

**2017-18**  
**PERFORMANCE AGREEMENT**

**Between**

**THE SOUTH AUSTRALIAN TOURISM COMMISSION BOARD**

**and**

**THE MINISTER FOR TOURISM**

## KEY FOCUS

---

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

The plans are consistent, and reaffirm the tourism industry expenditure potential of \$8.0 billion by 2020, and the waypoints for international visitors, interstate visitors and intrastate visitors.

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

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

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

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

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

---

Based on the whole of *Australia Tourism 2020 Industry Potential* work, we have a shared goal with our industry to increase visitor expenditure in South Australia to between \$6.7 billion and \$8.0 billion by 2020.

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

The table below shows the target milestones for both scenarios

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

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

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

### Key Performance Indicators

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

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

- Grow airline seat capacity to 110,000 domestic seats per week and 14,500 international seats per week by 2020, working towards an interim target milestone of 99,000 domestic seats and 12,100 international seats by October 2018 (Note we currently stand at 11,200 international seats, April 2017 and 85,200 domestic seats, April 2017 The growth in international seats should be consolidated and continued efforts made to push on toward domestic seats target for October 2018)
- Grow the number of cruise ship visits to South Australian ports to 80 by 2020 With 49 ship visits to June 2017, these gains should first be consolidated and where practical built towards 65 ship visits by June 2018. Note that due to strong performance in the industry, the original 2020 target has been raised from 43 port visits to 80 port visits
- Increase the economic value of events to \$400 million by 2020, with a 'Full Indicative Potential' of \$338 million by June 2017. Due to recent strong growth to \$364 million to March 2017, this target has already been achieved These gains should first be consolidated and where practical built towards \$380 million by June 2018 to achieve the 2020 target ahead of time
- Ensure that the Conventions Bid Fund provides a Return on Investment to the State of 35:1, with an exception of 15:1 during winter (June to August) to stimulate visitor activity in the low season, with priority given to international conferences

## **STRATEGIC PRIORITIES**

---

### **Driving demand:**

- Utilise the additional government investment for international and domestic marketing to drive the achievement of the 2020 tourism industry potential
- Influence Brand perceptions, awareness, consideration and intention of the interstate target market via marketing campaigns and public relations activities that build brand and encourage visitation through retail distribution partners and via traditional and digital mechanisms.
- Continue intrastate marketing and public relations activities to increase consideration and visitation by South Australians within South Australia's regions, via traditional and digital mechanisms
- Deliver Brand, tactical marketing and public relations activities, in priority international countries and leverage this with partners using traditional and digital mechanisms
- Provide targeted, Brand-aligned, user friendly content and images to help get shared messages out more strongly across our target markets and via multiple digital platforms including mobile, tablet and desktop
- Establish at least one new branded, 5-star plus accommodation in the Adelaide CBD
- Develop a reputation for service excellence and unique visitor experiences

### **Working better together:**

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

### **Supporting what we have:**

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

### **Increasing the recognition of the value of tourism:**

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

### **Using events to grow visitation:**

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

**Organisational effectiveness:**

- Provide systems and support across all aspects of corporate services to maximise the effective and efficient use of SATC resources and ensure public accountability expectations are met
- Embed a strong planning and performance monitoring approach that links long term planning and outcomes to the daily work of each individual in the office, covering strategic risk as well as operational risks.
- Embed organisational values and drive continual improvement through review processes
- Contribute to the State Government's goal to increase Aboriginal employment across the public sector to two per cent by 2020, with a short-term goal of two FTEs by the end of calendar year 2018.

**SIGNATURES**

---

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

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

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