



South Australian Tourism Commission

2016-17 Annual Report

South Australian Tourism Commission
Level 3, 121-125 King William Street, Adelaide, SA 5000

GPO Box 1972, Adelaide, SA 5001

www.tourism.sa.gov.au

www.southaustralia.com

Contact phone number 08 8463 4500

Contact email industrymail@sa.gov.au

ISSN 1323-8132

Date presented to Minister: 29 September 2017

To:
Hon. Leon Bignell MP
Minister for Tourism

This annual report is 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



29/09/2017

Signature

Date

Contents

Contents	3
Section A: Reporting required under the <i>Public Sector Act 2009</i>, the <i>Public Sector Regulations 2010</i> and the <i>Public Finance and Audit Act 1987</i>	4
Agency purpose or role	4
Objectives	4
Key strategies and their relationship to SA Government objectives	4
Agency programs and initiatives and their effectiveness and efficiency	5
Legislation administered by the agency	11
Organisation of the agency	11
Other agencies related to this agency (within the Minister’s area/s of responsibility)	11
Employment opportunity programs	11
Agency performance management and development systems	12
Occupational health, safety and rehabilitation programs of the agency and their effectiveness	12
Fraud detected in the agency	13
Strategies implemented to control and prevent fraud	13
Whistle-blowers’ disclosure	14
Executive employment in the agency	14
Consultants	14
Financial performance of the agency	15
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions.....	16
Section B: Reporting required under any other act or regulation	16
South Australian Tourism Commission Act 1993	16
Section C: Reporting of public complaints as requested by the Ombudsman. 19	
Summary of complaints by subject	19
Complaint outcomes.....	19
Appendix: Audited financial statements 2016-17	20

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 \$6.3 billion) to \$8 billion and boosting direct employment in tourism by 10,000 additional jobs by 2020 (currently 5,400 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

The SATC has five priority action areas that are aligned across its key strategies to help it achieve its 2020 targets of increasing the value of tourism to \$8 billion and delivering an additional 10,000 jobs. These priority action areas are:

- 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
Premier’s Economic Priority #5: South Australia – a growing destination of choice for international and domestic travellers.	Increase the value of tourism to \$8 billion by 2020. Increase tourism direct employment to 10,000 additional jobs by 2020.
South Australian Tourism Plan 2020.	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	Comments
Driving demand	<p>Increase the value of our tourism sector from \$5.2 billion to \$6.3 billion per annum by June 2017 (on the way to our 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>Establish at least one new branded, 5-star plus accommodation in the Adelaide CBD.</p>	<p>Target achieved: the value of South Australia's tourism sector grew 4.9 per cent to \$6.3 billion in the year to June 2017.</p> <p>Target achieved: the latest data shows direct employment in the tourism sector was 36,700 in the year to June 2016, an increase of 5,400 on the June 2013 baseline.</p> <p>Target achieved: the Adelaide Casino redevelopment has commenced, which will include a 122 room luxury hotel.</p> <p>Construction is proposed to start on the 5-star, \$140 million Sofitel hotel in 2018.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Driving Demand (continued)	Develop a reputation for service excellence and unique visitor experiences.	<p>Target achieved: the SATC has funded the South Australian Tourism Industry Council (SATIC) to conduct Service Excellence training for tourism operators throughout South Australia. Between November 2016 and June 2017, 25 workshops were run which attracted over 500 participants.</p> <p>Lonely Planet listed South Australia as one of the top five must-see regions for 2017.</p> <p>The Kangaroo Island Wilderness Trail was launched in October 2016 and has since been announced by Lonely Planet as one of ten “best new openings” in the world for 2017.</p>
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.	In 2016-17 the SATC ran 24 national campaigns with 18 cooperative partners. Partners included Lonely Planet, Expedia Group and Virgin Australia.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Working better together (continued)	Implement the updated Destination Action Plans and actively partner with each region to deliver Tourism 2020 outcomes.	<p>The SATC continued to progress the 2015-17 Destination Action Plans with regional tourism organisations and their stakeholders.</p> <p>The Plans, which are structured to match the framework of the State Tourism Plan 2020, have been used by a range of regional tourism organisations in framing their strategic and business plans.</p>
Supporting what we have	<p>Increase tourism expenditure in regional areas from \$2.3 billion to \$2.8 billion.</p> <p>Establish an international reputation for our premium food and wine experiences.</p>	<p>Target on track: Regional expenditure grew 7.4 per cent in the year to June 2017 to \$2.6 billion.</p> <p>Target achieved: as of June 2017, South Australia is associated with “Good Food & Wine” by 49 per cent of the interstate audience, ranking second behind Victoria (54 per cent). South Australia is associated with “Credible wineries and wine regions” by 60 per cent of the interstate audience, well ahead of second placed Victoria at 44 per cent.</p> <p>Adelaide became a member of the Great Wine Capitals global network in July 2016.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Supporting what we have (continued)	Enhance our thriving live music scene.	<p>Target achieved: Live music in South Australia provides 4,100 jobs and a \$264 million economic contribution to the state's economy.</p> <p>The annual Australian Independent Record Labels Association (AIR) Awards and concurrent Music Conference will be held in Adelaide for the next three years (2017-2019).</p> <p>The State Government's Live Music Events Fund has also enabled Music SA to repeat the success of Umbrella: Winter City Sounds, held from 14-30 July 2017.</p>
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	<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>In response to stakeholder feedback, the SATC developed a new publication to profile the type of visitors that come to South Australia from key domestic markets.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Increasing the recognition of the value of tourism (continued)	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 2016-17 to recognise businesses and events that highlight the importance of tourism to our state. On average, each video was viewed 549 times.</p> <p>Total SATC PR coverage valued at an estimated advertising space rate of \$128.92 million with a cumulative potential audience of 9.96 billion.</p> <p>19 infographics distributed to our stakeholder database in 2016-17. The infographics page on the SATC corporate website received a total of 1,320 unique page views.</p> <p>19 corporate videos produced to keep key stakeholders informed of important updates in the tourism space. On average, each video was viewed 578 times.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Using events to drive visitation	<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>Further enhance South Australia's position as the cycling state.</p>	<p>Target achieved: as at June 2017, 38 events have been secured through the Events Bid Fund. These events are forecast to inject more than \$126 million into the South Australian economy. Events secured on multiple year agreements include:</p> <ul style="list-style-type: none"> • Adelaide Motorsport Festival (2015, 2016, 2017) • ISPS Handa Women's Australian Open (2016, 2017, 2018) • Hybrid World Adelaide (2017, 2018) <p>Target achieved: as at June 2017, confirmed bookings at the Adelaide Convention Centre for the period Jan 2015 to Dec 2017 are 107,758 visitors and 535,435 bed nights.</p> <p>Target achieved: the economic impact from the Santos Tour Down Under reached a record \$56.5 million in 2017.</p> <p>The State Government is investing \$1.5m to turn Mount Lofty and the surrounding Adelaide Hills into a world-class mountain biking destination.</p>

Legislation administered by the agency

The SATC administers the following legislation:

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)

N/A – There are no other agencies related to the SATC

Employment opportunity programs

Program name	Result of the program
SATC student placement program	SATC recognises the importance of developing emerging talent and supporting the next generation of tourism professionals. SATC works with local higher education providers to offer placements to students currently enrolled in courses related to tourism, marketing and events.
Aboriginal employment strategy	In 2016-17, the SATC established an Aboriginal employment strategy, to be implemented in 2017-18.

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)	<p>All employees (including Executives) are required to have an individual performance management and development plan reviewed as a minimum on a biannual basis.</p> <p>In 2016-17, 92 per cent of employees in the workplace had a current performance review in place (the 8 percent who have not completed a performance review include new employees and employees recently returning from extended leave). Employee performance plans are aligned to the SATC's corporate plan and South Australian Tourism Plan 2020 to ensure all employees are working towards the SATC's overall objectives.</p>
Employee Performance Management and Development Training	<p>SATC delivers in-house training to ensure employees have the knowledge required to complete biannual reviews.</p> <p>92 per cent of employees have attended training relating to SATC's current performance management and development review process.</p>

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Work Health and Safety Briefings and Induction	<p>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.</p> <p>All 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.</p>
Work Health and Safety Policies and Procedures	<p>SATC has a suite of policies and procedures which address work health and safety matters and outline safe working practices. Policies are reviewed on an annual basis to ensure they remain current.</p> <p>Work Health and Safety Management Plans are created for each of our annual events and are reviewed yearly. All construction works conducted by the SATC are accompanied by the relevant Work Health and Safety Management Plans as required by law, and regular inspections are conducted to ensure the requirements of the plans are being carried out.</p>

Occupational health, safety and rehabilitation programs	Effectiveness
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.
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.
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.
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.
Effectiveness of above mentioned programs	The effectiveness of the SATC's occupational health, safety and rehabilitation programs are demonstrated through: <ul style="list-style-type: none"> • No notifiable incidents • No workplace injuries or illnesses resulting in lost time from work • No new Return To Work SA claims were lodged

Fraud detected in the agency

Category/nature of fraud	Number of instances
Inappropriate use of facilities	1
External cyber fraud	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 were two reported fraud incidents (one external) during 2016–17, which were less than \$3,500 each.

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

Executive employment in the agency

Executive classification	Number of executives
EXEC0B	3
EXEC0C	3
EXEC0F	1

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

For further information, the [Office for the Public Sector](#) 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.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Human resources management services	\$ 1,575
Consultancies above \$10,000 each		
N/A	N/A	\$ 0
Total all consultancies		\$ 1,575

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

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. 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.

Financial performance of the agency

The following is a brief summary of the overall financial performance and financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

Financial statistics	Net cost of providing services:	\$89.8 million
	Total appropriation:	\$89.1 million
	Total expenses:	\$116.6 million
	Total income:	\$115.9 million
	Total equity (net assets):	\$15.8 million

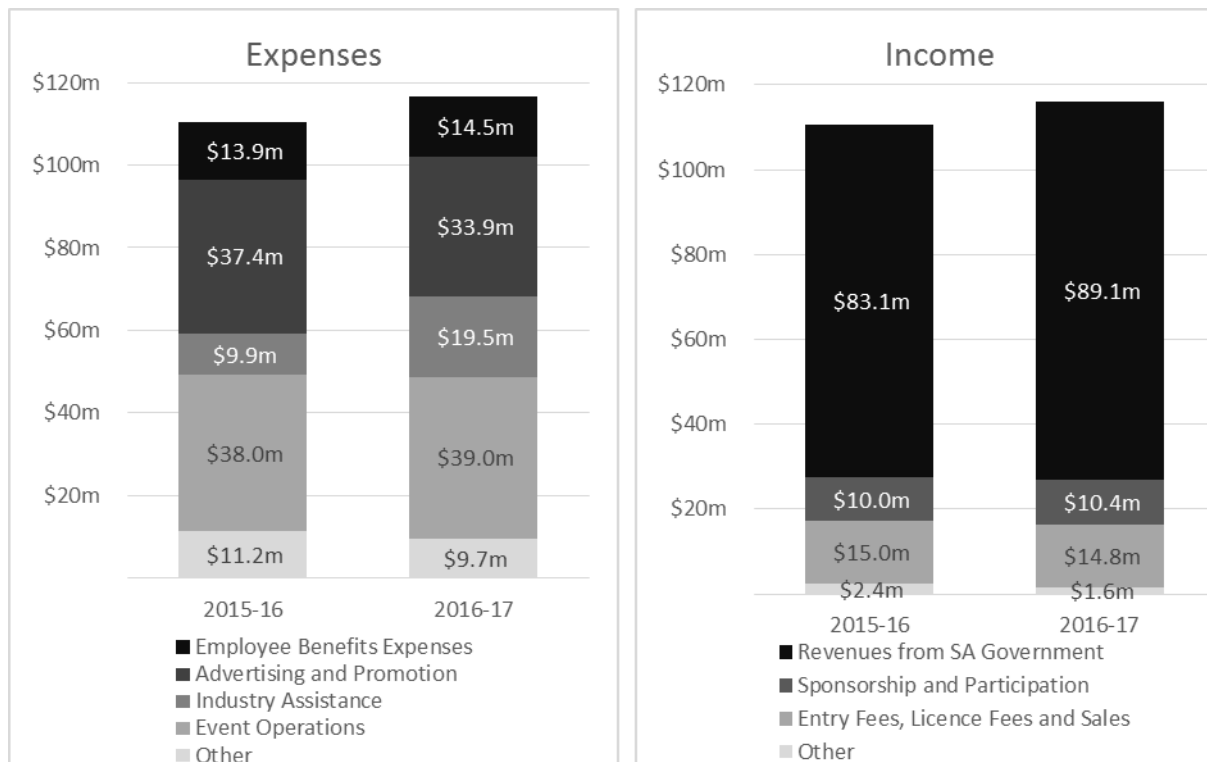
Financial statement audit opinion Unmodified

Financial controls audit opinion Unmodified

Statement of Comprehensive Income

Total expenses increased by \$6.2 million in 2016-17, offset by an increase in total income (including revenues from SA Government) of \$5.4 million. The increase in both is mostly due to additional government funding used for industry assistance initiatives.

The following graphs show the main expenses and income items for 2015-16 and 2016-17.



Statement of Financial Position

At 30 June 2017 total assets were \$25.8 million, exceeding total liabilities of \$10.0 million. Total equity (net assets) was \$15.8 million.

Other financial information

Nil to report

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

Nil to report

Section B: Reporting required under any other act or regulation

Name and date of act or regulation
<p>South Australian Tourism Commission Act 1993</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> <p>(a) the audited statements of account of the Commission for the preceding financial year; and</p> <p>(b) a report on—</p> <p>(i) the state of tourism and the tourism industry in the State; and</p> <p>(ii) the Commission's plans and the extent to which they have been implemented; and</p> <p>(iii) the extent to which the Commission met the targets set in the performance agreement for the preceding financial year; and</p> <p>(c) any other information required by or under the provisions of this Act or any other Act.</p> <p>(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.</p>

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

Tourism has an important role to play in our state's transitioning economy. It generates export revenues, provides new dollars to the economy and creates jobs and wealth for South Australia.

The State Government has recognised tourism's potential and provided an additional \$70 million in funding over four years (2015-16 to 2018-19). It has allowed the SATC to expand its reach, especially into international and interstate markets and has seen us win new events for the state. The SATC is also focussed on attracting high value visitors, who stay longer, travel to our regions and spend more money in our state, which provides a further boost to our visitor economy.

Our national and international visitor survey results show our visitor economy is worth a record \$6.3 billion, with international expenditure cracking \$1 billion for the first time. To the year end June 2017 we welcomed 6.6 million visits. This shows we continue to track well against our 2020 target of growing the value of tourism to \$8 billion.

Ultimately growth in tourism is about jobs for South Australians. Our sector is represented by 18,000 tourism businesses and tourism jobs have grown by 5,400 since 2013. This means we are also well on our way to growing tourism jobs by 10,000 by 2020.

During 2016-17 the SATC has delivered a range of projects and initiatives that have all contributed to growing tourism.

Direct air access to Adelaide further improved with two new international airlines commencing direct flights. In December 2016, [China Southern Airlines](#) began direct flights from Guangzhou while in June 2017, [Fiji Airways](#) began direct flights from Nadi. From October 2017, Air New Zealand will start flying the new Dreamliner aircraft offering an additional 400 seats into Adelaide per week and improved links between Adelaide and the West Coast of the United States of America.

As at 1 July 2017, international flights to Adelaide were at 46 per week which equates to 11,518 international seats each week and this will increase to 11,800 in October once Air New Zealand starts flying its larger Dreamliner on the route.

During 2016-17 Qatar Airways announced it would be resuming daily flights to Adelaide from Doha as of December 2017, further increasing capacity.

Domestically, Australia's national carrier, [Qantas](#) will offer direct flights to Kangaroo Island, one of the state's premier tourism destinations from Adelaide and Melbourne starting December 2017.

Another real area of growth for our state's tourism industry is **events, both leisure and business**. As of March 2017, the economic impact delivered by key events reached \$364 million. The SATC's managed events have achieved great results for our state. In particular, the 2017 Santos Tour Down Under generated a record [\\$56.5 million in economic benefit](#), attracted 840,000 spectators and created 683 full time equivalent jobs. The first annual Tasting Australia was the biggest ever with 52,010 people visiting the Town Square in Adelaide during the eight day festival – about 12,000 more than last year. The 2017 Clipsal 500 Adelaide attracted 244,350 people across four days while the 2016 Credit Union Christmas Pageant saw 260,000 people line the streets to kick off the festive season. In 2016, the Adelaide Fashion Festival continued to provide a platform to South Australian designers to showcase their skills to the world while media coverage generated an estimated PR value of \$9.04 million.

During 2016-17, 15 major events were secured through the Events Bid Fund which are forecast to inject \$33 million in expenditure for the state. Some of the events include: Mundine v Green II, the FIFA World Cup Russia-Asian Qualifier (Socceroos v Saudi Arabia) and the 2018 Special Olympics. As of June 2017, the Events Bid Fund has

secured 38 events which are forecast to inject more than \$126 million into the state's economy.

Business events are doing great things for the state with the State Government's investment delivering fantastic results. As of July 2017, the Convention Bid Fund has secured 72 conventions and conferences, with around 88,000 delegates estimated to generate an economic benefit of over \$427 million.

The 2016-17 **cruise ship season** commenced on 9 November 2016 and concluded on 4 April 2017 with a record 49 cruise ship visits and a passenger and crew capacity of just over 106,000. This included 28 ship visits to Adelaide (including four overnight visits), 16 ship visits to Kangaroo Island (Penneshaw) and five ship visits to Port Lincoln. Looking ahead, the 2017-18 season will begin in October 2017 with a record 67 cruise ship visits scheduled and a total capacity of around 160,000 passengers and crew.

South Australia also received significant recognition in October 2016 when it was named one of the five best regions in the world by internationally-renowned travel guide, Lonely Planet. This major accolade will help thousands more people from interstate and overseas discover what our state has to offer.

The SATC is committed to growing the visitor economy, growing jobs and driving demand for South Australia as a destination of choice for domestic and international visitors. We look forward to continuing to work with the State Government and our tourism industry to grow tourism to \$8 billion and deliver an additional 10,000 jobs by 2020 for the people of South Australia.

(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
Staff or staff behaviour	0
Service quality/delivery	2
Complaints referred to the South Australian Ombudsman	0

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

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Elite Australia Pty Ltd insolvency	Confirmation that matters relating to the Elite Australia Pty Ltd insolvency should be addressed to the appointed receiver manager. All debts were as a result of commercial transactions between third parties with no involvement by the SATC.
Café operation in East Parklands during 2017 Clipsal 500	Discussions held with café owner and suitable arrangements negotiated to the satisfaction of both parties.

Appendix: Audited financial statements 2016-17

SOUTH AUSTRALIAN TOURISM COMMISSION

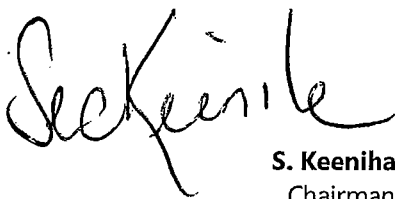
CERTIFICATION OF THE FINANCIAL STATEMENTS

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 2017 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

7 / 9 / 2017



R. Harrex
Chief Executive Officer
South Australian Tourism
Commission

07 / 09 / 2017

S. Rozokos
Chief Financial Officer
South Australian Tourism
Commission

7 / 9 / 2017

SOUTH AUSTRALIAN TOURISM COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
EXPENSES			
Employee benefits expenses	5	14 523	13 857
Advertising and promotion	6	33 942	37 430
Industry assistance	7	19 474	9 857
Administration and accommodation	8	7 908	9 344
Event operations	9	39 011	38 042
Depreciation expense	10	1 746	1 896
Net loss from the disposal of non-current assets	11	7	-
TOTAL EXPENSES		116 611	110 426
INCOME			
Sponsorship and participation	12	10 438	10 025
Entry fees, licence fees and sales	13	14 763	15 017
Interest		110	360
Other income	14	1 491	2 016
TOTAL INCOME		26 802	27 418
NET COST OF PROVIDING SERVICES		89 809	83 008
REVENUES FROM SA GOVERNMENT			
Revenues from SA Government	15	89 121	83 101
TOTAL REVENUES FROM SA GOVERNMENT		89 121	83 101
NET RESULT		(688)	93
TOTAL COMPREHENSIVE RESULT		(688)	93

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 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	16	10 889	10 819
Receivables	17	2 472	1 853
Other current assets	18	22	239
TOTAL CURRENT ASSETS		13 383	12 911
NON-CURRENT ASSETS			
Plant and equipment	19	12 429	13 007
Other non-current assets	18	-	22
TOTAL NON-CURRENT ASSETS		12 429	13 029
TOTAL ASSETS		25 812	25 940
LIABILITIES			
CURRENT LIABILITIES			
Payables	21	4 466	4 258
Other current liabilities	22	1 759	1 519
Employee benefits	23	1 436	1 214
Provisions	24	10	13
TOTAL CURRENT LIABILITIES		7 671	7 004
NON-CURRENT LIABILITIES			
Payables	21	140	131
Other non-current liabilities	22	274	472
Employee benefits	23	1 949	1 859
Provisions	24	15	23
TOTAL NON-CURRENT LIABILITIES		2 378	2 485
TOTAL LIABILITIES		10 049	9 489
NET ASSETS		15 763	16 451
EQUITY			
Contributed capital		64	64
Retained earnings		13 049	13 737
Asset revaluation surplus		2 650	2 650
TOTAL EQUITY	25	15 763	16 451
The total equity is attributable to the SA Government as owner.			
Unrecognised contractual commitments	26		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Contributed Capital	Asset Revaluation Surplus	Retained Earnings	Total Equity
Note	\$'000	\$'000	\$'000	\$'000
BALANCE AT 30 JUNE 2015	64	146	1 190	1 400
Net result for 2015-16	-	-	93	93
Total comprehensive result for 2015-16	-	-	93	93
Transactions with SA Government as owner				
Net assets received from an administrative restructure	-	2 504	12 454	14 958
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
25				

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 2017

		2017	2016
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH OUTFLOWS			
Employee benefits payments		(14 180)	(13 614)
Payments for supplies and services		(106 719)	(100 347)
Payments for Paid Parental Leave scheme		(62)	(80)
CASH USED IN OPERATIONS		(120 961)	(114 041)
CASH INFLOWS			
Receipts from the sale of goods and services		27 877	27 180
Interest received		110	360
GST recovered from the ATO		5 036	5 371
Receipts for Paid Parental Leave scheme		62	80
CASH GENERATED FROM OPERATIONS		33 085	32 991
CASH FLOWS FROM SA GOVERNMENT			
Receipts from SA Government		89 121	83 101
CASH GENERATED FROM SA GOVERNMENT		89 121	83 101
NET CASH PROVIDED BY OPERATING ACTIVITIES	29	1 245	2 051
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH OUTFLOWS			
Purchase of plant and equipment		(1 175)	(449)
CASH USED IN INVESTING ACTIVITIES		(1 175)	(449)
CASH INFLOWS			
Proceeds from sale of plant and equipment		-	2
CASH GENERATED FROM INVESTING ACTIVITIES		-	2
NET CASH USED IN INVESTING ACTIVITIES		(1 175)	(447)
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH INFLOWS			
Cash received from restructuring activities		-	4 805
CASH GENERATED FROM FINANCING ACTIVITIES		-	4 805
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	4 805
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		70	6 409
CASH AND CASH EQUIVALENTS AT 1 JULY		10 819	4 410
CASH AND CASH EQUIVALENTS AT 30 JUNE	16	10 889	10 819

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

DISAGGREGATED DISCLOSURES – EXPENSES AND INCOME

FOR THE YEAR ENDED 30 JUNE 2017

(Refer to Note 4)	Tourism Development		Tourism Events		Tourism Marketing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES								
Employee benefits expenses	3 824	3 482	5 515	5 714	5 184	4 661	14 523	13 857
Advertising and promotion	1 285	930	6 170	7 005	26 487	29 495	33 942	37 430
Industry assistance	11 647	3 279	7 354	5 562	473	1 016	19 474	9 857
Administration and accommodation	928	988	3 566	4 965	3 414	3 391	7 908	9 344
Event operations	124	112	38 887	37 929	-	1	39 011	38 042
Depreciation expense	22	46	1 658	1 709	66	141	1 746	1 896
Net loss from the disposal of non-current assets	1	-	4	-	2	-	7	-
TOTAL EXPENSES	17 831	8 837	63 154	62 884	35 626	38 705	116 611	110 426
INCOME								
Sponsorship and participation	613	-	9 092	9 705	733	320	10 438	10 025
Entry fees, sales and commission	-	-	14 763	14 994	-	23	14 763	15 017
Refunds and recoups	-	139	-	590	-	7	-	736
Interest	-	-	110	360	-	-	110	360
Other income	141	77	1 224	1 001	126	202	1 491	1 280
TOTAL INCOME	754	216	25 189	26 650	859	552	26 802	27 418
NET COST OF PROVIDING SERVICES	17 077	8 621	37 965	36 234	34 767	38 153	89 809	83 008
REVENUES FROM SA GOVERNMENT								
Revenues from SA Government	17 419	9 297	36 982	36 009	34 720	37 795	89 121	83 101
TOTAL REVENUES FROM SA GOVERNMENT	17 419	9 297	36 982	36 009	34 720	37 795	89 121	83 101
NET RESULT	342	676	(983)	(225)	(47)	(358)	(688)	93
TOTAL COMPREHENSIVE RESULT	342	676	(983)	(225)	(47)	(358)	(688)	93

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

DISAGGREGATED DISCLOSURES – ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

(Refer to Note 4)	Tourism Development		Tourism Events		Tourism Marketing		General or Not Attributable		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Cash and equivalents	-	-	1 084	3 463	2 654	1 857	7 151	5 499	10 889	10 819
Receivables	63	57	1 469	1 047	60	25	880	724	2 472	1 853
Other assets	-	-	20	143	-	-	2	118	22	261
Plant and equipment	-	-	11 623	12 117	-	-	806	890	12 429	13 007
TOTAL ASSETS	63	57	14 196	16 770	2 714	1 882	8 839	7 231	25 812	25 940
LIABILITIES										
Payables	632	475	1 071	1 477	2 088	1 846	815	591	4 606	4 389
Other liabilities	-	-	1 668	1 396	101	254	264	341	2 033	1 991
Employee benefits	503	495	992	892	1 078	937	812	749	3 385	3 073
Provisions	-	-	-	-	-	-	25	36	25	36
TOTAL LIABILITIES	1 135	970	3 731	3 765	3 267	3 037	1 916	1 717	10 049	9 489

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives of the South Australian Tourism Commission

The purpose of the South Australian Tourism Commission (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. Summary of Significant Accounting Policies

(a) 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 2017. Refer to note 3.

(b) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the SATC's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies to be selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, 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;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the SATC to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The SATC's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented.

(c) Reporting Entity

The SATC is a statutory corporation of the State of South Australia, established pursuant to the *South Australian Tourism Commission Act 1993*.

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

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

(d) Financial Arrangements

The SATC's principal source of funding consists of monies appropriated by Parliament. The SATC is reliant on the continued provision of funding by SA Government. The financial activities of the SATC are primarily conducted through a Special Deposit Account pursuant to section 21 of the *Public Finance and Audit Act 1987*.

(e) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable. The restated comparative amounts do not replace the original financial statements for the preceding period.

(f) Rounding

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

(g) 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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments are disclosed on a gross basis.

(h) Events after the Reporting Period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have material impact on the results of subsequent years.

(i) Current and Non-Current Classification

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the SATC has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

(j) Non-Current Assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost 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.

Depreciation

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. 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.

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

<i>Class of asset</i>	<i>Useful life (years)</i>
General plant and equipment	3-10
Pageant plant and equipment	5-35
Motor sport plant and equipment	2-20
Fitouts	3-10

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.

Impairment

The SATC holds its plant and equipment assets for its 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.

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.

Non-financial assets

In determining fair value, the SATC has taken into account 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 notes 19 and 20 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets and liabilities

The SATC does not recognise any financial assets or financial liabilities at fair value.

(k) Liabilities

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The SATC has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the operating lease for office accommodation are recognised as an integral part of the net consideration agreed for the use of the leased accommodation. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the SATC in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives received are in the form of fitouts and rent-free periods, and as such are capitalised as assets and depreciated or amortised over the remaining term of the lease, estimated useful life of the asset or terms of the rent-free periods, whichever is shorter.

Employee Benefits

Employee benefits accrue for employees 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.

Salaries, wages, annual leave, skills and experience retention leave and sick leave

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

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.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA government entities. Expected future payments are discounted using market yields at the end of the reporting periods on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

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.

(l) Unrecognised Contractual Commitments and Contingent Assets and Liabilities

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

(m) Foreign Currency

Transactions and balances denominated in a foreign currency are converted at the exchange rate at the date of the transaction or balance date. Associated currency gains and losses, where material, are disclosed separately in note 8 and note 14 to the Statement of Comprehensive Income.

3. New and Revised Accounting Standards and Policies

The SATC did not voluntarily change any of its accounting policies during 2016-17.

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 period ending 30 June 2017. The SATC has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the SATC except as outlined below.

AASB 16 *Leases* will apply for the first time for the reporting period beginning 1 July 2019. This new standard will introduce a single accounting model for lessees which will require a lessee to recognise assets and liabilities for all leases with a term of more than 12 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. In effect, the majority of 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.

This new standard is a significant change from the current method of accounting for leases. The SATC will recognise almost all operating lease arrangements in its Statement of Financial Position. The impact on the financial statements of applying AASB 16 to the current operating lease arrangements has not been quantified. Depending on the lease arrangements entered into by the SATC at the time, it is estimated that significant assets and liabilities could be recognised and amortised over the lease terms.

AASB 15 *Revenue from Contracts with Customers* will apply for the first time for the reporting period beginning 1 July 2019. This new standard 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".

The financial statements will include additional qualitative and quantitative disclosures. AASB 15 allows a cumulative approach instead of a full retrospective application. Under the cumulative approach there will be no need to restate comparative information but the cumulative effect of applying the standard will be recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application. The new revenue recognition requirements may impact on the timing and amount of revenue from the sale of goods and services. The exact quantitative effect has not been assessed.

AASB 1058 *Income of Not-for-Profit Entities* will apply for the first time for the reporting period beginning 1 July 2019. This new standard specifies income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and

AASB 15 will supersede the majority 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. The impact on the financial statements of applying AASB 1058 has not been assessed.

4. 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 2017 and 30 June 2016. Expenses and income attributed to the SATC as a whole have been proportionally allocated to each of the activities on the basis of full time equivalent employees in each of the activities.

5. Employee Benefits Expenses

	2017 \$'000	2016 \$'000
Salaries and wages	10 826	10 566
TVSPs (refer below)	348	148
Long service leave	362	401
Annual leave	959	862
Skills and experience retention leave	37	36
Employment on-costs – superannuation	1 132	1 042
Employment on-costs – other	670	632
Board fees	148	153
Other employment related expenses	41	17
Total employee benefits expenses	<u>14 523</u>	<u>13 857</u>

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

Targeted Voluntary Separation Packages (TVSPs)

	2017 \$'000	2016 \$'000
Amount paid during the reporting period to separated employees:		
TVSPs	348	148
Annual leave and long service leave paid to those employees	190	79
Net cost to the SATC	<u>538</u>	<u>227</u>

The number of employees who received a TVSP during the reporting period was 6 (3).

Remuneration of Employees

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

	2017 Number	2016 Number
\$145 000 - \$147 000 ¹	n/a	1
\$157 001 - \$167 000	1	1
\$167 001 - \$177 000	2	2
\$187 001 - \$197 000	1	2
\$207 001 - \$217 000	-	1
\$217 001 - \$227 000	3	-
\$387 001 - \$397 000	-	1
\$397 001 - \$407 000	1	-
\$477 001 - \$487 000	-	1
Total number of employees	<u>8</u>	<u>9</u>

¹ This band has been included to report comparative figures based on the executive base level remuneration rate for 2015-16.

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 and includes salaries and wages, termination payments, TVSPs, 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 \$1 772 000 (\$2 132 000).

6. Advertising and Promotion	2017 \$'000	2016 \$'000
Consumer advertising	13 397	14 043
Cooperative consumer marketing	7 137	9 030
Familiarisations	2 113	1 795
Other consumer marketing	474	383
Production	4 257	5 664
Representation and contractors	3 035	3 131
Marketing research	960	1 114
Trade marketing	1 267	796
Other advertising and promotion	1 302	1 474
Total advertising and promotion	<u>33 942</u>	<u>37 430</u>

7. Industry Assistance	2017 \$'000	2016 \$'000
Sponsorship of events	7 654	6 180
Tourism marketing boards/information centre/infrastructure grants	539	383
Marketing/industry support	11 222	3 234
Trade show subsidies/membership of tourism industry bodies	59	60
Total industry assistance	<u>19 474</u>	<u>9 857</u>

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.

8. Administration and Accommodation	2017 \$'000	2016 \$'000
Communication and computing	1 606	2 138
Stationery, postage, couriers and freight	125	164
Contractors and consultants	361	259
Motor vehicles, taxis and car parking	254	280
Domestic and international travel	727	847
Seminars, courses and training	115	89
Accommodation and service costs	3 077	2 969
Bad and doubtful debts expense	20	534
Loss on foreign exchange	476	257
Insurance	364	376
Audit, legal and other fees	541	546
Plant and equipment derecognised	-	629
Other	242	256
Total administration and accommodation	<u>7 908</u>	<u>9 344</u>

Operating lease payments are recognised as an expense on a straight-line basis over the lease term which represents the pattern of benefits derived from the leased assets.

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$123 000 (\$118 000). No other services were provided by the Auditor-General's Department.

Consultants

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

	2017		2016	
	No.	\$'000	No.	\$'000
Below \$10 000	1	2	1	3
\$10 000 and above	-	-	5	200
Total paid/payable to the consultants engaged	<u>1</u>	<u>2</u>	<u>6</u>	<u>203</u>

9. Event Operations	2017 \$'000	2016 \$'000
Event facilities	10 580	8 471
Construction	4 786	6 208
Catering and entertainment	4 093	4 945
Communications	1 069	936
Transport	529	453
Participants and contractors	10 101	9 734
Television and media	3 197	3 016
Event management	4 656	4 279
Total event operations	<u>39 011</u>	<u>38 042</u>

10. Depreciation Expense	2017	2016
	\$'000	\$'000
General plant and equipment	27	15
Pageant plant and equipment	138	146
Motor sport plant and equipment	1 402	1 371
Fitouts	179	364
Total depreciation expense	<u>1 746</u>	<u>1 896</u>

Revision of accounting estimates

During the year the SATC reassessed the useful lives of its fitouts, increasing the estimated useful life. This resulted in a decrease of \$224 000 in depreciation expense in 2016-17 compared to the previous estimate of the useful life.

11. Net Loss from the Disposal of Non-Current Assets	2017	2016
	\$'000	\$'000
Plant and equipment		
Net book value of assets disposed	7	2
Proceeds from disposal	-	(2)
Total net loss from the disposal of non-current assets	<u>7</u>	<u>-</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.

12. Sponsorship and Participation	2017	2016
	\$'000	\$'000
Sponsorship income	8 274	8 334
Cooperative marketing/advertising	618	249
Industry participation fees	110	187
Commonwealth grants	250	-
In-kind income	1 186	1 255
Total participation fees	<u>10 438</u>	<u>10 025</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 the Tourism Demand Driver Infrastructure project. The terms of this grants include that 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 grant is a non-recourse grant it has been recognised upon receipt.

13. Entry Fees, Licence Fees and Sales	2017	2016
	\$'000	\$'000
Event entry fees	12 375	12 459
Licence fees	2 340	2 468
Sale of merchandise	48	90
Total entry fees, sales and commission	<u>14 763</u>	<u>15 017</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 22 as unearned revenue.

14. Other Income	2017	2016
	\$'000	\$'000
Refunds and recoups	907	427
Service fees	404	309
Rental income	130	79
Sundry income	8	42
Gain on foreign exchange	42	225
Gain on derecognition of financial liabilities	-	934
Total other income	<u>1 491</u>	<u>2 016</u>

15. Revenues from SA Government	2017 \$'000	2016 \$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	80 371	69 495
Other revenues from SA Government	8 750	13 606
Total revenues from SA Government	<u>89 121</u>	<u>83 101</u>

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 \$88 485 000 (\$82 131 000) of operational funding and \$636 000 (\$970 000) for capital purposes. For details on the expenditure associated with the operational and capital funding received refer to notes 5 to 10 and note 19. 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 \$80 371 000 (\$69 007 000). An additional \$8 750 000 (\$488 000) was received from the Treasurer via the Governor's Appropriation Fund.

16. Cash and Cash Equivalents	2017 \$'000	2016 \$'000
Deposits with the Treasurer	7 147	5 496
Cash at bank	3 738	5 319
Cash on hand	4	4
Total cash and cash equivalents	<u>10 889</u>	<u>10 819</u>

Cash is measured as nominal amounts.

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.

Interest Rate Risk

Cash on hand and at bank is non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

17. Receivables	2017 \$'000	2016 \$'000
Current:		
Receivables	1 067	1 533
Allowance for doubtful debts	(15)	(534)
	<u>1 052</u>	<u>999</u>
GST input tax recoverable	795	651
Accrued revenues	424	41
Prepayments	201	162
Total receivables	<u>2 472</u>	<u>1 853</u>

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.

	2017 \$'000	2016 \$'000
Movement in the allowance for doubtful debts (allowance for impairment loss)		
Carrying amount at 1 July	534	-
Increase in the allowance	20	534
Increase as a result of an administrative restructure	-	5
Amounts written off	(539)	(5)
Carrying amount at 30 June	<u>15</u>	<u>534</u>

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 32 for categorisation of financial instruments, maturity analysis of receivables and risk exposure information.

	2017	2016
	\$'000	\$'000
18. Other Assets		
Current:		
Lease incentive	22	239
Total current other assets	<u>22</u>	<u>239</u>
Non-Current:		
Lease incentive	-	22
Total non-current other assets	<u>-</u>	<u>22</u>
Total other assets	<u><u>22</u></u>	<u><u>261</u></u>
19. Plant and Equipment		
General plant and equipment	\$'000	\$'000
At cost (deemed fair value)	509	349
Accumulated depreciation at the end of the period	<u>(319)</u>	<u>(325)</u>
Total general plant and equipment	<u>190</u>	<u>24</u>
Pageant plant and equipment		
At cost (deemed fair value)	1 948	1 900
Accumulated depreciation at the end of the period	<u>(1 032)</u>	<u>(1 004)</u>
Total Pageant plant and equipment	<u>916</u>	<u>896</u>
Motor sport infrastructure		
At cost (deemed fair value)	1 598	1 379
Accumulated depreciation at the end of the period	<u>(1 083)</u>	<u>(929)</u>
At fair value	13 214	13 214
Accumulated depreciation at the end of the period	<u>(3 744)</u>	<u>(2 496)</u>
Total motor sport infrastructure	<u>9 985</u>	<u>11 168</u>
Fitouts		
At cost (deemed fair value)	1 029	805
Accumulated depreciation at the end of the period	<u>(238)</u>	<u>(513)</u>
At fair value	899	899
Accumulated depreciation at the end of the period	<u>(352)</u>	<u>(272)</u>
Total fitouts	<u>1 338</u>	<u>919</u>
Total plant and equipment	<u><u>12 429</u></u>	<u><u>13 007</u></u>

Carrying Amount of Plant and Equipment

In accordance with APF III 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 \$1 159 000 (\$1 131 000) of fully depreciated plant and equipment still in use and \$17 000 (\$2 000) of plant and equipment retired from active use but not classified as held for sale.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2017.

Reconciliation of Non-Current Assets

The following table shows the movement of non-current assets during 2016-17

2017	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	<u>(27)</u>	<u>(138)</u>	<u>(1 402)</u>	<u>(179)</u>	<u>(1 746)</u>
Carrying amount at 30 June	<u>190</u>	<u>916</u>	<u>9 985</u>	<u>1 338</u>	<u>12 429</u>

The following table shows the movement of non-current assets during 2015-16

2016	General Plant & Equipment \$'000	Pageant Plant & Equipment \$'000	Motor Sport Infrastructure \$'000	Fitouts \$'000	Total \$'000
Carrying amount at 1 July	39	874	-	956	1 869
Additions	-	170	202	77	449
Acquisition through an administrative restructure	22	-	12 944	250	13 216
Disposals	-	(2)	-	-	(2)
Derecognition of plant and equipment	<u>(22)</u>	<u>-</u>	<u>(607)</u>	<u>-</u>	<u>(629)</u>
Depreciation	<u>(15)</u>	<u>(146)</u>	<u>(1 371)</u>	<u>(364)</u>	<u>(1 896)</u>
Carrying amount at 30 June	<u>24</u>	<u>896</u>	<u>11 168</u>	<u>919</u>	<u>13 007</u>

20. Fair Value Measurement

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.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2017.

The SATC had no valuations categorised into level 1 or level 2.

Level 3	2017	2016
	\$'000	\$'000
Recurring fair value measurements		
General plant and equipment	190	24
Pageant plant and equipment	916	896
Motor sport plant and equipment	9 985	11 168
Fitouts	1 338	919
Total recurring fair value measurements	<u>12 429</u>	<u>13 007</u>

Valuation Techniques and Inputs

Valuation techniques used to derive level 3 fair values are at note 2(j). There were no changes in valuation techniques during 2017.

Reconciliation of Level 3 Recurring Fair Value Measurements

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3)

	2017	2016
	\$'000	\$'000
Plant and Equipment		
Opening balance at 1 July	13 007	1 869
Capitalised subsequent expenditure	1 175	449
Acquisition through an administrative restructure	-	13 216
Disposals	(7)	(2)
Losses for the period recognised in net result		
Depreciation	(1 746)	(1 896)
Derecognition of plant and equipment	-	(629)
Carrying amount at 30 June	<u>12 429</u>	<u>13 007</u>

21. Payables

	2017	2016
	\$'000	\$'000
Current:		
Creditors	1 958	1 484
Accrued expenses	2 265	2 550
Employment on-costs	240	218
Paid Parental Leave scheme payable	3	6
Total current payables	<u>4 466</u>	<u>4 258</u>
Non-Current:		
Employment on-costs	140	131
Total non-current payables	<u>140</u>	<u>131</u>
Total payables	<u>4 606</u>	<u>4 389</u>

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 was 40% in 2017 and 2016. 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 20.9% (19.4%). The average factor for the calculation of employer superannuation contribution on-cost on long service leave decreased to 10.1% (2017) from 10.2% (2016). 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 2018 and 2019 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.

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 32 for categorisation of financial instruments, maturity analysis of payables and risk exposure information.

22. Other Liabilities	2017	2016
	\$'000	\$'000
Current:		
Lease incentive	198	198
Unclaimed monies	19	19
Unearned revenue	1 450	1 143
Foreign exchange forward contracts	92	159
Total current other liabilities	<u>1 759</u>	<u>1 519</u>
Non-Current:		
Lease incentive	274	472
Total non-current other liabilities	<u>274</u>	<u>472</u>
Total other liabilities	<u><u>2 033</u></u>	<u><u>1 991</u></u>

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

23. Employee Benefits	2017	2016
	\$'000	\$'000
Current:		
Annual leave	817	707
Long service leave	251	279
Skills and experience retention leave	56	46
Accrued salaries and wages	312	182
Total current employee benefits	<u>1 436</u>	<u>1 214</u>
Non-Current:		
Long service leave	1 949	1 859
Total non-current employee benefits	<u>1 949</u>	<u>1 859</u>
Total employee benefits	<u><u>3 385</u></u>	<u><u>3 073</u></u>

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. An actuarial assessment performed by the Department of Treasury and Finance has provided the basis for the measurement of long service leave.

AASB 119 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 has increased to 2.5% (2017) from 2.0% (2016). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the change in the bond rate in the current financial year is a decrease in the long service leave liability of \$97 000, employment on-costs payables of \$7 000 and employee benefits expense of \$104 000. The impact in future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographic and financial assumptions, including the long-term discount rate.

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.

24. Provisions	2017	2016
	\$'000	\$'000
Current:		
Provision for workers compensation	10	13
Total current provisions	<u>10</u>	<u>13</u>
Non-Current:		
Provision for workers compensation	15	23
Total non-current provisions	<u>15</u>	<u>23</u>
Total provisions	<u><u>25</u></u>	<u><u>36</u></u>
Carrying amount at 1 July	36	36
Additional provisions recognised	11	12
Reductions resulting from re-measurement or settlement without cost	(22)	(12)
Carrying amount at 30 June	<u><u>25</u></u>	<u><u>36</u></u>

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 provided by a consulting actuary engaged by the Office for the Public Sector 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.

25. Equity	2017	2016
	\$'000	\$'000
Contributed capital	64	64
Retained earnings	13 049	13 737
Asset revaluation surplus	2 650	2 650
Total equity	<u>15 763</u>	<u>16 451</u>

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.

26. Unrecognised Contractual Commitments

(a) Operating Lease Commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:	2017	2016
	\$'000	\$'000
Within one year	1 895	1 793
Later than one year but not longer than five years	2 245	3 631
Later than five years	1 040	1 549
Total operating lease commitments	<u>5 180</u>	<u>6 973</u>

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.

(b) Expenditure Commitments

Expenditure commitments in existence at the reporting date but not recognised as liabilities are payable as follows:	2017	2016
	\$'000	\$'000
Within one year	40 477	22 519
Later than one year but not longer than five years	26 796	25 819
Total other commitments	<u>67 273</u>	<u>48 338</u>

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.

27. Remuneration of Board Members

Members of the Board during the 2016-17 financial year were:

South Australian Tourism Commission Board

J Bates	A Ford	I Horne	S Keenihan	M Young
J Collins*	F Hele	J Irving	J Smith	

The number of members whose total remuneration received or receivable falls within the following bands:	2017	2016
	Number	Number
\$0 - \$9 999	1	4
\$10 000 - \$19 999	7	7
\$20 000 - \$29 999	1	1
Total number of members	<u>9</u>	<u>12</u>

Remuneration of members reflects all costs of performing board 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 members was \$163 000 (\$168 000). Amounts paid to a superannuation plan for board members was \$14 000 (\$15 000).

Unless otherwise disclosed, transactions between members and the SATC are on conditions no more favourable than those that it is reasonable to expect the SATC would have adopted if dealing with the related party at arm's length in the same circumstances.

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

28. 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, all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with government related entities

The SATC had no individually significant transactions with government related entities.

Collectively, but not individually significant transactions with government related entities

Quantitative information about transactions and balances between the SATC and other government related entities are disclosed at note 30.

Key Management Personnel

Key management personnel of the SATC consist of the Minister for Tourism, SATC Board directors, the Chief Executive Officer and the six members of the Executive group with responsibility for strategic direction and management. The compensation detailed below excludes salaries and other benefits received by the Minister for Tourism. 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 by the Department of Treasury and Finance under section 6 the *Parliamentary Remuneration Act 1990*.

Compensation	2017
	\$'000
Salaries and other short-term employee benefits	1 674
Post-employment benefits	197
Total compensation	<u>1 871</u>

29. Cash Flow Reconciliation

	2017	2016
	\$'000	\$'000
Reconciliation of cash and cash equivalents at 30 June:		
Cash and cash equivalents disclosed in the Statement of Financial Position	10 889	10 819
Balance as per the Statement of Cash Flows	<u>10 889</u>	<u>10 819</u>

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by operating activities	1 245	2 051
Revenues from SA Government	(89 121)	(83 101)
Non cash items		
Depreciation expense	(1 746)	(1 896)
Net loss from disposal of non-current assets	(7)	-
Derecognition of plant and equipment	-	(629)
Movement in assets and liabilities		
Receivables	619	(335)
Other assets	(239)	261
Employee benefits	(312)	(222)
Provisions	11	2
Other liabilities	(42)	75
Payables	(217)	786
Net cost of providing services	<u>(89 809)</u>	<u>(83 008)</u>

30. 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.

	2017	2016
	\$'000	\$'000
EXPENSES		
Employee benefits expenses	666	629
Advertising and promotion	46	1
Industry assistance	374	25
Administration and accommodation	2 112	1 918
Event operations	384	128
TOTAL EXPENSES	<u>3 582</u>	<u>2 701</u>
INCOME		
Sponsorship and participation	632	-
Interest	110	360
Other income	97	34
TOTAL INCOME	<u>839</u>	<u>394</u>
NET COST OF PROVIDING SERVICES	<u>2 743</u>	<u>2 307</u>
REVENUES FROM SA GOVERNMENT		
Revenues from SA Government	89 121	83 101
TOTAL REVENUES FROM SA GOVERNMENT	<u>89 121</u>	<u>83 101</u>
NET RESULT	<u>86 378</u>	<u>80 794</u>
TOTAL COMPREHENSIVE RESULT	<u>86 378</u>	<u>80 794</u>

FINANCIAL ASSETS

Receivables		
Receivables	1	57
Accrued revenues	10	40
TOTAL FINANCIAL ASSETS	11	97

FINANCIAL LIABILITIES

Payables		
Creditors	151	14
Accrued expenses	180	182
Employment on-costs	380	349
TOTAL FINANCIAL LIABILITIES	711	545

31. Budgetary Reporting and Explanations of Major Variances between Budget and Actual Amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements for the reporting period (2016-17 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.

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

2017	Note	Original Budget \$'000	Actual \$'000	Variance \$'000
EXPENSES				
Employee benefits expenses		11 163	14 523	3 360
Advertising and promotion		35 340	33 942	(1 398)
Industry assistance	(a)	13 460	19 474	6 014
Administration and accommodation		6 793	7 908	1 115
Event operations		39 166	39 011	(155)
Depreciation expense		2 333	1 746	(587)
Net loss from the disposal of non-current assets		-	7	7
TOTAL EXPENSES		108 255	116 611	8 356
INCOME				
Sponsorship and participation		9 779	10 438	659
Entry fees, sales and commission		17 297	14 763	(2 534)
Interest		-	110	110
Other income		808	1 491	683
TOTAL INCOME		27 884	26 802	(1 082)
NET COST OF PROVIDING SERVICES		80 371	89 809	9 438
REVENUES FROM SA GOVERNMENT				
Revenues from SA Government	(b)	80 371	89 121	8 750
TOTAL REVENUES FROM SA GOVERNMENT		80 371	89 121	8 750
NET RESULT		-	(688)	(688)
TOTAL COMPREHENSIVE RESULT		-	(688)	(688)

- (a) Industry assistance expenses were greater than budgeted primarily due to contractual arrangements with providers of access to South Australia.
- (b) Revenues from SA Government were higher than originally budgeted due to the transfer of funds to the SATC from the Treasurer via the Governor's Appropriation Fund.

2017		Original Budget \$'000	Actual \$'000	Variance \$'000
INVESTING EXPENDITURE SUMMARY				
Total existing projects	(c)	-	542	542
Total annual programs		636	633	(3)
TOTAL INVESTING EXPENDITURE		636	1 175	539

- (c) Investing expenditure was higher than the original budget due to the carry-over of funding for a warehouse and workshop fitout from 2015-16.

32. Financial Instruments / Financial Risk Management**(a) 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 note 2 Summary of Significant Accounting Policies or the respective financial asset or 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.

Table 32.1 Categorisation of Financial Assets and Financial Liabilities

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying Amount	
			2017 \$'000	2016 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	16,29	10 889	10 819
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	17	1 480	1 477
	Total financial assets		12 369	12 296
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	21	3 871	3 815
	Other current liabilities	22	1 561	1 321
	Total financial liabilities		5 432	5 136

⁽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 levy receivables/payables, tax equivalents, commonwealth tax 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 17 as prepayments 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.

(b) 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.

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 table 32.1 represents the SATC's maximum exposure to liquidity risk. Refer to note 21 and note 22 for further information.

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 17 for information on the allowance for impairment of receivables.

The carrying amount of financial assets as detailed in table 32.1 represents the SATC's maximum exposure to credit risk. Refer to note 16 and note 17 for further information.

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

Table 32.2 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
2017				
Not impaired				
Receivables ⁽¹⁾	37	169	386	592
Impaired				
Receivables	16	-	-	16
2016				
Not Impaired				
Receivables ⁽¹⁾	331	38	55	424
Impaired				
Receivables	-	-	6	6

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables. 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 levy receivables/payables, tax equivalents, commonwealth tax 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.

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 2017 SAFA had in place 9 (12) foreign exchange forward contracts totalling \$5 079 000 (\$9 017 000). In 2016-17 the SATC had 12 (19) foreign exchange forward contracts mature totalling \$9 017 000 (\$8 897 000). 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 2016-17 are included in the Statement of Comprehensive Income, and where material are shown separately as losses in note 8 and as gains in note 14. Refer to note 22 for further information.

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

Sensitivity Disclosure Analysis

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.

(c) 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 2017 was \$173 000 (\$179 000).



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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 2017.

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 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2017
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2017
- 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 Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the 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 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 regarding, 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

20 September 2017

2016-17
PERFORMANCE AGREEMENT

Between

THE SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

And

THE MINISTER FOR TOURISM

KEY FOCUS

The 2016-17 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 *SATC Corporate Plan FY15-17*, 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 2016-17* goes one step further and sets out in detail the key focus areas and projects for the SATC in 2016-17 which address all 18 of the 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 2016-17* also outlines the key areas of increased government investment that will continue in the 2016-17 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.

	Actuals		Corporate Plan FY15-17			2020 Potential
	Dec 2014	Dec 2015	June 2015	June 2016	June 2017	Dec 2020
Hold Share	5.2	5.5	5.4	5.6	5.8	6.7
Full Potential	5.5	5.8	5.6	6.0	6.3	8.0

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) and then market share gains for South Australia (to the 'Full Potential' level).

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 2017 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 \$6.3 billion by June 2017. This is also the headline waypoint for the Premier's Economic Priority #5 (Tourism)
- Increase tourism expenditure in regional areas to \$2.8 billion by June 2017.
- Grow international tourism expenditure in SA to \$1.2 billion by 2020, with an interim 'Full Indicative Potential' of \$917 million by June 2017. Due to recent strong growth to \$954 million to March 2016, this June 2017 target has already been achieved. These gains should first be consolidated and where practical built towards \$1 billion by June 2017 to achieve the 2020 target ahead of time.
- Grow interstate overnight expenditure in SA to \$1.65b by June and intrastate overnight expenditure to \$1.37b.
- 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 36,000 by June 2017 (Note. direct jobs currently stands at 35,700 jobs; June 2015. With such significant ground made toward the 2017 target already, this growth in direct jobs should first be consolidated and where practical built towards 37,000 by June 2017 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 94,000 domestic seats and 11,200 international seats by October 2017. (Note: we currently stand at 11,700 international seats; May 2016 and 82,500 domestic seats; April 2016.

The growth in international seats should be consolidated and continued efforts made to push on toward domestic seats target for Oct 2017)

- Grow the number of cruise ship visits to South Australian ports to 43 and the economic value to \$17 million by 2020, with a target milestone of 36 cruise ship visits by the end of June 2017 (Note we currently have 37 ship visits; June 2016. Due to recent strong growth the June 2017 target has already been achieved. These gains should first be consolidated and where practical built towards 52 ship visits by June 2017 to achieve the 2020 target ahead of time.)
- Increase the economic value of events to \$400 million by 2020, with a 'Full Indicative Potential' of \$318 million by June 2017. Due to recent strong growth to \$337 million to March 2016, this target has already been achieved. These gains should first be consolidated and where practical built towards \$350 million to achieve the 2020 target ahead of time.
- Attract 78,000 conference delegates to the Adelaide Convention Centre, generating 312,000 bed nights by June 2017

(Please note that due to the regular time lag of the release of the National Visitor Survey and the International Visitor Survey results, information reporting against these KPIs will not be available until late September 2017 and therefore not included in the annual reporting, however a report will be provided to the Minister in addition to the regular reporting requirements once this information is available)

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.
- Implement the updated Destination Action Plans and actively partner with each region to deliver Tourism 2020 outcomes.

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
- 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

Using events to grow visitation:

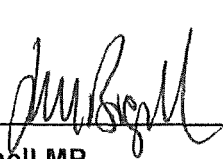
- Attract two additional major events each year
- Utilise the additional government funding in the Events Bid Fund to secure and sponsor new leisure events, in conjunction with partners, to build a balanced calendar of events that grow visitation, support business and create employment opportunities for the State.
- 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 increases the economic and tourism benefits to the State
- Continue to innovate the Clipsal 500 Adelaide and secure new on and off track motor sport categories and event attractions as well as proactively engage the community to develop premium social zones aimed at attracting the next generation of motor sport fans and families
- Prepare for the 2017 Bridgestone World Solar Challenge event
- Develop Tasting Australia into a sustainable annual event
- Manage the Adelaide Fashion Festival to promote South Australia and its fashion and design industries as well as developing cultural links with China, including the relationship with sister state Shandong
- Focus sponsorships, including those targeted through the Events Bid Fund, 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
- 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 risks as well as operational risks
- Embed organisational values and drive continual improvement through review processes

SIGNATURES

We the undersigned do hereby agree to the outcomes outlined in the 2016-17 Performance Agreement between the South Australian Tourism Commission Board and the Minister for Tourism

Signed:  Dated: 16/11/16
Leon Bignell MP
MINISTER FOR TOURISM

Signed:  Dated: 25/11/16
Sean Keenihan
CHAIR
On behalf of the SOUTH AUSTRALIAN TOURISM COMMISSION BOARD

AUSTRALIAN TOURISM COMMISSION BOARD PERFORMANCE AGREEMENT 2016-17

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	The value of South Australia’s tourism sector grew 4.9 per cent to \$6.3 billion in the year to June 2017, achieving the headline target for both the Premier’s Economic Priority 5: <i>A Destination of Choice</i> , and the <i>South Australian Tourism Plan 2020</i> .
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.	Marketing	<p>Interstate overnight expenditure in South Australia grew five per cent to \$2 billion in the year to June 2017.</p> <p>The SATC marketed the state to the interstate market through three television commercials that showcased the “best of South Australia”. These aired in our key interstate markets of Melbourne, Sydney and Brisbane. As at 30 June 2017, these commercials had been viewed by 4.9 million people in these markets. The commercials encouraged consumers to book a South Australian holiday through either an airline or online travel agent.</p> <p>An additional television commercial aired throughout the year, showcasing South Australia’s wide range of festivals and events.</p> <p>The SATC also executed an online campaign to provide consumers with information on South Australia such as articles, potential itineraries, promotional videos and inspiring images. The information was provided to consumers who showed interest in South Australia, based on their online behaviour. More than 50 content pieces were created with 412,514 individual people engaging with this content between December 2016 and June 2017.</p>

		In 2016-17, Public Relations coverage for the domestic market achieved an advertising space rate (ASR) equivalent of \$50.48 million, with a potential audience reach of 456 million.
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.	Marketing	<p>Throughout 2016-17, ten region specific television commercials aired on metropolitan television, showcasing a range of experiences and products with a tagline of "there's so much, so close to home". For the year end June 2017, these commercials had been viewed by 594,000 South Australians in the SATC's target segment.</p> <p>The SATC sponsored 11 episodes of South Aussie with Cosi, five of which were dedicated to South Australian Touring Routes. The SATC also sponsored the 891 Radio Adelaide Off the Beaten Track travel segment.</p> <p>During 2016-17, South Australian traffic to southaustralia.com increased by 134 per cent to 905,000 sessions. This traffic provided 49,902 referrals to South Australian tourism operators.</p> <p>The intrastate market has seen significant growth over the past few years and expenditure currently sits at \$1.8 billion in the year to June 2017.</p>
Deliver Brand, tactical marketing and public relations activities, in priority international countries and leverage this with partners using traditional and digital mechanisms.	Marketing	<p>In 2016-17, the SATC ran 92 international campaigns in key markets.</p> <p>Public Relations coverage for the international market achieved an advertising space rate (ASR) equivalent of \$78.43 million with a potential audience reach of 9.50 billion.</p> <p>International expenditure in South Australia grew 12 per cent to \$1.1 billion in the year to June 2017. This is a record high.</p>
Provide targeted, Brand-aligned, user friendly content and images to help get shared messages out more strongly across our target markets and via multiple digital platforms including mobile, tablet and desktop.	Marketing	<p>In 2016-17, the SATC continuously improved and added images to its online Media Gallery. Third-party sourced imagery was used where these aligned with the SATC brand and style, and photoshoots were commissioned to capture new imagery where required.</p> <p>Images that were identified as no longer brand-aligned were archived.</p>

		<p>This formed part of an ongoing process that includes an audit of external imagery used by travel partners, trade and media to request that off-brand/out dated imagery is updated with on-brand imagery.</p> <p>The SATC also commenced making improvements to the Media Gallery platform to ensure a more client-focused environment and easier distribution of high quality brand-aligned content. Two new category listings will be made available on the Media Gallery - one for trade and industry and one that contains imagery available exclusively to SATC staff. The new categories will curate the 100 'best of South Australia' images that have proven popularity and digital reach, making it easier for users to navigate the Media Gallery. The usability improvements are scheduled to go live in Q3, 2017.</p>
<p>Establish at least one new branded, 5-star plus accommodation in the Adelaide CBD</p>	<p>DD</p>	<p>The Adelaide Casino redevelopment has commenced, which will include a 122-room luxury hotel.</p> <p>Construction is proposed to start on the 5-star, \$140 million Sofitel hotel in 2018.</p>
<p>Develop a reputation for service excellence and unique visitor experiences.</p>	<p>CA/DD</p>	<p>The SATC funded the South Australian Tourism Industry Council (SATIC) to conduct 'Service Excellence' workshops for tourism operators throughout South Australia. Between November 2016 and June 30, 25 workshops were run, attracting more than 500 participants. In line with the workshops, service excellence was also a key focus of the 2017 SATIC Conference.</p> <p>Lonely Planet listed South Australia as one of the top five must-see regions for 2017.</p> <p>The Kangaroo Island Wilderness Trail, launched in October 2016, was named by Lonely Planet as one of ten "best new openings" in the world for 2017.</p> <p>The SATC ran an Understanding China project to help the South Australian tourism industry better understand and cater for the needs of Chinese visitors.</p> <p>As part of the project, a range of activities were undertaken including:</p>

		<ul style="list-style-type: none">• 20 Understanding China workshops delivered throughout the state, presented by Fastrak Asian Solutions• 41 individual product/business assessments• 14 Regional Destination Assessments (all regions as well as Hahndorf and Glenelg)• 54 meetings with councils and stakeholders• Seven China Assessment & Development Plan presentations. Due to demand, an additional workshop and follow-up meetings were held in Adelaide• Published 14 Service Delivery Guidelines, which provide useful tips and advice for tourism operators
--	--	--

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	In 2016-17, the SATC ran 24 national campaigns with 18 cooperative partners. Partners included Lonely Planet, Expedia Group, Virgin Australia, Flight Centre, SeaLink, Great Southern Rail, 1834 Hotels, Stayz, Discover Australia Holidays and AFL Travel.
Implement the updated Destination Action Plans and actively partner with each region to deliver Tourism 2020 outcomes.	DD	The SATC continued to progress the 2015-17 Destination Action Plans with regional tourism organisations and their stakeholders. The Plans, which are structured to match the framework of the <i>South Australian Tourism Plan 2020</i> , have been used by a range of regional tourism organisations in framing their strategic and business plans.

PRIORITY 3: SUPPORTING WHAT WE HAVE

Priority	Responsible Unit	Action Taken
<p>Work with partners on maintaining and increasing access to and within South Australia, including through joint marketing initiatives.</p>	<p>Marketing/DD</p>	<p>The SATC partnered with Qantas, Adelaide Airport Ltd and the Kangaroo Island Council to establish new Qantas services to Kangaroo Island. The services will commence in December 2017.</p> <p>The SATC has also worked in partnership with Adelaide Airport Ltd to secure two new direct international services to Adelaide. China Southern Airlines commenced Adelaide to Guangzhou in December 2016, and Fiji Airlines commenced Adelaide to Nadi in June 2017.</p>
<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.</p>	<p>DD</p>	<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 boards and the South Australian Tourism Industry Council also commenced shaping the new South Australian Regional Visitor Strategy, due for completion in early 2018. In 2016-17, Steering Committee meetings were held in four regions, namely the Barossa, Adelaide Hills, Eyre Peninsula and the Fleurieu Peninsula. Steering Committee meetings will continue in the remaining regions in 2017-18.</p> <p>Underlining the importance of the South Australian Regional Visitor Strategy, regional expenditure in South Australia grew by 7.4 per cent to \$2.6 billion in the year to June 2017.</p>
<p>Establish an international reputation for our premium food and wine experiences.</p>	<p>Marketing</p>	<p>As of June 2017, South Australia is associated with "Good Food & Wine" by 49 per cent of the interstate audience, ranking second behind Victoria (54 per cent). South Australia is associated with "Credible wineries and wine regions" by 60 per cent of the interstate audience, well ahead of second placed Victoria at 44 per cent.</p> <p>Adelaide became a member of the Great Wine Capitals global network</p>

		<p>in July 2016.</p> <p>South Australia won the right to, and hosted the World's 50 Best Restaurants Academy Chairs, a group of some of the world's most influential people in food and wine. These influencers as well as targeted media experienced some of South Australia's best vineyards and restaurants and met with local producers and chefs. This will help drive significant domestic and international coverage of South Australia's food and wine offering. The media coverage that mentioned South Australia was valued at \$834,000 advertising space rate equivalent with a potential audience reach of 57.48 million.</p>
<p>Enhance our thriving live music scene.</p>	<p>ESA</p>	<p>Live music in South Australia provides 4,100 jobs and a \$264 million economic contribution to the state's economy.</p> <p>The Live Music Events Fund, jointly administered by Arts SA and Events South Australia, secured the Australian Independent Record Labels Association (AIR) Awards and Industry Conference to Adelaide for 2017-2019. AIR represents the labels for acclaimed Australian artists including: the Hilltop Hoods, Courtney Barnett, Vance Joy, Chet Faker, Seth Sentry and John Butler.</p> <p>The AIR Awards were held at the Old Queen's Theatre on 27 July. An Industry Conference (Indie-Con) was also held for the first time in conjunction with the AIR Awards from 27-28 July.</p> <p>Securing this event is a testament to the recent growth and increased profile of the South Australian independent music sector and Adelaide's standing as a UNESCO City of Music.</p> <p>The Live Music Events Fund also enabled Music SA to repeat the success of Umbrella: Winter City Sounds, which launched in 2016. The event was held from 14-30 July, and showcased 200 South Australian artists across 60 venues in Adelaide.</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 & Insights</p>	<p>The SATC continued its ongoing publication of the International Visitor Survey and National Visitor Survey results on the SATC corporate website. Infographics were used to clearly communicate the results to a broad range of stakeholders. The SATC also published this data on the Premier's Economic Priorities website and it was shared with Data.SA.</p> <p>In response to stakeholder feedback, the SATC developed a new publication to profile the type of visitor that comes to South Australia from key domestic markets. This has been well received.</p> <p>The SATC continued participation in the Tourism Research Roundtable.</p>

PRIORITY 5: USING EVENTS TO GROW VISITATION

Priority	Responsible Unit	Action Taken
Attract two additional major events each year	ESA	<p>Hybrid World Adelaide (HWA)</p> <p>The HWA event concept was originally pitched to the SATC and later refined and developed by the Adelaide Film Festival. Hybrid World Adelaide supports the State Government’s agenda in positioning Adelaide as a leading smart city, and attracting entrepreneurs and start-ups in the technology industry.</p> <p>The inaugural HWA will be held from 4-8 October 2017 and will celebrate ingenuity, human engagement with technology and advances in digital technology. The event is positioned as a digital playground for both industry experts and the public and will explore how the real and digital worlds are intertwined.</p> <p>The Adelaide Film Festival is managing and delivering HWA in 2017 and 2018. The Adelaide Film Festival will also run in 2017 and 2018 alongside HWA - in consecutive years for the first time.</p> <p>Sydney Roosters</p> <p>One of Australia’s most iconic and popular National Rugby League Clubs – the Sydney Roosters, made Adelaide Oval their home ground on 24 June 2017, for their top of the table clash against the Melbourne Storm. The game was played in front of a big crowd of 21,492 and was a thriller with the Storm winning in extra time (Golden Point). It is estimated more than 3,000 people travelled to South Australia for the game, which was broadcast nationally, and was the first rugby league match played at Adelaide Oval since its redevelopment.</p> <p>Following the success of the match, ESA has continued to work with the Sydney Roosters to grow the partnership and investigate future events.</p>
Utilise the additional government funding in the Events Bid Fund to secure and sponsor new leisure events, in	ESA	As at June 2017, 38 events have been secured through the Event Bid Fund. These events are forecast to inject more than \$126 million into

<p>conjunction with partners, to build a balanced calendar of events that grow visitation, support business and create employment opportunities for the State.</p>		<p>the state's economy. Events secured on multiple year agreements include:</p> <ul style="list-style-type: none"> • Adelaide Motorsport Festival (2015, 2016, 2017) • ISPS Handa Women's Australian Open (2016, 2017, 2018) • Hybrid World Adelaide (2017, 2018) <p>In 2016-17, 15 major events were secured which are forecast to inject \$33 million in expenditure for the state. Some of the events include: Mundine v Green II, FIFA World Cup Russia-Asian Qualifier (Socceroos v Saudi Arabia), NRL Sydney Roosters v Melbourne Storm, 2017 AFL Hall of Fame, Hybrid World Adelaide and the 2018 Special Olympics.</p> <p>Event highlights include:</p> <p>2017 ISPS Handa Australian Women's Open Golf – a record 32,064 spectators attended the 2017 tournament at the Royal Adelaide Golf Course. Golf Australia reported the 2017 event delivered an estimated \$7.2 million in expenditure to South Australia compared to \$6.5 million for the 2016 event.</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 increases the economic and tourism benefits to the State.</p>	<p>ESA</p>	<p>The 2017 Santos Tour Down Under once again proved to be one of Australia's premier major events with 840,000 fans from around Australia and the world lining the routes for the 2017 race.</p> <p>A record 43,000 event specific visitors attended, injecting \$56.5 million into the South Australian economy, an increase from \$49.6 million for the 2016 event.</p> <p>The event generated 683 full time equivalent jobs, increasing from 613 in 2016.</p> <p>The media/PR value of the 2017 event was \$202 million with 30 hours of action broadcast nationally on the Nine Network and 600 hours broadcast internationally to countries such as the United Kingdom, Italy, China, the United States of America and New Zealand.</p>
<p>Continue to innovate the Clipsal 500 Adelaide and secure new on and off track motor sport categories and event attractions as well as proactively engage the community to develop</p>	<p>ESA</p>	<p>The 2017 Clipsal 500 Adelaide was held from 2-5 March 2017.</p> <p>2017 marked the first race for Simona de Silvestro as the first full-time</p>

<p>premium social zones aimed at attracting the next generation of motor sport fans and families.</p>		<p>female driver in the Virgin Australia Supercars Championship series.</p> <p>On track action included eight feature race categories. The event also saw the return of one of the world's most popular extreme sports combining motor cross, supercross, off-roading and trails into one action packed competition - SuperEnduroX.</p> <p>New initiatives and attractions included:</p> <ul style="list-style-type: none"> • Aston Martin Vulcan Race Car display – this magnificent car, one of only 24 manufactured at a cost of \$4 million, did demonstration laps over the four days of the event • 50th Anniversary Camaro Car Show – a showcase of the six generational body changes over the last 50 years of production • Jaguar 60th Le Mans Victory Celebration – a celebratory display paying tribute to the most successful Le Mans ever for Jaguar, in which the D-type vehicle took five of the top six places at the 1957 Le Mans event • Pit Exit Corporate facility – due to the growing demand for exclusive corporate hospitality, the Pit Exit Suite second storey was extended an additional 36 metres, all of which sold out three months prior to the event.
<p>Prepare for the 2017 Bridgestone World Solar Challenge event.</p>	<p>ESA</p>	<p>Preparations for the 2017 Bridgestone World Solar Challenge (BWSC) are progressing well, with record numbers of teams and countries expected at the 30-year anniversary event.</p> <p>Increased support from Northern Territory Major Events has allowed the event to grow its presence in the top end. This will include moving static scrutineering from the Darwin Showgrounds to the Darwin Convention Centre and a public engagement activity at the Darwin Waterfront Precinct the weekend prior to the start of the event, inviting the public, teams, volunteers, and international participants and volunteers to engage with the Darwin community.</p> <p>For the first time, the BWSC will run a school outreach program for primary and secondary students. The program will travel from Adelaide to Darwin prior to the event, engaging with schools and communities along the way.</p>

		<p>The official City of Adelaide finish line will also see increased public engagement, including a 30-year BWSC historical display and improved student engagement. Students and members of the public will be able to meet all the teams and see their incredibly innovative solar cars.</p>
<p>Develop Tasting Australia into a sustainable annual event.</p>	<p>ESA</p>	<p>The 11th Tasting Australia was held 1 - 7 May 2017 - the first time it was held annually.</p> <p>In 2017, there were several new initiatives introduced, aimed at generating stronger commercial outcomes and delivering a more compelling product. These included a high-end dining experience in Town Square (Victoria Square) - 'Glasshouse Kitchen' and a day/night eating and drinking experience - 'Charred'.</p> <p>Crowd attendance at 'Charred' was very strong at 52,010 over the duration of the festival.</p> <p>Associated events saw a 79 per cent sell-out rate and managed events experienced unprecedented demand with 96 per cent of all tickets sold.</p> <p>The total number of tickets sold in 2017 was 6,718 with 11 per cent of these attributed to interstate and international ticket buyers.</p> <p>The PR value of the 2017 event is estimated at \$23.4 million, compared with \$16.2 million in 2016, a media item count of 1,512 and potential reach of 92.3 million. 41 per cent of this was national content compared to 14 per cent in 2016 suggesting greater awareness among interstate audiences.</p> <p>Planning for the 2018 event commenced and will build on the successful aspects of the 2017 event.</p>
<p>Manage the Adelaide Fashion Festival to promote South Australia and its fashion and design industries as well as developing cultural links with China, including the relationship with sister state Shandong.</p>	<p>ESA</p>	<p>The 2016 Adelaide Fashion Festival took place between 19-23 October. The program incorporated 20 events, including 10 designer runways, keynote speaker lunches and breakfasts, retail activations and associated events. Seven of the events sold out, including the two final night Paolo Sebastian Runways.</p> <p>More than 20 local South Australian established and emerging designers were featured including Paolo Sebastian, Australian Fashion</p>

		<p>Labels, Tiff Manuell, Jaimie Sortino, Acler, Caleche and Alexis George.</p> <p>Key national and international media attended with media coverage generating a PR Value of \$9.04 million in Australia, with an item count of 950 and a cumulative reach of 67.62 million. Further, national buyers and stylists attended runway shows and met with local designers to create opportunities for future growth.</p> <p>In 2016, international supermodel Coco Rocha attended as special guest. Rocha posted online 12 times about her experience in South Australia and at the Adelaide Fashion Festival to her 1.1 million Instagram followers, 1.5 million Twitter followers and more than 500,000 Facebook fans.</p> <p>Designers from Qingdao, China were welcomed back, including designer Madam Mingrong Zhou who showcased at the Couture Culture Runway, and Qingdao Fashion Festival Event Manager, Mr Zhang who showcased his Kidswear Range at the Kids Runway for the first time. A new designer D/Nim (Vincent Chen) was also included in the Ready to Wear Runway.</p>
<p>Focus sponsorships, including those targeted through the Events Bid Fund, on core strength areas such as food and wine, arts and culture, live music, national and international sports and mass participation events, with a particular focus on off-peak periods and utilising key infrastructure.</p>	<p>ESA</p>	<p>21 major events were either provided sponsorship or were staged in 2016-17, including: the 2017 ISPS Handa Women's Open Golf, the 2016 International Netball Quad Series Test Match featuring Australia and England, the T20 Cricket International Double Header between Australia and Sri Lanka, the Adelaide Festival and the 2016 Adelaide Motor Sport Festival.</p>
<p>Develop the capacity building program for major, regional and local/ community events and festivals across the State.</p>	<p>ESA</p>	<p>In 2016-17, Events South Australia ran two event industry workshops, in the Fleurieu Peninsula and the Barossa. Key topics covered included:</p> <ul style="list-style-type: none"> • funding and promotional opportunities • sponsorship • operations and risk management • event evaluation. <p>The SATC also identified opportunities and provided advice to regional event organisers.</p>

		<p>In line with the Destination Action Plan process, the SATC also presented to four regions: Adelaide Hills, Barossa, Eyre Peninsula and Fleurieu Peninsula on ways to continue to grow and improve regional events.</p> <p>The SATC chaired 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>ESA</p>	<p>The SATC has increased its support for the promotion of key events and event periods in South Australia. This has been achieved through content placement in Network SA, campaigns through southaustralia.com and SATC social media platforms. Direct investment was also made in cooperative marketing with the Adelaide Fringe and Adelaide Festival, among others, incorporating events into destination marketing and through creative for the October group of events.</p>
<p>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.</p>	<p>CA</p>	<p>The Convention Bid Fund was used to secure Australia's largest travel and tourism business to business event, the Australian Tourism Exchange as well as a range of other business events and conventions. These include the Australian Geoscience Convention, Land Forces (Australian Defence Conference), medical conferences, symposiums and annual general meetings which will take place at the Adelaide Convention Centre.</p> <p>Since November 2013, the State Government has invested \$20.5 million in the Convention Bid Fund which has boosted the Adelaide Convention Centre's ability to secure major national and international business events.</p> <p>As of July 2017, the Convention Bid Fund has helped secure 72 events to be held through to 2023. These events will bring 88,000 delegates, generating over \$427 million in economic benefit.</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.	CA	<p>In 2016-17, the SATC implemented a range of processes and practices in delivering its responsibilities under <i>the South Australian Tourism Act 1993</i> and in adherence to government financial, procurement, contracting, human resources, governance and auditing requirements.</p> <p>The SATC maintains a high level of financial control over its domestic and international operations to ensure accountability for government resources.</p>
Embed a strong planning and performance monitoring approach that links long term planning and outcomes to the daily work of each individual in the office, covering strategic risk as well as operational risks.	CA	<p>In 2016-17, the SATC developed the SATC Corporate Plan 2018-2020 (commencing July 1 2017). This involved extensive consultation throughout every unit of the SATC, including evaluation of current performance and evidence-based strategy development. Key external tourism stakeholders also provided input to the plan, which has been endorsed by the SATC Board.</p> <p>The objectives of the SATC Corporate Plan 2018-2020 align the actions of the SATC with the Premier's Economic Priorities and reaffirm the ambition of the South Australian Tourism Plan 2020 to achieving \$8.0 billion in visitor expenditure by December 2020.</p> <p>The SATC Performance Management system has integrated the 'Five Priority Action Areas' framework to directly relate to individual performance plans.</p>
Embed organisational values and drive continual improvement through review processes.	F&BS	To maximise organisational effectiveness, a review of the SATC's Managing Development and Performance Policy was undertaken and training was delivered to employees focusing on the completion of effective performance reviews.

		<p>Agency wide training needs analysis was conducted to identify both organisational and individual learning and development needs and opportunities.</p> <p>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>
--	--	--