



# **LEGISLATIVE COUNCIL**

## **BUDGET AND FINANCE COMMITTEE**

Plaza Room, Parliament House, Adelaide

Tuesday, 9 June 2015 at 10:30am

BY AUTHORITY OF THE LEGISLATIVE COUNCIL

## MEMBERS:

Hon. R.I. Lucas MLC (Chairperson)

Hon. J.A. Darley MLC

Hon. G.A. Kandelaars MLC

Hon. A.L. McLachlan MLC

Hon. T.T. Ngo MLC

Hon. D.W. Ridgway MLC

## WITNESSES:

HARREX, RODNEY, Chief Executive, SA Tourism Commission

ROZOKOS, STEPHANIE, Chief Financial Officer, SA Tourism Commission

RASHEED, HITAF, General Manager, Events South Australia, SA Tourism Commission

3718 The CHAIRPERSON: Welcome to the meeting. The Legislative Council has given the authority for this committee to hold public meetings. A transcript of your evidence today will be forwarded to you for your examination and for any clerical corrections. Should you wish at any time to present confidential evidence to the committee, please indicate and the committee will consider your request. Parliamentary privilege is accorded all evidence presented to the committee. However, witnesses should be aware that privilege does not extend to statements made outside of this meeting. All persons, including members of the media, are reminded that the same rules apply as in the reporting of parliament.

In welcoming you to the committee, I firstly introduce to you the members of the committee who are with us today: on my right, Tung Ngo and Gerry Kandelaars; on my left, Andrew McLachlan, John Darley, and David Ridgway who has joined the committee for your evidence this morning. In thanking you for your attendance this morning, if you do not mind, I will initially ask you to introduce yourself formally and your title, and your colleagues and their titles, for the benefit of Hansard so that they know who is saying what and with what authority. After you have done that, we invite you to make a brief opening statement, if you wish, and then we will open it up to questions. Thank you for your attendance this morning.

Mr HARREX: Good morning and thank you, Chair, and committee members. I am Rodney Harrex, Chief Executive of the South Australian Tourism Commission. On my right is Stephanie Rozokos, Chief Financial Officer for the commission. On my left is Hitaf Rasheed, General Manager for Events South Australia. I extend our appreciation for this opportunity to highlight the South Australian Tourism Commission's recent endeavours in helping to grow the state's visitor economy. Indeed, tourism is an economic development strategy—a critical pillar for South Australia—and the government has recognised the potential by recently elevating its status as one of its top 10 economic priorities.

The commission continues to be determined to build a tourism industry that is one of the foundations of the state's future prosperity. We recognise that tourism is spread deeply across the South Australian economy, covering all regions and consuming goods and services across cafes, restaurants, retail establishments, accommodation providers, transport services, bars, tour companies, the arts and events. We, as a commission, recognise our role in building a resilient tourism industry, one which supports 18,000 businesses and directly employs 32,000 South Australians, many of whom are young people enjoying their first job and pursuing their career aspirations.

Tourism employs, from a percentage point of view, one of the highest numbers of young people. Currently contributing more than \$5.2 billion to the economy annually, we are steadfast in achieving the full potential of \$8 billion in tourism expenditure by 2020 which would also generate a further 10,000 jobs in South Australia. The commission endeavours to realise this

expenditure target by concentrating on the state's competitive strengths—food and wine, festival events, accessible nature and a vibrant Adelaide—as the arrowhead towards our 11 accessible and uniquely different regional experiences. These are the attributes being promoted to our people and effectively promoted to domestic and international audiences from our traditional markets in the United Kingdom, the Americas, Germany and New Zealand, and the emerging markets in Asia of China and India.

Notably, 60 campaigns in international markets aimed at increasing awareness and driving demand for South Australia as a holiday destination helped to welcome a record number of international visitors while our state prospered through an increase in expenditure to \$735 million.

The commission continued to engage with cruise lines to promote Adelaide and South Australia as a premium cruise destination in Australia. More cruise ships enjoyed our ports this year with passengers and crews dispersing into our city and regions. We can't escape the impact of the challenging times that we have for our airline partners, while increasing competition compounded by other economic challenges and global aviation tragedies affected flight numbers. We still witnessed over 10,000 international seats already above the South Australian Tourism Plan 2020 target serving our airport in its recent status as the fastest growing international airport in Australia.

Building on the strength of South Australia's reputation for our world renowned food and wine industry is critical to the growth of the tourism industry as a whole. That is why the commission continued to implement the 'Barossa. Be Consumed' campaign and created a series of touring routes: a succinct way to highlight the best of our regions across the state.

Yet, our city needed to be more visible, highlighted by the lure of a vibrant welcoming Adelaide. The Greater Adelaide campaign was presented to east coast audiences. These campaigns played a part in not only reminding our people what is on their doorstep and what is truly special about their state, but shaped and ignited a renewed image driving growth in domestic airline weekly seats, overnight visits and, importantly, expenditure.

Events, both leisure and business, are also a mainstay in terms of our state's tourism strategy. They continue to drive visitation, expenditure and hotel occupancy, while also helping to create a vibrancy and a sense of pride in our state. The Adelaide Convention Centre bid fund has already helped to secure 12 major conventions, welcoming more than 14,000 delegates to Adelaide and South Australia and generating over \$55 million in economic benefit, but the net worth of these events far exceeds just the commercial returns. They validate South Australia's business capabilities, facilitate stronger international links, and showcase major redevelopments to the iconic Adelaide Oval, the Adelaide Casino, and the creation of one of the world's largest and most significant health and medical clusters. Major leisure events not only display our state as a unique destination, they attract visitors, spectators and event participants, as well as create jobs and increase the spend and length of time visitors stay.

This year 10 events have been secured through the events bidding fund which are forecast to inject over \$51 million into the state's economy. These funds allow us to present football royalty in the Liverpool Football Club. They play host to other events such as the Australian Swimming Championships and the world lifesaving championships, events which undoubtedly showcase our people and places on a global stage. We opened our door to the heart of our city and regions, greeting world-class athletes to the Santos Tour Down Under, a major leisure event—indeed, a cycling festival—contributing nearly \$48 million to our economy.

We have also proved our capabilities further in the international event arena. The ICC Cricket World Cup captured the attention of international audiences with the inspirational Adelaide Oval hosting one of the world's most viewed sporting events. These events unquestionably deliver the South Australian brand in an authentic and memorable way.

The South Australian Tourism Commission looks forward to continuing to grow the visitor economy through working with industry, our regions, our partners in StudyAdelaide, Primary Industries and Regions SA, the Department of Environment, Water and Natural Resources and, importantly, the broader community, to achieve much for our state. We are committed and continue to be motivated in delivering real economic benefits, promoting confidence and pride amongst

South Australians, helping to deliver on the principle of a vibrant city, and establishing our state as a destination of choice for international and domestic visitors.

3719 The CHAIRPERSON: Thank you very much. Mr Harrex, can you or one of your colleagues outline to the committee the savings task that confronts your agency for this year and for each of the forward estimates years?

Mr HARREX: Yes. I will ask Ms Rozokos to answer that.

Ms ROZOKOS: In 2014-15, the SATC will deliver savings of \$3.9 million, and the SATC is on track to achieve all the required savings for the current financial year. For the forward estimates, the SATC is required to achieve additional savings of \$3 million in 2015-16, a further \$589,000 in 2016-17, a further \$695,000 in 2017-18, and a further \$577,000 in 2018-19. The SATC is on track to achieve all current savings targets and is in the process of identifying areas for savings in future years.

3720 The CHAIRPERSON: So in summary it would be fair to say that by the fifth year of the forward estimates you would be looking at about \$8 million to \$9 million in savings. If you take last year as the base, annual savings of about \$8 million to \$9 million a year would have to be achieved by the fifth year. Is that correct?

Ms ROZOKOS: Over the five-year period it equates to \$8.8 million.

3721 The CHAIRPERSON: And do you have equivalent numbers that you have discussed with Treasury in terms of full-time equivalent job cut numbers?

Ms ROZOKOS: Yes, I do. At present the SATC is on track to meet its FTE reduction targets for 2014-15, reducing from 106.4 FTEs to 101.1 FTEs. That's a reduction of 5.3 FTEs. The SATC will be within its cap for the end of the 2014-15 financial year. The remaining required reduction of 6.5 FTEs will be realised between 2015-16 and 2017-18, and these equate to 3.5 FTEs in 2016-17 and three FTEs in 2017-18. As with the rest of the savings, the SATC is on track to achieve all required FTE targets.

3722 The CHAIRPERSON: And your full-time equivalent cap from Treasury is 101, is it?

Ms ROZOKOS: It is 101.1 for the current financial year, for 2014-15.

3723 The CHAIRPERSON: Does the Tourism Commission have any surplus or excess employees currently on its books?

Ms ROZOKOS: I can tell you that. The SATC currently has nil excess employees. There are currently no SATC employees covered by the redeployment, retraining and redundancy arrangements detailed in the South Australian Public Sector Wages Parity Enterprise Agreement. Any future SATC employees covered by the redeployment, retraining and redundancy arrangements will be managed appropriately within the parameters of the new determination. This includes ensuring any employees formally declared excess and that the 12-month period of redeployment will commence for them as the date they are declared excess.

3724 The CHAIRPERSON: Just to wrap these series of questions up, can you summarise briefly to the committee the major elements of the \$3.9 million in savings for 2014-15?

Ms ROZOKOS: Yes.

3725 The CHAIRPERSON: Are there are a handful of items which contribute to the bulk of those savings?

Ms ROZOKOS: Yes, I can summarise that for you. In 2014-15, the target has been achieved through a combination of the cessation of the Infrastructure Development Fund from previous financial years, a decrease in expenditure—

3726 The CHAIRPERSON: How much does the cessation of that save?

Ms ROZOKOS: It's approximately \$300,000. A decrease in expenditure associated with the SATC's online development projects and redevelopment of various SATC websites—

3727 The CHAIRPERSON: How much is that?

Ms ROZOKOS: It's approximately \$700,000. The expiration or reduction in value of various contracts, the cessation of one-off projects that occurred in 2013-14, such as the Savour Food and Wine event, and the implementation of operational efficiencies across the SATC, such as storage and distribution. But once again, the SATC is on track to achieve all the required savings targets.

3728 The CHAIRPERSON: The \$3 million in savings for next year, you've said that you're substantially along the track to achieving those. What decisions will be impacted, or what funding will be impacted to achieve the \$3 million in savings for next year?

Ms ROZOKOS: Once again, it's a decrease in expenditure associated with SATC's online development projects and the redevelopment of various SATC websites, so basically projects that were completed this year so the funding was no longer needed for next financial year.

Once again, expiration or reduction in value of various contracts, cessation of once-off projects that occurred in 2014-15, such as the Corroboree trade event, sponsorship of the Australian Tourism Awards and one-off projects such as our electronic records management project, which was getting all of our files electronically filed in accordance with the State Records Act. These were projects that happened in the current financial year that funding will no longer be needed for next financial year and have all contributed towards the savings target. Also, implementation of operational efficiencies across the SATC.

3729 The CHAIRPERSON: You referred in both of those savings tasks (2014-15, 2015-16) to cessation or reduction of contracts, various contracts. Can you just give the committee one or two examples? What sort of contracts are you talking about?

Ms ROZOKOS: It may be contracts for, for instance, a trade event or for meals, I don't have specific details of that on me.

3730 The CHAIRPERSON: Can you take that on notice and provide the committee—

Mr HARREX: Sorry, an example: this year, in conjunction with Tourism Australia, we hosted Corroboree here, so that is a one-off event and that will not continue next year. The national tourism awards is another example of an event that was here and will not continue next year.

3731 The CHAIRPERSON: I think both of those were separately listed in the savings task, the contract seems to be a separate item. So, if you wouldn't mind taking on notice to detail for 2014-15 and 2015-16 the savings that are being achieved there.

3732 The Hon. J.A. DARLEY: Subject to the executive level employees, do you have any executive level positions that you haven't been able to fill?

Mr HARREX: Not at this stage, no.

3733 The Hon. J.A. DARLEY: Does your organisation pay retention allowances to any of the 101 employees?

Mr HARREX: I'm sorry, we'll have to take that one on notice.

3734 The Hon. J.A. DARLEY: When you come back could you outline which positions are then paid retention allowances and what is the total amount paid?

Mr HARREX: Right.

3735 The Hon. T.T. NGO: Just a quick question about the online website, the cessation of that. You mentioned \$700,000 for this financial year. How does that work? Was that money allocated previously to do some kind of website and now it has been taken out? Could you explain that a bit further? I'm just a bit confused on how that works.

Ms ROZOKOS: In line with consumer trends the SATC is implementing improvements to the southaustralia.com website. These improvements provide visitors with a mobile-responsive site, which displays content based on the location of the mobile device.

Four new websites were developed and launched in 2015, that's: roadtrips.southaustralia.com, which provides information on five new touring routes, cross-promoting various regions based on thematic experiences; sport.southaustralia.com, that's a

website designed to support travellers to the cricket World Cup and other sporting events at the Adelaide Oval; also, the Credit Union Christmas Pageant website, a website promoting the Credit Union Christmas Pageant that is now also mobile friendly; and the Tour Down Under website, which is [www.tourdownunder.com.au](http://www.tourdownunder.com.au), that's a website promoting the iconic SA cycling event, the Santos Tour Down Under that is also now mobile friendly. So, basically, the money spent on these websites in 2014-15 will no longer be needed next financial year.

3736 The Hon. T.T. NGO: So, how does that work? When you set up the website do you allocate previously that it's going to be continued for next year and the following year, so now you have decided that's money being stopped. Is that how it works?

Ms ROZOKOS: The SATC will review the need to update websites as and when needed.

3737 The Hon. T.T. NGO: So, updating it is costing \$700,000; is that correct?

Mr HARREX: This was the redevelopment of the website this year. So again, based on research, the way in which consumers digest information is changing and so this is a redevelopment of the website this year and the development of a whole range of one-off websites that actually talk to these events. So, it is a redevelopment and that cost won't occur next year. We are also taking in-house a lot of the redevelopment work, so we are upskilling staff in terms of their capability to do a lot more of this in-house.

3738 The Hon. D.W. RIDGWAY: In addition to that, obviously you have got to maintain these websites. What is the budget for the maintenance of the websites? We understand you have built some new ones. I recall the shift to a much smaller visitor centre in the little side lane was because, at the time, we were going to have this big digital presence and we don't need a visitor centre anymore. I am just interested as to what the budget is for ongoing maintenance. As you would appreciate, Mr Harrex, every week there is a new app or a new bit of technology, so we have to keep pace as things change.

Mr HARREX: I don't actually have the operating costs for next year. Because this year is an exceptional year in terms of the redevelopment, I don't actually have the budget allocation for next year, so I will have to take that one on notice in terms of the maintenance of the site going forward.

I think, to your point, Mr Ridgway, it's absolutely key that consumers are traversing to the digital environment. There is no doubt about that, and what we are doing is getting to the forefront in terms of the way in which consumers digest information. What this redevelopment work has allowed us to do is really respond to consumers in a more mobile environment.

If you look back, traditionally, when websites are redeveloped, they were redeveloped based on desktops. In the world now, people are on mobile devices, so it's about how they consume them on tablets and how they consume them on a mobile device. That's what the redevelopment this year has allowed us to do, and that is a one-off cost. Our ongoing operational cost for the website will reduce substantially next year. I don't have next year's budget maintenance cost here, so I will have to take that on notice. Does that make sense?

3739 The Hon. D.W. RIDGWAY: Yes, it does. I am not sure whether you were in the role, but what was the cost to build the original southaustralia.com? I understand it precedes you, Mr Harrex. Do you have those figures or can maybe take them on notice?

Ms ROZOKOS: Yes. Unfortunately, I don't have those figures with me.

3740 The Hon. D.W. RIDGWAY: And when that occurred, too. I think was only two or three years ago when that first big spend was done on that website.

Mr HARREX: I have been in the role now for nearly 2½ years, so it was well before I arrived.

3741 The Hon. D.W. RIDGWAY: Yes, I understand that.

Mr HARREX: I think it needs to be recognised that this environment is one of evolution. As a state, if we are going to keep South Australia in front of the consumers, we have to really keep pace in terms of where consumers plan and how they look at our state, because this is

one of the primary areas, whether they are looking for events or whether they are looking for general information in terms of what we are doing.

We have really upped our ante in terms of this digital space. We have produced a whole range of digital short films. We have 31 of them, and they have had 1.7 million views. This is the digital environment, and we are really at the forefront in this area in terms of providing that content. It's really interesting when you look at it. Consumers will spend probably two-thirds of their time planning a holiday versus what they actually spend on a holiday, so it's in that planning stage that it's really crucial that we position the state and be right there in front of the consumer.

3742 The Hon. D.W. RIDGWAY: You talk about short films. I have seen some YouTube films around the Cricket World Cup. You may need to take this on notice if you don't have the details. What did it actually cost to produce those and how many people visited them? Was there any assessment done of the effectiveness of those YouTube films?

Mr HARREX: In relation to the Indian promotion around the three short films, the ICC Cricket World Cup provided a really unique opportunity for us to showcase Adelaide as a destination to the Indian market. More importantly, it allowed us to add depth around our state. Yes, people have an interest in cricket, but what we did is really use this event to tell a deeper story. This is where it comes to now: we actually have to engage with the consumer.

We had a strong emphasis on media relations around the event, and we also produced these three short films. The films amassed over 130,000 views in three months leading up to the India and Pakistan game. The coverage for us around that event—it just allowed us to leverage off it; so, 130,000 views. I might stand corrected on this, but I think we have an FOI from you in relation to—

3743 The Hon. D.W. RIDGWAY: Probably.

Mr HARREX: —these three short films. We went through a tender process in terms of the selection of the company, and, for commercial reasons, they have asked us not to disclose that.

3744 The Hon. A.L. McLACHLAN: I have one question in relation to some of the budget savings. Did I understand you correctly that you have put off a project in relation to archiving this year? Is that correct, in relation to your records management?

Ms ROZOKOS: No; we completed it this year, so we don't need the funding next financial year.

3745 The Hon. D.W. RIDGWAY: Have you done any assessment on the effectiveness? You said you engaged and it showed a greater depth, but for the dollars that you spent, what is the return? I know there is a formula that you use—

Mr HARREX: Sorry, is this in relation to the Cricket World Cup?

3746 The Hon. D.W. RIDGWAY: The Cricket World Cup, sorry, yes. My apologies; I just wanted to finish on that.

Mr HARREX: Shall I deal with this one first, Chair?

3747 The CHAIRPERSON: I think the answer was that it was just the completion of the project, isn't it?

Mr HARREX: That's correct.

Ms ROZOKOS: Yes, we completed it this current financial year.

3748 The CHAIRPERSON: He's happy with the answer, so let's move on. That question is answered.

Mr HARREX: In terms of the India and Pakistan match, for us—

3749 The Hon. D.W. RIDGWAY: Mr Harrex, it was around the effectiveness and the value for money for the three short films, not the actual match itself.

Mr HARREX: I guess it is consistent with how we measure all of our activities, Mr Ridgway. If we look at performance—so, as an example, on the 15<sup>th</sup> of February, when the India

and Pakistan game happened, Adelaide accommodation providers had an increase in 56.1 per cent in occupancy, with a 17.7 per cent increase in yield. What we also look at is the actual attendance on the day. So, that is how we measure our success: performance in terms of visitation and expenditure; they are the direct measurements. The other measurement is we had 130,000 views; so, these are people that actually watched the three short films.

3750 The CHAIRPERSON: Just on a different topic, wrapping up social media and online presence: in March and April of 2012, the Tourism Commission paid 16 individuals for endorsements on Twitter for the Kangaroo Island. The committee asked your predecessor for the names of the individuals, and they have not been provided, so can you take that on notice, as the new CEO? I am sure you will be assiduous in assisting the committee. The commission did indicate that you paid between \$250 and \$750 to these individual to promote the Kangaroo Island experience on Twitter, and you paid a total of \$7,500. Since that campaign where you paid people for tweets, has the Tourism Commission used that marketing vehicle for any other campaigns?

Mr HARREX: No, we have not.

3751 The CHAIRPERSON: So the only example of paying people for tweets was the Kangaroo Island campaign?

Mr HARREX: That's correct.

3752 The CHAIRPERSON: Was the reason you discontinued it because you did not think it was value for money? What was the reason why the commission tried it and subsequently decided not to continue it?

Mr HARREX: We have actually taken a lot more of this on internally, in terms of the way in which we operate. So, if we look in our communications area, we actually do a lot more of this internally in terms of our own staffing. That is correct, yes.

3753 The CHAIRPERSON: The commission itself has a lot of Twitter followers for its tweets, has it?

Mr HARREX: We do from a corporate point of view, yes, and also from a Facebook point of view as well. The fact is, social media needs to be a crucial part of your engagement with consumers. The way in which consumers digest information, as I said earlier, has changed, and that is why social media plays a key role.

3754 The CHAIRPERSON: I understand. Gerry, you are on a new topic.

3755 The Hon. G.A. KANDELAARS: I understand that tourism commissioners entered into joint marketing campaigns with airlines in relation to, in particular, AFL related travel. Can you tell us about that and what benefits you have seen out of that?

Mr HARREX: Airline partnerships are absolutely crucial for us, and we have seen that through the growth of aviation into Adelaide and the fact that Adelaide is one of the fastest growing international airports. We have also seen growth in domestic capacity. So, we work with airlines to leverage our investment. As an example, in terms of the AFL, we work with Virgin, which is the appointed airline for the AFL, and we use their agreements with partners to do direct mail activity, to work with football clubs, so for us that is a crucial way to leverage.

With those events we do independent research to look at the impact of the oval. We have seen directly that occupancy for certain matches (and there might be Crows or Port supporters here), certain football clubs attract a different level of occupancy and room revenue, and that has been a positive impact on the city. The important thing is that it has not just been an impact on the city; if you talk to the regions they have also seen a benefit from this, whether it is drive business from Victoria or people actually coming in the day before and getting out to our regions. So, yes, we are seeing a direct correlation, and we use that to leverage and drive people here.

3756 The Hon. G.A. KANDELAARS: And how do you measure that?

Mr HARREX: We measure it in terms of hotel occupancy. In the city when there are particular game matches on—I will have to take that on notice because we have direct data around AFL matches. It breaks down in terms of the revenue impact on the night of a game match



and occupancy and how that directly correlates, so I will take it on notice. We have put that information into the public space.

3757 The Hon. D.W. RIDGWAY: I understand that in relation to airlines we entered into a joint marketing campaign with AirAsia X. Can you tell us how much that was and what are the arrangements of that campaign?

Mr HARREX: In October 2013 AirAsia X commenced services. We saw this as a great way to increase visitation to our state and we commenced a joint marketing agreement with AirAsia X. That agreement was about promoting South Australia and Adelaide, so it was not about services here but actually about how we promote the state. The long-term benefit, because we have direct air services with Malaysia Airlines, saw the benefit. The direct result of AirAsia X flying here, 12 months to September, is that we saw the Malaysian market grow 48 per cent.

In terms of the details of that agreement, details of the financial support provided to AirAsia X are protected under a confidentiality clause. Disclosure would reveal commercially confidential information and may prejudice the future supply of such information and weaken the state's commercial negotiating position and compromise the confidential information of third parties.

3758 The Hon. D.W. RIDGWAY: Are you able to advise us of the length of the time of those arrangements, putting aside the dollar amount, but the time frame that that agreement stands for?

Mr HARREX: In terms of the AirAsia X agreement?

3759 The Hon. D.W. RIDGWAY: Yes.

Mr HARREX: The activity in Malaysia commenced in October 2013 and concluded when they suspended their services. For us, again, we saw that as a great way to tell a story and that's the marketing activity that happened. It wasn't about AirAsia X, it was actually about telling a story about South Australia and Adelaide.

3760 The CHAIRPERSON: Which budget line provided the funding? Was that a Tourism Commission budget line or was there a special appropriation from Treasury or another department?

Mr HARREX: It's from the Tourism Commission budget.

3761 The CHAIRPERSON: From the Tourism Commission budget line?

Mr HARREX: That's correct.

3762 The CHAIRPERSON: Which particular budget line is used? When one looks at the budget papers, which particular budget line conceals, hides, covers the moneys allocated to things like AirAsia X?

Mr HARREX: It sits within our international marketing investment.

3763 The CHAIRPERSON: The international marketing budget line?

Mr HARREX: Yes.

3764 The Hon. D.W. RIDGWAY: Given it ceased when they stopped the service, I'm interested to know whether there was any attempt to redeem any of the taxpayers' money in relation to that marketing joint campaign, because clearly it was entered into with I'm sure good intentions that it would run for a period of time longer than the actual time frame that it did.

Mr HARREX: The agreement was set up with the intent to promote the destination and the state. I think this is a really key point: it wasn't an agreement that was set up to promote AirAsia X, it was actually to promote our destination. That is key to us, because what it allows us to do is to promote so that there is longevity. There wasn't an attempt made to recoup, because the fact is we had jointly entered in and we had promoted Adelaide and South Australia. We saw the market grow by 48 per cent in terms of visitation from Malaysia, so that had a huge economic benefit for our state, and when they announced their conclusion of services, we terminated that agreement.

3765 The Hon. D.W. RIDGWAY: Have we seen a decline in visitation from that market and how do you know it's all due to the AirAsia X campaign?

Mr HARREX: At this stage, we haven't seen a decline in arrivals to this state.

3766 The CHAIRPERSON: Can I open a new topic, and pardon my ignorance in this particular area, but the issue of attracting events like Liverpool and World Cup games, etc.—whose budget line is that, or is that a combination of yours and some other department and agency?

Mr HARREX: I'll actually ask Ms Rasheed to answer this one.

Ms RASHEED: In terms of the Liverpool Football Club, we received a major events bid fund which extends over four years. That was \$1.5 million a year over four years, starting in the 2014-15 financial year, which is fantastic.

3767 The CHAIRPERSON: That was a new bid fund or was that an existing bid fund which was supplemented?

Ms RASHEED: No, it was a new bid fund that was an appropriation at \$1.5 million a year for four years, starting with the 2014-15 financial year. What that bid fund has allowed us to do is to target events, and events that address a number of needs, including or that we can target in terms of visitation to South Australia, media exposure, time of year, extending the events calendar, balancing the calendar, reinforcing our position and branding, all those sorts of things. That has allowed us to secure 10 events to date since we received the bid fund, first year 2014-15.

3768 The CHAIRPERSON: Ten events in 2014-15 or 10 events—

Ms RASHEED: No, 10 events. It's allowed us to secure 10 events, which we project will inject around \$51 million into the South Australian economy, and the Liverpool Football Club game, which happens on 20 July, is one of those events that we have been able to secure.

3769 The CHAIRPERSON: The funding for that is paid in financial year 2014-15?

Ms RASHEED: Funding for the Liverpool—

3770 The CHAIRPERSON: Whatever it is that you're paying for the Liverpool Football Club to come, is that paid—

Ms RASHEED: We have \$1.5 million per year over four years and we are able to, through that bid fund, secure the Liverpool Football Club. The funding—

3771 The CHAIRPERSON: I know the government is not indicating how much you're paying Liverpool—

Ms RASHEED: I believe it goes across two financial years because we would never pay fully before an event happened and it happens in the next financial year, and we would always wait for the event to happen. There are a range of KPIs that link with our payment and also a post-event report, so it would definitely cross two financial years.

3772 The CHAIRPERSON: So part payment will have been made prior to 30 June this year to the Liverpool Football Club and part payment in 2015-16?

Ms RASHEED: Yes, correct.

3773 The CHAIRPERSON: In relation to the Liverpool Football Club coming here, was there any contact between yourself or Tourism Commission executives and Treasurer Koutsantonis over the issue?

Ms RASHEED: The full negotiations on the Liverpool Football Club were run through Events South Australia and it was an opportunity that we were able to secure. The full negotiations were run by Event South Australia and negotiations were direct with the Liverpool Football Club.

3774 The CHAIRPERSON: I understand that and that is proper. I am just asking the question was there any—

Ms RASHEED: Minister Koutsantonis wasn't involved in the negotiations or discussions around securing—

3775 The CHAIRPERSON: That's not my question. My question is, was there any discussion between Treasurer Koutsantonis and yourself or tourism commission executives prior to the negotiations in relation to getting the Liverpool Football Club here?

Ms RASHEED: Not to my knowledge. It was an opportunity that presented itself.

3776 The CHAIRPERSON: You would certainly be aware if he discussed it with you.

Ms RASHEED: I certainly would be. We think it is a fantastic opportunity. The good news on the Liverpool Football Club is that we know that more than 9,500 people from interstate or overseas have booked directly their ticket to come to the game. We also know that that number would be above 10,000 given the number of people who may buy locally for people who are visiting.

Also the opportunity with Liverpool is that they have an extensive—we talked about social media, more than 26 million people on their social media network and we've been able to utilise that. More recently we ran a promotion for someone to win an opportunity to come to the game here in Adelaide. So what Liverpool gives for us is direct economic impact, significant TV exposure and media exposure into key markets including Asia and the United Kingdom, branding positioning for South Australia, and utilisation and profiling of our fabulous Adelaide Oval.

3777 The CHAIRPERSON: Can you outline to the committee how Liverpool—as opposed to Manchester City, who are also visiting Australia, or Real Madrid, Chelsea and others who are visiting Australia and other countries—how was it Liverpool? Was that initiated by the Tourism Commission, did the events management team say 'Hey, the team we want is Liverpool,' or were you approached by promoters on behalf of Liverpool as opposed to other football clubs?

Ms RASHEED: There are a number of football clubs that we have talked to over the time and that certainly are in our sights. Obviously we would look at the clubs that have the biggest reach and also those that have an impact in key markets for the South Australian Tourism Commission and visitors to South Australia. In terms of this one, the Liverpool Football Club opportunity was in conjunction with the Adelaide Oval Stadium Management Authority. We began the negotiations, it was an opportunity that we felt delivered significantly for the state and hence we progressed with that negotiation. That is not to say that there haven't been—

3778 The CHAIRPERSON: Was it the SMA or the Tourism Commission that selected Liverpool as opposed to Manchester City or Chelsea or one of the other clubs? I guess I am trying to find out who initiated—

Ms RASHEED: We became aware they were looking to—so the Liverpool Football Club have run these pre-season tours over a number of years. In fact in 2013, they travelled to Melbourne, and that game delivered more than \$35 million into the Victorian economy and 27,000 interstate visitors and 3,000 international visitors. We were aware that they were looking to run that tour again and that Australia was a place of interest to them, and hence we pursued the opportunity and began discussions with the Liverpool Football Club. They ended up in a two-state arrangement because they are also travelling to Queensland and to Adelaide but we are really thrilled with the outcome to date.

3779 The Hon. D.W. RIDGWAY: I think both you and Mr Harrex, Ms Rasheed, said that there were 10 events. Could you provide us with a list of those events and when they will happen?

Ms RASHEED: Yes. We've managed to secure 10 events through the bid fund and, as I said, they are forecast to inject approximately \$51 million into the South Australian economy. They run across those four-year periods so the Liverpool Football Club, which will be in July of this year; Rescue 2018, which is the world lifesaving championships, and you might remember we had them in 2012, and they delivered about 5,000 visitors to the state and about \$18 million into the economy and we are really thrilled to be able to bring that one back; and the 2016 Golden Oldies World Football Festival. Mass participation events—and you will see that there is a common theme—are a target for South Australia. We do them very well. They bring large numbers of visitors, particularly golden oldies types of events, because they are people who will stay and travel into regions as well. So, that is the Golden Oldies World Football Festival in 2016.

We secured the 2016 Australian Swimming Championships, which is also the selection for the 2016 Olympic Games in Rio, and again they bring with them great visitation and

great media exposure. The 2016 Australian Age Swimming Championships brings thousands of people into the state, we have the 2017 Australian Short Course Swimming Championships—and there is a theme—also, the 2017 Australian Open Water Swimming Championships, the 2015 Southern University Games and the Adelaide Motorsport Festival, which will take place in October 2015.

3780 The CHAIRPERSON: Is the full \$6 million now committed?

Ms RASHEED: No, certainly the 14-15 allocation is committed but there are still funds available across the four years.

3781 The Hon. D.W. RIDGWAY: So you are able to carry that forward, because clearly we are running three weeks off the end of the financial year and for the 14-15 year—

Ms RASHEED: That is fully allocated, 14-15 is fully allocated.

3782 The Hon. D.W. RIDGWAY: But have you spent the next financial year, I assume?

Ms RASHEED: No, it is fully allocated in the 14-15 financial year. As with all these events, once you secure the events, there is a process of payment, so we contract and we contract with a payment usually at the start when you sign a contract and then you have a range of KPIs across the length of the contract and they will link with KPIs in terms of reporting or activity, marketing and those sorts of things, and then that usually finishes with a post-event report and a final payment. So, the 14-15 fund is fully allocated.

3783 The Hon. D.W. RIDGWAY: You have \$6 million.

Ms RASHEED: Yes.

3784 The Hon. D.W. RIDGWAY: Roughly what percentage is committed for those 10 events—30 per cent, 20 per cent?

Ms RASHEED: I know that the 14-15 funds are allocated, so the \$1.5 million is fully allocated. In terms of the percentage across the four years, I would have to take that one on notice and get back to you.

3785 The Hon. D.W. RIDGWAY: But surely you would know—

Ms RASHEED: I don't want to—

3786 The Hon. D.W. RIDGWAY: —the absolute cost of each event. I am sure—

Ms RASHEED: I don't have that number in front of me. I don't want to give you a number that is not correct. I am happy to take that one on notice. I understand your interest.

3787 The Hon. D.W. RIDGWAY: I will look forward to that accurate figure.

Ms RASHEED: Excellent.

3788 The Hon. J.A. DARLEY: In your opening statement, you gave the committee a fairly comprehensive overview of tourism activities and events. Can you describe for us what initiatives you have taken since coming to the position as CEO 2½ years ago?

Mr HARREX: I think one of the key things for me is to articulate the opportunity in terms of what tourism means to the state economy. As I indicated, it is a big direct employer but when you take in indirect employment it climbs to 54,000 people, so my focus has been about building a clear plan and a structure in terms of how we realise that opportunity. I think that has been a really strong way.

We have gone out to every region where we had direct face-to-face meetings with over 300 individuals and what that did was allow us to build a clear plan, one that industry owns, one that industry is prepared to invest in and, for me, that has been a key driver because it has provided the stakeholders with clarity around what is the opportunity for the state and, importantly, what are the areas that we need to focus on, what are the areas that the SATC can really make a difference in.

For me, it has qualified what tourism means and what we have been able to do is break that down region by region. For every single region, we have qualified what the value of the

visitor economy is region by region and, as I indicated at the outset, this is a powerful one because at a local level local mayors are starting to talk about what tourism means to their economy.

For me, this has been a key one: have a really strong framework around what the opportunity is and how we are going to get there. What that has done for us as an agency is allow us to have focus around what are the events. We have talked about the leisure events, we also then have the business events area as well, so what are the areas that are going to drive our visitor economy?

The other area that is absolutely crucial for us is about engaging the consumer. Everything we do is based on the consumer and this is absolutely fundamental because if we put the consumer at the heart of our decision-making—whether it is how they research from the web, what sort of events they are interested in, what activities they want to do when they travel—so every decision we have made is based on research, that is the foundation of a really solid plan. I think we have had a lot of traction in that regard. The fact it is being talked about and has been qualified as a key employer is probably the key thing for me.

3789 The CHAIRPERSON: New topic: the 'Adelaide. Breathe' campaign. I was just wondering whether you can summarise quickly the total expenditure. I have had a look at the estimates committee, so I don't want answers which indicate the media—I think it says the media spend was \$1.482 million. Is that those series of answers: \$950,000 on TV in Sydney, \$120,000 on TV in Adelaide, \$25,000 regional TV, \$10,000 cinema, etc.? Those series of answers were provided by the minister in estimates. Do those expenses solely relate to the 'Adelaide. Breathe' campaign?

Mr HARREX: I actually don't have that detail here. I will have to take that one on notice.

3790 The CHAIRPERSON: Do you have the detail on how much in total was spent on the 'Adelaide. Breathe' campaign?

Mr HARREX: For this financial year (2014-15) there was approximately \$492,669 spent on the 'Adelaide. Breathe' campaign.

3791 The CHAIRPERSON: What about 2013-14?

Mr HARREX: Last financial year (2013-14) it was approximately \$2,471,684. It is important to recognise that that also included production costs. Can I just add a couple of comments on the 'Adelaide. Breathe' campaign?

3792 The CHAIRPERSON: Just before you do, because we are running out of time, I just want to have you take on notice, if you wouldn't mind, if you can reconcile what you have just provided and whatever detail you have got. What we are looking for is a total cost and breakdown of the costs of the 'Adelaide. Breathe' campaign, because in the estimates committees there is a reference from the minister to \$2.35 million, and that was to make the ad. It is obviously an expensive thing to pay for the music rights and other things, etc. So there is \$2.35 million.

In a separate part, the minister does refer to another \$1.4 million in expenditure, which the way I read it relates to 'Adelaide. Breathe', but it may well be that it wasn't intended to. What we are looking for is production costs, purchase of the music rights for the commercial, and when it was run, and in particular I am interested in how much was spent on television advertising in the Adelaide market pre the March election.

As you will know this was a controversial element of the campaign. I have seen the explanation as to why the minister believes it needed to run in Adelaide prior to the election campaign, so we don't need to hear that again, but I am interested to know how much money was actually spent in the South Australian and Adelaide market pre the March election on the 'Adelaide. Breathe' campaign as a subcomponent of the total costs of producing and running that campaign over the two financial years, if that is the case. Can you take that on notice? David, do you have a question on that?

3793 The Hon. D.W. RIDGWAY: No, you have pretty much covered the questions I had on it other than: is there any budget for it to screen this next financial year and, if so, in what markets?

Mr HARREX: Yes, there is a budget for it to screen in the new financial year and it will run in the Queensland, New South Wales and Victorian markets. As I have articulated, Adelaide is a core part of our consumer proposition. Again, based on consumer research, we really have to address the proposition of Adelaide and what Adelaide means to consumers. If you go back more than 12 years ago, two-thirds of people used to drive to South Australia. Now more than 50 per cent fly here, so that is why we actually have to tell the story about what has changed in Adelaide, what is different. This is the reason that events are so crucial for that because they come together as part of our overall story.

3794 The CHAIRPERSON: Mr Ben Tuffnell—can you briefly outline some details for the committee? He joined the commission soon after the March election in a senior position?

Mr HARREX: Yes.

3795 The CHAIRPERSON: What were the circumstances of him winning that position? Was it openly advertised? Did he win it or was he placed in it?

Mr HARREX: The position of Director Corporate Communications, PR and Strategy General Manager was nationally advertised on seek.com in the executive appointments section, in *The Advertiser* and early general news section of the Career One lift-out on 6 September, as well as in the South Australian government Notice of Vacancies.

The position was open for two weeks, which is a normal recruitment practice, and closed on 22 September 2014. There were more than 40 applicants. From these applicants, five candidates were shortlisted for interviews. The interview panel consisted of myself and the human resources manager and facilities manager.

Interviews were held on 2 October. The process revealed four candidates that were suitable for the role and one standout candidate that matched the essential skills and experience required for the position. Following reference checks, Ben Tuffnell was identified as the preferred candidate and formally offered the position. He commenced his contract on 10 November. The process undertaken was in line with SATC's policy on recruitment.

3796 The CHAIRPERSON: That was 10 November—

Mr HARREX: 2014.

3797 The CHAIRPERSON: —2014. And Mr Tuffnell is still happily working in the position?

Mr HARREX: No, he's not.

3798 The CHAIRPERSON: What happened to him?

Mr HARREX: Mr Tuffnell resigned his—

3799 The CHAIRPERSON: When did he resign?

Mr HARREX: He resigned on 30 January 2015.

3800 The CHAIRPERSON: So you appointed him after that process in November and he resigned in January?

Mr HARREX: Correct.

3801 The CHAIRPERSON: What were the circumstances of his resignation?

Mr HARREX: He made a personal decision to leave the organisation.

3802 The CHAIRPERSON: So he left, and you have replaced him with somebody?

Mr HARREX: I have, yes. Following a further review of the candidates from the initial application process, Jehad Ali was formally appointed and commenced into the role on 2 March.

3803 The CHAIRPERSON: Who was that?

Mr HARREX: Jehad Ali. He is actually in the room here.

3804 The CHAIRPERSON: He is still with us?

Mr HARREX: He is.

3805 The CHAIRPERSON: Good. He's got a bit more staying power than the last bloke. The issue of a brilliant blend—when the commission was before the committee last time, the issue of Brand South Australia was there and questions were asked at that stage about what was going to happen. Can you update the committee on what has happened in terms of a brilliant blend?

3806 The Hon. D.W. RIDGWAY: It would be fair to say there was a reluctance to embrace the new state brand the last time the commission was here.

Mr HARREX: As an organisation—I don't know the background because it commenced before I arrived into the role—

3807 The CHAIRPERSON: 'It' being what?

Mr HARREX: Sorry, the new brand.

3808 The CHAIRPERSON: The state brand or a brilliant blend?

Mr HARREX: The state brand has been embraced in terms of our organisation. If you look at all of our consumer-facing communication, the new state brand is part of that story. The fact is that there's a good level of consistency out there in terms of what is in front of consumers, so we have embraced the state brand in all we do, whether it's events or our consumer marketing activities. We use it for the state, both domestically and internationally.

3809 The CHAIRPERSON: So a brilliant blend is no more?

Mr HARREX: No; we are no longer using that.

3810 The CHAIRPERSON: When was the decision taken to can a brilliant blend?

Mr HARREX: I will have to take that on notice, because my understanding is that it was before I arrived. So as soon as the new state brand was developed and announced, it was put into effect immediately.

3811 The CHAIRPERSON: Was that a decision taken by the commission or was it required by government?

Mr HARREX: It was a decision by the commission.

3812 The CHAIRPERSON: To willingly comply with the new direction. Can you take on notice what was the total development cost, investment cost, in a brilliant blend brand for the Tourism Commission? What were the sunk costs in terms of how much you had invested? Questions on notice?

3813 The Hon. A.L. McLACHLAN: Just on that question on notice, what was the value of the brand that you had calculated immediately prior to it being abandoned?

Mr HARREX: Sorry, I don't understand.

3814 The Hon. A.L. McLACHLAN: Well, your brand has a value. What was the calculated economic value of the brand prior to the decision that it no longer be used?

Ms RASHEED: I don't know if I can answer this, but I don't think we recently have the value of the brilliant blend logo, if that's what you're talking about. Had we had it independently valued I suspect that the Tourism Commission had not recently had that or maybe never had the logo itself valued independently, so I think that we wouldn't have—I could probably give you that answer now.

3815 The Hon. A.L. McLACHLAN: So, you don't calculate the economic impact of a brand?

Ms RASHEED: Not of a logo. I think the value of what we do, the activities we do, but in terms of the value of a logo we would not have a value for the logo.

Mr HARREX: I think that's a really important point because it is about what people spend when they're here. It's about: what is the economic value of an event versus a brand? The fact is that what we are as a destination is what we offer.

3816 The Hon. A.L. McLACHLAN: Are you saying a brand has no value at all? Then, why have one?

Mr HARREX: It really depends as to what the proposition is as a destination, you know, what we get through the state brand is consistency in message and alignment and that's the way in which we communicate externally to the state.

3817 The Hon. A.L. McLACHLAN: How do you measure its success then?

Mr HARREX: How we measure success is the way in which we engage with consumers. So, what we have is consumer research in terms of their view of South Australia and the way in which they look at our state. What are the things that they recognise about our state? What are the things that would drive their visitation to our state? They're the things that we measure.

3818 The Hon. A.L. McLACHLAN: How do you know the particular brand is successful then as opposed to another brand?

Mr HARREX: Well, our brand is the story of South Australia. Our brand is not just about a logo, our brand is actually about our events, our destination, whether it's the Barossa, whether it's Flinders in the outback, that is what our brand is. Our brand is the essence of what our proposition is to the consumer and consumers put a value on the brand when they actually make a decision to come here, when they make a decision to come to our events. That's the strength of what we offer.

3819 The Hon. A.L. McLACHLAN: Perhaps we can pursue this conversation another time. I just have a couple of questions on notice. I would like you to take on notice—I'm interested in the mathematical calculation of the economic impact that you have through your annual report, the methodology used and the calculated PR value. I'm also interested in who else uses the same methodology, both in Australia and internationally, and are there other methodologies known in the public sector?

3820 The CHAIRPERSON: Others with questions on notice?

3821 The Hon. D.W. RIDGWAY: Just two, if I may. Is the SATC involved in the government bid to become one of the great wine capitals of the world? And one for Ms Rasheed: are we any closer to the world water ski championships becoming a reality?

Ms RASHEED: On notice, or?

3822 The Hon. D.W. RIDGWAY: Well, if you could very quickly.

Ms RASHEED: Yes, I can quickly answer that. As you well know, we're talking with water skiing South Australia and Australia about the potential for South Australia to host the world water ski championships since 2013. We have met with them on numerous occasions. We've done a lot of work around budgeting, around the sorts of things we look at to help support bring an event here. We had a really good meeting with the new local organising committee in June of last year. It was actually a great meeting where we discussed the sorts of things that needed to happen in terms of securing an event, including professional event management, marketing interstate, those sorts of things. They went away and they were going to come back to us.

As recently as maybe last month, or recently, they said that they are still looking at some of the areas we raised with them and that they are not yet in a position to come back to us about working together to secure the event. It's an event of interest to us, definitely, but there are a number of areas that they needed to work on.

Mr HARREX: Chair, may I answer the question on the great wine capital?

3823 The CHAIRPERSON: Be very quick because we are running out of time.



Mr HARREX: In terms of great wine capitals, yes, we have been involved with PIRSA, with Brand South Australia, with the wine industry in South Australia, so we are looking at the opportunities for that. So, yes, we've been engaged in that.

3824 The CHAIRPERSON: Just some questions on notice, if you wouldn't mind: the extent of any funding the Tourism Commission provides to any minister's office by way of appropriation over and above the minister's office allocation for staffing or any other resources; any carryovers that the commission asked for from the 2013-14 financial year into the 2014-15 year from Treasury, the details of those and which ones, in particular, were approved and which ones might not have been approved from Treasury; then, finally, the extent of any capital works, if any, in the month of June 2014 as a percentage of your total capital works or investing budget for the 2013-14 financial year? With that, Mr Harrex, we thank you and your colleagues very much for your attendance today. The committee secretary will work with you in terms of the transcript and the answers to questions you've taken on notice. Thank you.

Mr HARREX: Thank you very much for the opportunity.

THE WITNESSES WITHDREW

# SOUTH AUSTRALIAN TOURISM COMMISSION



Mr Guy Dickson  
Secretary to the Committee  
Legislative Council  
Parliament House  
Adelaide SA 5000

Dear Mr Dickson

I refer to your letter regarding the South Australian Tourism Commission's (SATC) attendance at the Budget and Finance Committee.

Please find attached the SATC's responses to the questions taken on notice at the Committee hearing.

Should you have any questions regarding the SATC's responses, I invite you to contact Stephanie Rozokos, the SATC's Chief Financial Officer on telephone 8463 4770.

Yours sincerely

**Rodney Harrex**  
**CHIEF EXECUTIVE**  
**SOUTH AUSTRALIAN TOURISM COMMISSION**

(1 / 8 / 15

Encl:

**LEGISLATIVE COUNCIL**  
**BUDGET AND FINANCE COMMITTEE**

**Tuesday 9 June 2015**

**Q.1. You referred in both of those savings tasks (2014-15, 2015-16) to cessation or reduction of contracts, various contracts. Can you just give the committee one or two examples? What sort of contracts are you talking about?**

**2014-15 examples:**

- A renegotiation of the South Australian Tourism Industry Council (SATIC) agreement which delivered more than \$200,000 pa in savings. From the outset, it was intended that SATIC would become financially self-sustainable as it became a mature industry body, and as a result it would significantly decrease its financial reliance on the SATC.
- Cessation of various sponsorship contracts such as the Netball Test Australia versus New Zealand, the 2013 XPD Adventure Race and the Adelaide Film Festival. The details of sponsorship payments are commercial in confidence and subject to contractual confidentiality restrictions.
- Reduction in New Zealand Representation fees – Savings of approximately \$70,000 pa.

**2015-16 examples:**

- Cessation of various sponsorship contracts such as the 2014 Australian Swimming Short Course Championships, and the 2014 Australian All School Championships. The details of sponsorship payments are commercial in confidence and subject to contractual confidentiality restrictions.
- Expiration of digital maintenance contract with Deloitte – Savings of approximately \$100,000 pa.
- Termination of the AirAsia X marketing agreement due to cessation of flights to Adelaide. The details of this agreement are commercial in confidence and subject to contractual confidentiality restrictions.
- Cessation of the Cricket World Cup public relations support project – Savings of approximately \$250,000 pa.

**Q.2. Does your organisation pay retention allowances to any of the 101 employees?  
Outline which positions are paid retention allowance and what is the total amount paid?**

The SATC currently has nil employees who receive an attraction or retention allowance.

The SATC does not include a provision within its policy framework or provide options for an attraction or retention allowance to staff outside the scope of the Commissioner's Determination.

**Q.3. What is the budget for the maintenance of the websites?**

The budget allocated to maintain and update all South Australian Tourism Commission (SATC) and Events South Australia websites is \$310,300 (excl. GST) for 2015/16.

**Q.4. What was the cost to build the original southaustralia.com?**

The cost to build the original southaustralia.com website was \$3.2 million over the 2010-11 and 2011-12 financial years. The original build of the southaustralia.com website included a new look and feel, increased booking and search functionality and a new content management system which allowed tourism operators to manage their own data on the Australian Tourism Data Warehouse. The website focused on South Australia travel information, regions, accommodation, things to do, events and food and wine.

**Q.5. What are the names of the 16 individuals the Commission paid for endorsements on Twitter for Kangaroo Island?**

As part of the SATC's domestic advertising campaign in 2011/12, high-profile Twitter endorsements were used to promote Kangaroo Island. In total, the SATC paid for 16 tweets at a cost of \$250 to \$750 each, depending on the profile of the personality and the expected audience reach.

In all instances, the tweet was written by the personality and referred to their personal opinions about Kangaroo Island, the television campaign or a previous experience they have had when visiting Kangaroo Island.

The 16 individuals were:

- Pete Evans, My Kitchen Rules
- Drew Mitchell, Australian Rugby Player
- The Bondi Rescue Cast (Dean Gladstone & Andrew Reid)
- Nikki Phillips, Model/TV Personality/Fashion Blogger

- Matthew Mitcham, Australian Diver
- James Tobin, Weekend Sunrise Presenter
- Brodie Harper, TV Presenter/Model
- Sophie Falkiner, TV Presenter
- Shannon Noll, Singer
- Matt Moran, Australian Chef/Masterchef Judge
- Karen Martini, Australian Chef/Writer/TV Presenter
- Jesinta Campbell, Actor/Model/TV Host/Miss Universe Australia 2010
- Kate Ceberano, Singer/Former Director Adelaide Cabaret Festival
- Hayden Quinn, Former MasterChef contestant
- Vanessa Amarosi, Singer

**Q.6. In terms of joint marketing campaigns with airlines for AFL related travel, how do you measure the success?**

The SATC is partnering with Virgin Australia Holidays to encourage interstate AFL fans to travel to Adelaide for games at the Adelaide Oval. Campaign success is measured by growth in sales to Adelaide through airfares, sales of tickets to AFL games at Adelaide Oval and accommodation and touring in South Australia sold by Virgin Australia Holidays. The SATC also measures the growth in these sales from previous years to SA matches and is indexed against travel to other AFL matches interstate.

The SATC also measures AFL game day in Adelaide using accommodation data supplied by STR Global. STR Global tracks supply and demand data for the hotel industry. It currently has accommodation data for 90+% of hotel rooms in the Adelaide CBD. This data outlines the daily Occupancy, Revenue per Available Room, Average Daily Revenue, Supply, Demand and Revenue for the majority of the hotels in the Adelaide CBD. With the AFL moving to the Adelaide Oval, the SATC has been able measure this data on game day versus the prior year.

The SATC also monitors crowd numbers at Adelaide Oval in comparison to Football Park at West Lakes in previous years.

**Q.7. Roughly what percentage (of the Events Bid Fund) is committed for the ten events?**

We have taken a position not to reveal the percentage of the Events Bid Fund committed to the ten events as revealing the amount would weaken the State's competitiveness in securing future events and compromise commercially confidential information.

**Q.8. What is the total cost and breakdown of the costs of the 'Adelaide. Breathe' campaign?**

In the 2013/14, \$1.09 million (excl. GST) was spent on the production of the "Adelaide. Breathe." TV commercial. This figure includes the artistic direction, production of shooting the video and still photography (including talent and crew travel and accommodation), music recording and rights, publishing and editing costs.

An additional \$1.35 million (excl. GST) was spent on media. This media expenditure included \$174,000 (excl. GST) for the airing of the TV commercial in the South Australian market on TV and cinema. This activity took place from 2 February to 8 March 2014. \$38,400 (excl. GST) was also spent on consumer engagement as part of the Adelaide campaign in the South Australian market at this time. The remainder of the media budget was targeted at Sydney.

The SATC is unable to disclose the details of the music licence with Warner/Chappell Music Australia for the exclusive recording of "Never Tear Us Apart" based on a contractual duty of confidence.

**Q.9. What was the total development cost, investment cost, in a brilliant blend brand for the Tourism Commission?**

The Brilliant Blend brand was created in 2006. The SATC cannot provide an estimate on the total development and investment costs to produce the brand due to the time elapsed since the brand was created. It is important to note that logos are produced to capture the essence of a brand and communicate its values to its target market; this applies to the State like any other business in marketing. In line with market trends the SATC now uses the State logo on all consumer marketing communications.

**Q.10. I'm interested in the mathematical calculation of the economic impact that you have through your annual report, the methodology used and the calculated PR value.**

- I'm also interested in who else uses the same methodology, both in Australian and internationally, and are there other methodologies known in the public sector?

Many South Australian events use market research providers to calculate economic impact. These market researchers use quantifiable data and research intelligence to measure the impact that an event has on the local economy. For example, McGregor Tan Research conducts the market research for the Santos Tour Down Under. McGregor Tan Research also provides an insight into the market for the event, attendance information and brand/sponsor recognition. Other events that use McGregor Tan Research include the Adelaide Festival of Arts and the Credit Union Christmas Pageant.

The SATC also engages the services of an independent media monitoring company to calculate Advertising Space Rate (ASR) values and potential cumulative audience reach. The ASR is the approximate cost an organisation would incur to buy an advertisement in a specific publication and is expressed as a currency. This value takes into account audited circulation data and/or circulation/print run figures. The Public Relations (PR) Value is the ASR multiplied by three recognizing the value of editorial over advertising.

The methodology for calculating the PR Value is used by many event managers including Events South Australia, South Australia Motor Sport, and the AFL.

**Q.11. What funding has the Tourism Commission provided to any minister's office by way of appropriation over and above the minister's office allocation of staffing or any other resources?**

The SATC employs one staff member located within the Minister for Tourism's office in the capacity of Ministerial Liaison Officer at an ASO6 equivalent salary level. The SATC has not provided to any minister's office appropriation over and above the minister's office allocation of staffing.

**Q.12. Are there any carry overs from Treasury that the Commission asked for from 2013-14 financial year into the 2014-15 financial year, the details of those and which once, in particular were approved and which ones might not have been approved from Treasury?**

The SATC did not request any carryover expenditure for the financial year 2013-14 going into the 2014-15 financial year.

**Q.13. The extent of any capital works, if any, in the month of June 2014 as a percentage of your total capital works or investing budget for the 2013-14 financial year?**

The SATC expended \$7,600 for Capital works in June 2014 which represented 6% of the SATC's Capital budget for the 2013-14 financial year.