be rolled out both interstate and internationally. This initiative forms part of an ongoing strategy to promote the State as the country's premier food and drink destination.

Digital marketing is a strong focus for us and recent results speak volumes about our successes in this area. Our Facebook audience has grown to over 1.3 million fans ranking second among Australian State Tourism Organisations and our consumer website southaustralia.com has recorded 5.4 million visits, an increase of 43 percent on the previous year. Of these visits, there have been 433,213 leads generated to South Australian tourism operators and trade partner websites. These statistics highlight how

relevant content and the right digital strategy is making real time impact for operators and partners.

Direct air access continues to be a focus and as of June 2018, international flights to Adelaide were at 46 per week-. This equates to around 12,000 international seats to Adelaide each week. Air New Zealand has confirmed that from November 2018 all flights between Adelaide and Auckland will be operated using the new Dreamliner aircraft. We are also working closely with Adelaide Airport and are committed to explore the possibility of bringing a new US carrier service to Adelaide. China Southern Airlines has also announced plans to increase flights to between five and seven flights per week from October 2018 to February 2019 and maintaining five flights a week on an ongoing basis thereafter.

Domestically, Jetstar introduced direct flights between Adelaide and Hobart, operating three weekly return flights between the South Australian and Tasmanian capitals from November 2017 . FlyPelican introduced a new service between Newcastle (NSW) and Adelaide operating three weekly flights each week – the first regular airline service between the two cities.

A Regional Visitor Strategy identifying strengths and future growth potential has been launched in 2018, outlining opportunities to grow South Australia's regional visitor economy by \$1 billion and create 1000 new jobs.

A South Australian Cruise Ship Strategy 2020 has been developed by SATC to ensure our State continues to be a national leader and destination of choice by cruise lines visiting Australia. The 2017-18 cruise ship season commenced on 14 October 2017 and concluded on 30 March 2018 with a record 65 cruise ship visits with a total of 150,612 passengers and crew. This included 37 ship visits to Adelaide (including four overnight visits), 19 ship visits to Kangaroo Island (Penneshaw) and nine ship visits to Port Lincoln. In the coming season South Australia is expecting a record 86 cruise ship visits including 46 to Port Adelaide, 30 to Kangaroo Island and 14 to Port Lincoln - welcoming up to 180,000 passengers and crew.

Events, both leisure and business continue to be a strong focus for the tourism sector. As of December 2017, the economic impact delivered by key leisure events reached \$396 million. The SATC's managed events have achieved great results for our State. The 2018 Santos Tour Down Under attracted a record 46,000 visitors from interstate and overseas who travelled specifically to South Australia for the event, generating an economic impact of \$63.7 million, creating the equivalent of 774 full time jobs.

The 2018 Adelaide 500 event was the largest since 2015. More than 273,000 event-goers poured through the gates to celebrate 20 years of the event in Adelaide. This event, which fills our hotel rooms in the Mad March period combined with the recent developments at The Bend Motorsport Park, is a strong testament to our motorsport credentials.

The 2018 Tasting Australia event saw nearly 5,000 interstate and almost 3,000 international guests experiencing the leading South Australian festival celebrating our State's amazing food and wine scene. The interstate and international visitation amounted to just over 41,000 room nights, with more than 54,000 people experiencing the free festival hub in Victoria Square. The 2017 Credit Union Christmas Pageant saw 330,000 people line the streets to kick off the festive season. The Adelaide Fashion Festival continued to provide a platform to South Australian designers to showcase their skills to the world while generating an estimated PR value of \$19 million.

The Bid Fund initiative has also been a major contributor to the tourism sector – with almost \$695 million economic benefit to South Australia.

Through the Leisure Events Bid Fund, South Australia has secured 54 leisure events with an estimated economic benefit of \$245 million. Among these event wins were significant

sporting events, like the ISPS Handa Women's Australian Open being held in South Australia until 2020 and the ICC World T20 men's semi-final in 2020.

The Convention Bid Fund has successfully secured more than 70 major conventions to South Australia since it began, attracting over 90,000 delegates and contributing nearly \$450 million in economic benefit to the State. Events secured include the World Congress on Medical Physics and Biomedical Engineering conference for 2024 with over 2500 delegates. Adelaide beat four other contenders in Japan, Argentina, Columbia and Mexico to win this important conference which has great synergies for us - bringing together artificial intelligence, proton therapy and big data for improved health care among other things.

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.

(ii) 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.

(iii) the extent to which the Commission met the targets set in the performance agreement for the preceding financial year

To view the SATC's Board Performance Agreement and the report on the SATC's progress against the objectives outlined in the agreement, visit its corporate website.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by South Australian Tourism Commission	
Category of complaints by subject	Number of instances
Procurement	1

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

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Complaint regarding not seeking multiple quotations in accordance with State Procurement Board requirements.	Purchases in question reviewed. Purchases found to be below State Procurement Board threshold requirement for multiple quotations.

Appendix: Audited financial statements 2017-18

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 2018 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.



S. Keenihan
Chairman
South Australian Tourism
Commission Board

14 / 9 / 2018



R. Harrex
Chief Executive Officer
South Australian Tourism
Commission

13 / 09 / 2018



S. Rozokos
Chief Financial Officer
South Australian Tourism
Commission

13 / 9 / 2018

SOUTH AUSTRALIAN TOURISM COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
EXPENSES			
Employee benefits expenses	3	14 711	14 523
Advertising and promotion	4	39 973	33 942
Industry assistance	5	22 110	19 474
Administration and accommodation	6	7 701	7 908
Event operations	7	44 241	39 011
Depreciation expense	8	2 273	1 746
Net loss from the disposal of non-current assets	9	13	7
TOTAL EXPENSES		131 022	116 611
INCOME			
Sponsorship and participation	10	12 429	10 438
Entry fees, licence fees and sales	11	16 700	14 763
Interest		77	110
Other income	12	2 425	1 491
TOTAL INCOME		31 631	26 802
NET COST OF PROVIDING SERVICES		99 391	89 809
REVENUES FROM SA GOVERNMENT			
Revenues from SA Government	13	102 172	89 121
TOTAL REVENUES FROM SA GOVERNMENT		102 172	89 121
NET RESULT		2 781	(688)
OTHER COMPREHENSIVE INCOME			
Changes in plant and equipment asset revaluation surplus	17	5 949	-
TOTAL OTHER COMPREHENSIVE INCOME		5 949	-
TOTAL COMPREHENSIVE RESULT		8 730	(688)

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

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	14	14 069	10 889
Receivables	15	2 736	2 472
Other assets	16	143	44
TOTAL CURRENT ASSETS		16 948	13 405
NON-CURRENT ASSETS			
Plant and equipment	17	17 676	12 429
TOTAL NON-CURRENT ASSETS		17 676	12 429
TOTAL ASSETS		34 624	25 834
LIABILITIES			
CURRENT LIABILITIES			
Payables	19	5 348	4 466
Other current liabilities	20	904	1 781
Employee benefits	21	1 538	1 436
Provisions	22	27	10
TOTAL CURRENT LIABILITIES		7 817	7 693
NON-CURRENT LIABILITIES			
Payables	19	144	140
Other non-current liabilities	20	217	274
Employee benefits	21	1 912	1 949
Provisions	22	41	15
TOTAL NON-CURRENT LIABILITIES		2 314	2 378
TOTAL LIABILITIES		10 131	10 071
NET ASSETS		24 493	15 763
EQUITY			
Contributed capital		64	64
Asset revaluation surplus		8 599	2 650
Retained earnings		15 830	13 049
TOTAL EQUITY	23	24 493	15 763
The total equity is attributable to the SA Government as owner.			
Unrecognised contractual commitments	24		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Capital	Asset Revaluation Surplus	Retained Earnings	Total Equity
Note	\$'000	\$'000	\$'000	\$'000
BALANCE AT 30 JUNE 2016	64	2 650	13 737	16 451
Net result for 2016-17	-	-	(688)	(688)
Total comprehensive result for 2016-17	-	-	(688)	(688)
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

23

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

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 Inflows (Outflows) \$'000	2017 Inflows (Outflows) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH OUTFLOWS			
Employee benefits payments		(14 618)	(14 180)
Payments for supplies and services		(121 047)	(106 719)
Payments for Paid Parental Leave scheme		(53)	(62)
CASH USED IN OPERATIONS		(135 718)	(120 961)
CASH INFLOWS			
Receipts from the sale of goods and services		30 471	27 877
Interest received		78	110
GST recovered from the ATO		6 734	5 036
Receipts for Paid Parental Leave scheme		57	62
CASH GENERATED FROM OPERATIONS		37 340	33 085
CASH FLOWS FROM SA GOVERNMENT			
Receipts from SA Government		102 172	89 121
CASH GENERATED FROM SA GOVERNMENT		102 172	89 121
NET CASH PROVIDED BY OPERATING ACTIVITIES	26	3 794	1 245
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH OUTFLOWS			
Purchase of plant and equipment		(614)	(1 175)
CASH USED IN INVESTING ACTIVITIES		(614)	(1 175)
NET CASH USED IN INVESTING ACTIVITIES		(614)	(1 175)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3 180	70
CASH AND CASH EQUIVALENTS AT 1 JULY		10 889	10 819
CASH AND CASH EQUIVALENTS AT 30 JUNE	14	14 069	10 889

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

DISAGGREGATED DISCLOSURES – EXPENSES AND INCOME

FOR THE YEAR ENDED 30 JUNE 2018

(Refer to Note 2.2)	Tourism Development		Tourism Events		Tourism Marketing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES								
Employee benefits expenses	3 655	3 824	5 831	5 515	5 225	5 184	14 711	14 523
Advertising and promotion	3 723	1 285	8 022	6 170	28 228	26 487	39 973	33 942
Industry assistance	9 461	11 647	11 574	7 354	1 075	473	22 110	19 474
Administration and accommodation	1 029	928	3 354	3 566	3 318	3 414	7 701	7 908
Event operations	487	124	43 754	38 887	-	-	44 241	39 011
Depreciation expense	85	22	1 911	1 658	277	66	2 273	1 746
Net loss from the disposal of non-current assets	-	1	13	4	-	2	13	7
TOTAL EXPENSES	18 440	17 831	74 459	63 154	38 123	35 626	131 022	116 611
INCOME								
Sponsorship and participation	1 803	613	9 342	9 092	1 284	733	12 429	10 438
Entry fees, sales and commission	-	-	16 693	14 763	7	-	16 700	14 763
Interest	-	-	77	110	-	-	77	110
Other income	319	141	1 763	1 224	343	126	2 425	1 491
TOTAL INCOME	2 122	754	27 875	25 189	1 634	859	31 631	26 802
NET COST OF PROVIDING SERVICES	16 318	17 077	46 584	37 965	36 489	34 767	99 391	89 809
REVENUES FROM SA GOVERNMENT								
Revenues from SA Government	17 973	17 419	46 570	36 982	37 629	34 720	102 172	89 121
TOTAL REVENUES FROM SA GOVERNMENT	17 973	17 419	46 570	36 982	37 629	34 720	102 172	89 121
NET RESULT	1 655	342	(14)	(983)	1 140	(47)	2 781	(688)
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	1 655	342	5 935	(983)	1 140	(47)	8 730	(688)

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

DISAGGREGATED DISCLOSURES – ASSETS AND LIABILITIES

AS AT 30 JUNE 2018

	Tourism Development		Tourism Events		Tourism Marketing		General or Not Attributable		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
ASSETS										
Cash and equivalents	-	-	5 371	1 084	476	2 654	8 222	7 151	14 069	10 889
Receivables	14	63	1 153	1 469	122	60	1 447	880	2 736	2 472
Other assets	-	-	24	20	119	22	-	2	143	44
Plant and equipment	-	-	16 413	11 623	-	-	1 263	806	17 676	12 429
TOTAL ASSETS	14	63	22 961	14 196	717	2 736	10 932	8 839	34 624	25 834
LIABILITIES										
Payables	601	632	1 906	1 071	1 212	2 088	1 774	815	5 492	4 606
Other liabilities	-	-	1 041	1 668	1	123	79	264	1 121	2 055
Employee benefits	385	503	1 027	992	1 081	1 078	957	812	3 450	3 385
Provisions	-	-	-	-	-	-	68	25	68	25
TOTAL LIABILITIES	986	1 135	3 974	3 731	2 294	3 289	2 878	1 916	10 131	10 071

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. BASIS OF FINANCIAL STATEMENTS

1.1 Reporting Entity

The South Australian Tourism Commission (SATC) is a 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. Refer to the disaggregated schedule for details of the SATC's controlled activities. The SATC does not control any other entity and has no interests in unconsolidated structured entities.

The SATC has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

1.2 Statement of Compliance

The SATC has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The SATC has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the SATC is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the SATC for the reporting period ending 30 June 2018.

1.3 Basis of Preparation

The financial statements have been prepared on a twelve-month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

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.

1.4 Taxation

The SATC is not subject to income tax. The SATC is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of 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; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. 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.

2. OBJECTIVE AND ACTIVITIES

2.1 Objectives of the SATC

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 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; and
- 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.

2.2 Activities of the SATC

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

Activity 1: 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.

Activity 2: Tourism Events

To strategically build and promote the state's event calendar by developing and attracting new events and managing and growing existing events.

Activity 3: 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 disaggregated disclosures schedules present information about expenses, income, assets and liabilities attributed to each of the activities for the years ended 30 June 2018 and 30 June 2017. Expenses and income attributed to the SATC as a whole have been proportionally allocated to each of the activities based on full time equivalent employees in each of the activities.

3. EMPLOYEE BENEFITS

3.1 Employee Benefits Expenses

	2018 \$'000	2017 \$'000
Salaries and wages	11 366	10 826
TVSPs (refer below)	-	348
Long service leave	281	362
Annual leave	947	959
Skills and experience retention leave	24	37
Employment on-costs – superannuation	1 211	1 132
Employment on-costs – other	687	670
Board and committee fees	139	148
Other employment related expenses	56	41
Total employee benefits expenses	14 711	14 523

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

3.2 Targeted Voluntary Separation Packages (TVSPs)

	2018 \$'000	2017 \$'000
Amount paid to separated employees:		
TVSPs	-	348
Annual leave and long service leave paid to those employees	-	190
Net cost to the SATC	-	538

The number of employees who received a TVSP during the reporting period was nil (6).

3.3 Key Management Personnel

Key management personnel of the SATC include the Minister, 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 was \$1 957 000 (\$1 871 000). The compensation detailed below excludes salaries and other benefits received by the Minister for Tourism and 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*.

Compensation	2018 \$'000	2017 \$'000
Salaries and other short-term employee benefits	1 671	1 674
Post-employment benefits	196	197
Termination benefits	90	-
Total compensation	1 957	1 871

3.4 Remuneration of Employees

	2018 Number	2017 Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$159 001 - \$169 000	-	1
\$169 001 - \$179 000	1	2
\$189 001 - \$199 000	1	1
\$199 001 - \$209 000	1	-
\$219 001 - \$229 000	-	3
\$229 001 - \$239 000	2	-
\$239 001 - \$249 000	1	-
\$279 000 - \$289 000	1	-
\$399 001 - \$409 000	-	1
\$409 000 - \$419 000	1	-
	8	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 and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1 979 000 (\$1 772 000).

3.5 Remuneration of Board Directors

Members of the SATC Board during the 2018 financial year were:

South Australian Tourism Commission Board

J Bates	J Griggs (from 17 October 2017)	I Horne	S Keenihan	J Smith
J Collins*	F Hele (until 7 April 2018)	J Irving	A Killey (from 3 May 2018)	M Young

	2018 Number	2017 Number
The number of directors whose total remuneration received or receivable falls within the following bands:		
\$0 - \$9 999	2	1
\$10 000 - \$19 999	7	7
\$20 000 - \$29 999	1	1
Total number of directors	10	9

* In accordance with Premier and Cabinet Circular PC016, government employees did not receive any remuneration for board duties during the financial year.

Remuneration of directors reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by directors was \$153 000 (\$163 000). Amounts paid to a superannuation plan for board directors was \$13 000 (\$14 000).

4. ADVERTISING AND PROMOTION

	2018 \$'000	2017 \$'000
Consumer advertising	13 281	13 397
Cooperative consumer marketing	6 645	7 137
Familiarisations	2 467	2 113
Other consumer marketing	312	474
Production	8 195	4 257
Representation and contractors	3 026	3 035
Marketing research	1 049	960
Trade marketing	2 507	1 267
Other advertising and promotion	2 491	1 302
Total advertising and promotion	39 973	33 942

5. INDUSTRY ASSISTANCE

	2018 \$'000	2017 \$'000
Sponsorship of events	11 170	7 654
Marketing/industry support	8 838	11 222
Tourism infrastructure	1 451	27
Tourism marketing boards/information centre grants	524	512
Trade show subsidies/membership of tourism industry bodies	127	59
Total industry assistance	22 110	19 474

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.

6. ADMINISTRATION AND ACCOMMODATION	2018	2017
	\$'000	\$'000
Accommodation and service costs	3 143	3 077
Communication and computing	1 870	1 606
Stationery, postage, couriers and freight	206	125
Contractors and consultants	278	361
Motor vehicles, taxis and car parking	272	254
Domestic and international travel	444	727
Seminars, courses and training	168	115
Insurance	458	364
Audit, legal and other fees	377	541
Bad and doubtful debts expense	23	20
Loss on foreign exchange	49	476
Other	413	242
Total administration and accommodation	7 701	7 908

6.1 Operating Leases

Operating lease payments less any lease incentives are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

6.2 Consultants

The number and dollar amount of consultancies paid/payable (included in Administration and Accommodation) that fell within the following bands:

	2018		2017	
	No.	\$'000	No.	\$'000
Below \$10 000	2	15	1	2
\$10 000 and above	1	11	-	-
Total paid/payable to the consultants engaged	3	26	1	2

6.3 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 \$66 000 (\$123 000). No other services were provided by the Auditor-General's Department.

7. EVENT OPERATIONS	2018	2017
	\$'000	\$'000
Event facilities	11 964	10 580
Construction	4 807	4 786
Catering and entertainment	6 285	4 093
Communications	1 240	1 069
Transport	573	529
Participants and contractors	11 208	10 101
Television and media	3 392	3 197
Event management	4 772	4 656
Total event operations	44 241	39 011

8. DEPRECIATION EXPENSE	2018	2017
	\$'000	\$'000
General plant and equipment	71	27
Pageant plant and equipment	153	138
Motor sport infrastructure	1 423	1 402
Fitouts	626	179
Total depreciation expense	2 273	1 746

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.

8.1 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 (years)
General plant and equipment	3-10
Pageant plant and equipment	4-35
Motor sport infrastructure	2-20
Fitouts	2-9

8.2 Revision of Accounting Estimates

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. 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, which is a change in accounting estimate. 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.

During the year, the SATC reassessed the useful life of one of its fitouts, resulting in a reduction in the estimated useful life. This has resulted in an increase in depreciation of \$426 000 calculated on these assets in 2018 relative to the amount that would have been expensed based on the previous useful life estimate. The higher depreciation expense will not be reflected in future years.

8.3 Change in Depreciation and Revaluation

The SATC revalued its motor sport infrastructure at the reporting date, with no resulting change in depreciation in 2018. The estimated impact on 2019 is an increase in depreciation of \$442 000.

9. NET LOSS FROM THE DISPOSAL OF NON-CURRENT ASSETS

	2018 \$'000	2017 \$'000
Plant and equipment		
Net book value of assets disposed	13	7
Proceeds from disposal	-	-
Total net loss from the disposal of non-current assets	<u>13</u>	<u>7</u>

Gains and losses on disposal of 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 sold, the revaluation surplus is transferred to retained earnings.

10. SPONSORSHIP AND PARTICIPATION

	2018 \$'000	2017 \$'000
Sponsorship income	9 938	8 274
Cooperative marketing/advertising	234	618
Industry participation fees	88	110
Commonwealth grants	100	250
In-kind sponsorship and participation	2 069	1 186
Total sponsorship and participation	<u>12 429</u>	<u>10 438</u>

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

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.

11. ENTRY FEES, LICENCE FEES AND SALES

	2018 \$'000	2017 \$'000
Event entry fees	14 091	12 375
Licence fees	2 528	2 340
Sale of merchandise	81	48
Total entry fees, licence fees and sales	<u>16 700</u>	<u>14 763</u>

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 20](#) as unearned revenue.

12. OTHER INCOME	2018	2017
	\$'000	\$'000
Refunds and recoups	1 329	907
Service fees	376	404
Rental income	320	130
Sundry income	22	8
Gain on foreign exchange	378	42
Total other income	2 425	1 491

13. REVENUES FROM SA GOVERNMENT	2018	2017
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	100 908	80 371
Other revenues from SA Government	1 264	8 750
Total revenues from SA Government	102 172	89 121

Appropriations are recognised as revenues when the SATC obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Total revenues from SA Government consist of \$100 526 000 (\$88 485 000) of operational funding and \$1 646 000 (\$636 000) for capital purposes. For details on the expenditure associated with the operational and capital funding received refer to [notes 3 to 8](#) and [note 17](#). There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

The original amount appropriated to the SATC under the annual *Appropriation Act* was \$89 112 000 (\$80 371 000). An additional \$11 796 000 (\$0) was received from the Treasurer via the Governor's Appropriation Fund.

14. CASH AND CASH EQUIVALENTS	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	8 213	7 147
Cash at bank	5 847	3 738
Cash on hand	9	4
Total cash and cash equivalents	14 069	10 889

Cash is measured as nominal amounts.

14.1 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.

15. RECEIVABLES	2018	2017
	\$'000	\$'000
Current:		
Receivables	950	1 067
Allowance for doubtful debts	(35)	(15)
	915	1 052
GST input tax recoverable	678	795
Accrued revenues	917	424
Prepayments	226	201
Total receivables	2 736	2 472

15.1 Movement in the Allowance for Doubtful Debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (that is, calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised under administration and accommodation in the Statement of Comprehensive Income for specific debtors for which such evidence exists.

	2018	2017
	\$'000	\$'000
Movement in the allowance for doubtful debts (allowance for impairment loss)		
Carrying amount at 1 July	15	534
Increase in the allowance	23	20
Amounts written off	(3)	(539)
Carrying amount at 30 June	35	15

15.2 Interest Rate and Credit Risk

Receivables arise in the normal course of selling goods and services to the public and to other government agencies. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. 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 receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to [note 28](#) for categorisation of financial instruments, maturity analysis of receivables and risk exposure information.

16. OTHER ASSETS	2018	2017
	\$'000	\$'000
Current:		
Foreign exchange forward contracts	143	22
Lease incentive	-	22
Total other assets	143	44
17. PLANT AND EQUIPMENT	2018	2017
	\$'000	\$'000
General plant and equipment		
At cost (deemed fair value)	474	509
Accumulated depreciation at the end of the period	(344)	(319)
Total general plant and equipment	130	190
Pageant plant and equipment		
At cost (deemed fair value)	2 064	1 948
Accumulated depreciation at the end of the period	(1 137)	(1 032)
Total Pageant plant and equipment	927	916
Motor sport infrastructure		
At cost (deemed fair value)	-	1 598
Accumulated depreciation at the end of the period	-	(1 083)
At fair value	14 816	13 214
Accumulated depreciation at the end of the period	-	(3 744)
Total motor sport infrastructure	14 816	9 985
Fitouts		
At cost (deemed fair value)	2 120	1 029
Accumulated depreciation at the end of the period	(417)	(238)
At fair value	899	899
Accumulated depreciation at the end of the period	(799)	(352)
Total fitouts	1 803	1 338
Total plant and equipment	17 676	12 429

17.1 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 after allowing for accumulated depreciation.

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised. All Pageant Floats, regardless of their value, are recognised as non-current assets in the Statement of Financial Position. Pageant Floats are recorded at historic cost less accumulated depreciation.

Non-current assets acquired at no or nominal value as part of an administrative restructure are recognised at book value, that is the amount recorded by the transferor public authority immediately prior to the restructure.

17.2 Revaluation of Non-Current Assets

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 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 asset. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

An independent valuation of motor sport infrastructure was performed in March 2018 by Certified Practising Valuers from Jones Lang LaSalle as at 30 June 2018. The valuers used the cost approach for the measurement of fair value, as observable market inputs were lacking, limited or unreliable. The cost approach considered the current replacement costs of the assets valued, with replacement costs being based on modern equivalent assets including all costs directly attributable to bringing the asset to working condition for its intended use, as well as improvements in asset designs, materials and technology, less allowances for physical depreciation based on

the current condition and use of the assets valued. With physical depreciation and obsolescence having a significant effect on an asset's fair value, as well as the use of the cost approach in the valuation of these assets, all assets revalued have been categorised as level 3 in the fair value hierarchy.

17.3 Carrying Amount of Plant and Equipment

In accordance with APF III other than motor sport infrastructure all items of plant and equipment that had a fair value at the time of acquisition which was less than \$1 million or an estimated useful life less than three years have not been revalued. The carrying values of these items are deemed to approximate fair value. These assets are classified in level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the assets' condition and remaining useful life.

Plant and equipment includes \$193 000 (\$1 159 000) of fully depreciated plant and equipment still in use and \$22 000 (\$17 000) of plant and equipment retired from active use but not classified as held for sale.

17.4 Impairment

The SATC holds its plant and equipment assets for their service potential (value in use). All non-current tangible assets are valued at fair value or deemed fair value. 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. The SATC expects that for all other non-current tangible assets any costs of disposal will be negligible, and the recoverable amount to be close to or greater than fair value.

There were no indications of impairment of plant and equipment at 30 June 2018.

17.5 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

17.6 Reconciliation of Movements in Plant and Equipment during 2016-17

	General Plant & Equipment \$'000	Pageant Plant & Equipment \$'000	Motor Sport Infrastructure \$'000	Fitouts \$'000	Total \$'000
Carrying amount at 1 July	24	896	11 168	919	13 007
Additions	197	161	219	598	1 175
Disposals	(4)	(3)	-	-	(7)
Depreciation	(27)	(138)	(1 402)	(179)	(1 746)
Carrying amount at 30 June	190	916	9 985	1 338	12 429

18. FAIR VALUE MEASUREMENT

AASB 13 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. 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.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer at each reporting date. In determining fair value, the SATC has considered the characteristic of the asset, such as the condition and location of the asset and any restrictions on the sale or use of the asset, and the asset's highest and best use (that is physically possible, legally permissible and financially feasible). The SATC's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the SATC has not identified any factors to suggest an alternative use, fair value measurement is based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition which was less than \$1 million, or an estimated useful life that was less than three years, are deemed to approximate fair value. Refer to [note 17](#) for disclosures regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

18.1 Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The SATC categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

18.2 Fair Value Measurements

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 changes in valuation techniques during 2017-18.

19. PAYABLES	2018	2017
	\$'000	\$'000
Current:		
Creditors	1 712	1 958
Accrued expenses	3 363	2 265
Employment on-costs	264	240
Paid Parental Leave scheme payable	9	3
Total current payables	5 348	4 466
Non-Current:		
Employment on-costs	144	140
Total non-current payables	144	140
Total payables	5 492	4 606

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.

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.

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 liability outstanding at the reporting date is 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.

Actuarial assessments performed by the Department of Treasury and Finance determined the average proportion of long service leave taken as leave at a whole of government level to 41% (2018) from 40% (2017). In accordance with APF IV, management has determined that the SATC's experience has been sufficiently different over several years to render the use of this average unreliable. The percentage of long service leave taken as leave is 24.8% (20.9%). The average factor for the calculation of employer superannuation contribution on-cost on long service leave decreased to 9.9% (2018) from 10.1% (2017). 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 2019 and 2020 is immaterial.

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.

19.1 Interest Rate and Credit Risk

Payables are measured at nominal amounts. Creditors and accruals are recognised for amounts owing but unpaid. Creditors are normally settled within 30 days of the date an invoice is first received. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Refer to [note 28](#) for categorisation of financial instruments, maturity analysis of payables and risk exposure information.

20. OTHER LIABILITIES	2018	2017
	\$'000	\$'000
Current:		
Lease incentive	57	198
Unclaimed monies	-	19
Unearned revenue	846	1 450
Foreign exchange forward contracts	1	114
Total current other liabilities	904	1 781
Non-Current:		
Lease incentive	217	274
Total non-current other liabilities	217	274
Total other liabilities	1 121	2 055

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

21. EMPLOYEE BENEFITS	2018	2017
	\$'000	\$'000
Current:		
Annual leave	951	817
Long service leave	278	251
Skills and experience retention leave	38	56
Accrued salaries and wages	271	312
Total current employee benefits	1 538	1 436
Non-Current:		
Long service leave	1 912	1 949
Total non-current employee benefits	1 912	1 949
Total employee benefits	3 450	3 385

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

21.1 Salaries and Wages, Annual Leave, Skills and Experience Retention Leave and Sick Leave

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.

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.

21.2 Long Service Leave

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.

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.

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 remained at 2.5%. As a result, there is no net financial effect.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4.0% for long service leave and 3.0% for annual leave and skills and experience retention leave. As a result, there is no net financial effect.

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.

22. PROVISIONS	2018	2017
	\$'000	\$'000
Current:		
Provision for workers compensation	27	10
Total current provisions	27	10
Non-Current:		
Provision for workers compensation	41	15
Total non-current provisions	41	15
Total provisions	68	25

22.1 Movement in Provisions

Carrying amount at 1 July	25	36
Additional provisions recognised	49	11
Reductions resulting from payments/other sacrifice of future economic benefits	(26)	-
Increase (reduction) resulting from re-measurement or settlement without cost	20	(22)
Carrying amount at 30 June	68	25

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision 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.

23. EQUITY

	2018	2017
	\$'000	\$'000
Contributed capital	64	64
Asset revaluation surplus	8 599	2 650
Retained earnings	15 830	13 049
Total equity	24 493	15 763

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.

24. 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.

24.1 Operating Lease Commitments

	2018	2017
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	1 646	1 895
Later than one year but not longer than five years	5 991	2 245
Later than five years	1 508	1 040
Total operating lease commitments	9 145	5 180

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. Rent is payable monthly in advance.

24.2 Expenditure Commitments

	2018	2017
	\$'000	\$'000
Expenditure commitments in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	34 185	40 477
Later than one year but not longer than five years	36 755	26 796
Later than five years	1 925	-
Total expenditure commitments	72 865	67 273

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.

25. RELATED PARTY TRANSACTIONS

The SATC is an instrumentality of the Crown and holds its property on behalf of the Crown.

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.

25.1 Significant Transactions with Government Related Entities

The SATC had no individually significant transactions with government related entities. Quantitative information about collectively, but not individually significant transactions with and balances between the SATC and other government related entities are disclosed at [note 25.3](#).

25.2 Transactions with Key Management Personnel and Other Related Parties

Compensation of key management personnel is disclosed at [note 3.3](#). The SATC had no individually significant transactions with key management personnel or other related parties.

25.3 Transactions with SA Government

The following table discloses revenue, expenses, financial assets and liabilities classified according to their nature, where the transaction is with an entity within the SA Government or the counterparty is an entity within the SA Government as at the reporting date.

	2018	2017
	\$'000	\$'000
Expenses		
Employee benefits expenses	687	666
Advertising and promotion	156	46
Industry assistance	3 270	374
Administration and accommodation	2 095	2 112
Event operations	624	384
Total expenses	6 832	3 582
Income		
Sponsorship and participation	2 099	632
Entry fees, licence fees and sales	16	-
Interest	77	110
Other income	82	97
Total income	2 274	839
Net cost of providing services	4 558	2 743
Revenues from SA Government		
Revenues from SA Government	102 172	89 121
Total revenues from SA Government	102 172	89 121
Net result	97 614	86 378
Total comprehensive result	97 614	86 378
Financial assets		
Receivables		
Receivables	43	1
Accrued revenues	-	10
Total financial assets	43	11
Financial liabilities		
Payables		
Creditors	1	151
Accrued expenses	1 101	180
Employment on-costs	408	380
Total financial liabilities	1 510	711

26. CASH FLOW RECONCILIATION

	2018	2017
	\$'000	\$'000
Reconciliation of cash and cash equivalents at 30 June:		
Cash and cash equivalents disclosed in the Statement of Financial Position	14 069	10 889
Balance as per the Statement of Cash Flows	14 069	10 889
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	3 794	1 245
Revenues from SA Government	(102 172)	(89 121)
Non-cash items		
Depreciation expense	(2 273)	(1 746)
Net loss from disposal of non-current assets	(13)	(7)
Movement in assets and liabilities		
Receivables	264	619
Other assets	99	(239)
Payables	84	(217)
Other liabilities	934	(42)
Employee benefits	(65)	(312)
Provisions	(43)	11
Net cost of providing services	(99 391)	(89 809)

27. BUDGETARY REPORTING

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements for the reporting period (2017-18 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements is not budgeted for on the same basis and is determined in a different manner to financial statement information.

The original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets. The budget process is not subject to audit.

27.1 Statement of Comprehensive Income	Note	Original Budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Expenses				
Employee benefits expenses		14 776	14 711	(65)
Advertising and promotion		40 142	39 973	(169)
Industry assistance	(a)	9 141	22 110	12 969
Administration and accommodation		7 556	7 701	145
Event operations		41 464	44 241	2 777
Depreciation expense		2 310	2 273	(37)
Net loss from the disposal of non-current assets		-	13	13
Total Expenses		115 389	131 022	15 633
Income				
Sponsorship and participation		8 269	12 429	4 160
Entry fees, licence fees and sales		17 011	16 700	(311)
Interest		102	77	(25)
Other income		895	2 425	1 530
Total income		26 277	31 631	5 354
Net cost of providing services		89 112	99 391	10 279
Revenues from SA Government				
Revenues from SA Government	(b)	89 112	102 172	13 060
Total revenues from SA Government		89 112	102 172	13 060
Net result		-	2 781	2 781
Other comprehensive income				
Changes in plant and equipment asset revaluation surplus	(c)	-	5 949	5 949
Total other comprehensive income		-	5 949	5 949
Total comprehensive result		-	8 730	8 730

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses.

- (a) Industry assistance expenses were greater than budgeted due to funding for providers of tourism infrastructure and access services to South Australia, sponsorship of events and a reclassification of sponsorships as grants.
- (b) During the year an additional \$11 796 000 was received from the Treasurer via the Governor's Appropriation Fund. Refer to [note 13](#).
- (c) The SATC revalued its motor sport infrastructure in March 2018, with a resulting increase in the asset revaluation surplus.

27.2 Investing Expenditure Summary	Note	Original Budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Investing expenditure				
Total new projects	(d)	-	1 008	1 008
Total existing projects		-	83	83
Total annual programs		646	493	(153)
Total investing expenditure		646	1 584	938

- (d) Funding allocated to office works and fitout.

28. FINANCIAL INSTRUMENTS/FINANCIAL RISK MANAGEMENT

28.1 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 with respect to each class of financial assets, financial liability and equity instrument are disclosed in the respective financial asset or financial liability note.

The SATC does not recognise any financial assets or financial liabilities at fair value but discloses fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs are observable.

The carrying amounts of each category of financial assets and liabilities are detailed below. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

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	Statement of Financial Position line item	Note	Carrying Amount	
			2018 \$'000	2017 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	14, 26	14 069	10 889
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	15	1 824	1 480
Held-to-maturity investments	Other financial assets	16	143	22
	Total financial assets		16 036	12 391
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	19	3 973	3 871
	Other current liabilities	20	847	1 583
	Total financial liabilities		4 820	5 454

⁽¹⁾ Receivables and payables amounts disclosed above exclude amounts relating to statutory receivables and payables. 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 audit receivables/payables they are excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amounts disclosed here excludes prepayments. Prepayments are presented in [note 15](#) 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.

28.2 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.

28.3 Liquidity risk

Liquidity risk arises from the possibility that the SATC is unable to meet its financial obligations as they fall due. 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. The SATC settles undisputed accounts within 30 days of the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days of resolution. The SATC's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in [note 28.1](#) represents the SATC's maximum exposure to liquidity risk. Refer to [note 19](#) and [note 20](#) for further information.

28.4 Credit risk

Credit risk arises when there is the possibility of the SATC's debtors defaulting on their contractual obligations resulting in financial loss to the SATC. The SATC measures credit risk on a fair value basis and monitors risk on a regular basis. The SATC has minimal concentration of credit risk. The SATC has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The SATC does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the SATC.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to [note 15](#) for information on the allowance for impairment of receivables.

The carrying amount of financial assets as detailed in [note 28.1](#) represents the SATC's maximum exposure to credit risk. Refer to [note 14](#), [note 15](#) and [note 16](#) for further information.

The following table discloses the ageing of financial assets past due, including impaired assets past due.

Ageing Analysis of Financial Assets		Past due by <30 days \$'000	Past due by 30-60 days \$'000	Past due by >60 days \$'000	Total \$'000
2018					
	Not impaired				
	Receivables ⁽¹⁾	101	-	50	151
	Impaired				
	Receivables	-	-	35	35
2017					
	Not Impaired				
	Receivables ⁽¹⁾	37	169	386	592
	Impaired				
	Receivables	16	-	-	16

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

28.5 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*.

On behalf of the SATC, at 30 June 2018 SAFA had in place 11 (9) foreign exchange forward contracts totalling \$9 195 000 (\$5 079 000). In 2017-18 the SATC had 18 (12) foreign exchange forward contracts mature totalling \$7 522 000 (\$9 017 000). 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 2017-18 are included in the Statement of Comprehensive Income, and where material are shown separately as losses in [note 6](#) and as gains in [note 12](#). Refer to [note 16](#) and [note 20](#) 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.

28.6 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 2018 was \$127 000 (\$173 000).

29 IMPACT OF STANDARDS AND STATEMENTS NOT YET IMPLEMENTED

The SATC has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented, and changes to Accounting Policy Statements issued by the Treasurer. Expected impacts are outlined below.

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

AASB 15 replaces AASB 118 and AASB 111, and introduces a five-step process for revenue recognition. The core principle of the new standard is to recognise revenue "when control of a good or service transfer to a customer". This is effectively when performance obligations have been met, rather than the current model of "where the risk and rewards of ownership reside".

AASB 1058 specifies income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 will supersede much of income recognition requirements relating to public sector NFP entities previously specified in AASB 1004. The timing of income recognition will depend on whether a transaction gives rise to a liability or other performance obligation such as a promise to transfer goods and services, or a contribution by owners related to an asset received by the SATC. Where no liability is recognised under another standard or the liability is less than the fair value of the asset received then income will be recognised.

AASB 15 and AASB 1058 applies to reporting periods commencing after 1 January 2019. The application date for the SATC is 1 July 2019. The new revenue recognition requirements are not expected to have a material impact.

29.2 AASB 9 Financial Instruments

AASB 9 supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The new standard addresses recognition, classification, measurement and de-recognition of financial assets and financial liabilities, impairment of financial assets, hybrid contracts and hedging.

AASB 9 applies to reporting periods commencing after 1 January 2018. The application date for the SATC is 1 July 2018. Amendments to the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will become effective at the same time as AASB 9, and result in amendments to the SATC's financial instruments disclosures. The new and amended standards are not expected to have a material impact.

29.3 AASB 16 Leases

AASB 16 introduces a single accounting model for leases. The new standard requires a lessee to recognise assets and liabilities for all lease 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. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 16 applies to reporting periods commencing after 1 January 2019. The application date for the SATC is 1 July 2019.

This new standard is a significant change from the current method of accounting for leases. Depending on the lease arrangements entered into on commencement, it is expected that the SATC will recognise significant lease liabilities and corresponding right-of-use assets in the Statement of Financial Position. These assets and liabilities will be amortised over the lease terms, which will impact the Statement of Comprehensive Income.

The estimated net financial effect of applying AASB 16 to the current operating lease arrangements in the 2020 financial year is an increase in total expenses of \$13 000, an increase in leased assets of \$4 756 000 and an increase in lease liabilities of \$5 508 000.



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To the Chief Executive Officer 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 2018.

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 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2018
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2018
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, 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 the South Australian Tourism. 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

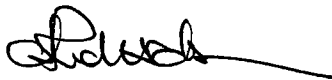
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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
- 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 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

19 September 2018

2017-18
PERFORMANCE AGREEMENT

Between

THE SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

and

THE MINISTER FOR TOURISM

KEY FOCUS

The 2017-18 Board Performance Agreement with the Minister for Tourism directly flows from the *Premier's Economic Priority #5 (Tourism)* and *South Australian Tourism Plan 2020*, which together outline the strategic priorities and goals for tourism. The plans are whole-of-industry documents, which identify the key objectives for all tourism stakeholders to drive growth in tourism in South Australia.

The plans are consistent, and reaffirm 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 newly developed *SATC Corporate Plan 2018-2020*, a public document, implements the *Premier's Economic Priority #5* and the *South Australian Tourism Plan 2020* and establishes the planning framework for the SATC.

The *SATC Operational Plan 2017-18* goes one step further and sets out in detail the key focus areas and projects for the SATC in 2017-18 which address the remaining 10 Objectives outlined in the *Premier's Economic Priority #5* and the Priority Action Areas of the *South Australian Tourism Plan 2020*. The *SATC Operational Plan 2017-18* also outlines the key areas of increased government investment that will continue in the 2017-18 financial year, which include international marketing, domestic marketing and events.

Based on the whole of *Australia Tourism 2020 Industry Potential* work, 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 State *holding* its current market share of national tourism expenditure, and growing expenditure in the State in line with the projected overall national growth.
- The full indicative potential target of \$8 billion by 2020 is based on State *growing* its current market share levels 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				

It should be noted that projecting tourism expenditure through to 2020 based purely on historic performance, which includes the period directly following the Global Financial Crisis, shows a 2020 result of \$6.2 billion. This is outlined in the *South Australian Tourism Plan 2020*. Improved performance above this level will be driven by stronger organic growth from the overall Australian tourism sector (to the 'Hold Share' level of \$6.7 billion) and then market share gains for South Australia (to the 'Full Potential' level of \$8 billion).

Exceptional growth in certain aspects of the visitor economy has seen a number of way-point targets achieved ahead of time. While historical cycles indicate that the first priority of the Board should be to focus deliberations on consolidating such gains, the Board will, where practical, ensure deliberations push towards achieving full 2020 targets ahead of time (incorporating indicative, increased way-point targets in the meantime). The indicative, increased 2018 targets contained within the Key Performance Indicators below should be read within this overall context.

Key Performance Indicators

The Board will set, refine and monitor the strategic direction of the SATC and will focus its deliberations on the following key performance indicators and targets:

- Grow total tourism expenditure in SA to \$8 billion to achieve a 'Full Indicative Potential' target by 2020, with an interim target milestone of \$6.8 billion by June 2018. NB while the headline waypoint for the Premier's Economic Priority #5 (Tourism) of \$6.3 billion is considered complete as at June 2017, this KPI continues with the bold ambition of that plan.
- Increase tourism expenditure in regional areas to \$3.0 billion by June 2018.
- Grow international tourism expenditure in SA to \$1.2 billion by 2020, with an interim 'Full Indicative Potential' of \$998 million by June 2018. Due to recent strong growth to \$1.1 billion to March 2017, this June 2018 target has been exceeded. These gains should first be consolidated and where practical grow to \$1.2 billion by June 2018 to achieve the 2020 target ahead of time.
- Grow interstate overnight expenditure in SA to \$1.77 billion by June 2018 and intrastate overnight expenditure to \$1.43 billion.
- Grow direct jobs in the tourism industry in SA to 41,000 jobs to achieve a 'Full Indicative Potential' target by 2020, with an interim target milestone of 36,900 by June 2018. (Note direct jobs currently stands at 36,700 jobs, June 2016. With such significant ground made toward the 2018 target already, this growth in direct jobs should first be consolidated and where practical built towards 38,000 by June 2018 to achieve the 2020 target ahead of time.)

- Grow airline seat capacity to 110,000 domestic seats per week and 14,500 international seats per week by 2020, working towards an interim target milestone of 99,000 domestic seats and 12,100 international seats by October 2018 (Note we currently stand at 11,200 international seats, April 2017 and 85,200 domestic seats, April 2017 The growth in international seats should be consolidated and continued efforts made to push on toward domestic seats target for October 2018)
- Grow the number of cruise ship visits to South Australian ports to 80 by 2020 With 49 ship visits to June 2017, these gains should first be consolidated and where practical built towards 65 ship visits by June 2018. Note that due to strong performance in the industry, the original 2020 target has been raised from 43 port visits to 80 port visits
- Increase the economic value of events to \$400 million by 2020, with a 'Full Indicative Potential' of \$338 million by June 2017. Due to recent strong growth to \$364 million to March 2017, this target has already been achieved These gains should first be consolidated and where practical built towards \$380 million by June 2018 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

STRATEGIC PRIORITIES

Driving demand:

- Utilise the additional government investment for international and domestic marketing to drive the achievement of the 2020 tourism industry potential
- Influence Brand perceptions, awareness, consideration and intention of the interstate target market via marketing campaigns and public relations activities that build brand and encourage visitation through retail distribution partners and via traditional and digital mechanisms.
- 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
- Establish at least one new branded, 5-star plus accommodation in the Adelaide CBD
- Develop a reputation for service excellence and unique visitor experiences

Working better together:

- Leverage third party Brand equity to further distribute South Australia's key marketing messages to all visitors through a wide range of partners
- Work with the regions in finalising and implementing the Regional Visitor Strategy to drive regional visitation
- Facilitate the running of the Australian Tourism Exchange (ATE) in Adelaide in April 2018.
- Support the South Australian Tourism Industry Council to deliver Service Excellence training to South Australian operators.
- Work in collaboration with BrandSA, PIRSA and the SA Wine Industry Association to promote Premium Food and Wine and leverage the Great Wine Capitals Global Network membership

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 through the three-year funding agreement, as well as industry and other key players to better connect our tourism industry
- Establish an international reputation for our premium food and wine experiences, including through participation in the Great Wine Capitals program
- Support operators and other stakeholders to leverage funding sources to drive investment in South Australian tourism. The most significant of these are the South Australian Government's Future Jobs Fund and the federally funded Austrade Tourism Demand Driving Infrastructure program (TDDI)
- Work with Music SA to enhance our thriving live music scene
- Further enhance South Australia's position as the cycling State.

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
- Begin consideration for the planning for tourism beyond the current 2020 timeframe, including inputting into the draft national tourism strategy which is led by Austrade. Austrade advises the next national strategy is not expected to be available until 2019, which aligns well with the SATC's timeframe to begin active development of the next South Australian Tourism Plan. Note that the current SATC Corporate Plan commenced on 1 July 2017, and still has over three years to run

Using events to grow visitation:

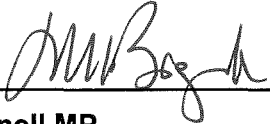
- Attract two additional major events each year.
- Focus sponsorships on core strength areas such as food and wine, arts and culture, live music, national and international sports and mass participation events, with a particular focus on off-peak periods and utilising key infrastructure
- Continue to invest the additional government funding for the Santos Tour Down Under to ensure the event retains its place as Australia's premier cycling race and festival and increase the economic and tourism benefits to the State. Celebrate the event's 20th anniversary
- Continue to innovate the Adelaide 500 and the patron experience by securing new on and off-track motor sport categories and event attractions aimed at attracting the next generation of motor sport fans and festival goers
- Continue to build the 2017 Bridgestone World Solar Challenge as the leading Solar Car event in the world and enhance South Australia's reputation for technology and innovation
- Develop Tasting Australia as an annual event which delivers strong tourism benefits and growth of the industry
- Manage the Adelaide Fashion Festival to promote South Australia and its fashion and creative industries and develop cultural links with key strategic markets
- 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
- Ensure that the additional government funding for the jointly administered Convention Bid Fund is used to win those business events that are identified as best utilising newly completed infrastructure and delivering the highest economic return for the tourism industry. This recognises that increased business events activity will boost expenditure by high value visitors

Organisational effectiveness:

- Provide systems and support across all aspects of corporate services to maximise the effective and efficient use of SATC 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
- Contribute to the State Government's goal to increase Aboriginal employment across the public sector to two per cent by 2020, with a short-term goal of two FTEs by the end of calendar year 2018.

SIGNATURES

We the undersigned do hereby agree to the outcomes outlined in the 2017-18 Performance Agreement between the South Australian Tourism Commission Board and the Minister for Tourism

Signed:  Dated: 30/11/17
Leon Bignell MP
MINISTER FOR TOURISM

Signed:  Dated: 13/12/17
Sean Keenihan
CHAIR
On behalf of the SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

SOUTH AUSTRALIAN TOURISM COMMISSION BOARD PERFORMANCE AGREEMENT 2017-18
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 2020 tourism industry potential.	Marketing	<p><u>Domestic Market</u></p> <p>Additional Government funding to the SATC was utilised to drive marketing activity in core domestic markets throughout the year. This additional activity helped grow the value of tourism expenditure in the domestic market from \$5.25 billion to \$5.5 billion in the year to March 2018, a growth rate of five per cent. Results indicate record highs for domestic overnight trips, up five per cent to 6.4 million; domestic nights, up nine per cent to 23.5 million; and day trip expenditure, up 17 per cent year on year to a record \$1.6 billion.</p> <p><u>Global Markets</u></p> <p>Increased funding was allocated towards direct to consumer cooperative digital marketing campaigns in the Singapore, Malaysia and India. The campaigns were undertaken with airline partners as the booking partner and resulted in 4,134 bookings to South Australia. Additional funds for China enabled the SATC to appoint Mr Huang Xiaoming as the Global Tourism Ambassador for South Australia in China. Huang Xiaoming is an influential Chinese superstar, actor and singer with a social media following of more than 59 million. In his role as Global Tourism Ambassador, 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.</p> <p>Funds allocated for digital marketing resulted in 5.4 million visits to southaustralia.com in 2017-18, amounting to a 43 per cent increase year on year. These visits generated 175,000 leads to South Australian</p>

		<p>tourism operators and 158,000 leads to key industry partners (e.g. airlines), an increase of 215 and 505 per cent respectively year on year.</p> <p>For the year end March 2018 total expenditure (international plus domestic) was \$6.7 billion, an increase of 5 per cent compared to March 2017.</p>
<p>Influence Brand perceptions, awareness, consideration and intention of the interstate target market via marketing campaigns and public relations activities that build brand and encourage visitation through retail distribution partners and via traditional and digital mechanisms.</p>	<p>Marketing</p>	<p>Domestic Best of South Australia Campaign:</p> <p>The SATC's 'Best of South Australia' campaign aimed to increase awareness, consideration and intention amongst the key interstate markets of Sydney, Brisbane and Melbourne. Activities included TV commercials, outdoor advertising and digital advertising and promoted South Australia as an accessible destination with a diverse range of experiences.</p> <p>The SATC's 'Best of South Australia' TV commercials promoted seven retail packages including Discover Australia Holidays, Helloworld Travel, and Qantas Holidays, to target markets Sydney, Brisbane and Melbourne. The results were strong with all partners reporting an increase in sales.</p> <p>Domestic Food & Drink Campaign</p> <p>The SATC aligned with MasterChef in 2018 and launched a domestic food and wine campaign aligned with the popular television show. As at June 2018, consumer testing indicated 75 per cent of consumers are now more aware of the food and wine experiences available in South Australia, after viewing the SATC's Food and Wine TVC with Gary Mehigan. In addition, 23 per cent of consumers and 31 per cent of SATC's target market in New South Wales and Victoria, were more likely to consider South Australia as a Food and Beverage holiday destination after watching the TVC.</p> <p>During the year, the SATC has focussed on working with partners who deliver strong return on investment. For example, the SATC worked with Webjet on two campaigns delivering 27:1 and 6:1 return on investment. A partnership with Discover Australia packaged an</p>

		<p>additional 124 products and developed 96 new itineraries for South Australia, delivering a 50:1 return on investment.</p> <p>Visits to southaustralia.com from the interstate market increased by nine per cent year on year, and use of digital audience segmentation and content personalisation resulted in a 224 per cent increase in the volume of leads and referrals to South Australian tourism operators from the interstate market.</p> <p>The SATC's public relations activity across domestic markets resulted in an approximately \$60 million advertising space rate (ASR) equivalent with a potential collective audience reach of 190 million consumers. This is an increase of more than 50 per cent compared to the ASR achieved in 2016-17.</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><u>Intrastate Visitation</u> Outdoor and Digital media using strong imagery and motivating headlines encouraging locals to not just visit a region but to stay overnight resulted in a record uplift of 15 per cent to 12.346 million nights. Intrastate overnight trips grew seven per cent to a record 4.044 million, with holiday trips up four per cent. Adelaideans heading out to regions grew six percent. Overall intrastate expenditure grew five per cent to \$1.9 billion.</p> <p><u>National Partnerships</u> The SATC partnered with HomeAway (formerly Stayz) on an intrastate campaign as booking partner for the SATC's intrastate television commercials. HomeAway also utilised its database and online presence to make booking an intrastate holiday easier for South Australians. Results included a year on year increase of 44 per cent for bookings in the Murraylands and a 19 per cent increase in bookings on the Yorke Peninsula.</p> <p>Key partners such as 1834 Hotels and Discovery Parks were the booking partners featured in all intrastate road trips television commercials. Visits to southaustralia.com from the intrastate market increased by 73 per cent year on year, while the use of digital audience segmentation and content personalisation resulted in a 204 per cent increase in volume of leads and referrals to SA tourism operators from</p>

		<p>the intrastate market.</p> <p>The combined approach of direct to consumer marketing activities and working closely with trade partners has been crucial in driving consideration and visitation by South Australian's to the State's regions.</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>	<p>Marketing</p>	<p>In New Zealand, a campaign was undertaken with Air New Zealand to promote South Australia's food and wine experiences and create awareness for the airline's direct flight from Auckland to Adelaide. A dedicated flight from Auckland to Adelaide was re-branded as 'South Australia's Cellar Door Flight' and saw passengers (who specifically bought tickets for the flight) taste Penfolds Wine, including Grange at 30,000 feet. As at March 2018, New Zealand's year on year visitor numbers were up 16 per cent, visitor nights were up 10 per cent and expenditure was up 9 per cent.</p> <p>In the UK, the SATC undertook a campaign focussed on Wildlife and Nature with The Telegraph in the UK. The activity featured a 16-page supplement with full UK circulation of 542,000, a landing page on The Telegraph website viewed by more than 100,000 unique users and four content videos that recorded a total of 65,000 completed views. Audley Travel (a leading UK travel agent) were the retail partner for the campaign and recorded significant increases in their bookings to South Australia during the campaign period. Bookings increased by 43 per cent and room nights by 40 per cent compared to the same period last year.</p> <p>In Germany, the SATC partnered with Tourism Northern Territory and wholesale travel agent Boomerang Reisen on a campaign to promote the Explorers Way (Adelaide to Darwin) touring route and other key experiences in the two destinations. The campaign recorded a 16 per cent increase in bookings to South Australia compared to the same period last year.</p> <p>Targeted tactical digital campaigns in key international markets resulted in 155,000 qualified leads to key international airline partners including Singapore Airlines, Malaysian Airlines & Qatar Airways.</p> <p>The SATC's public relations activity across domestic markets resulted</p>

		in approximately \$57.3 million advertising space rate (ASR) equivalent with a potential collective audience reach of 5.2 billion.
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.	Marketing	<p>Digital marketing campaigns had a strong focus on the mobile platform with 79 per cent of all traffic to southaustralia.com coming through a portable mobile phone or tablet devices.</p> <p>SATC's social media followers grew by 36 per cent to 1.7 million. Almost 4,000 pieces of content were posted by the SATC on social media and there were more than 140,000 social media referral visits to southaustralia.com; an increase of 40 per cent on the previous year.</p> <p>On 12 June 2018, new designs and functionality were launched on southaustralia.com. Since the launch, qualified leads generated and directed to tourism businesses increased by 63.8 per cent for organic website visitors, and 31.2 per cent for paid website visitors.</p> <p>As part of the SATC's media partnership with NewsCorp, a total of 17 South Australian specific articles were published on Escape.com and News.com. These articles had an audience reach of more than 350,000 readers, and generated 220,000 leads to southaustralia.com, subsequently benefitting South Australian tourism operators.</p> <p>In addition, 18 tourism operator videos were produced. Over the course of the NewsCorp activity, the videos were viewed more than 180,000 times.</p>
Establish at least one new branded, 5-star plus accommodation in the Adelaide CBD	Destination Development	<p>The Adelaide Casino redevelopment commenced and will include a 122-room rated luxury hotel.</p> <p>A new Westin branded hotel was announced as part of a GPO redevelopment. The 285 room 5- star property will open in 2022.</p> <p>Site demolition for the construction of the 5-star \$140 million Sofitel hotel commenced in August 2018 and is scheduled to open in 2020.</p>
Develop a reputation for service excellence and unique visitor experiences.	Destination Development	The SATC continued to work closely with tourism operators to further develop their skills and ability to deliver quality experiences and service to international and domestic visitors.

		<p>More than 300 Product Assessment Reviews were undertaken across the State to identify current standards of experiences and areas of improvement / assistance.</p> <p>The SATC was also involved in various workshops with partners such as UnionPay to further upskill businesses in catering for the growing Chinese market.</p> <p>The SATC also continues to co-fund SATIC's Service IQ business training program. This program provides a series of training courses for tourism operator focussed on improving levels of service and professionalism.</p>
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PRIORITY 2: WORKING BETTER TOGETHER		
Priority	Responsible Department	Action
Leverage third party Brand equity to further distribute South Australia's key marketing messages to all visitors through a wide range of partners.	Marketing	<p>The Global Markets team works with partners including traditional retail agents such as Helloworld, Flight Centre and Trailfinders, online travel agents such as Expedia and Webjet and airlines including Qantas Airways, Singapore Airlines and Air New Zealand.</p> <p>Working with these partners improves our overall capacity each year to gain maximum return on investment from each market, whether it be domestic or international. Domestically, the SATC undertook three campaigns with the Expedia Group under their Expedia and Wotif.com brands which resulted in a 12.4 percent increase in passenger numbers to South Australia based on the same period last year. Internationally, the SATC partnered with Boomerang Reisen in Germany on a cooperative campaign which resulted in a 16 per cent increase in bookings to South Australia based on the same period last year.</p>
Work with the regions in finalising and implementing the Regional Visitor Strategy to drive regional visitation.	Destination Development	After extensive consultation, the South Australian Regional Visitor Strategy was launched in May 2018 by the Minister for Trade, Tourism

		<p>and Investment, the Hon David Ridgway. The document was well received with positive local and national feedback.</p> <p>The next step for the Regional Visitor Strategy is its implementation, which is being led by a steering committee of key industry representatives tasked with overseeing the delivery of key actions outlined in the Strategy.</p> <p>Formal annual reviews will be undertaken to identify areas of action and delivery of future areas requiring attention and focus.</p>
Facilitate the running of the Australian Tourism Exchange (ATE) in Adelaide in April 2018.	Marketing	<p>The 2018 Australian Tourism Exchange (ATE) saw South Australia host more than 2,200 delegates at the Adelaide Convention Centre. ATE is owned and managed by Tourism Australia and is the largest annual travel and tourism business to business event held in the Southern Hemisphere. More than 600 trade and media familiarisation places were filled during ATE. Key trade partners and media were able to travel to SA's regions and experience our tourism products first-hand. The ATE Welcome Function was held at Tasting Australia's Town Square and was rated as one of the best opening events in ATE's 39 year history. A record number of South Australian tourism businesses exhibited, with 49 located within the South Australian section. Of these operators, 14 attended ATE for the first time.</p>
Support the South Australian Tourism Industry Council to deliver Service Excellence training to South Australian operators.	Policy	<p>The SATC continues to co-fund and monitor SATIC's Service IQ business training program. This program provides a series of training courses for tourism operator focussed on improving levels of service and professionalism. In 2017-18 the SATC also facilitated access to funding through the Tourism Demand Driver Infrastructure program run by the Federal Government.</p> <p>In 2017-18, the program provided 51 workshops exceeding the agreed requirement by 11. The average registration was 22 people per workshop and topics included Customer Service, Business Planning and Finance, Servicing Chinese Visitors, Digital Marketing, Legalities of Tourism, and the very popular Packaging Pricing, Partnerships and Distribution and Commission. The SATC has committed to supporting the program again in 2018-19.</p>

PRIORITY 3: SUPPORTING WHAT WE HAVE

Priority	Responsible Unit	Action Taken
Work with partners on maintaining and increasing access to and within South Australia, including through joint marketing initiatives.	Destination Development	<p>The SATC partnered with Qantas, Adelaide Airport Ltd and Kangaroo Island Council to establish new Qantas services to Kangaroo Island. The services offered direct routes from Adelaide and Melbourne to Kingscote, commencing in December 2017.</p> <p>The SATC also worked in partnership with Adelaide Airport Ltd to grow international services to Adelaide. China Southern Airlines increased its services to five per week from October 2018 and then seven per week over the Christmas Chinese New Year periods. Qatar increased its flights to daily services commencing in December 2017, and Malaysia Airlines increased to five flights per week from July 2018. Cathay Pacific announced it will increase to six flights per week from December 2018.</p> <p>The 2017-18 cruise ship season experienced its sixth consecutive year of record growth with 65 cruise visits completed, delivering 150,860 passengers and crew to South Australian ports and regions.</p>
Work with Regional Tourism Organisations through the three-year funding agreement, as well as industry and other key players to better connect our tourism industry.	Destination Development	<p>The 11 regional tourism organisations continued to play a key role as the point of liaison between the SATC, their regional stakeholders and industry.</p> <p>A steering committee comprising regional chairs, local government, the State's Regional Development Australia Board and the South Australian Tourism Industry Council worked together to develop the new South Australian Regional Visitor Strategy.</p> <p>Each three-year funding agreement outlines actions to be delivered by each of the eleven regional tourism organisations linked to actions outlined in the new Regional Visitor Strategy.</p> <p>The annual Visitor Information Centre Conference was held in Adelaide in May 2018 focussing on the need to maintain relevance in the face of</p>

		changing consumer needs. The Conference was attended by representatives from all 42 regional visitor information centres.
Establish an international reputation for our premium food and wine experiences, including through participation in the Great Wine Capitals program.	Marketing	<p>The SATC aligned with top rated Australian culinary TV program, MasterChef Australia, to position the State as a premier food and drink destination. A six episode 'SA Week' achieved an average nightly audience of 1.16 million viewers (including TV, online and catch-up TV views) and a total PR value of \$17.6 million for South Australia with a collective audience reach of 10.9 million. The partnership included extensive advertising throughout the entire show duration promoting South Australia's food and drink tourism experiences.</p> <p>The SATC has also partnered with MasterChef judge Gary Mehigan as a food and drink ambassador for the State. A series of videos and content featuring Gary Mehigan works to position South Australia as a food and drink destination. To date, the campaign's landing page has received more than 84,000 visits, with more than 1,200 direct leads to industry operators from the page.</p>
Support operators and other stakeholders to leverage funding sources to drive investment in South Australian tourism. The most significant of these are the South Australian Government's Future Jobs Fund and the federally funded Austrade Tourism Demand Driving Infrastructure program (TDDI).	<p>Policy</p> <p>Destination Development</p>	<p>Communication was led by the SATC to advise operators and potential investors about State and Federal funding opportunities.</p> <p>The Future Jobs Fund saw 25 million in grants and low-interest loans provided to ten accommodation projects across South Australia to cater for growing demand.</p> <p>The Tourism Demand Driver Infrastructure (TDDI) program was leveraged to support three projects in South Australia to the value of \$988,825. This funding supported the development of The Monarto Zoo's Predator Experience, the Naracoorte Caves Visitor Precinct Upgrades, and the Service IQ for Smarter Businesses training program administered by the South Australian Tourism Industry Council.</p>
Work with Music SA to enhance our thriving live music scene.	Events South Australia	<p>Live music in South Australia contributes \$375 million to the State's economy and the music industry provides employment for 6,300 South Australians.</p> <p>Events South Australia (ESA) continued its collaboration with the Music Development Office to jointly administer the Live Music Events Fund.</p>

		<p>Support was provided to the following events:</p> <ul style="list-style-type: none"> • The Australian Independent Record Labels Association Awards and Industry Conference. • Umbrella Winter City Sounds – which saw more than 300 live music events staged in more than 100 venues across metropolitan Adelaide. • Unsound Adelaide - the exclusive Australian leg of an international tour, which brought experimental and underground music to venues across the city. The festival also includes London, New York, Krakow and Toronto. <p>The staging of these events in Adelaide is testament to the recent growth and increased profile of the South Australian music sector and Adelaide’s standing as a UNESCO City of Music.</p>
<p>Further enhance South Australia's position as the cycling State.</p>	<p>Events South Australia</p>	<p>The Santos Women’s Tour Down Under race in 2018 was contested as a UCI 2.1 race, having been elevated from UCI 2.2. This helped attract an even stronger field of international teams, including ten UCI Women’s teams (compared to eight in 2017), with five ranked in the world’s top 10 teams (compared to four in 2017).</p> <p>Revolve 24 was added as an Associated Event to the Santos Festival of Cycling. This endurance cycling challenge saw for teams, pairs and soloists riding at the newly constructed “The Bend” Motorsport Park in Tailem Bend.</p>

PRIORITY 4: INCREASING THE RECOGNITION OF THE VALUE OF TOURISM

Priority	Responsible Unit	Action Taken
<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>Strategy and Insights</p> <p>Corporate PR</p>	<p>The SATC continued to publish the International Visitor Survey and National Visitor Survey results on its corporate website. Eight infographics were produced to clearly communicate the survey results to a broad range of stakeholders.</p> <p>Updated regional reports were also made available and published to the Corporate website, as well as flowing into the Regional Visitor Strategy, which was launched by Minister Ridgway in May 2018.</p> <p>A series of infographics, media releases, opinion pieces and video content has been developed and shared with key stakeholders, to increase understanding of the value of tourism.</p>
<p>Begin consideration for the planning for tourism beyond the current 2020 timeframe, including inputting into the draft national tourism strategy which is led by Austrade. Austrade advises the next national strategy is not expected to be available until 2019, which aligns well with the SATC's timeframe to begin active development of the next South Australian Tourism Plan Note that the current SATC Corporate Plan commenced on July 1st 2017 and still has over 3 years to run.</p>	<p>Strategy and Insights</p>	<p>The SATC provided written input to Austrade regarding the Beyond Tourism 2020 process and requested that the plan be developed with ongoing collaboration with the States and Territories.</p> <p>The next South Australian Tourism Plan will be developed in 2018-19 with extensive industry consultation.</p>

PRIORITY 5: USING EVENTS TO GROW VISITATION

Priority	Responsible Unit	Action Taken
Attract two additional major events each year.	Events South Australia	<p>To date, 54 events have been secured through the Leisure Events Bid Fund. These events are forecast to inject more than \$245 million into the State's economy.</p> <p>In 2017-18, 17 events were secured through the Leisure Events Bid Fund, including:</p> <p>NRL State of Origin 2020 The NRL State of Origin clash will be held at Adelaide Oval in 2020. It will be the first time a match of the annual best-of-three series between the New South Wales Blues and the Queensland Maroons has been held in South Australia.</p> <p>More than 30 per cent of fans attending the game are expected to come from outside South Australia, delivering an estimated \$15 million to the State's economy.</p> <p>World Twenty20 - Cricket South Australia will host an ICC World T20 men's cricket semi-final in 2020, as well as six Super 12 matches, as the international cricket tournament heads to Australia for the first time.</p> <p>Adelaide will also host warm-up matches for the women's competition at the newly completed Gladys Elphick Park (Narnungga) facility in the city's Parklands.</p> <p>The staging of the World T20 matches in Adelaide is expected to inject approximately \$50 million into South Australia's economy.</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	Events South Australia	<p>In 2017-18, 33 events were allocated sponsorship or were staged.</p> <p>Events included:</p>

<p>on off-peak periods and utilising key infrastructure.</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 topped Gallery records, attracting 159,442 attendees and an estimated 35,000 visitors to the State. The Art Gallery of South Australia also saw a 40 per cent growth in Gallery memberships during the Impressionism season.</p> <p>2018 ISPS Handa Women’s Australian Open Golf The Women’s Australian Open (WAO) has been a record-breaking success since relocating from Melbourne to Adelaide in 2016, with attendances growing from 22,478 in Melbourne in 2015, to 33,277 attendees at Kooyonga Golf Club in 2018 (the most people ever to attend a WAO). Since being held in South Australia, the tournament has delivered more than \$20.6 million in economic benefit to the State. In February 2018, the event was secured for a further three years (2019-2021 inclusive).</p>
<p>Continue to invest the additional government funding for the Santos Tour Down Under to ensure the event retains its place as Australia’s premier cycling race and festival and increase the economic and tourism benefits to the State. Celebrate the event’s 20th anniversary.</p>	<p>Events South Australia</p>	<p>The 2018 Santos Tour Down Under celebrated its 20th anniversary and achieved record results, including:</p> <ul style="list-style-type: none"> • Event specific visitors grew from 43,000 to 46,000, representing a seven per cent growth on the 2017 event. • Economic impact increased from \$56.5 million to \$63.7 million, representing a 13 per cent growth. • Full time equivalent jobs generated increased from 683 to 774, representing a 13 per cent growth. <p>Event attendance was 810,000, slightly down on 2017, which was attributed to the second hottest event in the 20-year history.</p> <p>The media/PR value of the 2018 event was \$157 million, with 33 hours of action broadcast nationally on the Nine Network and 882 hours broadcast internationally to key markets such as the United Kingdom, Italy, China, the United States of America and New Zealand.</p>
<p>Continue to innovate the Adelaide 500 and the patron experience by securing new on and off-track motor sport categories and event attractions aimed at attracting the next</p>	<p>Events South Australia</p>	<p>The 2018 Adelaide 500 had an estimated attendance of 273,500 over the four days, an increase of 11 per cent on 2017. 2018 marked the event’s</p>

<p>generation of motor sport fans and festival goers.</p>		<p>20-year anniversary.</p> <p>On track action included eight feature race categories. Other event features included:</p> <ul style="list-style-type: none"> • A new focus on families, with improved ticketing options and a reinvigorated family zone; <ul style="list-style-type: none"> ○ Making kids 14 and under free (previously 12 and under). ○ Opening up grandstand seating for Disney Zone and NERF HQ attractions. • Adelaide 500 20th Anniversary Car Display – A feature exhibition that included one car from every year of the event, showcasing the evolution of Supercars since the first ever Adelaide event in 1999. <p>The 2018 event experienced a sold-out Sunday, with international pop sensation Robbie Williams as the Sunday headline act.</p> <p>The 2018 event results included:</p> <ul style="list-style-type: none"> • The total expenditure associated with the event was \$107.7 million. • An economic benefit of \$41.94 million was injected into the South Australian economy. • The event created 435 new full-time equivalent jobs. • 12,197 interstate visitors travelled to South Australia to attend the event, creating 81,052 hotel bed nights. <p>The PR value was estimated at \$98.34 million.</p>
<p>Continue to build the 2017 Bridgestone World Solar Challenge as the leading Solar Car event in the world and enhance South Australia's reputation for technology and innovation.</p>	<p>Events South Australia</p>	<p>The 2017 Bridgestone World Solar Challenge was held from 8 -15 October and was the event's 30-year anniversary.</p> <p>The 2017 event saw 38 teams from 19 countries participate. The event also resulted in:</p> <ul style="list-style-type: none"> • More than 400 industry partnerships. • 62,565 national visitor nights. • \$11.9 million in economic benefit nationally from visitor expenditure.

		<ul style="list-style-type: none"> • 102 full time equivalent jobs nationally. • PR value estimated at \$18.78 million, with a potential reach of 94.03 million
Develop Tasting Australia as an annual event which delivers strong tourism benefits and growth of the industry.	Events South Australia	<p>Tasting Australia 2018 was held from 13 to 22 April. This year, for the first time, the event was held over 10 days, crossing two weekends with over 140 public events and activations to encourage visitors to travel to South Australia and stay longer.</p> <p>Tasting Australia also coincided with the Australian Tourism Exchange, which saw around 2,200 tourism wholesalers, operators and other stakeholders experience our world class food and drink offerings first hand.</p> <p>This year, more than 53,000 people attended Town Square event hub, in Victoria Square. A total of 8,635 tickets were sold throughout the festival with almost 1,400 people experiencing the Glasshouse Kitchens and 1,174 attending East End Cellars Master classes.</p> <p>In a first for the event, Tasting Australia Airlines, also held for the first time, offered a unique experience where visitors could board a plane and travel to regional South Australia to experience our world class food and wine in the region where it was produced.</p> <p>The event generated \$5.2 million in expenditure for the State, 4,649 interstate guests and 2,819 international guests contributed to a total of 41,352 room nights.</p> <p>The event also experienced significant exposure on social media. For example, Industry leader World's 50 Best Restaurants, recently featured a series on Tasting Australia on its Instagram account that has 560,000 followers.</p>
Manage the Adelaide Fashion Festival to promote South Australia and its fashion and creative industries and develop cultural links with key strategic markets	Events South Australia	<p>The 2017 Adelaide Fashion Festival (AFF) took place from 11 to 15 October at the Torrens Parade Ground and Drill Hall for the first time.</p> <p>AFF17 included 10 runways and 22 events. Highlights included a fashion masterclass with leading international guest speaker and Director of Pantone, David Shah, lunch with Vogue Editor in Chief</p>

		<p>Edwina McCann, runways from Tiff Manuell, Paolo Sebastian, the SA Designer Showcase and Couture Culture runways and the TAFE SA runway, with the announcement of the annual Premier's Design Award.</p> <p>AFF17 also included the first major retail activation, Vogue Festival, supported by AFF, Rundle Mall Management Authority and City of Adelaide and was reported to have generated \$45 million in retail spend over two days.</p> <p>An estimated 390,000 people engaged with AFF events in 2017, including approximately 130,000 attendees to the Paolo X exhibition at the Art Gallery of South Australia.</p> <p>The estimated publicity value of editorial coverage for AFF 2017 is \$17.7 million, and the potential number of people reached through editorial coverage also grew from an audience of 66.17 million in 2016 to 71 million in 2017.</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 2017-18, ESA reviewed the event capability building program, as part of the development process for the Regional Visitor Strategy. This review enabled ESA to identify opportunities for improvement in the program moving forward. These findings, along with the Regional Visitor Strategy will form the cornerstone of the event capability program in 2018/19.</p> <p>The evolved program will see a more personalised approach to event capability building with 'Hero' regional events and the introduction of innovation and event development workshops to be facilitated by industry professionals.</p> <p>Events South Australia will continue to collaborate with regional event organisers and Regional Tourism Managers to address the regional event priorities outlined in the Regional Visitor Strategy.</p> <p>The SATC continued to chair the Major Events Group and the October Events Group with the aim of fostering greater collaboration, growth, communication and efficiencies between events held in March and October.</p>

<p>Increase awareness and consideration of South Australian hero events, through collaborative marketing, public relations and partnerships to trigger visitation.</p>	<p>Events South Australia</p> <p>Marketing</p>	<p>The SATC has increased its support for the promotion of key events and event periods in South Australia to drive visitation. Examples include:</p> <ul style="list-style-type: none"> • Promotion of events through southaustralia.com and SATC's social media platforms. • The collaborative marketing approach with the Art Gallery of South Australia and The Colours of Impressionism exhibition. • The formation of the October Events Group, showcasing South Australian creativity, innovation and design, to promote the cluster of events in October through publicity, marketing and partnership initiatives. • Promoting the six SATC managed events including the Santos Tour Down Under and Adelaide 500. <p>The SATC sponsored the 2018 Adelaide Fringe Ambassador Program that appointed Joel Creasey and Courtney Act as Fringe Ambassadors. The Ambassador's role is to increase the profile of the festival in domestic and international markets through online communications. These include social media, press/magazines, TV interviews, and attending official events. The Fringe Ambassador program resulted in a PR value of \$429,277.</p> <p>The Adelaide Fringe Festival sold 705,761 tickets, up 7.3 per cent on the previous year, and attracted 20,244 total visitors, up from 18,655 the previous year, delivering \$27.6 million to the State's economy over the Festival period. A record number of interstate and international festival-goers attended (up 8 per cent to 20,244), who stayed longer in Adelaide (visitor bed nights up 21.1 per cent to 97,941).</p> <p>An SATC's 30-second Best of South Australia Events television commercial was updated in August 2017 to feature more of the State's vibrant events. The commercial ran in the markets of Sydney, Melbourne and Brisbane. This commercial was used to promote the Adelaide Fringe, Adelaide Festival, WOMADelaide, Tasting Australia, Hybrid World Adelaide, Adelaide Cabaret Festival, ISPS Handa Women's Golf, Adelaide Fashion Festival and Tour Down Under.</p>
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Ensure that the additional government funding for the jointly administered Convention Bid Fund is used to win those business events that are identified as best utilising newly completed infrastructure and delivering the highest economic return for the tourism industry. This recognises that increased business events activity will boost expenditure by high value visitors.	Policy	<p>Since November 2013, the Convention Bid Fund (CBF) has successfully brought more than 70 major conventions to South Australia attracting more than 90,000 delegates and contributing nearly \$450 million in economic benefit to the State.</p> <p>The CBF will benefit from additional funding committed by the Government in the 2017-18 State budget as well as the Adelaide Convention Bureau, 'Billion Dollar Budget' Policy which seeks to increase the value of this important sector.</p>

PRIORITY 6: ORGANISATIONAL EFFECTIVENESS		
Priority	Responsible Unit	Action Taken
Provide systems and support across all aspects of corporate services to maximise the effective and efficient use of SATC resources and ensure public accountability expectations are met.	Finance and Business Services	The SATC implemented a range of processes and practices in delivering its responsibilities under the <i>South Australian Tourism Act 1993</i> and in adherence to government financial, procurement, contracting, human resources, governance and auditing requirements. The SATC maintains a high level of financial control over its domestic and international operations to ensure accountability for government resources.
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.	Strategy and Insights	Activities of the SATC continue to be guided by the annual Operational Planning process. The SATC Operational Plan 2018-19 was developed by the Executive team from November 2017 and presented to the Board in February 2018. Board feedback was integrated into the document and final sign off was achieved in early March 2018.
Embed organisational values and drive continual improvement	Finance and Business	To maximise organisational effectiveness, a review of the SATC's Managing Development and Performance Policy was undertaken and

<p>through review processes.</p>	<p>Services</p>	<p>training was delivered to employees focusing on the completion of effective performance reviews. Agency wide training needs analysis was conducted 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. The annual staff engagement survey provides an objective mechanism for assessing the cultural environment.</p>
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