



**SOUTH PACIFIC  
TOURISM  
ORGANISATION**



**2018** | **ANNUAL  
REPORT**



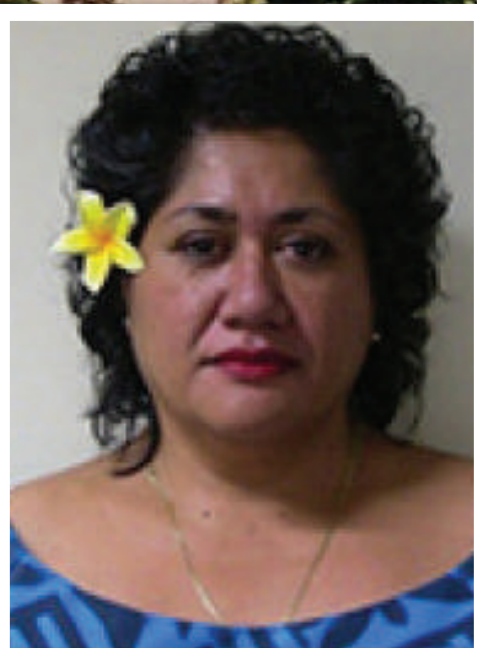
## MISSION

MARKET & DEVELOP TOURISM  
IN THE SOUTH PACIFIC



## CONTENTS

- 4 Chairperson's Message
- 6 Chief Executive Officer's Message
- 8 South Pacific Tourism Organisation Board of Directors
- 9 Acronyms
- 11 Executive Office
- 20 Performance of the Tourism Industry in 2018
- 26 Marketing Division
- 32 Research and Statistics Division
- 38 Sustainable Tourism
- 44 Finance and Corporate Services Division



## Chairperson's Message

Talofa! I am both honored and proud to present the 2018 South Pacific Tourism Organisation Annual Report, which highlights some of the key achievements of the Secretariat in 2018.

Tourism the world over is a booming industry and here in the Pacific we continue to benefit from the ever increasing visitors to our shores. In 2018, more than 56% of the 18 countries in the region recorded positive tourism growth. These countries included Fiji, American Samoa, Cook Islands, French Polynesia, Samoa and the Solomon Islands. As a result, arrivals to the Pacific ACP and SPTO member countries grew by 2% in 2018 to 2.14 million. As in past years Australia and New Zealand continue to be major source markets for the region but it is also important to note the promising indicators offered by non-

traditional source markets like China, USA, UK, Europe, Korea and other parts of Asia.

However, as demand continues to grow, so too should the importance and awareness of sustainable tourism development. Here in the Pacific we are particularly vulnerable to natural disasters, climate change and development challenges related to our small populations and geographical locations. As such, we must continue to emphasize and encourage sustainable practices that can fuel the long term growth of this most valuable industry. For in doing so we are protecting and promoting hundreds of thousands of jobs, unique ecosystems, rich cultural heritage and the future of our islands for generations to come.

In order to achieve as much we must continue to support the important work of NTOs,

public and private sector agencies and other key stakeholders with whom we partner to ensure the highest level of expertise and cooperation in the relevant areas. In that regard, I believe that we have made significant progress in terms of sound policy development, strategic partnerships and research capacity, responsiveness to tourism demands and marketing and product development. However, there is still a lot of work to be done and collectively, we must continue to support each other and work towards promoting and protecting our shared values and common goals.

As you continue through this report you will note the tremendous effort of SPTO, in effectively representing the diverse tourism stakeholders in the region and promoting Pacific Tourism. In 2018, this was achieved through investing in and attending trade and travel exhibitions, sustainable tourism development capacity building workshops and programmes, strengthening research and statistics capabilities through various surveys and forming

mutually beneficial partnerships with national, regional and international organisations.

In closing, the important work of the Secretariat can only reach full realization with the complete support of our government and private sector members and of course the relevant tourism industry stakeholders. I urge you to make every effort to inform, participate in and support the work of SPTO so as to ensure the delivery of widespread and long term benefits to our respective tourism industries and the region as a whole.

Thank you all for your hard work, long may it continue to benefit the Pacific and make a difference to the lives of our Pacific People!

Ma le fa'aaloalo tele lava

Soifua

**Papalii Matatamalii SONJA HUNTER**  
Chairperson



## Chief Executive Officer's Message

### Warm Pacific Greetings!

As we take this opportunity to reflect on 2018 I cannot help but feel immensely proud and appreciative of the progress made by SPTO's team and similarly the accomplishments of tourism industries throughout our diverse region.

Tourism has been acknowledged as one of the world's fastest growing industries and Pacific Tourism is no exception with its valuable 8.2% contribution to regional GDP, generation of US\$3.4 billion to the region's economy and an estimated 3.1 million visitors by air and cruise ships. Moreover, recent World Bank forecasts suggest that visitor arrivals could peak at 3 million by 2024, coupled with the creation of over 100,000 jobs!

Indeed tourism the world over is known to be a dynamic and exciting driver of growth and here in the Pacific, with our unique and fragile natural environments, we would do well to adopt a sustainable approach to tourism development in the region.

With that in mind, the Secretariat has sought to partner with governments, the private sector and other organizations that recognize and value the importance of sustainably developing our pristine environment and rich cultural heritage.

On that note, SPTO signed seven MOUs with key international and regional agencies such as the World Health Organisation, Cruise Lines Industry Association- Australasia, NZ Maori Tourism, FEXCO Pacific, CBISN Services (Welcome

China), South Pacific Sailing Network and Pacific Islands Development Programme (PIDP) of the East West Centre of Hawaii

In addition to the above, April 2018 marked the 5th South Pacific Tourism Exchange (SPTEx) which was held from 12-13 April at the Adelaide Convention Centre. SPTEx 2018 attracted participation from 89 sellers from 16 SPTO member countries, and 68 buyers from 14 countries, including the key source markets of Australia, USA and China. The event maintained major sponsorship from the Bank South Pacific and partnered with other key sponsors like Fiji Airways and Nauru Airlines.

Importantly, in recognition of emerging trends and diversifying markets, SPTO has responded through carefully considered collaborations such as the partnership with the Cruise Lines Industry Association of Australasia and by identifying niche markets and corresponding tourism experiences. Cruising continues to record rapid growth with several Pacific Island countries regularly featuring as major cruise destinations.

Moreover, whilst traditional generating markets continue to grow, emerging markets like China and Korea are also promising and have prompted a focus

on the need to develop niche segments to suit these emerging markets. In that regard, the organization has been forward thinking with initiatives like the China Pacific Tourism Year 2019, the China Pacific Tourism Development Initiative 2019-2023 and the Promotion Program for Trade and Tourism with the government of Korea (2019-2020).

Looking forward, the organization remains positive about the ways in which we can contribute to the growth and development of tourism in each of our member countries and in the region as a whole. This report will provide more detailed information on divisional achievements and I trust that it will be an enjoyable and informative read!

Finally my sincere appreciation to the SPTO Chair Lady, SPTO Board and especially the SPTO team for all their hard work in 2018. Without your support we would not have achieved the outcomes highlighted in this report.

Malo Aupito ae ngaue lahi

Ofa Atu,  
**CHRISTOPHER COCKER**  
Chief Executive Officer

## Board of Directors



**SONJA HUNTER**  
Chairperson  
Samoa



**ADELA ISSACHAR**  
Deputy Chair  
Vanuatu



**FAKAVAE TAOMIA**  
Tuvalu



**JOSEFA TUAMOTO**  
Solomon Islands



**FELICITY BOLLEN-**  
Niue



**DAVID VAEAFE**  
American Samoa



**HALATOA FUA**  
Cook Islands



**BERMANE ALDIS**  
Federated States of  
Micronesia



**SHAHEEN ALI**  
Fiji



**GINA BUNTON**  
French Polynesia



**BRENDA ALIK  
MADDISON**  
Marshall Islands



**JERRY AGUS**  
Papua New Guinea



**IAATAKE KING**  
Kiribati



**ANNABELLE SCOTTY**  
Nauru



**JOSE QUINTAS**  
Timor-Leste



**WEIJIAN LUO**  
People's Republic  
of China



**SADRINE BELLIER**  
New Caledonia



**SIONE MOALA-MAFI**  
Tonga



**ROBERT SKEWS**  
Private Sector  
Representative  
Turama Pacific  
Travel Group



**DIANA CHINCHOI**  
Private Sector  
Representative  
Tahiti Nui Travel



**ALI SERHAN**  
Private Sector  
Representative  
Warwick Le Lagoon  
Resort & Spa



**SIMON FOO**  
Private Sector  
Representative  
Air Niugini



**DIXON SEETO**  
Private Sector  
Representative  
Fiji Hotel and  
Tourism Association

## ACRONYMS

|                   |                                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------|
| <b>ACP</b>        | African Caribbean and Pacific                                                                     |
| <b>ADB</b>        | Asian Development Bank                                                                            |
| <b>AOSIS</b>      | Alliance of Small Island States                                                                   |
| <b>CITM</b>       | China International Tourism Mart                                                                  |
| <b>CPTY</b>       | China Pacific Tourism Year                                                                        |
| <b>COTTM</b>      | China Outbound Travel Tourism Mart                                                                |
| <b>EO</b>         | Executive Office                                                                                  |
| <b>EU</b>         | European Union                                                                                    |
| <b>FAS</b>        | Fiji Accounting Standards                                                                         |
| <b>FCSD</b>       | Finance and Corporate Services Division                                                           |
| <b>FHTA</b>       | Fiji Hotel Tourism Association                                                                    |
| <b>IESBA Code</b> | International Ethics Standards Board for Account's<br>Code of Ethics for Professional Accountants |
| <b>IFC</b>        | International Finance Corporation                                                                 |
| <b>ISA</b>        | International Standards on Auditing                                                               |
| <b>JEE</b>        | Job Evaluation Exercise                                                                           |
| <b>LOA</b>        | Letters of Agreement                                                                              |
| <b>MOU</b>        | Memorandum of Understanding                                                                       |
| <b>MSG</b>        | Melanesian Spearhead Group                                                                        |
| <b>NSO</b>        | National Spearhead Group                                                                          |
| <b>NTO</b>        | National Tourism Offices                                                                          |
| <b>PICs</b>       | Pacific Island Countries                                                                          |
| <b>PPTT</b>       | Promotion Program for Trade and Tourism                                                           |
| <b>PRC</b>        | People's Republic of China                                                                        |
| <b>PWC</b>        | Pricewaterhouse Coopers                                                                           |
| <b>RSD</b>        | Research and Statistics Division                                                                  |
| <b>RTRC</b>       | Regional Tourism Resource Centre                                                                  |
| <b>SDGs</b>       | Sustainable Development Goals                                                                     |
| <b>SPANTO</b>     | South Pacific Association of National Tourism Organisation                                        |
| <b>SPCA</b>       | South Pacific Cruise Alliance                                                                     |
| <b>SPT</b>        | South Pacific Tourism Exchange                                                                    |
| <b>SPTO</b>       | South Pacific Tourism Organisation                                                                |
| <b>TOSP</b>       | Treasures of the South Pacific Programme                                                          |
| <b>UNDP</b>       | United Nations Development                                                                        |
| <b>UNWTO</b>      | United Nations World Tourism Organisation                                                         |
| <b>WB</b>         | World Bank                                                                                        |



## Executive Office

---

Throughout 2018 the Executive Office (EO) took the lead role in the management of SPTO programmes, all of which were aimed at supporting and furthering the development of the Pacific Island's tourism industry. A key role of the EO is to build partnerships, seek funding opportunities and advocate for regional tourism at national, regional and international forums, some of which will be highlighted in this report.

Furthermore, the Executive Office also plays a crucial role in managing SPTO's institutional capacity and organisational performance, which in turn impacts the functions of management, their work programmes and other activities.

The Executive Office is led by the Chief Executive Officer, who is supported by a Administrative Assistant and Executive Officer.



## MAJOR DIVISIONAL ACHIEVEMENTS FOR 2018:

Some of the major highlights for the division are summarized as follows:

### Regional Advocacy;

Representing SPTO and the interests of the Pacific tourism sector at the following key events:

- Regional Steering Committee meeting for the Pacific, Fiji
- CROP Heads Meeting (Sydney, Australia)
- Polynesian Leaders Group Meeting, Tuvalu
- 28th Meeting of the Council of Pacific Arts and Culture and the 4th Culture Ministers Meeting (Nadi, Fiji)
- SPC'S Committee of Representatives of Governments and Administrations (CRGA) Meeting, Noumea, New Caledonia
- CROP Chairs and Heads Meeting (Suva, Fiji)
- 49th Forum Leaders Meeting (Nauru)

### National Advocacy:

- Representing SPTO and visiting the member countries is another key responsibility of the Executive Office. The following member

countries were visited by the CEO or a representative

- American Samoa Mission (American Samoa)
- Attendance and presentation at the Samoa Tourism Forum 2018
- Attendance and presentation at Pacific Business Days Forum, Tahiti
- Kiribati Development Partners Forum, Tawara, Kiribati
- SPTO CEO Cook Islands Mission (Cook Islands)

### International Representation:

Advocating for the region's tourism industry at various international forums including:

- Sasakawa Peace Foundation Symposium - Tokyo, Japan
- World Indigenous Tourism Summit (WITS) - New Zealand
- SIDS Global Business network (SIDS-GBN) Private Sector Partnership Forum- Mauritius
- UNWTO Regional Seminar on Climate Change, Biodiversity and Sustainable Tourism Development & 30th Joint Meeting of the UNWTO Commission for East Asia and the Pacific, Nadi, Fiji

- NZ Maori Tourism Event and Tourism Export Council's (TEC) Annual Conference, Napier, New Zealand
- UNESCO Roundtable Meeting, Apia, Samoa
- PATA SPTO and STA Pacific Tourism Insights Conference
- 4th Forum and Assizes of Training and Professions in Tourism, Papeete, Tahiti
- 5th Korea-Pacific Islands Senior Officials meeting- Seoul, Korea
- China International Travel Mart (CITM)- Shanghai, China
- Sasakawa Peace Foundation Cutting Edge Seminar- Tokyo, Japan

### MOU signed with Cruise Lines Industry Association- Australasia

This partnership will work towards the development of mutually beneficial and sustainable frameworks that will help drive cruise tourism in the South Pacific, in a manner that is socially, economically and environmentally beneficial to the region.

### MOU signed with NZ Maori Tourism

The MOU underpins the mutually beneficial partnership between SPTO and NZ Maori Tourism, whereby the two organisations will work together to establish and develop the necessary conditions to strengthen and increase the value of tourism in the South Pacific. This may take the form of information sharing, joint events, development projects and so forth.

### MOU signed with FEXCO Pacific

Under the MOU, FEXCO Pacific and SPTO agree to cooperate to further regional tourism, with a particular focus on the promotion of the tourism advocacy of SPTO, referral agreements for business payments and currency exchange and digital tie-up.

### MOU signed with CBISN Services (Welcome China)

SPTO and CBISN Services have identified several key areas in which cooperation between the two organisations can strengthen tourism development opportunities. Areas of focus will include assistance with CPTY 2019, sharing of information and networking opportunities and provision of market intelligence for China Outbound Travel Mart.

### Partnerships established:

The following are some of the MOUs and a letter of intent signed by SPTO with key partners in 2018:

### MOU signed with the World Health Organisation (WHO)

Under the MOU both SPTO and WHO are committed to promoting smoke-free public places and increasing opportunities for people to access healthy local foods and get physically active. Moreover, the partnership also aims to support improved accessibility for persons with disabilities in the tourism sector. The MOU is valuable in that it has the potential to lead to further funding opportunities in the area of healthy Pacific tourism.





### The United Nations Educational, Scientific and Cultural Organisation (UNESCO) Letter of Intent

The Letter of Intent for partnership between SPTO and UNESCO is aimed at facilitating collaboration between the Parties on matters of common interest to them. It is anticipated that Joint collaboration will focus mostly on complementary and/or joint programme efforts that support the national, regional and global initiatives in sustainable tourism and safeguarding of the natural and cultural (tangible and intangible) heritage.

### SPTO and South Pacific Sailing Network (SPSN)

This MOU was promoted by the shared desire to develop, improve and enhance the value of sailing and yachting and its contribution to the tourism sector of SPTO member countries. The two organizations agree to work together to develop the Pacific region as a sailing and yachting destination, with SPTO member countries being equipped to meet the best practice and other reasonable expectations of the sailing and cruise industry.

### SPTO & Pacific Islands Development Programme (PIDP), East West Centre, Hawaii

This partnership is funded by the United States Government and managed by the Pacific Islands Development Program. It provides a fully funded, 6 week training opportunity in Hawaii, for tourism

industry professionals from PICs. Since its inception in 2018 the programme has proved to be beneficial with growing interest from PICs.

### Funding opportunities:

As a result of partnerships developed and relationships built, the following funding opportunities were secured by the EO for SPTO and its members:

- NZ PICTicipate funding of NZ\$18,895.28 to support the attendance of the Pacific at WITS in New Zealand. The Pacific contingent comprised of the SPTO CEO, Manager Sustainable Tourism Development and representatives from Tonga, Samoa, Cook Islands, Tahiti and PNG.
- Secured NZ Maori Tourism as the major sponsor of SPTE 2019. The sponsorship is in excess of NZ\$60,000.
- Funding of US\$39,723.50 was provided by the China Ministry of Culture and Tourism to assist SPTO and various SPTO member countries attend CITM in Shanghai. Member countries that attended were Cook Islands, French Polynesia, Niue, PNG, Samoa, Tonga and Vanuatu.
- PPTT funding provided by South Korea has been confirmed at USD \$1,000,000 for a two year period (2019 – 2020) for both Trade and Tourism facilitation. The tourism component totals USD \$500,000 for the two year period.

- CPTY 2019 was announced by President Xi Jinping in a meeting with Pacific Island Country Leaders from Niue, Samoa, Tonga, Fiji, PNG, Cook Islands, FSM and Vanuatu. CPTY will be officially launched in Samoa in April 2019 and it is expected that the tourism sector will stand to benefit from this initiative through financial support, training & promotional opportunities and market research

Under its current structure SPTO funding primarily stems from government member contributions. As such, the work of the organisation relies significantly on the monetary and technical support of donors and development partners. Listed below is a summary of additional ongoing work carried out by the Executive Office, in pursuit of other key funding opportunities as follows:

### EDF 11

As the main pathway for the provision of development aid to PICs the European Development Fund (EDF), now in its 11th cycle, is a key focus for SPTO and other regional organisations. Under the current cycle, resources totaling €30.5 billion euros were assigned for the relevant period. SPTO stands to benefit from EDF 11 Regional Economic Integration (REI) focused on private sector development, the estimated funding for which will be €37 million euros.

Throughout a series of meetings over the course of the year SPTO was able to contribute towards the EDF 11 Pacific Regional Integration Support Programme

(PRISE) draft action document and overall log frame, which was submitted to the European Union (EU) in Brussels. Feedback is expected in the early half of 2019 and will determine the course of any further action

### PALM 8

The Pacific Islands Leaders Meeting (PALM), hosted by Japan every three years since 1997, is a key facilitator of the important relationship between Japan and the 16 participating Pacific Island Forum countries. Leading up to PALM 8, SPTO under funding from the Sasakawa Peace Foundation (SPF), attended a symposium along with PIC embassies in Tokyo and representatives from a few member countries from the region. The symposium was aimed at encouraging pre-discussions and debate around key issues that are “agenda potential” for the PALM 8 meeting. These included the five critical areas of Climate Change, Sustainable Development, Oceans and Seas, Economic Relations, and the evolution of the PALM Process.

In December, 2018, SPTO also attended SPF’s fifth Cutting Edge Seminar which was a follow-up on PALM 8; how to implement recommendations and view tangible achievements. Further to that, SPTO CEO has also met with HE Ambassador Omura (Ambassador for Japan, Fiji) to discuss relevant sections of the PALM 8 Leaders Declaration including:

**Section 31-** that reflects on PIC Leaders making reference to tourism and SPTO



**Section 21-** reducing greenhouse gas emissions and promoting energy efficiency and the effective use of renewable energy

**Section 29-** sustainable development, management and conservation of the environment

**Section 30-** Capacity building on managing coral reefs and coastal eco systems

**Section 32-** Improving Regional Connectivity (Sea & Air)

**Section 37-** Sports tourism connected to Rugby World Cup 2019 & Tokyo 2020 Olympic & Paralympic Games

**Sections 39 & 40-** human resource development and labour mobility

### USA Fact Finding Mission

From February 26th to 2nd March 2018 the Chairlady and CEO embarked on a US Donor Fact Finding Mission. In Los Angeles they attended the Los Angeles Times Travel Show on 24th February before travelling to New York to meet with the following:

- High-Representative and Under-Secretary-General for the Least Developed Countries,

Landlocked Developing Countries and Small Island Developing States.

- UN Agencies – UNOHRLLS, United Nations Development Programme, Department of Economic and Social Affairs (SIDS Unit)
- Embassies of the Pacific Island Countries in New York
- Development Partners –Germany, Norway and Finland

Further to the above the Chairlady and CEO also met with the following potential partners in Washington DC:

- International Finance Corporation
- Sustainable Travel International
- Office of Citizen Exchanges- US Department of State

In brief, the trip provided valuable opportunities for the CEO and Chairlady to profile SPTO and its work. Moreover, the caliber of the Los Angeles Times Travel Show was an eye opening experience which resulted in the booking of an island booth space for 2019. Whilst in New York the team managed to meet with member country representatives based at the United

Nations (UN) and also with personnel from various PIC embassies. Furthermore, a presentation to about 20 AOSIS members was well received with positive feedback, some of which includes:

- AOSIS members to seek ways on how to work with UNWTO to assist AOSIS members.
- AOSIS members to lobby that tourism can be used as a multiplier effect on other economic sectors to contribute to the overall economy.

Overall, the US Fact Finding Mission provided many promising networking opportunities which could potentially lead to new and beneficial partnerships for SPTO.

### Strategic Management

The Executive Office continuously worked with management to ensure the efficient and effective implementation of work plans throughout 2018. The successful 2018 strategic management approach was bolstered by fortnightly management meetings in which relevant personnel were held accountable for work progress and other initiatives. Additionally, the CEO provided monthly Board updates on regional and international meetings, stakeholder and donor partnerships and engagements, private sector development and so forth.

### Governance and Reporting

#### Board of Directors Meetings

The Executive office in partnership with the Finance and Corporate Services division organised two Board of Directors meetings and one Council of Ministers of Tourism meeting in 2018:

- Board Meeting 1 - Wednesday 11th April, 2018. Oaks Hotel, Adelaide, Australia.
- Board Meeting 2 - Thursday 4th October, 2018. Sheraton Samoa: Aggies Hotel & Bungalows, Apia, Samoa.
- 28th Council of Ministers of Tourism Meeting- 5th October, Apia, Samoa

In addition to the above the Executive Office also ensured accountability to the Board by way of

four quarterly reports, highlighting the work and achievements of each division throughout the year.

### Governance

Under the newly approved Governance Policy of 2017 the Executive Office worked alongside the Finance and Corporate Services Division to develop the Private Sector Membership and Corporate Sponsorship & Partnership policies, which were presented to the Board for endorsement at the 2018 October Board meeting.

### Membership Management

Aside from the development of the Private Sector Membership and Corporate Sponsorship & Partnership policies, mentioned previously, SPTO also received expressions of interest for government membership from Tokelau, Wallis & Futuna and Rapanui. This was tabled at the October Board meeting and was endorsed by the Council of Ministers and will come into effect, for Rapa Nui and Wallis & Futuna, in January 2019. Tokelau's membership has been delayed at their request due to further in-country consultations required.

### Public Relations and Corporate Communications

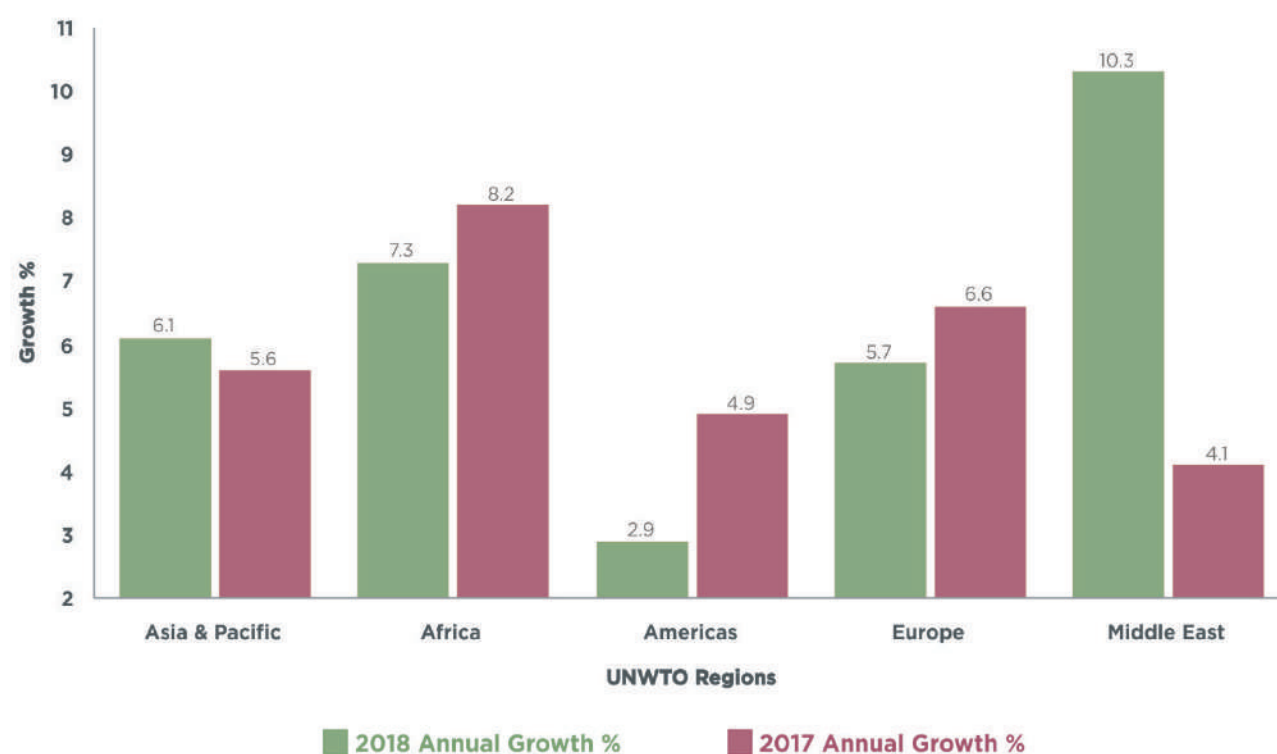
In addition to the publishing of e-newsletters and other stakeholder updates throughout the year, SPTO also boosted media engagement through the following:

- 19 press releases
- 3 interviews with Radio Australia on China Pacific Tourism Year, quarterly review of tourist arrivals into PICs and the Royal Visit to the Pacific
- 1 interview with the Fiji Sun
- 1 interview with the Vila Times
- 1 interview with Fiji TV
- Media round table on sustainable tourism, which was attended by 10 media personnel and social media influencers



# 2018 ANNUAL REPORT INFOGRAPHICS

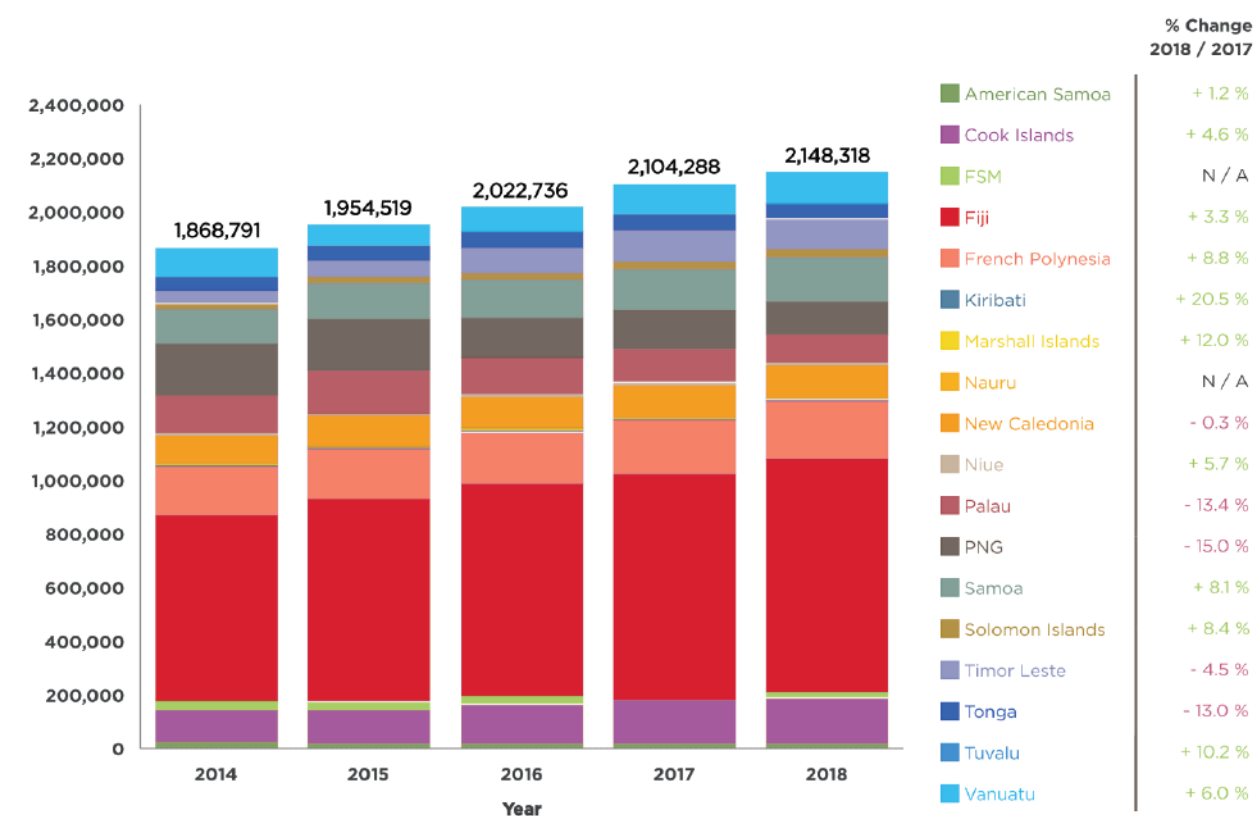
World Tourist Arrivals rose by 6% in 2018



Source: UNWTO Barometer January 2019.

- International tourist arrivals (overnight visitors) worldwide increased 6% in 2018 to 1.4 billion. The solid growth was two years ahead of the UNWTO's long term forecast issued in 2010.
- By UNWTO regions, all enjoyed positive growth led by Middle East (+10.3%), Africa (+7.3%), the Asia and the Pacific (+6.1%), Europe (+5.7%) and the Americas (+2.9%).
- The global positive performances in 2018 were boosted by a favourable economic environment and strong outbound from key source markets.

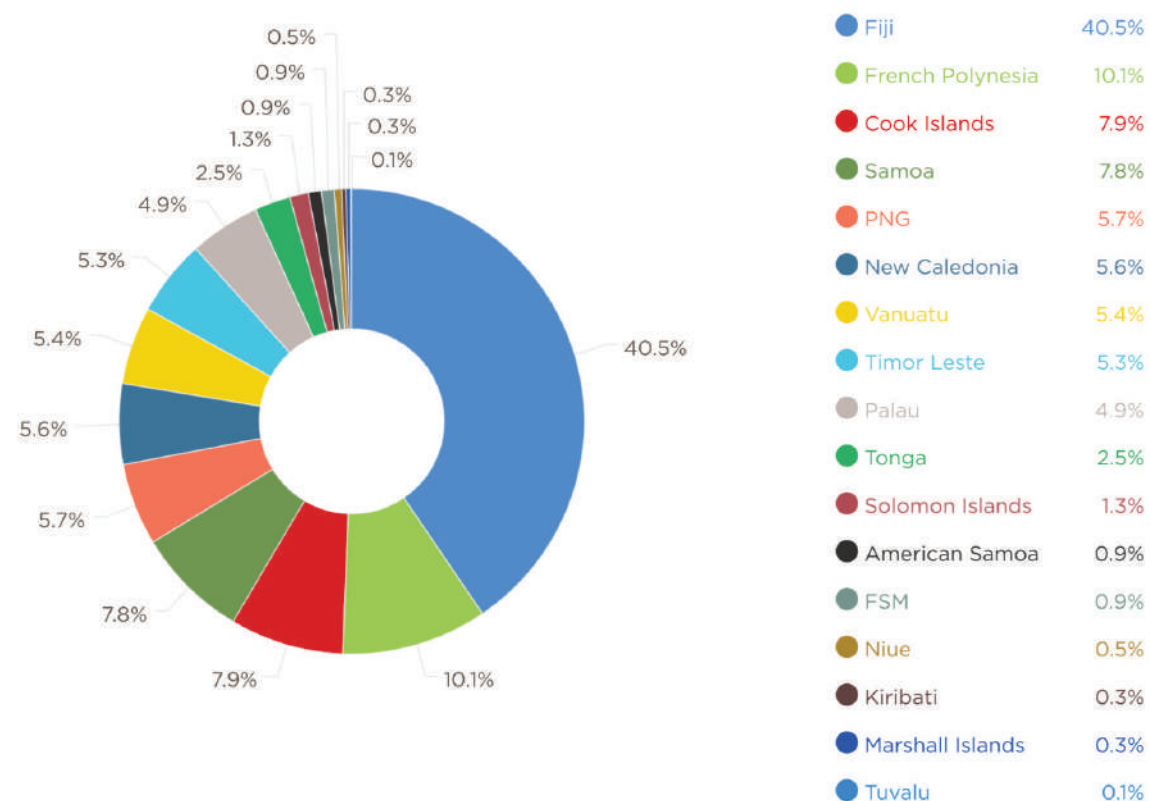
Tourist Arrivals to SPTO Member Countries and Pacific ACPs, 2014 – 2018



Source: NTOs, NSOs and SPTO.  
Note: Latest revised visitor arrivals data as at July 2019.

- Tourist arrivals to the Pacific ACP and SPTO member countries grew by 2.1% in 2018 to 2.15 million. Growth reflected the positive performances by more than 61% of the eighteen countries in the region. On, average over the last five years since 2014, tourist arrivals to the region rose by 3.9%.
- Positive growth in 2018 were recorded for American Samoa (+1.2%), Cook Islands (4.6%), Fiji (+3.3%), French Polynesia (+8.8%), Marshall Islands (+12%), Kiribati (+20.5%), Niue (+5.7%), Samoa (+8.1%), Solomon Islands (+8.4%) and Vanuatu (+6.0%). Estimated gains were also noted for Tuvalu at 10.2%..
- Double digit reduction in tourist arrivals led by Papua New Guinea (-15%), Palau (-13.4%) as a result of the continued fall in Chinese arrivals and Tonga (-13%) driven by the impacts of Cyclone Gita.

### Tourist Arrivals to Pacific ACP and SPTO Member Countries, By shares 2018

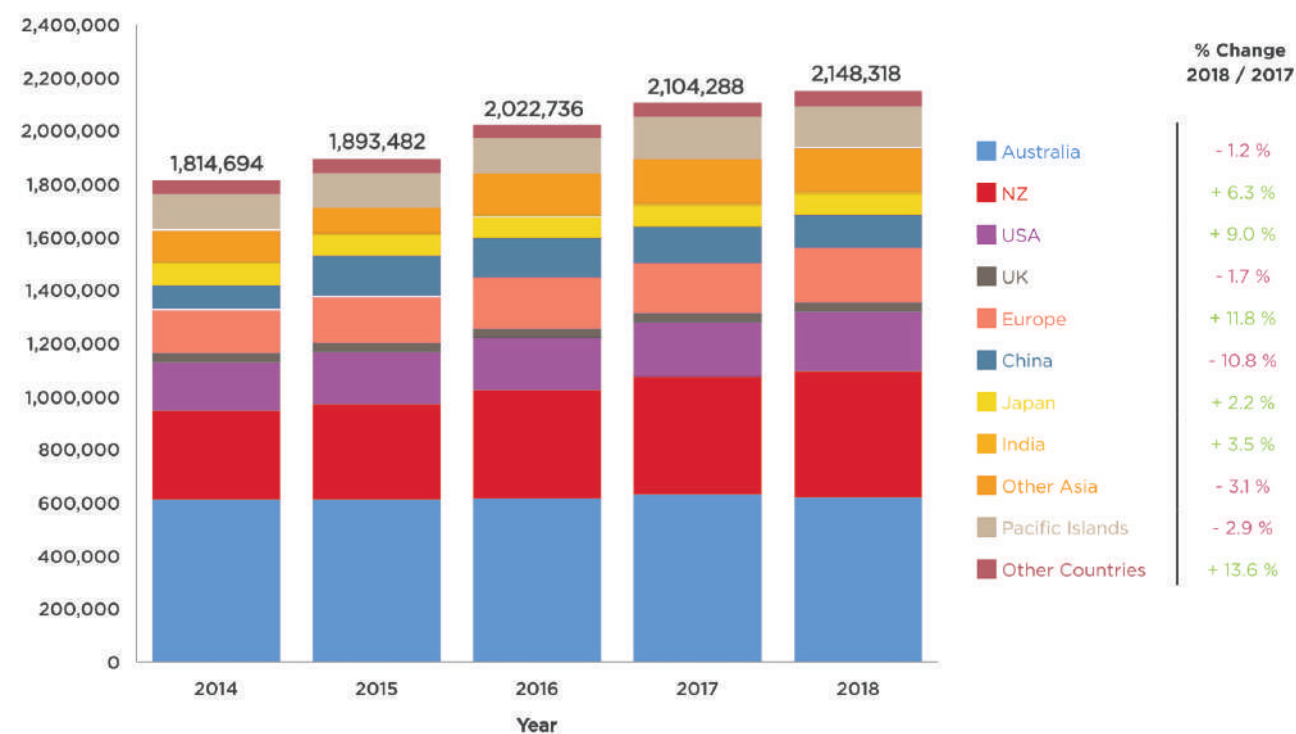


Source: NTOs, NSOs and SPTO.

- On shares, Fiji, the lead tourism destination in the region attracted an incremental 40.5% share of the total arrivals.
- French Polynesia the second highest accounted for 10.1% share, followed by Cook Islands at 7.9%, Samoa 7.8%, PNG 5.7%, New Caledonia 5.6%, Vanuatu 5.4%, Timor Leste 5.3% and Palau at 4.9%.
- The remaining 6.9% was shared among all the other destinations with Tonga and Solomon Islands representing 2.5% and 1.3%, respectively.



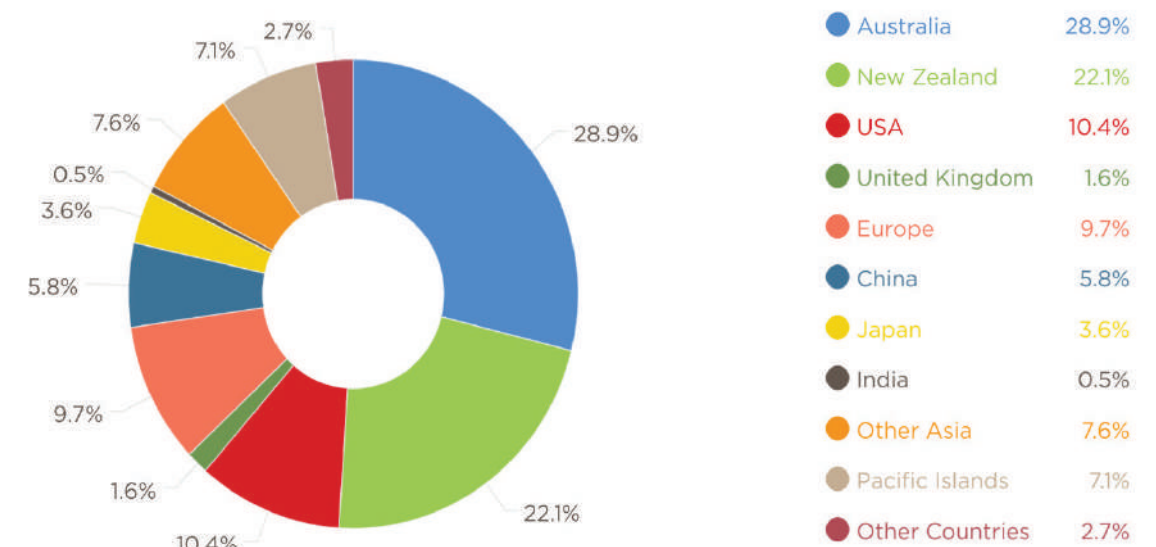
**Tourist Arrivals by Main Markets,  
Year and Average Annual Growth and Shares  
(2014-2018)**



Source: NTOs, NSOs and SPTO

- Tourist arrivals by major source markets over the last five years since 2014 posted an average growth of 4.3%.
- In 2018, more than 54% of the major sources recorded positive growth in tourist arrivals to the PICs.
- Key source markets with positive gain in 2018 was led by Other countries (+13.6%), Europe (+11.8%), USA (+9.0%), New Zealand (+6.3%), India (+3.5%) and Japan (+2.2%).

**Tourist Arrivals to Pacific Islands by Source Markets and Shares, 2018**



Source: NTOs, NSOs and SPTO.

- In terms of market shares, Australia and New Zealand continued to top the source markets ranking in 2018 with 28.9% and 22.1% respectively. Both posted a combined share of 51%
- USA, the third largest source market represented 10.4%, Europe at 9.7%, Other Asia 7.6%. Other Pacific Islands 7.1%, and China at 5.8%.
- All other source markets represented the remaining 8.4% share.

# Marketing Division

## Summary of Role

The Marketing division facilitates the innovative and continuous marketing and promotion of the South Pacific region as a unique tourism destination. The division is also responsible for branding and maintaining the communication and online presence of SPTO and also oversees the Private Sector Membership Programme, with the overall goal of increasing awareness of the South Pacific as a must-see tourist destination.



The key objectives of the Marketing division are as follows:

- Marketing planning
- Pacific brand management
- Trade show coordination
- South Pacific Specialist Program
- Internet marketing
- Private sector membership programme
- PR and communications
- Cruise sector marketing
- Technical assistance

## 2018 Overview

On Tuesday 2<sup>nd</sup> October the 2018 Regional Marketing Meeting was conducted, a key output of which was the 2019 Regional Marketing work programme that was endorsed by both the Board and Council. The 3 key strategies of the 2019 Marketing work programme would focus on 1) Business to business, 2) Business to Consumer and 3) Capacity Building.

Some of the key marketing achievements for the year included:

■ Successfully organized the 5<sup>th</sup> South Pacific Tourism Exchange (SPTE) which was held from 12-13 April at the Adelaide Convention Centre. The event attracted participation from 89 sellers from 16 SPTO member countries, and 68 buyers from 14 countries including the key source markets of Australia, USA and China. Themed, "Our Culture is Yours to Discover, Experience and Respect" SPTE 2018 maintained major sponsorship from the Bank South Pacific and continued to engage with other key sponsors like Fiji Airways, Nauru Airlines, Jacks Fiji, Pure Fiji, Samson Lee Fiji, Mai Life Magazine, Fiji TV and TravMedia.

■ Maintained existing strategic partnerships and created new opportunities with government agencies, trade, media, marketing and development organisations, some of whom are listed below:

- New Zealand Ministry of Foreign Affairs and Trade
- New Zealand Maori Tourism
- Government of South Korea
- Fexco Pacific
- Tour De M South Korea (Represented by Daisy Park – SPTO Tourism Advisor)
- Marcus Lee (SPTO China Chief Representative)
- Pacific Islands Development Programme (PIDF)
- Miss Pacific Islands and Miss Pacific Islands Pageant Committee

■ Successful re-branding of SPTO marketing collaterals, which were used at various 2018 marketing events. This was done with the overall vision of strengthening the South Pacific's "Ours is yours" brand across all markets.

■ Maintenance and growth of the SPTO website occurred in the form of continuous updates of member and destination information and dissemination of up to date news and information. Moreover, increases in website sessions by 93% in 2018 over 2017 was noted and this was further complemented by a concerted digital strategy, targeting SPTO social media platforms. SPTO also engaged a marketing partner, Cherry Yielding, who assisted with a six month digital marketing strategy (January-June) targeted at improving the functionality of SPTO's website.

■ February 2018 saw the launch of the South Pacific Specialist Famil Prize – Win a famil trip to New Caledonia competition. The competition was aimed at incentivizing participation in the travel agent training programme and it attracted 165 registrations, of which 18 completed the programme and became certified South Pacific Specialists. In the 4<sup>th</sup> quarter the 'Complete your Specialist training and win a famil trip to Fiji' competition was launched via social media, SPTO website and press releases. In this cycle, 221 agents registered and 41 successfully completed the programme and became certified specialists.

■ Traditional marketing and promotional activities in both established and emerging target markets continued by way of agent training, road shows and tradeshow:

- Meet the Pacific Europe & Asia, 19th February- 19th March
- Seatrade Cruise Convention, 5th – 8th March
- ITB Berlin, 7th- 12th March
- South Pacific Association of National Tourism Organisation (SPANTO), 27th February, 15th May and 8th August
- Treasures of the South Pacific Seminars (TOSP), 16th -18th April, 21st -22nd August, 16th -17th October
- China International Travel Mart (CITM), 16th -18th November

■ SPTO partnered with TripAdvisor and Pacific Trade & Invest (Sydney) to realize the TripAdvisor Partnership Campaign 2018, which was targeted at the following objectives:

- Improve online visibility

- Awareness and market reach of Pacific Island destinations
- Influence Consumer behavior and active engagement

The partnership ran for 11 months and provided insightful information on target markets and responsiveness to media and marketing campaigns. The end of campaign key highlights include:

## Media Campaign Results

- Best Performing Targeting (by clicks): Australia (AU) looking at South East Asia on Mobile
- Best Performing Targeting (by click through rate): AU looking at South East Asia on Mobile
- Total Clicks: 1785
- Click through rate: 0.12%

## Phase 1 Creative Results (old creative)

- Total Clicks: 1305
- Best Performing Theme: Culture
- Best Performing NTO (destination): Kiribati

## Phase 2 Creative Results (updated creative)

- Total Clicks: 416
- Best Performing Theme: Luxury
- Best Performing NTO (destination): Tahiti/ French Polynesia



### Learnings:

- The best performing theme in the old creative was Culture – particularly for Kiribati
- Introducing Luxury into the campaign in August was a great idea, as Luxury was the top performing theme in the new creative – particularly for Tahiti
- Diving and Adventure were two themes which didn't perform as strongly as the others
- Mobile was the best performing ad size, followed by 300x600 (half page larger ad)

### Video Results

- Total Video Plays: 18,300
- Best Performing Video: New Caledonia
- 

In terms of private sector membership, recruitment of new members and membership renewal was achieved through several membership drives which resulted in the

confirmation of 53 new members in 2018. As of quarter 4, 2018, private sector membership totaled 146.

Capacity building training in product and destination development and marketing was successfully conducted with public and private sector stakeholders in the Federated States of Micronesia (27), Marshall Islands (15) and Niue (10).

Media coverage throughout 2018 was exceptional and this was achieved through the publication of 47 Pacific Pulse e-newsletters, which are disseminated to some 10,000 subscribers. Additionally, press releases were issued monthly, along with targeted social media posts. Notable media interviews with SPTO CEO included three interviews with ABC Radio Australia on the royal visit, the importance of Chinese tourism to the Pacific and a quarterly review of tourist arrivals to Pacific Island countries.

Finally another key incentive of the division was the inception of media roundtables to build relations with local and regional media partners; to instill awareness and encourage partnerships for SPTO's key advocacy messages, such as sustainable tourism.

A photograph of a tropical river with clear, turquoise water. The river is surrounded by dense, lush green foliage and trees. The water reflects the surrounding greenery, and the scene is bathed in bright, natural light. The overall atmosphere is serene and natural.

## Research and Statistics Division

### Summary of Role

The primary role of the Research and Statistics Division is to support the sustainable development of South Pacific tourism, through the collection, compilation, analysis and dissemination of quality statistical information and research. Secondly, the division is continuously seeking to collaborate with like-minded partners to further the Research & Statistics work of the organisation.

In 2018 the following objectives were prioritized:

- Compilation and dissemination of timely regional tourism statistical information and research intelligence reports
- Improve the flow of tourism research and market intelligence to the relevant regional stakeholders
- Maintain SPTO's Regional Tourism Resource Centre as a single source of information on Pacific tourism publications, studies, training institutions and assistance
- Strengthen SPTO joint statistical research activities with NTOs, Institutions, Regional and international organisations.
- Facilitate member country capacity building through in-country tourism statistics training and knowledge sharing
- Support members with Research & Statistics technical and policy advice, when required
- Facilitate regional tourism research to assist SPTO member countries with policy development and sustainable tourism planning in the region
- Support regional policy, market research and sustainable tourism development programs

## Key Divisional Achievements 2018

In its continued effort to refine the compilation, analysis and dissemination of regional tourism statistics, the division highlights the following key achievements:

### Tourism Statistics and Market Intelligence

A total of 18 tourism statistics and research reports, for various stakeholders and purposes, were produced in 2018, an increase from 15 in 2017.

#### ■ Monthly Market Watch Publications

This publication is a monthly summary of the latest outbound travel trends, resident departure movements and market conditions of key tourist source markets for the region. Namely, they are, Australia, New Zealand, North America, Europe, China and Asia. Over the course of 2018, twelve reports were issued with the most popular links being Australia, New Zealand and China. As a result of growing interest, the number of Pacific Jewel and Premium subscribers at the end of 2018 increased by 3.9% with exceptional unique views of 1,878, up from 962 in 2017 which is a positive indication of the quality of work done by the division.

#### ■ Quarterly Review of Visitor Arrivals Publication

The quarterly reviews are essentially an analysis of the overall performance of the regional tourism industry as well as an examination of source and destination markets. The Research and Statistics division produced three such reports in 2018; Quarter 4 2017, Quarter 1 and Quarter 2 2018. E-copies of the reports were circulated to the SPTO Board of Directors, National Tourism Offices, National Statistics Offices, government, private sector members, donors and other stakeholders for their information and update.

Notably, the Quarter 2 report featured the Indian market as a new emerging source market. Further to the above, brief press releases focusing on the published reports were issued to increase awareness and

demand for the publications. All reports are uploaded to the Regional Tourism Resource Centre (RTRC) and can be viewed by members, as required.

#### ■ Annual Review of Visitor Arrivals Publication

The SPTO 2017 Annual Review of Visitor Arrivals published in 2018 provided a comprehensive account of annual tourism performance, both regionally and globally. The publication has expanded to include growing niche tourism products like cruise arrivals, economic impacts of tourism on earnings, employment and GDP as well as tourism accommodation capacities and short to medium term forecasts. The completed report was dispatched via email to key stakeholders including NTOs, NSOs, private sector members, development partners and other tourism stakeholders. The report, along with past and other publications, can also be accessed via the RTRC.

#### ■ SPTO Facts and Figures

The 2017 pocket booklet published in 2018 featured eleven key facts and figures Tables on tourist arrivals by destination, source markets and seasonality, accommodation capacity, and comparative national tourism budget tourism estimates of member countries, and the economic significance of tourism amongst member countries. The 550 published copies were distributed to Board of Directors, NTOs, and NSOs and during trainings, conference, meetings and travel shows.

The SPTO acknowledges the co-operative support of member countries National Statistics Offices and National Tourism Offices in this ongoing initiative by providing required statistical data necessary for this production.

#### ■ SPTO Regional Tourism Resource Centre (RTRC)

The RTRC remains a valuable resource for SPTO, in that it provides an easily accessible database of tourism research and market intelligence

to members and other regional stakeholders. Additionally, in recent years the division has also added other relevant publications and kept an up-to-date record of member country's tourism statistics. In 2018, a total of 80 documents / reports were uploaded to the RTRC library, up from 52 in 2017. For the same period, 212 new accounts were created for tourism stakeholders, significantly above the 26 accounts in the prior year with a maximum record of 243 logins compared to 150 in 2017. The dramatic increase in traffic to the RTRC reflected the continued efforts of the division in providing quality information and ongoing promotion of the RTRC through trainings, conferences and the media.

## Membership Research Support via International Visitor Surveys (IVS)

### American Samoa 2017 International Visitor Survey

The American Samoa 2017 International Visitor Survey was launched in January 2018. This was the first intensive study commissioned by the American Samoa Visitors Bureau (ASVB) and delivered by the South Pacific Tourism Organisation. The report provided a quantitative and qualitative assessment of visitors, which in turn provided key stakeholders with comprehensive and accurate information on the characteristics, behaviour and expenditure of visitors to American Samoa. The information will be used by the Government and Tourism Industry stakeholders for policy formulation and making informed business decisions and planning. SPTO printed 100 copies of the report, 80 of which were delivered to the American Samoa Visitors Bureau for distribution to key stakeholders.

### Key Partnerships

Part of our mission as a Research & Statistics Division is to strengthen the regional research programs through active collaboration among the NTOs, Institutions, and regional



and international organizations. In 2018, the Division had established four (4) joint research partnerships with the World Bank Group (WBG)/International Finance Corporation (IFC), the United Nations World Tourism Organisation (UNWTO) Regional Support Office for the Asia and the Pacific (RSOAP), the Organisation for Economic Co-operation and Development (OECD) and the South Pacific Community (SPC).

### Capacity Building

The success of tourism in any destination is underpinned by comprehensive and accurate data and information, which plays a crucial role in informing policy, business and marketing development strategies. With that in mind, SPTO collaborated with member countries on capacity building of NTOs, NSOs, the Customs and Immigrations, other public and private stakeholders in harmonization of concepts, definitions and classifications of tourism statistics and utilization in reporting. More than 80 participants from the American Samoa, the Federated State of Micronesia, Marshall Islands, and Niue benefited from the program. The Kiribati NTO also benefited through the IVS training in November in preparation for their IVS research project that is currently in-progress. The Division

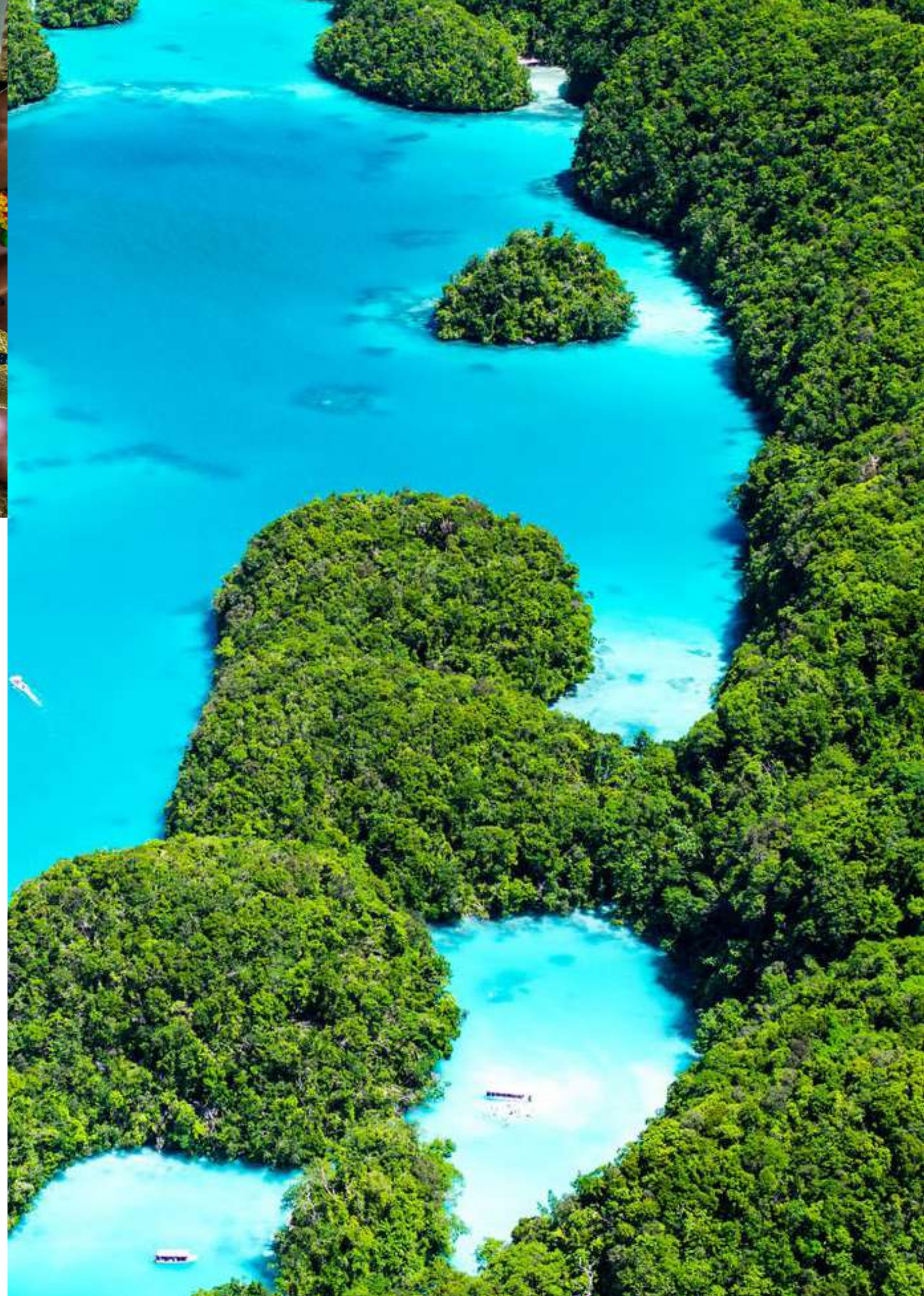
also delivered trainings to two MIVA officers on attachment with the SPTO in August.

### Sustainable Tourism Development Support

The division worked closely with the Sustainable Tourism Development Division to facilitate the SPTO Sustainable Monitoring Training Program in Samoa from 26<sup>th</sup> January 2<sup>nd</sup> February 2018. The project was aimed at increasing the awareness of Samoan stakeholders on the importance of accurate tourism statistics, sustainability information and reporting. In particular, the division provided useful tips on calculating occupancy rates, revenue and performance measures and also assisted with one-on-one training on the SPTO Sustainability Monitoring Program Data Collection System.

### Research and Statistics Sub-Committee

The terms of reference for the Research Sub-Committee was presented and approved at the October 2018 Board meeting in Samoa. The Sub-Committee members comprised of representatives from Fiji, American Samoa, Samoa, Marshall Islands, Vanuatu and Papua New Guinea. The Sub-Committee will support SPTO in strengthening the regional tourism statistics activities.





## **Sustainable Tourism Development Division**

### **Summary of Role**

The Sustainable Tourism Development Division works to improve and strengthen SPTO's ability to achieve regional and global goals for sustainable development.

The division comprises of a Manager and Sustainable Tourism Planning Officer, whose work revolves around the following objectives:

- To develop and implement regional tourism programmes aligned to the 2030 Sustainable Development Agenda, with a particular focus on Climate Change, Renewable Energy and Energy Efficiency, Waste Management and Pollution Control, Biodiversity and eco-systems management;
- Provide assistance to SPTO member countries in the development of legislation that facilitates sustainable planning initiatives and programmes;
- Encourage links between tourism and other sectors of the economy, in the hope of introducing more private sector producers into the tourism chain;
- To identify and establish partnerships with related organisations in the area of sustainable development;
- Enhance the capacity of private sector tourism SMEs in the region and facilitate human resource and capacity development in select member countries.

## Major Achievements 2018

### Key Partnerships:

#### Improved Community Livelihoods through Green Tourism

The Green Tourism Project is a partnership between SPTO and the United Nations Development Programme Suva (UNDP). This project aims to support the participation of rural communities and the private sector in the Sustainable Tourism Enterprise Program (STEP) South Pacific programme in Fiji and Samoa and establishing a Pacific Sustainable Tourism Network founded by participating stakeholders. Key trainings and

achievements under this initiative include:

- Mobilised and trained hotel owners and staff on sustainability data collection in preparation for the Sustainability Management Program data collection phase. Participants included 14 hotels in Samoa and 5 in Fiji including the Mamanucas Environment Society.
- Mobilised additional funding of USD\$30,000 for the extension of the Green Tourism project to support enhanced public-private partnership in marine eco-tourism conservation in Fiji.

### SPTO and UN Environment Partnership

This partnership aims at assisting countries and the tourism sector in successfully transitioning to resilient, low-emissions tourism. The Board approval granted, has enabled the coordination and resource mobilization efforts.

### SPTO and Insights Global Education

The division has secured a new partnership with Insights Global Education, a not-for-profit Organisation based in Canada to support the activities of the division through an internship programme of support in Fiji as part of the Semester in Development Programme of the Fiji National University. Over a three-month period, the first intern contributed to the planning of the My Fiji Shark Project, enhancement of the Pacific Sustainability Monitoring Programme (PSMP) and led the development of project proposals for American Samoa and SPTO for the upscaling of the PSMP.

### My Fiji Shark Initiative – Beqa Adventure Divers and UNDP

This innovative collaboration supports a small pilot shark conservation effort and is a unique demonstration of private sector

led engagement in the area of environmental sustainability in the tourism industry. The initiative aims to shape similar engagement models, to finance research and marine conservation activities through Public-Private-People-Partnerships that benefit communities and their surrounding environment. This project was jointly delivered by the Sustainable Tourism Development Division and the Marketing Division working in collaboration with UNDP and Beqa Adventure Divers.

### SPTO and Sustainable Travel International

This partnership allowed for the division to be further supported through the attachment of a Master's Degree student from the USA. The intern was based with SPTO for three months and assisted greatly with the redesigning of the Pacific Sustainability Monitoring Program (PSMP) data collection and reporting template, training of SPTO staff and the Pacific Sustainable Tourism Network website which was launched on World Tourism Day 2018 on the theme – Tourism and the Digital Transformation.

### ■ Contribution to the Development Partners Forum – Kiribati

The Division supported the dialogue between the Kiribati Government and the development partner and donor community on its national development priorities, in light of the Kiribati Vision 2020. The event affirmed Tourism as one of the two priorities that will drive the national development vision forward. It also noted the strategic focus on cultural tourism development on Kirimati Island and ecotourism development in Phoenix Island Protected Area where ongoing support from SPTO and other partners will be sought in the coming years.

### ■ Linking tourism to other sectors of the economy

Strategic focus on encouraging local producers from sectors outside of the tourism sector to be

introduced into and participate in the tourism chain. As such, the following initiatives and actions were taken:

- Board approval for the establishment of the Sustainable Tourism Board Sub-Committee, whom will provide guidance and advice on regional sustainable tourism priorities. The membership of the committee comprises of representatives from Samoa, Fiji, Papua New Guinea, Federated States of Micronesia and the Air New Guinea Private Sector representative to the Board
- Partnered with the Fiji Department of Heritage and Art to deliver the Sustainable Tourism Opportunities for Communities Awareness Training Workshop in Levuka
- Provided technical support to the development of national Agritourism Policies in Tonga, Tuvalu and Cook Islands as part of a regional programme of support funded by the ACP EU through the Technical Centre for Agricultural and Rural Cooperation, the Secretariat of the Pacific Community, the Pacific Islands Private Sector Organisation and SPTO.
- Partnered with UNESCO Pacific Office to host the first Roundtable on Sustainable Tourism for Green/Blue Livelihoods for Pacific Island Countries and Territories with a focus on communities, social and cultural and environmental impacts of tourism. Information on a range of initiatives from Asia and the Pacific regions were exchanged with over 60 participants.
- Increased advocacy and regional engagement in the Cultural Sector through active participation in the development of the Regional Cultural Strategy, the Pacific Ministers of Culture Meeting, and the Underwater Cultural Heritage Side Event and Inter-Regional Preparatory Meeting for the Mid Term Review of the SAMOA Pathway.



### ■ In-country training programmes

Through in-country training support, a total of over 150 participants including policy makers and practitioners, industry personnel and business owners from American Samoa, Samoa, Tonga, FSM, RMI, Niue and Tuvalu benefitted from training in the areas of sustainable tourism planning and development, monitoring sustainability in the accommodation sector and hospitality basics in food and beverage services, food safety and handling and customer service.

### ■ Key Meetings and Forums

Central to the work of the division this year was the need to engage in the relevant conversations with partners. Some of the key forums attended this year provided the invaluable opportunity to increase awareness on sustainable development, formulate partnerships and profile SPTO to potential stakeholders.

- Cultural Tourism for Sustainable Cities in the Asia-Pacific Region Workshop, Indonesia
- World Indigenous Tourism Summit and Research Symposium, New Zealand
- 4th Meeting of Pacific Ministers for Culture, Fiji
- World Oceans Day Symposium, Fiji
- Cultural Development for Sustainable Island Tourism in the Asia Pacific Region Workshop
- WHO Tobacco Free Tourism Workshop- National and Regional, Fiji
- Regional Cultural Strategy Working Group, Fiji





## Finance and Corporate Service Division

### Summary of Role

The Finance and Corporate Services Division oversees support services for SPTO. This includes the areas of accounting, information and communication technology, human resources and monitoring and evaluation. The division comprises of five staff, led by the Finance and Corporate Services Manager, who work together to support and enhance the effectiveness and efficiency of the organisation as a whole.



## Finance and Corporate Service Division

The key objectives of the division are:

- Ensure that SPTO accounts are properly maintained and independently audited, as per Fiji accounting standards
- Provide regular financial management reports which monitor expenditure and income
- Manage personnel matters and general office administrative functions
- Assist with Board and Council meeting papers and logistics
- Manage SPTO assets
- Manage ICT support system requirements
- Ensure that there is a robust monitoring and evaluation system in place

### Major Divisional Achievements for 2018:

#### 1. Financial Services

The division monitored and reported on the financial aspects of SPTO by way of 12 monthly financial reports to management

and quarterly reports to the Board of Directors.

Other services included the processing of payments, wages, producing the budget, preparing and organizing management allowances.

A key focus of the division for the first quarter was to finalize the 2017 audited accounts. This was successfully achieved with the result of a No Qualification Audit Report for 2017.

#### 2. Government Membership

At the beginning of 2018, invoices were sent to SPTO's 18 government members, seeking timely payment of their respective member contributions.

Continuous support and follow-up correspondence from the division resulted in full payments made by 17 government members and a partial payment by the remaining member.

#### 3. Administrative and Personnel Matters

In 2018 there were five recruitments conducted by the division. This process

included the advertisement, screening, short listing, interviewing and selecting of the final successful candidates. Furthermore, the division ensured that all contracts were in line with SPTO's policies and procedures, as well as being legally sound. The Finance and Corporate Service's division also conducted induction processes for new staff and played a key role in completing the staff performance appraisals for 2018.

In addition to the above, the division has played an all important role in coordinating weekly staff meetings and first aid and fire warden training sessions for six staff members. Furthermore, it conducted four exit interviews and facilitated the placement of four interns with the organisation.

#### 4. Administrative Support to other Divisions

The Finance and Corporate Services division supported the Executive Office with the successful organisation and logistical management of two Board meetings and one Council meeting held in 2018:

- Board Meeting 1 - 11th April, Adelaide, Australia

- Board Meeting 2 - 4th October, Apia, Samoa
- 28th Council of Ministers of Tourism Meeting- 5th October, Apia, Samoa

This included the management of travel and accommodation arrangements, preparation of Board papers, distribution of information packs and timely dissemination of meeting minutes.

Moreover, the division also worked alongside the Executive Office to develop the Private Sector Membership and Corporate Sponsorship & Partnership policies, which were presented to the Board for endorsement at the 2018 October Board meeting.

The Finance and Corporate Services division contributed to the strategic planning review process, the updating of the EDF 11 REI log frame and assisted other SPTO divisions by way of attendance and input at the following key meetings; EU Regional Steering Committee Meeting, 8<sup>th</sup> - 9<sup>th</sup> February and the CROP Head's meeting, 19<sup>th</sup> February.

Finally, another key service provided by the division was the organizing of travel arrangements for the Executive Office, Research and Statistics division and the Sustainable Tourism Development team.



# Financial Statements





**SOUTH PACIFIC TOURISM ORGANISATION**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

| Page No. |                                                                       |
|----------|-----------------------------------------------------------------------|
| 1        | Report on the special purpose financial statements                    |
| 3        | Approval of the special purpose financial statements                  |
| 4 to 6   | Independent auditor's report                                          |
| 7        | Income statement                                                      |
| 8        | Balance sheet                                                         |
| 9        | Cash flow statement                                                   |
| 10 to 15 | Notes to and forming part of the special purpose financial statements |

**REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

In accordance with a resolution of the Board of Directors, we herewith submit the balance sheet of the organisation as at 31 December 2018, and the related income statement and cash flow statement for the year then ended and report as follows:

**1. Directors**

The following were directors of the organisation at any time during the financial year and up to the date of this report:

|                            |                                   |
|----------------------------|-----------------------------------|
| Sonja Hunter [Chairperson] | Adela Issachar Aru [Deputy Chair] |
| Josefa Tuamoto             | Halatoa Fua                       |
| David Vaeafe               | Weijian Luo                       |
| Gina Bunton                | Bermance Aldis                    |
| Jose Quintas               | Fakavae Taomia                    |
| Shaheen Ali                | Brenda Alik Maddison              |
| Sandrine Bellier           | Jerry Agus                        |
| Felicity Bollen            | Iataake King                      |
| Annabelle Scotty           | Sione Moala-Mafi                  |

**2. Principal activity**

The principal activity of the organisation is to promote and develop the tourism industry in the South Pacific and foster regional co-operation between the member countries, the tourism operators and the private sector.

During the year ended 31 December 2018 there has been no material change in the nature of the organisation's activities or in the classes of activities in which the organisation has an interest.

**3. Operating results**

The surplus in income over expenditure for the financial year was \$798,286 (2017: deficit of \$809,795).

During the year recognition was made to the board's previous decision to approve the transfer of residual funds in the EDF10 and Expo projects to the organisation's main account to meet operational costs.

**4. Reserves**

No transfers to reserves were recommended by the directors in respect of the year ended 31 December 2018.



## REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS – continued

### 5. Provisions

There were no material movements in provisions during the year apart from normal amounts set aside for items such as doubtful debts, depreciation and annual leave.

### 6. Bad and doubtful debts

We have taken reasonable steps before the organisation's financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, we are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

### 7. Current assets

We took reasonable steps before the special purpose financial statements were made out to ascertain that the current assets of the organisation were shown in the accounting records of the organisation at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, we are not aware of any circumstances which would render the values attributable to the current assets in the organisation's special purpose financial statements misleading.

### 8. Events subsequent to balance date

No charge on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation to meet its obligations as and when they fall due.

### 9. Basis of accounting

We believe that the basis of preparation of the special purpose financial statements is appropriate and the organisation will be able to continue its operations for at least 12 months from the date of this statement. Accordingly, we believe the classification and carrying amounts of the assets and liabilities as stated in these special purpose financial statements to be appropriate.

### 10. Other circumstances

At the date of this report, we are not aware of any circumstances not otherwise dealt with in this report or special purpose financial statements which would render any amounts stated in the special purpose financial statements misleading.



## REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS – continued

### 11. Unusual transactions

The results of the organisation's operations during the financial year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the special purpose financial statements.

### 12. Directors benefits

No director of the organisation has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the organisation's special purpose financial statements) by reason of a contract made by the organisation or related corporation with the director or with a firm of which he is a member, or with an organisation in which he has substantial financial interest.

Dated 8th day of May 2019.

For and on behalf of the Board

  
Chief Executive Officer

  
Chairperson

## APPROVAL OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

In the opinion of the Directors, the special purpose financial statements set out on pages 7 to 14 are drawn up so as to give a true and fair view of the state of affairs of the South Pacific Tourism Organisation as at 31 December 2018 and of its results and cash flows for the year ended on that date.

The Directors and Management believe the basis of preparation of the special purpose financial statements and the classification and carrying amounts of assets and liabilities as stated in these special purpose financial statements are appropriate.

The special purpose financial statements are approved in accordance with a resolution of the directors this

8th day of May 2019.

For and on behalf of the Board

  
Chief Executive Officer

  
Chairperson



## Special Purpose Auditor's Report

To the members of South Pacific Tourism Organisation

### Report on the Audit of the Special Purpose Financial Statements

#### *Opinion*

We have audited the accompanying special purpose financial statements (referred hereafter as "financial statements") of the South Pacific Tourism Organisation (the 'Organisation'), which comprise the balance sheet of the Organisation as at 31 December 2018 and income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Organisation are prepared, in all material respects, in accordance with the Organisation's accounting policies as described in Note 1 to the financial statements.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Organisation in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### *Emphasis of Matter - Basis of accounting*

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 1 to the financial statements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

#### *Responsibilities of Directors' and Management for the financial statements*

Directors' and Management are responsible for the preparation of the financial statements in accordance with the Organisation's accounting policies, and for such internal control as the directors' and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors' and management are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



concern basis of accounting unless the directors' and management either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

The Directors' and Management are responsible for overseeing the Organisation's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors' and Management.
- Conclude on the appropriateness of Directors' and Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with the Directors' and Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



#### Restriction on Use

This report is made solely to the Organisation's members. Our audit work has been undertaken so that we might state to the Organisation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organisation and the Organisation's members as a body for our audit work, for this report, or for the opinions we have formed.

8 May 2019  
Suva, Fiji

*PricewaterhouseCoopers*  
PricewaterhouseCoopers  
Chartered Accountants



## INCOME STATEMENT YEAR ENDED 31 DECEMBER 2018

|                                            |              | 2018<br>\$        | 2017<br>\$          |
|--------------------------------------------|--------------|-------------------|---------------------|
| <b>Income</b>                              | <b>Notes</b> |                   |                     |
| Members' contributions                     |              | 1,008,086         | 1,011,655           |
| PRC donation                               |              | 199,481           | 203,087             |
| International fairs/conferences            |              | 672,697           | 600,550             |
| Travel industry membership                 |              | 66,797            | 58,016              |
| Other income                               | 12           | 135,517           | 68,916              |
| Funds from EDF 10 – Project Account        | 13           | 193,268           | -                   |
| Funds from Expo Project Account            | 13           | 1,228,263         | -                   |
| <b>Total income</b>                        |              | <u>3,504,109</u>  | <u>1,942,224</u>    |
| <b>Expenditure</b>                         |              |                   |                     |
| Depreciation                               |              | 24,874            | 17,615              |
| Doubtful debts expense                     |              | -                 | 61,398              |
| International fairs/conferences            |              | 1,065,714         | 1,135,329           |
| Salary and other staff costs               |              | 1,007,097         | 950,408             |
| Administration and other operational costs |              | 608,138           | 587,269             |
| <b>Total expenditure</b>                   |              | <u>2,705,823</u>  | <u>2,752,019</u>    |
| <b>Surplus/(Deficit) for the year</b>      |              | <u>\$ 798,286</u> | <u>\$ (809,795)</u> |

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

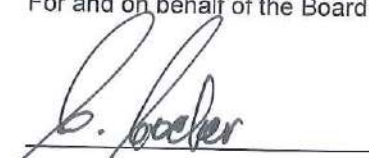
## BALANCE SHEET YEAR ENDED 31 DECEMBER 2018

|                                       |              | 2018<br>\$        | 2017<br>\$          |
|---------------------------------------|--------------|-------------------|---------------------|
| <b>ASSETS</b>                         | <b>Notes</b> |                   |                     |
| <b>Current assets</b>                 |              |                   |                     |
| Cash and cash equivalents             | 2            | 705,586           | 694,107             |
| Government membership fees in arrears | 3            | 10,794            | ( 14)               |
| Amounts owing by Expo project         |              | -                 | 32,032              |
| Trade, other debtors and prepayments  | 4            | <u>218,975</u>    | <u>278,426</u>      |
| <b>Total current assets</b>           |              | <u>935,355</u>    | <u>1,004,551</u>    |
| <b>Non-current asset</b>              |              |                   |                     |
| Plant and equipment                   | 5            | <u>42,567</u>     | <u>39,380</u>       |
| <b>Total assets</b>                   |              | <u>\$ 977,922</u> | <u>\$ 1,043,931</u> |
|                                       |              | =====             | =====               |
| <b>EQUITY</b>                         |              |                   |                     |
| Accumulated funds                     | 7            | <u>800,829</u>    | <u>2,543</u>        |
| <b>Total equity</b>                   |              | <u>800,829</u>    | <u>2,543</u>        |
| <b>LIABILITIES</b>                    |              |                   |                     |
| <b>Current liabilities</b>            |              |                   |                     |
| Amounts received in advance           |              | 71,985            | 228,071             |
| Creditors and accruals                |              | 90,309            | 76,797              |
| Amounts owing to EU project           |              | -                 | 162,918             |
| Amounts owing to Expo account         |              | <u>-</u>          | <u>544,746</u>      |
| <b>Total current liabilities</b>      |              | <u>162,294</u>    | <u>1,012,532</u>    |
| <b>Non-current liabilities</b>        |              |                   |                     |
| Donor grant – deferred income         | 6            | <u>14,799</u>     | <u>28,856</u>       |
| <b>Total non-current liabilities</b>  |              | <u>14,799</u>     | <u>28,856</u>       |
| <b>Total liabilities</b>              |              | <u>177,093</u>    | <u>1,041,388</u>    |
| <b>Total reserves and liabilities</b> |              | <u>\$ 977,922</u> | <u>\$ 1,043,931</u> |
|                                       |              | =====             | =====               |

The balance sheet should be read in conjunction with the accompanying notes.

These special purpose financial statements are approved in accordance with a resolution of the Board of Directors.

For and on behalf of the Board of Directors.

  
Chief Executive Officer

  
Chairperson

## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2018

|                                                                 | Note | 2018<br>\$          | 2017<br>\$          |
|-----------------------------------------------------------------|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                     |      |                     |                     |
| Receipts from member countries                                  |      | 997,305             | 1,011,673           |
| Amount transferred from EDF10 and Expo Projects                 |      | 867,359             | -                   |
| Net (expenses)/receipts from donor funded workshops/conferences |      | ( 180,516)          | 736,921             |
| Payments to suppliers and employees                             |      | (1,644,608)         | ( 1,600,968)        |
| <i>Net cash from operating activities</i>                       |      | <u>39,540</u>       | <u>147,626</u>      |
| <b>Cash flows from investing activities</b>                     |      |                     |                     |
| Sale of plant and equipment                                     |      | ( 28,061)           | ( 10,855)           |
| <i>Net cash used in investing activities</i>                    |      | <u>( 28,061)</u>    | <u>( 10,855)</u>    |
| Net decrease in cash                                            |      | 11,479              | 136,771             |
| Cash and cash equivalents at the beginning of the year          |      | <u>694,107</u>      | <u>557,336</u>      |
| Cash and cash equivalents at the end of the year                | 2    | \$ 705,586<br>===== | \$ 694,107<br>===== |

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

## NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

### 1 Summary of significant accounting policies

Set out below is a summary of the significant accounting policies adopted by the organisation in the preparation of the special purpose financial statements. These policies have been consistently applied by the organisation except where otherwise stated.

#### (a) Basis of accounting

These financial statements are Special Purpose Financial Statements ('financial statements') and it reflects the activities of SPTO's Main and Revenue Accounts. It excludes all transactions relating to the 2010 Shanghai Expo project ('Expo Project') and the Pacific Regional Tourism Capacity Building Project ('EU Project'). The special purpose financial statements have been prepared for SPTO's use only.

With the exception of the exclusion of the Expo Project and the EU Project, the special purpose financial statements have been prepared in accordance with generally accepted accounting principles. They have been prepared on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

#### (b) Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes all expenditures that are directly attributable to the acquisition of the asset.

Plant and equipment acquired through the various projects undertaken by the organisation and which are funded by donors are capitalised as the organisation's assets at the Board's valuation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### (c) Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost of each asset over its estimated useful life.

The depreciation rates in use are:

|                                 |       |
|---------------------------------|-------|
| Furniture, Fittings & Equipment | 20.0% |
| Computer Equipment              | 33.3% |
| Motor Vehicle                   | 20.0% |

#### (d) Donor grants

Grants from governments and other donors are recognised at their fair value when there is a reasonable assurance that the grant will be received and the organisation will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase or acquisition of plant and equipment are included in liabilities as deferred revenue and are credited to the income statement on a straight line basis over the expected lives of the related assets.

**NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**1 Summary of significant accounting policies - continued**

**(e) Foreign currency**

All amounts in foreign currencies at balance date are translated to Fijian dollars at the rates of exchange prevailing at year end. All transactions during the year denominated in foreign currencies are translated at rates prevailing at the transaction date.

Exchange differences are brought to account in determining the results for the year.

**(f) Employee entitlements**

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued annually at current wage rates.

**(g) Reporting currency**

The special purpose financial statements are presented in Fijian dollars, which is the functional and presentation currency of the organisation.

**(h) Revenue recognition**

Subscription income is brought to account on an accrual basis. Any subscriptions received in advance are carried forward in the balance sheet under current liabilities. Subscriptions in arrears are taken up as receivables.

**(i) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and on hand and short term deposits.

**(j) Comparative figures**

Where necessary, comparative figures have been changed to conform to changes in presentation in the current year.

**2 Cash and cash equivalents**

Cash and cash equivalents comprise of:

|                                                | 2018<br>\$        | 2017<br>\$        |
|------------------------------------------------|-------------------|-------------------|
| Cash on hand                                   | 400               | 400               |
| Cash at bank                                   | 484,809           | 673,419           |
| Term deposits                                  | 220,376           | 20,288            |
|                                                | <u>\$ 705,586</u> | <u>\$ 694,107</u> |
|                                                | =====             | =====             |
| <b>3 Government membership fees in arrears</b> |                   |                   |
| Fees in arrears                                | 123,235           | 112,427           |
| Less: Provision for doubtful debts             | ( 112,441)        | ( 112,441)        |
|                                                | <u>\$ 10,794</u>  | <u>\$( 14)</u>    |
|                                                | =====             | =====             |

**NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

|                                                              | 2018<br>\$        | 2017<br>\$        |
|--------------------------------------------------------------|-------------------|-------------------|
| <b>4 Trade, other debtors and prepayments</b>                |                   |                   |
| Trade debtors                                                | 721               | 721               |
| Other debtors and prepayments                                | 294,419           | 353,870           |
|                                                              | <u>295,140</u>    | <u>354,591</u>    |
| Less: Provision for doubtful debts                           | ( 76,165)         | ( 76,165)         |
|                                                              | <u>\$ 218,975</u> | <u>\$ 278,426</u> |
|                                                              | =====             | =====             |
| <b>5 Plant and equipment</b>                                 |                   |                   |
| (a) Plant and equipment are included on the following bases: |                   |                   |
| Furniture, fittings and equipment                            |                   |                   |
| - at Board's valuation                                       | 3,030             | 3,030             |
| - at cost                                                    | 36,759            | 36,759            |
|                                                              | <u>39,789</u>     | <u>39,789</u>     |
| Less: Accumulated depreciation                               | ( 39,376)         | ( 39,145)         |
|                                                              | <u>413</u>        | <u>644</u>        |
| Computer equipment                                           |                   |                   |
| - at Board's valuation                                       | 28,049            | 37,337            |
| - at cost                                                    | 82,603            | 54,533            |
|                                                              | <u>110,652</u>    | <u>91,870</u>     |
| Less : Accumulated depreciation                              | ( 83,207)         | ( 75,195)         |
|                                                              | <u>27,445</u>     | <u>16,675</u>     |
| Motor vehicle                                                |                   |                   |
| - at Board's valuation                                       | 36,768            | 36,768            |
| - at cost                                                    | -                 | -                 |
|                                                              | <u>36,768</u>     | <u>36,768</u>     |
| Less : Accumulated depreciation                              | ( 22,061)         | ( 14,707)         |
|                                                              | <u>14,707</u>     | <u>22,061</u>     |
| Total plant and equipment                                    |                   |                   |
| - at Board's valuation                                       | 67,848            | 77,136            |
| - at cost                                                    | 119,362           | 91,291            |
|                                                              | <u>187,210</u>    | <u>168,427</u>    |
| Less : Accumulated depreciation                              | ( 144,643)        | ( 129,047)        |
|                                                              | <u>\$ 42,567</u>  | <u>\$ 39,380</u>  |
|                                                              | =====             | =====             |

**NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**5 Plant and equipment - continued**

(b) The depreciation policy adopted is set out in note 1(c).

(c) The organisation also acquires plant and equipment through the various projects undertaken and which are funded by donors. In accordance with note 1(b), these assets are capitalised in the organisation's special purpose financial statements at values recommended by the Board based on costs incurred by the donors to acquire these items.

(d) Reconciliation of plant and equipment

|                                               | Furniture, Fittings<br>& Equipment | Computer<br>Equipment | Motor<br>Vehicle | Total            |
|-----------------------------------------------|------------------------------------|-----------------------|------------------|------------------|
|                                               | \$                                 | \$                    | \$               | \$               |
| <b>Carrying amount -<br/>31 December 2017</b> | 644                                | 16,675                | 22,061           | 39,380           |
| Additions                                     | -                                  | 28,070                | -                | 28,070           |
| Disposals                                     | -                                  | ( 9)                  | -                | ( 9)             |
| Depreciation                                  | ( 230)                             | ( 17,291)             | ( 7,353)         | ( 24,874)        |
| <b>Carrying amount -<br/>31 December 2018</b> | <b>\$ 414</b>                      | <b>\$ 27,445</b>      | <b>\$ 14,708</b> | <b>\$ 42,567</b> |
|                                               | =====                              | =====                 | =====            | =====            |

**6 Donor grant – deferred income**

|                                                            | 2018      | 2017      |
|------------------------------------------------------------|-----------|-----------|
|                                                            | \$        | \$        |
| Opening balance                                            | 28,856    | 43,363    |
| Add: Grant received during the year (at Board's valuation) | -         | -         |
|                                                            | 28,856    | 43,363    |
| Less: Transfer to other income during the year             | ( 14,057) | ( 14,507) |
|                                                            | \$ 14,799 | \$ 28,856 |
|                                                            | =====     | =====     |

**7 Accumulated funds**

The accumulated funds is reconciled as follows:

|                                                             | 2018    | 2017       |
|-------------------------------------------------------------|---------|------------|
|                                                             | \$      | \$         |
| Opening balance – 1 January                                 | 2,543   | 812,338    |
| (Deficit) / Surplus in income over expenditure for the year | 798,286 | ( 809,795) |
|                                                             | 800,829 | 2,543      |
|                                                             | =====   | =====      |

**8 Income taxes**

The organisation is exempt from income taxes in accordance with the Second Schedule of the Diplomatic Privileges and Immunities Act, 1971.

**9 Principal activity**

The principal activity of the organisation is to promote and develop the tourism industry in the South Pacific and foster regional co-operation between the member countries, private sector and the tourism operators.

The organisation's registered office is situated on level 3, FNPF Place, Victoria Parade in Suva.

**10 Commitments and contingent liabilities**

(a) There were no commitments as at 31 December 2018 (2017: \$Nil).

(b) There were no contingent liabilities as at 31 December 2018 (2017: \$Nil).

**11 Employee entitlements**

|                                                       | 2018   | 2017   |
|-------------------------------------------------------|--------|--------|
|                                                       | \$     | \$     |
| Provision for annual leave                            | 38,770 | 32,794 |
|                                                       | =====  | =====  |
| Average number of employees during the financial year | 16     | 17     |
|                                                       | =====  | =====  |

**12 Other income**

|                       | 2018    | 2017   |
|-----------------------|---------|--------|
| Exchange Gain/(Loss)  | 7,366   | 4,180  |
| Interest Income       | 2,496   | 8,011  |
| UNDP Funds            | 92,319  | 46,684 |
| Gain on sale of asset | 3,261   | -      |
| Miscellaneous Income  | 30,075  | 10,041 |
|                       | 135,517 | 68,916 |
|                       | =====   | =====  |

## NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

### 13 Funds from EDF10 and Expo projects

During the year recognition was made to the board's previous decision to approve the transfer of residual funds in the EDF10 and Expo projects to the organisation's main account to meet operational costs.

### 14 Events subsequent to balance date

No change on the assets of the organisation has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the organisation to meet its obligations as and when they fall due.







**SOUTH PACIFIC  
TOURISM  
ORGANISATION**

© 2018 SPTO. All Rights Reserved.

Level 3, FNPF Place  
343-359 Victoria Parade  
PO Box 13119, Suva,  
Fiji Islands

T: (679) 330 4177  
F: (679) 330 1995  
E: [tourism@spto.org](mailto:tourism@spto.org)  
W: [www.spto.org](http://www.spto.org)



SthPacTourism



SouthPacificTourismOrg



instasouthpacific