

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:

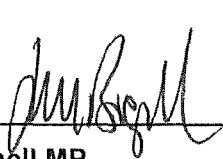
- Attract two additional major events each year
- Utilise the additional government funding in the Events Bid Fund to secure and sponsor new leisure events, in conjunction with partners, to build a balanced calendar of events that grow visitation, support business and create employment opportunities 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 risk as well as operational risks
- Embed organisational values and drive continual improvement through review processes

SIGNATURES

We the undersigned do hereby agree to the outcomes outlined in the 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