

Destination NSW

Annual Report
2012/2013



Destination
NSW

Destination NSW

Annual Report 2012/2013



The Hon. George Souris MP
Minister for Tourism, Major Events,
Hospitality and Racing, and
Minister for the Arts

30 October 2013

Dear Minister,

We are pleased to submit the Annual Report of Destination NSW for the financial year ended 30 June 2013 for presentation to the NSW Parliament.

The report has been prepared in accordance with the provisions of the Annual Reports (Statutory Bodies) Act 1984, the Annual Reports (Statutory Bodies) Regulation 2010, the Public Sector Employment and Management Act 2002, the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2010.

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Conde". The signature is fluid and cursive, with the first name "John" and the last name "Conde" clearly distinguishable.

John Conde AO
Chairman

Contents

4	Chairman's Foreword
6	Organisation
6	About Destination NSW
8	Board Members
10	Organisation Chart 2012/2013
11	CEO's Report: The Year in Review
14	Financial Overview 2012/2013
15	Destination NSW Performance 2012/2013
21	NSW Tourism Performance 2012/2013
22	Tourism Snapshot: NSW Year Ending June 2013
24	Review
25	Event Development
28	Marketing for Tourism and Events
35	Industry Partnerships and Government Policy
41	Communications
42	Homebush Motor Racing Authority
43	Corporate Services
45	Appendices
46	Destination NSW Senior Executive
47	Human Resources
50	Corporate Governance
54	Operations
58	Grants
62	Financial Management
64	Financial Statements
65	Destination NSW Financial Statements
99	Destination NSW Division Financial Statements
119	Events New South Wales Pty Ltd Financial Statements
134	Index
135	Access

Chairman's Foreword

Now in its second year of operation, Destination NSW has made impressive progress towards achieving its strategic objectives, including as a single integrated entity. Created to promote Sydney and New South Wales more effectively to the world, Destination NSW has delivered outstanding results for the State.

Driven by the NSW Government's goal to double overnight visitor expenditure by 2020, Destination NSW has aligned its operations and performance accordingly. In August 2012, the Visitor Economy Taskforce presented its Final Report to Government which outlined a recommended strategy to achieve this goal. The Government responded in December 2012 with the Visitor Economy Industry Action Plan as its in-principle acceptance of the recommendations of the Visitor Economy Taskforce Report.

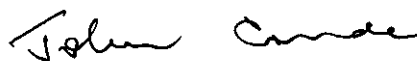
The NSW Government's continued support of the Action Plan and its commitment to achieving the goal through record funding levels underscores the value the Government places on tourism and major events as economic drivers for the State. This has allowed Destination NSW to continue to expand its impressive calendar of major events for NSW across arts, culture, lifestyle and sports, securing not only what are considered to be premier events but events which have strong appeal to international and interstate visitors, and which are often Australian or world premieres. It has also allowed for the continuation and development of new, ground-breaking strategic partnerships with airlines and other tourism industry partners, all of which contribute to achieving the NSW Government's overnight visitor expenditure goal.

An important focus for Destination NSW in its second year has been giving effect to the recommendations of the Visitor Economy Industry Action Plan. In addition to the continued securing of major events, this has involved the delivery of several key actions including the China Tourism Strategy, introduction of a Destination Management Planning process, a new funding program for Regional NSW and the introduction of a major new annual Australian Indigenous Festival Corroboree in Sydney.

I thank the Minister for Tourism and Major Events, Hospitality and Racing, and Minister for the Arts, the Hon George Souris, and the NSW Government for their ongoing support and recognition of the achievements of the organisation over the past year.

I commend our CEO, Sandra Chipchase, for the unstinting drive and enthusiasm she brings to her role and thank the Destination NSW staff and Executive Team for their continued efforts and commitment to achieving our strategic objectives.

Again, it has been an honour for me to work with our exceptionally talented and committed Board of Directors, each of whom contributes enormously to the successful conduct of Destination NSW.



John C Conde AO
Chairman
Destination NSW



John Conde AO
Chairman
Destination NSW

Organisation

6	About Destination NSW
8	Board Members
10	Organisation Chart 2012/2013
11	CEO's Report: The Year in Review
14	Financial Overview 2012/2013
15	Destination NSW Performance 2012/2013
21	NSW Tourism Performance 2012/2013
22	Tourism Snapshot: NSW Year Ending June 2013

About Destination NSW

Established under the Destination NSW Act 2011 as the lead Government agency for the New South Wales tourism and major events sector, Destination NSW's charter is to achieve economic and social benefits for the people of New South Wales through the development of tourism and the securing of major events.

The establishment of Destination NSW saw the merger of four Government-funded entities – Tourism New South Wales, Events New South Wales, the Homebush Motor Racing Authority and the Greater Sydney Partnership – into a single entity.

Constituted as a statutory authority, Destination NSW is governed by a Board of Management and is subject to the control and direction of the Minister for Tourism and Major Events, Hospitality and Racing, and Minister for the Arts. It is principally funded by the NSW Government. Destination NSW is part of a cluster of agencies under the responsibility of the Director General of the Department of Trade and Investment, Regional Infrastructure and Services (NSW Trade & Investment).

Role

Destination NSW is responsible for devising and implementing strategies to grow the State's visitor economy, with a particular focus on generating tourism and acquiring and developing major sporting and cultural events for Sydney and Regional NSW.

In addition, through its role as principal investor in Business Events Sydney (BES), Destination NSW aims to secure more international conventions, incentive travel reward programs, corporate events and exhibitions for Sydney and regional NSW.

Vision

To make Sydney and New South Wales one of the world's most successful tourism and events destinations.

Mission

To double overnight visitor expenditure by 2020 and maximise the benefits of the visitor economy for New South Wales.

Strategic objectives

1. Position Sydney and New South Wales as world-leading tourism and events destinations.
2. Attract and secure high-value major events.
3. Build a sustainable events calendar for New South Wales.
4. Increase industry stakeholder and customer engagement.
5. Deliver value in partnership/co-operative programs.
6. Develop and sustain a high-performance organisation.
7. Maximise yield and dispersal from the Visitor Economy.
8. Implement the Visitor Economy Industry Action Plan.

Importance of the Visitor Economy to New South Wales

The term 'visitor economy' includes businesses and communities that benefit from the direct and indirect economic activity generated through the wide range of activity that supports the provision of goods and services to overnight visitors including, but not limited to, leisure, business, events, arts/cultural, nature and student visitors.

The visitor economy contributes \$26.7 billion to the State's economy and supports 152,000 direct jobs. In the year ended June 2013, New South Wales welcomed 28 million visitors and currently leads all Australian States and Territories in terms of visitor numbers, nights and expenditure.

Visitor Economy Industry Action Plan

In December 2012, the Visitor Economy Industry Action Plan (the NSW Government Response to the Visitor Economy Taskforce Report) was released supporting the majority of recommendations made by the Taskforce. The Visitor Economy Industry Action Plan outlines the whole-of-Government commitment to the NSW visitor economy and a long-term strategy to achieve the NSW Government's target of doubling overnight visitor expenditure to New South Wales by 2020.

Destination NSW is working with industry and Government stakeholders to implement the approved recommendations and actions outlined in the Visitor Economy Industry Action Plan.

Working with Industry

Destination NSW is committed to working with industry and Government stakeholders to realise our vision of making Sydney and NSW one of the world's most successful tourism and events destinations.

The value of the contribution made by tourism and major events is undeniable and by working with industry stakeholders, we can undertake a wide range of activities that increase the profile of Sydney and NSW in key domestic and international markets.

Services

The services offered by Destination NSW include:

- Brand development and management
- Strategic partnership programs
- Market research and insights
- Destination development assistance
- Product development advisory service
- Market and business development programs
- Destination and event marketing
- Co-operative marketing and publicity programs
- Major event investment and evaluations
- Event leveraging activities
- Visitor resources and information
- Visual resources – footage and photography
- Funding for events and tourism activities.

Board Members



John Conde AO (Chairman)



Leslie Cassar AM, MOM, KSJ

John C Conde AO, BSc, BE (Hons), MBA (Dist) (Chairman)

With experience in business, commerce, arts and not for-profit organisations, Mr Conde is also Chairman of Bupa Australia, the Sydney Symphony, Cooper Energy and the McGrath Foundation. He is President of the Commonwealth Remuneration Tribunal, Deputy Chairman of Whitehaven Coal Limited and a Director of Dexu Property Group and AFC Asian Cup (2015). His previous positions include Chairman of Ausgrid, Director of BHP Billiton, Chairman of Pacific Power and Chairman of Events NSW.



Russell Balding AO (Deputy Chairman)



Sandra Chipchase

Leslie Cassar AM, MOM, KSJ

A former Chairman of Tourism NSW and the Tourism and Transport Forum (TTF), Mr Cassar began his career in aviation with Qantas, accruing more than 40 years' experience in the aviation, travel and tourism sector, both in Australia and internationally. In 1980 he became the Managing Director and partner of The Concorde Group of Companies, where he oversaw the global expansion of the company, the establishment of World Aviation Services representing 40 airlines and the final sale of the company to ABN AMRO in 2002.

In 1989 Mr Cassar was invested as a Knight of the Order Of St John of Jerusalem (KSJ).

Decorated by the Australian Government in 1997 for his services to the Australian Travel Industry and for furthering Australia/Malta relations, Leslie was appointed as Officer in the General Division of The Order of Australia (AM). In 2006 the Maltese Government awarded Mr Cassar the prestigious National Award of Merit for his contribution to Malta's aviation industry (MOM).

Russell Balding AO, B Bus, DipTech (Comm), FCPA, MAICD (Deputy Chairman)

Mr Balding is a Non-Executive Director of Cabcharge Australia Limited, a member of the Board of Racing NSW and a Board Director of NSW Business Chamber Limited. He has held senior positions in a number of major organisations requiring extensive Government, stakeholder, community and customer interaction. He recently chaired the Visitor Economy Taskforce, established by the NSW Government to develop a strategy to double overnight visitor expenditure to NSW by 2020. His previous roles include CEO of the Sydney Airport Corporation and Managing Director of the Australian Broadcasting Corporation (ABC).



Wendy Machin



Mark I. Paterson AO



The Hon. Patricia Forsythe



Rod McGeoch AM

Sandra Chipchase B Bus Comm, GAICD

Destination NSW's CEO is a member of the Visitor Economy Taskforce (VET) and a co-author of the 2012 VET Report which created the tourism and events blueprint for NSW, a member of the Project Steering Committee for Sydney's new International Convention, Exhibition and Entertainment Centre, on the City of Sydney Retail Advisory Board, a Board member of Business Events Sydney, and is an ex-officio member of the NSW Australia Day Council and the NSW Crown Holiday Parks Trust. Previous roles include CEO of the Melbourne Convention and Visitors Bureau, senior management roles in Europe and USA with the Australian Tourist Commission and Executive Director – Australia Pavilion, World Expo 2000 and GM Commercial Partnerships with Sydney Harbour Foreshore Authority. Sandra won the 2011 National Award for Outstanding Contribution to the Meetings and Events Industry.

Wendy Machin BA (Comms), M (Comm)

Ms Machin is President of NRMA Motoring and Services and a Director of the Australian Automobile Association. She also serves on the Board of the National Occupational Licensing Authority (NOLA) and is a Member of the ANZ Stadium Advisory Committee. Ms Machin has served as a Member of the Migration and Refugee Review Tribunal, President of Save the Children Fund NSW, Deputy Chair of the Australian Republican Movement and also on the National Council for the Prevention of Child Abuse and Neglect. She was a Member of the NSW Legislative Assembly for 11 years and served as a Cabinet Minister and Deputy Speaker in that time. She also has cattle property on the NSW mid north coast.

Mark I Paterson AO, B. Bus, FAICD, FAIM, FRMIA

Mr Paterson was appointed Director General of the NSW Department of Trade and Investment, Regional Infrastructure and Services on 1 June 2011. Prior to this he was Secretary and Chief Executive of the Commonwealth Department of Innovation, Industry, Science and Research from December 2007. Mr Paterson was Secretary of the former Department of Industry, Tourism and Resources from January 2002, and Chief Executive of the Australian Chamber of Commerce and Industry, Australia's leading business representative organisation from 1996-2002. Earlier experiences involved heading the Retailers Council of Australia and the Retail Traders Association of NSW. Mr Paterson was appointed as an Officer of the Order of Australia in 2007.

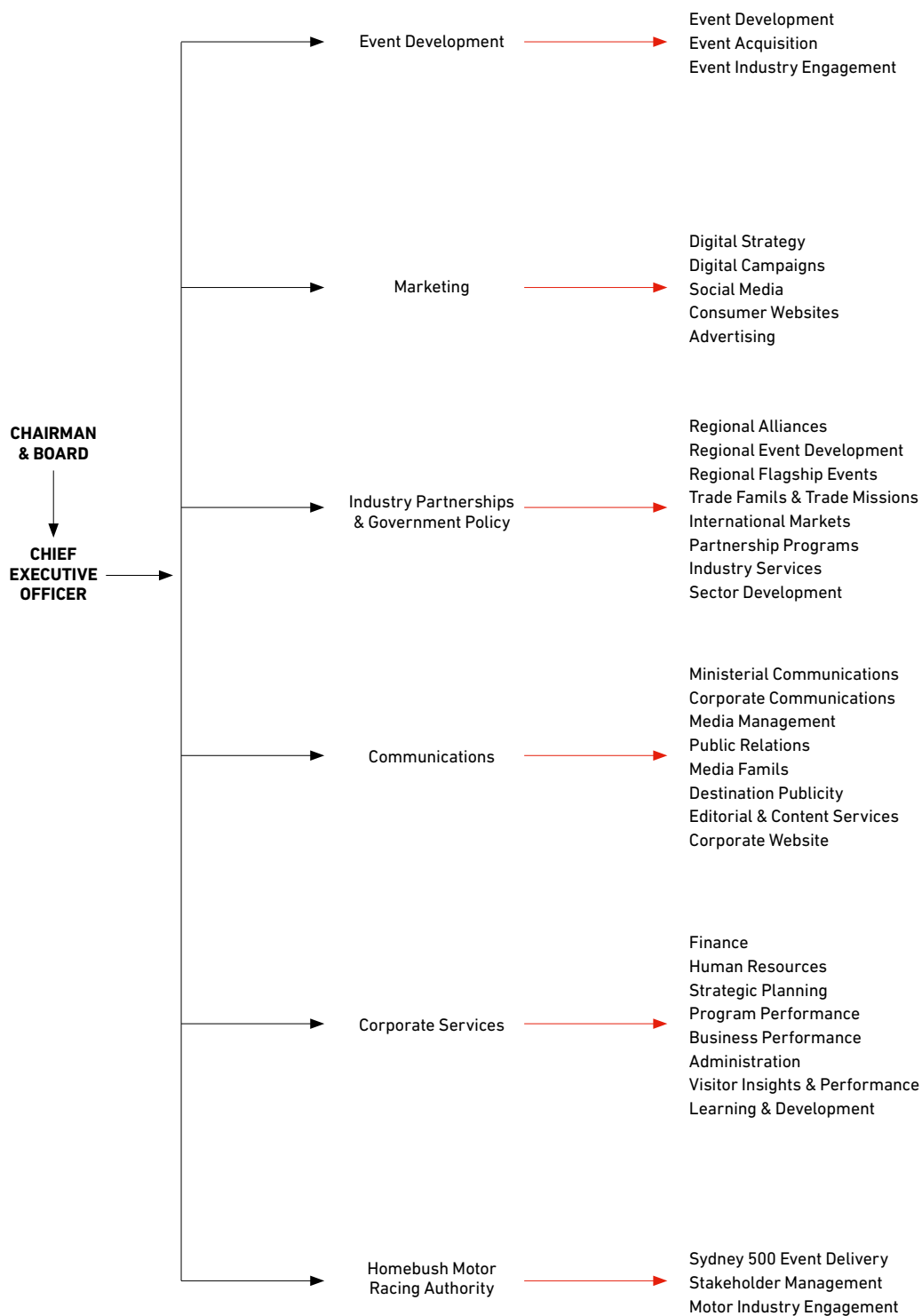
The Hon. Patricia Forsythe BA, DipEd

Mrs Forsythe is the Executive Director of the Sydney Business Chamber, which she represents on a number of NSW Government committees, including the NSW AFC Asian Cup and ICC Cricket World Cup 2015 Steering Committee. She represents the Chamber on the City of Sydney Retail Advisory Panel and the Sydney Airport Planning Co-ordination Forum. She is a member of the boards of the Hunter Development Corporation, Sydney Children's Hospital Network, Cricket NSW and the Council of Macquarie University. Patricia also represents Destination NSW on the Board of Business Events Sydney.

Rod McGeoch AO, LLB

The leader of the successful Sydney 2000 Olympic Games bid, Mr McGeoch holds a number of influential Board positions, including Director of SKYCITY Entertainment Group, Chairman of Vantage Private Equity Growth Limited and BGP Holdings PLC. A past-President of the Law Society of New South Wales, he is a Director of Ramsay Health Care Limited and Co-Chairman of the Australia New Zealand Leadership Forum. He is also a Trustee of the Sydney Cricket Ground Trust and a former Chairman of the Committee for Sydney. Mr McGeoch plays a leading role in a variety of community, cultural and welfare organisations.

Organisation Chart 2012/2013



CEO's Report: The Year in Review

During the second year following Destination NSW's establishment we have achieved record results and further refined programs and operations.

We have continued to integrate four entities into one with a single focus on achieving the goal of doubling overnight visitor expenditure. We have delivered operational efficiencies and have built a more streamlined organisation to better service our stakeholders, and generate greater economic and social benefits for the NSW visitor economy.

The Visitor Economy contributes more than \$26 billion to the State's economy and supports 152,000 direct jobs and is undoubtedly growing. In the year ended June 2013 we welcomed 28 million overnight visitors.

NSW leads the nation in visitor numbers, visitor nights and visitor expenditure, and Sydney is without question Australia's leading tourism and events destination. It attracts more international business, holiday and education visitors than any other city in Australia.

Everything Destination NSW does is focussed on growing overnight visitor expenditure. In 2012/13 that focus resulted in a range of initiatives from establishing an historic \$30 million partnership with Qantas Airways, to delivering record-breaking events such as Vivid Sydney which generated more than 800,000 visitors over the 18 day festival, to the greatest reform of regional funding in the State's history through the creation of the Regional Visitor Economy Fund with record funding of \$21.6 million provided by the Government over three years.

Underpinning all of these initiatives are the recommendations from the Visitor Economy Taskforce Report.

Turning the Visitor Economy Taskforce Recommendations into Actions

With the ambitious goal of doubling overnight visitor expenditure by 2020, there has been a great deal of resolve and drive to deliver the Year One actions of the Visitor Economy Industry Action Plan; the NSW Government's response to the Final Report of the Visitor Economy Taskforce. Destination NSW is making impressive progress on the delivery of the actions.

Two important major initiatives introduced under the Visitor Economy Industry Action Plan are the new Destination Management Planning process and the new Regional Visitor Economy Fund. Both initiatives constitute major reforms to the way that regional tourism in New South Wales is supported by

Government and are focused on ensuring the opportunities for growing tourism and leveraging events in NSW are optimised. A Destination Management Plan helps communities and regional authorities to work collaboratively towards developing a sustainable and planned future to facilitate growth and deliver on the expectations of visitors. It is also an essential step towards applying for funding from the Regional Visitor Economy Fund (RVEF).

Destination NSW held a series of briefings across the State to support the introduction of the Destination Management Planning Process and to outline the eligibility criteria and application process for the new Regional Visitor Economy Fund.

In an initiative to support the skills of tourism operators, Destination NSW commenced a comprehensive program of workshops under the banner of - NSW First: Industry Development Program - to assist operators to optimise marketing, product and publicity opportunities and increase their profitability.

International activity

Destination NSW developed new, and grew existing partnerships with industry partners to maintain our position as Australia's most visited State.

In 2012/13, Destination NSW concentrated its international marketing activities on the top ten international markets identified in the Visitor Economy Industry Action Plan which include the traditional markets of USA, Europe, Japan and New Zealand but also high value and growth potential markets of China, South Korea, Malaysia and Singapore.

A strong component of this work is through airline partnerships. By working with national and international carriers we are able to pool resources to achieve greater reach, increase visitation to Sydney and Regional NSW and contribute to doubling overnight visitor expenditure by 2020. During the 2012/13 financial year Destination NSW delivered strategic partnerships with 20 airlines with a combined investment value totalling \$10.5 million.

A major highlight in 2012/13 was the establishment of a landmark partnership with Qantas. At \$30 million, this three year agreement with Destination NSW is the largest tourism and major events marketing partnership in the State's history, providing unprecedented opportunities to leverage the marketing assets of both organisations.

A testament to the strength of the combination of Destination NSW and Qantas, was the visit by US TV



Sandra Chipchase
Chief Executive Officer
Destination NSW

CEO's Report: The Year in Review CONTINUED

star, Ellen DeGeneres, in March 2013 which showcased Sydney to a worldwide audience of more than 16 million viewers in 21 countries and was leveraged through the *Dance Your Way Down Under* joint marketing campaign which delivered a 22 per cent increase in inbound ticket sales from the USA to Sydney compared to normal levels.

Destination NSW also continues to work with Sydney Airport and Tourism Australia to attract new carriers to operate services to Sydney and Regional NSW.

With the youth market and working holiday makers identified in the Visitor Economy Industry Action Plan as high-yield market segments, Destination NSW worked with Tourism Australia on the 'Best Jobs in the World' competition which was part of a campaign to promote tourism opportunities provided by Australia's Working Holiday Maker program. Applicants chose from six jobs offered by States across Australia, with NSW's Chief Funster receiving 124,000 applications, the highest number of any State.

Recruitment of the Chief Funster for New South Wales was completed in June and the successful applicant will commence with Destination NSW in December, promoting NSW events and destinations through influential social media channels.

Destination NSW also secured an Australian exclusive two year partnership with MTV's Travelco website, with Sydney one of only five global cities on MTV's travel website mtvtravelco.com. The site showcases the cities of Los Angeles, New York City, London, Berlin and now Sydney. Sydney is the only Australian destination and the first Asia Pacific destination featured. We also have the opportunity to build travel to regional NSW through this website.

To ensure that NSW is the premier destination for tourists from China into the next decade, the China Tourism Strategy 2012-2020 was launched in November 2012, making it the first strategic program of the Visitor Economy Industry Action Plan to be completed. The Strategy focuses on eight key areas to deliver growth and demonstrates the NSW Government's commitment to growing the China visitor market.

April 2013 saw the Australian Tourism Exchange return to Sydney for the second time in three years, showcasing the city to hundreds of travel buyers and media from across the globe. A new format championed by Destination NSW, combined the East and West modules into a single 'shorter and sharper' event spanning five days. The business-to-business event presented 82 New South Wales tourism products to more than 700 international buyers from 40 countries. The extensive pre and post event familiarisation tour program provided the international travel trade and media the opportunity to experience NSW first hand through 30 itineraries offered to 275 participating buyers.

With Sydney a first favourite stop for cruises and the only Australian city with two cruise terminals, Sydney also welcomed a record 265 ship visits during the cruise season, including 36 ships during the 28 days of February.

Domestic marketing

The successful integration of tourism and event marketing has enabled us to align our organisational objectives, resources and strategies to take advantage of the changing media landscape. It has also enabled us to effectively deliver multi-level marketing programs with our key stakeholders to our target segments in highly competitive key source markets.

For example, promotional activity for the Vivid Sydney festival, an event owned and managed by Destination NSW, was fully integrated within the Sydney in Winter – 'Love Every Second' – seasonal campaign, resulting in greater consumer impact than previous standalone event campaigns.

Domestic activity for Sydney included the continuation of the successful Summer and Winter in Sydney campaigns - Love Every Second - which integrates unique Sydney experiences and event content presented across print media, online, social media and through publicity. Reaching audiences in Australian and New Zealand, the first Summer in Sydney campaign delivered more than 2 million visits to Destination NSW's consumer website, sydney.com, and 490,000 sales leads to the travel industry.

Destination NSW also partnered with more than 100 regional stakeholders to develop and implement a broad range of new destination marketing campaigns.

Events

Destination NSW delivered and/or secured a record number of major event wins to firmly place Sydney and NSW as Australia's new events heartland - including securing football legends Manchester United to play an "only in Sydney" match, the bulk of the games of the British and Irish Lions Rugby Union (including a match in Newcastle), the inaugural Australian Garden Show Sydney, two State of Origins, the Opening Series of the Major League Baseball, Ironman Australia for Port Macquarie, the Sydney International Art Series, The Alexander the Great Exhibition at the Australian Museum, 2015 Asian Cup games for ANZ Stadium and Newcastle and the 2014 Hobie 16 World Championships in Jervis Bay.... to name just a few.

The establishment of a strong NSW master events calendar ensures that Sydney and NSW present high quality event and festival content and conventions and exhibitions to drive additional overnight visitation throughout NSW during the year. Dedicated newspaper magazine inserts for the winter and summer periods communicated the unique Sydney and Regional NSW event and tourism experiences to more than 1.8 million readers across Australia and New Zealand during each campaign.

Having secured a portfolio of the best international sporting and cultural events in Australia and the South East Asia region, Destination NSW delivered the It's ON! Marketing Campaign, in co-operation with key bodies, to promote specific events. It's ON! positioned NSW as 'the place to visit and see the best events in Australia'.

In 2013, Destination NSW ensured Vivid Sydney continued its spectacular growth trajectory with audiences increasing by almost 40 per cent to exceed 800,000 and generating more than \$10 million in economic benefit to the city. This year Vivid Sydney featured 60 lighting installations and for the first time included an extension of lighting displays and installations to the Darling Harbour precinct including an Australian first with the Aquatique water theatre, and the lighting of the Western Façade of the Sydney Harbour Bridge and other activations in North Sydney.

Destination NSW continued our work with international travel wholesalers and more than 11,000 international visitors came to Sydney on Vivid Sydney travel packages – a new record. In addition, Vivid Sydney achieved record attendance of more than 800,000 cumulative visitors and generated record positive media coverage in over 200 countries.

The spectacular Handa Opera on Sydney Harbour presentation of Carmen attracted over 40,000 people across the 17 performances. Over half were first-time opera goers with many travelling from interstate and overseas to enjoy the performance against the spellbinding backdrop of the Sydney Opera House and Sydney Harbour Bridge.

In 2012/13, Sydney continued to recognise the importance of musical theatre to attracting interstate and overseas visitors by hosting the Australian premieres of *Legally Blonde the Musical* and *The Addams Family*. The Paris Opera Ballet's presentation of *Giselle* was another outstanding highlight on Sydney's performing arts and culture calendar.

The introduction of Corroboree Sydney, a new annual Indigenous festival in Sydney supported by Destination NSW, will bring together Indigenous art and culture from around the nation and is expected to become one of Australia's major cultural events. The establishment of Corroboree Sydney, an action item from the Visitor Economy Industry Action Plan, highlights the growing interest and participation in Indigenous culture. With NSW having the largest population of Indigenous people in Australia, we are well placed to host this important event.

Organisation

The NSW Government's continued recognition of tourism and events as key economic drivers for the State is significant. Ongoing funding support of \$125 million per year to grow tourism, major events and business events underscores Government's commitment and will enable our organisation to deliver its core objectives.

The integrated organisation continues to perform strongly and has been assisted in 2012/13 by the introduction of a number of new initiatives to improve organisational governance, reporting and benchmarking.

The consolidation of all business units to a single office location is progressing well and will be realised in the first quarter of the next financial year.

Innovation

Destination NSW is committed to being a leader in the use of digital and interactive technologies to promote Sydney and New South Wales. In February, we became the first tourism organisation in Australia to introduce a new 360 degree digital marketing tool. Sydney 360° showcases Sydney and the Hunter Valley wine region through unique aerial tours. The First Person 360 tool allows users to put their face in the picture to navigate their way around a 360 degree view of several experiences, including climbing the Sydney Harbour Bridge, cycling at Manly, learning to surf at Bondi and interacting with animals at Taronga Zoo.

Videos from Sydney 360° can be shared via Facebook and since its launch has received 1.6 million views from Australia and New Zealand resulting in 315,393 video views, 116,753 visitors to the Facebook App and 43,026 visits to Sydney.com and 9,121 leads and a 20 per cent conversion of sales leads to industry partner sites from Sydney.com.

Promoting Sydney and NSW as a premier adventure, food and wine destination to tourists from mainland China, Destination NSW launched a smartphone App in Mandarin and an innovative suite of online videos featuring 12 high profile Chinese travel bloggers with significant local audience reach.

In 2012/13, the Destination NSW consumer websites sydney.com and visitnsw.com were fully integrated with events content from nswevents.com and eventssydney.com. According to online intelligence agency Experian Hitwise, Destination NSW has the top performing state tourism websites in Australia, with the leading (39.85 per cent) share of the Government tourism industry market. Our websites are also ranked as the tenth largest destination and accommodation websites in Australia, featuring in the top ten list with sites such as TripAdvisor.

The year ahead

Key goals for 2013/14 include delivery of new Regional NSW campaigns with partners to grow the visitor economy, leveraging our airline partnerships, delivery of a new digital campaign in India, expansion of our overseas office engagement with the travel trade, building targeted media and travel buyer site inspection tours, growing our digital capabilities, securing more "only in Sydney" and "only in NSW" events and of course keeping NSW No.1.

Through the support and commitment of our Minister, the Destination NSW Board, our exceptional staff and the dedication of our NSW industry, 2013/14 is destined to be another year of achievement and success for the NSW Visitor Economy.



Sandra Chipchase
CEO

Financial Overview 2012/2013

Budget Structure

Destination NSW is a New South Wales statutory body under the Destination NSW Act 2011 (created on 1 July 2011). Destination NSW comprises all the entities under its control, namely Destination NSW Division and Events New South Wales Pty Ltd.

Destination NSW falls within the Trade and Investment, Regional Infrastructure and Services cluster of the NSW Government.

Destination NSW encompasses the functions of the former Tourism NSW, Events New South Wales Pty Ltd, the Homebush Motor Racing Authority and the Greater Sydney Partnership.

This summary represents the consolidated financial performance for the year ending 30 June 2013.

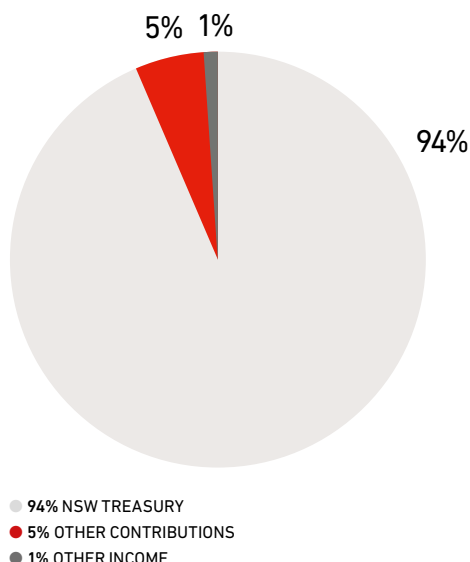
Sources of Funds (\$133.4 million)

Total revenue for Destination NSW for the year ending 30 June 2013 was \$133.4 million.

The main sources of revenue were: recurrent.

Government grants from NSW Treasury, \$124.7 million; contributions received from Industry and other parties to participate in marketing activities, \$7.2 million; and other income, \$1.5 million.

Sources of Funds



Destination NSW Performance 2012/2013

Strategic Objective 1:

Position Sydney & New South Wales as world-leading tourism and events destinations

Key Performance Indicators	Target	Actual	%	Actual	
	2012/13	2012/13	Achieved	2011/12	Comment
Growth in total NSW visitor nights (million)*					
Total	157.2	154.1	98%	148.9	Note 1
Domestic	84.2	84.5	100%	82.8	
International	72.9	69.6	96%	66.1	

Growth in total NSW overnight expenditure (\$billion)*					
Total	23.0	21.0	91%	19.9	Note 2
Domestic	14.9	14.5	97%	13.8	
International	8.1	6.5	80%	6.1	

Media Exposure	(hundreds)				
No. of media articles	None set	1,090	N/A		
Equivalent Advertising Value	None set	\$50,632,086	N/A		
No. of co-sponsored media visits to Sydney and regional destinations	260	240	92%		Note 3
No. of media participants (domestic and international media famils)	570	585	103%		Exceeded
No. of pitch and servicing engagements with media	500	1,161	232%		Exceeded

Consumer Response to Marketing Activity	(millions)				
Visits to tourism & events consumer websites (www.sydney.com & www.visitnsw.com)	10,000,000	12,740,990	127%	8,415,303	Exceeded
Visits to Vidsydney.com consumer website	1,000,000	1,296,368	130%	673,162	Exceeded
Business Leads to Industry generated by digital and campaign activity	2,200,000	2,753,182	125%	1,650,000	Exceeded

Note 1 Growth in total visitor nights: Achieved visitor night growth over financial year 2011/12 for both the international and domestic markets but slightly fell short of target for the international visitor nights. There were decreases in visitor nights from Korea, Canada, Thailand & New Zealand.

Note 2 Growth in total overnight expenditure: Achieved significant visitor expenditure growth over financial year 2011/12 for both the international and domestic markets but fell short of target. The biggest expenditure declines in NSW were from the Indonesian, Canadian and Korean markets, and from the Visiting Friends and Relatives domestic overnight visitors.

Note 3 Co-sponsored media visits: Fewer group visits were secured than in 2011/12 however these targeted visits attracted high quality individuals and delivered more exposure for Sydney and regional destinations.

Awards
Sydney voted best city in the Oceania region and number six in the world in the 2012 Condé Nast Traveler USA Reader's Choice Awards.
Sydney named in Best World Festival and Event City by the International Festivals and Events Association for the third year in a row. Newcastle also recognised in Best World Festival and Event City by the International Festivals and Events Association for population under 1 million category.
The Mercer Quality of Living Survey 2012 ranked Sydney tenth in the world in terms of standard of living and eighth in the new infrastructure category (making it the highest ranked city in Australia).
US Travel & Leisure Magazine awarded Sydney fifth place in its list of Top 10 Cities in the World.
The 2013 Australian Gourmet Traveller Restaurant Awards placed six Sydney restaurants in its top ten, including its top three restaurants, Quay, Marque and Sepia.
Sydney and four other NSW destinations featured in the Wotif.com list of top 20 destinations booked in Australia in 2012, with Sydney topping the leader board.

Destination NSW Performance 2012/2013 CONTINUED

Strategic Objective 2:

Attract and secure high-value major events

Festivals	Australian Youth Olympic Festival (secured investment)
	Blackmores Sydney Running Festival (secured investment)
	Bledisloe Cup Festival (continued investment)
	CMC Rocks the Hunter (continued investment)
	Deni Blues & Roots Festival (secured investment)
	Parramasala – Australian Festival of South Asia Arts (continued investment)
	Sydney Festival (continued investment)
	Sydney Film Festival (continued investment)
	Tamworth Country Music Festival (secured investment)
	Top Gear Festival (secured investment)
	Vivid Sydney (continued investment)
Entertainment	Blue Man Group (theatrical production)
	Lion King - The Musical
	Corroboree Sydney
	Ellen DeGeneres visit to Sydney
	Rob Guest Endowment Concert
	Sydney International Art Series: America: Painting a Nation and War is Over! (if you want it): Yoko Ono
	Sydney Moderns
	Continued investment into: AACTAs, ARIAs, The Helpmann Awards, Handa Opera on Sydney Harbour, Sydney New Year's Eve (broadcast)
Sport	Australian University Games
	Challenge Australia Multi-Sport Festival
	Daniel Geale v Anthony Mundine (boxing)
	International Children's Games 2014
	Major League Baseball Opening Series
	Manchester United
	Special Olympics Asia Pacific Games 2013
	State of Origin (Games One and Three)
	Continued investment into: Australian Open Golf, NRL Rugby League Grand Final, T20 International Cricket, FIA World Rally Championships (Rally Australia), Sydney Telstra 500 V8 Supercar Motor Race
Lifestyle	Australian Garden Show Sydney
	Australian Boardriders Battle
	Australian Open of Surfing
	Hobie 16 World Championships
	Monster Jam
	NSW South Coast Body Boarding Challenge
	Royal Australian Navy International Fleet Review 2013
	Continued investment into: Yonex Australian Badminton, Sydney Mardi Gras, Australia Day, Sydney Royal Easter Show, Yabun

Strategic Objective 3:

Build a sustainable events calendar for New South Wales

EVENT ATTENDANCE July 2012 - April 2013				
Key Performance Indicators	Interstate	International	Total	Comment
	Unique visitors	Unique visitors	Unique attendees	
Sydney events	135,359	47,787	2,493,177	Note 1
Regional events	16,290	1,175	75,046	
Total	151,649	48,963	2,568,223	

EVENT ATTENDANCE January 2012 - December 2012				
Key Performance Indicators	No. of events		Net economic	Comment
	evaluated		impact (\$'000)	
Sydney events	31		\$151,484,522	Note 2
Regional events	13		\$11,051,650	
Total	44		\$162,536,173	

BUSINESS EVENTS SYDNEY PERFORMANCE				
Key Performance Indicators	Target	Actual	%	Comment
	2012/2013	2012/2013	Achieved	
Events Secured				Note 3
Bids Won	88	73	83%	
Delegate Days	213,177	131,127	62%	
Estimated Economic Impact	\$156.5m	\$113.1m	72%	
Events Delivered				
Events Held		86.0		Note 4
Delegate Days		210774.0		
Estimated Economic Impact		\$175.5m		

Note 1 Unique visitors or attendees only count a visitor/attendee once, even if they attended multiple days of an event. Visitor refers to attendees who came specifically to Sydney or NSW for the event or extended their stay. They do not include interstate/international attendees who were already in NSW and attended the event. (No figures are currently available for intrastate visitors, although Destination NSW has recently started to measure this attendance as part of its evaluation process). Attendees includes all people that attended the event.

Note 2 Net economic impact: The net economic impact to the State measures the net inflow of monies into New South Wales, primarily via visitor spend. It also takes into Note 2 Account monies flowing out of the State via payment to companies and contractors based outside of New South Wales. These figures include spending of interstate and international visitors who came specifically to Sydney or New South Wales for the event. Results do not include the impact of intrastate visitation or the impact of visitors already in New South Wales.

Note 3 Events secured performance of BESydney for 2012/13 was adversely impacted by the market uncertainty created by ICC Sydney approval process, and the closure of the existing SCEC facility for the 2014-2016 period.

Note 4 Business Events Performance: Destination NSW does not implement Business Events activity but is the principal funder of BE Sydney, contributing \$5.7 million annually plus other assistance. CEO Sandra Chipchase and Board Member the Hon. Patricia Forsythe are on the BE Sydney Board.

Destination NSW Performance 2012/2013 CONTINUED

Strategic Objective 4:

Increase industry stakeholder and customer engagement

Key Performance Indicators	Target	Actual	%	
	2012/13	2012/13	Achieved	Comment
Communications	(hundreds)			
No. of media articles	None set	1,090	N/A	
Equivalent Advertising Value	None set	\$50,632,086	N/A	
No. of co-sponsored media visits to Sydney and regional destinations	260	240	92%	<i>Note 2</i>
No. of media participants (domestic and international media famils)	570	585	103%	<i>Exceeded</i>
No. of pitch and servicing engagements with media	500	1,161	232%	<i>Exceeded</i>

Trade Development & Support				
No. of trade missions	1	1	100%	<i>Achieved</i>
No. of New South Wales businesses attending trade missions	30	36	120%	<i>Exceeded</i>
No. of trade familiarisations	80	105	131%	<i>Exceeded</i>
No. of trade familiarisation participants	1,050	1,178	112%	<i>Exceeded</i>

Note 1: During 2012/13 Destination NSW worked with slightly less operators, however the investments involved were significantly higher than previous years.

Note 2: Co-sponsored media visits: Fewer group visits were secured than in 2011/12 however these targeted visits attracted high quality individuals and delivered more exposure for Sydney and regional destinations.

Key Performance Indicators	Target	Actual	%	
	2012/13	2012/13	Achieved	Comment
Communications				
No. of approved TASAC applications	36	36	100.0%	<i>Achieved</i>
No. of tourism businesses assisted	620	759	122.4%	<i>Exceeded</i>
No. of research insight fact sheets published	223	341	153.0%	<i>Exceeded</i>
Visits to corporate website	332,236	220,860	66.5%	<i>Note 3</i>

Grants – No. of applications received				
Regional Tourism Partnership Program – Demand Building	103	62	-	<i>No Target used 11-14</i>
Regional Flagship Events Grants	29	32	110%	<i>Exceeded</i>

Note 3: During 12/13 content was migrated from the former Tourism NSW corporate website to the new Destination NSW corporate website. This streamlining exercise has resulted in fewer visitors overall as all information is now available in one place.

Strategic Objective 5:

Attract and secure high-value major events

Key Performance Indicators	Target	Actual	%	
	2012/13	2012/13	Achieved	Comment
Marketing & Communications				
No. of advertising/creative pieces developed (television ads, magazines, digital, radio, outdoor and press ads)	850	1,909	225%	<i>Exceeded</i>
No. of campaigns Sydney	7.0	29	400%	<i>Exceeded</i>
No. of campaigns Regional	6.0	15	250%	<i>Exceeded</i>
No. of campaigns International	60	80	133%	<i>Exceeded</i>
Equivalent Advertising Value (EAV) of publicity generated	None set	50,632,086	N/A	
Consumer Response to Marketing Activity				
	(millions)			
Visits to tourism & events consumer websites (www.sydney.com & www.visitnsw.com)	10,000,000	12,740,990	127%	<i>Exceeded</i>
Visits to Vividsydney.com consumer website	1,000,000	1,296,368	130%	<i>Exceeded</i>
Business Leads to Industry generated by digital and campaign activity	2,200,000	2,753,182	125%	<i>Exceeded</i>
New Marketing Partnerships				
Total no. of airline partnerships secured and or renewed	NA	20	-	<i>Achieved</i>
Value of Domestic and International airline partnerships	\$11.5m	\$10.5m	-	<i>Note 2</i>

Note 1: Forecasts (not Targets) are prepared via the Government Advertising Submission process for the planned number of campaigns during the period. Whilst the number of campaigns delivered (over \$50,000) is not a direct measure of the Business Unit's performance / productivity - it assists in allocating resources. The number of creative pieces does NOT include Facebook advertising, creative developed by Event and Industry Partners.

Note 2: Virgin and Jetstar partnerships were not undertaken in 2012/2013, however increased activity is planned with both carriers in 2013/14.

Destination NSW Performance 2012/2013 CONTINUED

Strategic Objective 6:

Create and sustain a high performance organisation

Key Performance Indicators	Targeted Outcomes	Achieved	Comment
Organisation Governance	Improved Risk Management	Risk Management Framework and audit plan introduced.	Achieved
	Revised policies to achieve organisational objectives	Code of Conduct and Fraud & Corruption policies and procedures revised and implemented.	Achieved
	Centralised provision of Human Resources support	Recruitment program implemented throughout year.	Achieved
Consolidation of financial and accounting environment	Centralised processing of financial transactions	Processed \$132 million expenditure and revenue transactions.	Achieved
Review of premises	Housing of organisation in single premises	Projects undertaken throughout year leading to relocation of staff to new premises at 88 Cumberland Street, The Rocks from 9 September 2013.	Achieved
Legal Procurement	Streamlined procurement and legal procedures and systems	Established new user friendly procurement and legal procedures and systems to ensure economic, marketing and community return on investment is maximised. Such procedures and systems have also resulted in cost and time savings.	Ongoing
Organisational Evaluation	Organisational Evaluation indicates a high level of performance	Redesigned our organisational structure to map to service delivery model, including the completion of position description, job grading and remuneration reviews, achieved approvals and implemented results.	Achieved

Note 1 Organisational Evaluation: This figure does not include additional performance KPIs that were benchmarked in year one of operations and were successfully implemented.

NSW Tourism Performance 2012/2013

NSW has the greatest share of the Australian visitor economy and continues its domestic and international market leadership in visitor numbers, nights and expenditure. The total visitor overnight and day trip expenditure amounted to \$26.7 billion, up 4.5 per cent from the previous year. Overnight visitors spent \$21.0 billion in NSW. Domestic overnight visitors contributed 69 per cent of the total spent and International overnight visitors contributed 31 per cent. Domestic day trip visitors spent \$5.7 billion in NSW.

NSW received 79.5 million overnight and day trip visitors, down 1.7 per cent from year ended June 2012. This was mainly due to the decline in domestic day trip visitors (-4.3%). Visitors spent 154.1 million nights in the State, up 3.5 per cent.

International performance

NSW experienced record results in the number of visitors, nights and expenditure. NSW received \$6.5 billion in international expenditure, up 6.6 per cent from year ended June 2012. The key drivers of significant expenditure growth for NSW were China (+19.0%) and Holiday (+11.5%) visitor spending.

International visitors to NSW grew by 5.9 per cent, which was above the national growth of 5.1 per cent. For the first time, China has overtaken New Zealand as NSW's leading tourism market. UK remains the third largest source market. China is now the number one international market for visitors, nights and expenditure in NSW.

New South Wales was able to achieve visitor growth in ten of its top fifteen performing markets. The strong growth from the Asian markets, led by Malaysia (+29.5%), Singapore (+26%) and China (+18%), helped to offset marginal declines in visitation from Indonesia and Germany (-1.6% each) and Korea (-1.3%). The visitor growth from Malaysia and Singapore were likely driven by the introduction of new budget air services from these countries to Sydney in 2013 and accompanying market campaigns.

Best-performing consumer segments included the Holiday and Business segments which achieved significant growths of 7.2 per cent and 7.0 per cent.

Sydney remains the most popular capital city in Australia for international travellers. It achieved a significant increase of 6.3 per cent in visitor numbers in the year ended June 2013. There was a slight increase in visitors to Regional NSW (+3.6%).

Domestic performance

New South Wales continued its national leadership in terms of domestic market performance for year ended June 2013, experiencing a significant 3.1 per cent growth in overnight visitors and 2 per cent growth in visitor nights.

NSW received \$20.1 billion in domestic overnight and day trip expenditure, up 3.8 per cent over year ended June 2012. This was mainly due to the significant 4.9 per cent growth in domestic overnight spending. There was a significant growth in domestic Holiday expenditure (+10.6%) and visitor expenditure in Regional NSW (+7.5%).

Regional NSW residents remain the largest source of visitors to NSW contributing 41.2 per cent, followed by Sydney residents. Holiday travel by Sydney residents in NSW increased in year ended June 2013, reversing an overall downward trend over the previous four years.

Factors affecting performance

- **Mixed global economic condition** – despite the continued economic woes in Europe and below trend performance for the Australian economy, the tourism industry benefitted from the strong economic growth in the Asia-Pacific region and an improving US economy.
- **Strong Australian dollar** – the Australian dollar remained above parity with the US dollar for most of the year. It began to decline in May 2013 and by 30 June 2013, the Australian dollar traded at US \$0.9275. While the depreciation of the Australian dollar potentially provides a positive impact on the price competitiveness of inbound and domestic tourism, its effect on travel is not likely to be immediate.
- **Strong growth in Australians travelling overseas** – with the high Australian dollar, outbound travel continues to grow, however, the rate of growth has slowed. The top overseas destinations visited by NSW residents in 2012 included New Zealand, USA, Indonesia, Thailand and the United Kingdom. The growing number of outbound trips by Australians remains a major competitive threat to domestic travel.
- **Increased airline services to Sydney and other Australian destinations** – NSW domestic capacity accounted for 49 per cent of domestic seat capacity in Australia with capacity increasing by 8.5 per cent in year ended June 2013. International seat capacity to NSW which accounted for 42 per cent of international seat capacity in Australia grew by 3.8 per cent in the same year. The growth in international seat capacity was mainly due to new services from Air Asia X and Scoot secured by Destination NSW.
- **Consumer sentiment towards domestic travel shifted** – The first signs of optimism have begun to emerge. Domestic tourism which had been on a long, slow decline throughout the decade to 2009, turned a corner. The latest results in domestic travel reflect this changed sentiment as people begin to travel for the purpose of having a holiday.

Tourism Snapshot: NSW Year Ending June 2013

TOTAL VISITORS AND VISITOR NIGHTS (INTERNATIONAL AND DOMESTIC)

TOTAL VISITOR ARRIVALS

Australia	81.1 million
NSW	28.0 million
Growth of Previous Year: Australia	2.8%
Growth of Previous Year: NSW	3.4%
NSW Market Share Visitors	34.5%

TOTAL VISITOR NIGHTS

Australia	500.1 million
NSW	154.1 million
Growth on Previous Year: Australia	5.2%
Growth on Previous Year: NSW	3.5%
NSW Market Share Visitor Nights	30.8%

AVERAGE LENGTH OF STAY

Australia	6.2 nights
NSW	5.5 nights

EXPENDITURE

Australia	\$70.5 billion
NSW	\$21.0 billion
Growth on Previous Year: Australia	4%
Growth on Previous Year: NSW	5.4%

STATE VISITOR DISPERSAL

Visitation to Sydney and regional NSW	Visitors Nights	Visitor Nights
Sydney	37%	52%
Regional	66%	48%

Note: Figures may add to more than 100% in some instances as some visitors will visit multiple destinations.

TOTAL VISITORS AND VISITOR NIGHTS (INTERNATIONAL AND DOMESTIC)

PURPOSE OF VISIT	VISITORS	VISITOR NIGHTS
Holiday	44%	41%
Visiting Friends & Relatives	36%	29%
Business	17%	10%
Other	6%	20%
Total	100%	100%

PURPOSE OF VISIT - CHANGES ON PREVIOUS YEAR (YE June 2012)

	Visitors	% change
Holiday	12.3 million	7%
Visiting Friends & Relatives	10 million	1%
Business	4.8 million	-1%
Other	1.7 million	-1%
Total	28 million	3%

Nights	Visitor nights	% change
Holiday	63.0 million	7%
Visiting Friends & Relatives	43.9 million	-2%
Business	15.7 million	8%
Other	31.5 million	2%
Total	154.1 million	4%

Source: National and International Visitor Surveys. Tourism Research Australia.

TOTAL VISITORS AND VISITOR NIGHTS

	Visitors (millions)	% change	Visitor nights (millions)	% change		% change
Sydney						
International	2.8	6.32%	59.1	6.88%	5.9	7.78%
Domestic	7.7	0.13%	20.8	-5.62%	5.5	0.91%
Total	10.5	1.70%	79.9	3.32%	11.4	4.34%
Regional NSW						
International	0.6	3.62%	10.5	-2.37%	0.6	-3.50%
Domestic	17.9	4.21%	63.4	4.55%	8.9	7.51%
Total	18.5	4.19%	73.9	3.51%	9.6	6.70%
New South Wales						
International	3.0	5.91%	69.6	5.37%	6.5	6.57%
Domestic	25.0	3.09%	84.5	1.99%	14.5	4.89%
Total	28.0	3.39%	154.1	3.49%	21.0	5.40%

Note: NSW visitors total is less than the addition of Sydney and Regional NSW as some visitors will visit multiple locations.

NSW TOP 5 INTERNATIONAL MARKETS

NEW SOUTH WALES TOP 5 INTERNATIONAL MARKETS

	Visitors	% change	Visitor nights (millions)	% change	Expenditure (\$million)	% change
Country of Origin						
New Zealand	386,000	-0.1%	4.1	-5.0%	433	-1.3%
Mainland China	396,000	18.0%	11.2	10.8%	1,336	19.0%
United Kingdom	313,000	-0.2%	7.4	7.1%	579	3.0%
USA	299,000	6.3%	4.2	5.6%	571	12.9%
Japan	153,000	2.3%	4.2	41.3%	353	15.2%

* The percentage change is statistically significant

Review

25	Event Development
28	Destination NSW Marketing for Tourism and Events
35	Industry Partnerships and Government Policy
41	Communications
42	Homebush Motor Racing Authority
43	Corporate Services

Event Development

Destination NSW continues to develop a distinctive and compelling calendar for Sydney and regional NSW, securing events that drive visitation, showcase our destinations and position NSW as the Events State of Australia. The vibrant and comprehensive NSW Regional Events Calendar presents a perfect way for visitors to experience the local communities, skills and nature.

2012/2013 achievements

The NSW Annual Event Calendar is created through collaborative partnerships between the NSW Government, local communities, business and industry. These diverse groups are united by two key objectives: ensuring that Sydney remains Australia's events capital and that Regional NSW continues to showcase its diversity of unique appeal through local events.

Destination NSW achieves this by expanding existing large-scale 'signature' events; mounting determined campaigns to win major international events, theatrical productions and cultural exhibitions; and nurturing innovative new events that both engage the community and achieve international prominence. In the past 12 months there have been significant achievements in events for NSW including the securing of some outstanding one-off events featuring in the 2013/2014 events calendar such as the Manchester United match against the A League All Stars.

Arts & Entertainment Portfolio

The 2013 edition of **Handa Opera on Sydney Harbour** was presented from a stage, floating above the water and set against a magnificent backdrop of the Sydney Opera House and Sydney Harbour Bridge. **Carmen** was a critical and commercial success. The 17 performances attracted a total audience of more than 40,000 people including many who came from interstate and overseas, with almost half of those who bought tickets attending opera for the first time. Although only in its second year Handa Opera on Sydney Harbour has already become a major and exclusive event, delivering significant strategic marketing impact and showcasing the Harbour City on a global scale.

Vivid Sydney, owned and managed by Destination NSW, is an 18-day festival of light, music and ideas. Now in its fifth year, it is rated as one of the top ten Ideas Festivals in the world. In 2013, Vivid Sydney continued its spectacular growth with audiences increasing by almost 40 per cent to exceed 800,000 and generating more than \$10 million in visitor expenditure. In 2013, Vivid Sydney featured 60 lighting installations and for the first time included an extension of lighting displays and installations to the Western Façade of the Sydney Harbour Bridge and for the first time in Darling Harbour.



01



02



03



04

01 *Alexander the Great: 2000 Years of Treasures* exhibition

02 2013 X Blades National Touch League

03 Handa Opera on Sydney Harbour

04 Vivid Sydney illuminations

The 'Lighting of the Sails' of the Sydney Opera House unveiled a visual canvas of colour, movement and lighting artistry, with state-of-the-art 3D-mapped light projections by Australian creative innovators, The Spinifex Group.

The Sydney International Art Series continued its success in the 2012-2013 period with The Art Gallery of New South Wales, the Museum of Contemporary Art Australia (MCA) and Destination NSW partnering for the third consecutive year to bring some of the world's most outstanding exhibitions to Australia. The 2012/13 series featured the master of post-war British art, Francis Bacon and celebrated sculptor Anish Kapoor.

In addition, Musicals and theatrical performance continued as a major focus for event development because of their impact on attracting interstate and overseas visitors. In the 2012-2013 period, Sydney played host to the Australian Premieres of **Legally Blonde, The Musical**, and **The Addams Family** as well as the world renowned Paris Opera Ballet with their performance of **Gisele**.

Sport Portfolio

The focus on football remained strong over the 2012-2013 period, with Destination NSW delivering a multi-faceted strategy to position Sydney and New South Wales as Australia's premier host for national and international football codes, including the National Rugby League (NRL), Rugby Union (ARU) and Soccer (FFA). Destination NSW's investments delivered record crowds at ANZ Stadium across the three codes.

Highlights included the British & Irish Lions Rugby Tour returning to Australia for the first time in 12 years, which, due to the effort of Destination NSW, saw three matches in NSW. The 2012-2013 period also saw the roll-out of the 10 year deal for Sydney to host an annual **Bledisloe Cup** match and **Bledisloe Cup Festival** until 2021. The annual Bledisloe Cup test match played in August 2012 generated high numbers of interstate and New Zealand visitors to the Sydney game.

The commitment to the National Rugby League focused on the annual NRL Grand Final as well as a week-long celebration scheduled in the week leading up to the club competition Grand Final. Destination NSW also secured a landmark deal with the NRL to host seven **State of Origin** matches in Sydney over four years, driving over \$65 million into the NSW economy as a result of overseas, interstate and intrastate visitors coming to the City for the games. In 2013, this included two games in Sydney for the first time since 2010.

In addition, Sydney hosted the **FFA World Cup Qualifier** match in June, which saw the Socceroos defeat Iraq



01



02



03



04

- 01 Legally Blonde, The Musical
- 02 Vineyards in Hunter Valley
- 03 Skier in Smiggins Hole, Perisher
- 04 State of Origin

Event Development CONTINUED

and secure their place at the World Cup Finals in Brazil next year.

Destination NSW was proud this year to secure, for July 2013, the Australia-exclusive international soccer visit from Manchester United against the Foxtel A-League All-Stars, a new squad brought to life by 30,000 fans that voted online to select their player favourites from the 10 clubs involved in the national A-League competition.

Delivered capacity audiences, extensive media promotion, outstanding venues and event organisation and a spirited and exciting event atmosphere for these football codes.

Lifestyle Portfolio

During 2012-2013 high profile events such as the 35th **Sydney Gay & Lesbian Mardi Gras** celebrated diversity, Ironman 70.3 Port Macquarie highlighted Regional NSW and Top Gear Festival brought a new lifestyle event with a high profile line-up of cars and driving talent. In addition, new events were secured for the coming year. These highlights include new events such as the **Australian Garden Show Sydney** and **Monster Jam**. Destination NSW is also proud to have re-secured the **Australian Open of Surfing** and the **Blackmore's Sydney Running Festival**.

Business Activation Portfolio

Destination NSW's Business Activation portfolio works to identify suitable public events for event extension opportunities, often working with external stakeholders, such as Business Events Sydney. Highlights this year include the **Australian Academy of Cinema and Television Awards** (AACTA Awards), the **Australian Recording Industry Awards** (ARIA Awards) and **ARIA Week**, **Mercedes-Benz Fashion Week Australia** and **Sydney Film Festival**.

Regional Portfolio

Regional events, often very diverse across the State, increase visitors and provide unique destination appeal to interstate and intrastate visitors. An important part of the visitor economy, Destination NSW provided funding to 32 regional events under the Regional Flagship Events program.

A number of new Regional events were secured this year including the **Deni Blues & Roots Festival at Deniliquin**, the **NSW South Coast Bodyboarding Challenge at Kiama** and the **Hobie 16 World Championships at Jervis Bay**. Secured this year but to take place in the following, are strong national and international events including the **Australian Bowls-riding Championships**, the **Special Olympics Asia**

Pacific 2013, the **International Mountain Bike Classic** all held in Newcastle and the **International Children's Games at Lake Macquarie**.

Destination NSW remains committed to the development of a 'one-stop shop' to provide advice and assistance to event proponents, leading to securing and staging major events. In line with other functions within Destination NSW, this streamlined approach maximises the success of major and high profile events and delivers strong returns on the State's investment in events. In 2012/2013 Destination NSW worked with a broad cross-section of external agencies in order to achieve this goal.



01



02



03

- 01 Sydney Gay & Lesbian
Mardi Gras
- 02 Ironman 70.3 Port
Macquarie
- 03 Australian Open of Surfing

Destination NSW Marketing for Tourism and Events

The core focus of Destination NSW's marketing is to build the awareness, appeal and interest for the target audience in each key source market to travel to NSW. Working collaboratively with key stakeholders we create opportunities for industry and event organisations to extend the reach of Sydney and Regional NSW brands, to drive additional overnight visitor expenditure and to optimise measurable business outcomes for stakeholders.

Specific areas of joint responsibility include:

- The development, implementation and evaluation of Destination NSW's domestic and international marketing programs
- Partnership marketing initiatives undertaken in conjunction with a broad range of commercial, industry, event and Government organisations
- International business development activities undertaken in conjunction with NSW tourism operators and international travel distributors
- Implementation of international market development initiatives with major airline and tourism industry stakeholders
- Deployment of funding programs, resources and expert assistance to support product promotion and destination experiences and
- Management and enhancement of Destination NSW's strategic relationships with organisations operating within the NSW Visitor Economy.

Achievements

In 2012/13, integrated marketing campaigns supported major events, new and existing industry partnerships, and destinations. In response to the Visitor Economy Industry Action Plan, tourism and event marketing campaigns are integrated across marketing platforms and teams - such as digital, marketing and communications - which has created significant efficiencies and resulted in the delivery of more effective campaigns, delivering increased sales leads to industry.

A more efficient operating model and approach has seen the number of creative pieces delivered increase 124.6 per cent year-on-year, from 850 in FY2012 to 1,909 in FY2013 (not including the hundreds of creative advertising items used in search engine and social media advertising). The film and image library was also updated with new content from events and destinations, with these assets available to partners and the tourism industry to access so NSW can be presented in the best possible manner. With a focus on key markets identified in the Visitor Economy

Industry Action Plan, new content was produced for use in campaigns and partnership programs using talent from multiple nationalities and cultures, experiencing NSW events and destinations.

Marketing events to drive attendance and visitation

With a reach to more than 1.8 million readers, newspaper inserts showcased the wealth of events in Sydney and Regional NSW during both the Summer and Winter marketing campaigns. The campaigns drew upon the extensive NSW events calendar covering sporting, arts and cultural events to drive attendance and visitation.

With high value marketing campaigns integrating print, online, social media and publicity, events in Sydney and Regional NSW have been well supported, with a positive impact for the State. The visitors attending these major events stay in our hotels, eat-in our restaurants, visit our attractions and spend money at our retail outlets, all of which drive additional jobs, tourism industry investment and economic growth.

Working closely with various sporting codes including Football Federation Australia, Australian Rugby Union and the National Rugby League and through Destination NSW's 'IT'S ON Sports' marketing campaign, sell-out matches resulted in over 450,000 tickets sold across sporting venues including ANZ Stadium, Allianz Stadium and the Sydney Cricket Ground.

Partnering for marketing and sales success

The momentum generated by the successful 2012/13 marketing programs has resulted in a greater investment by Industry Partners including airlines, hotels and tourism wholesalers.

Integrated campaign delivers Vivid Sydney record visitation

Vivid Sydney, which featured heavily during the Winter - 'Love Every Second' seasonal campaign, delivered record breaking crowds which put Sydney on the world stage and solidified Vivid Sydney as leading festival of its kind in the Southern Hemisphere. The campaign featured spectacular outdoor and print advertising, a comprehensive and innovative digital and social media schedule, special features in the Sydney Morning Herald and Australian Financial Review and its lead in the 1.8 million distribution of newspaper inserts across Australia and New Zealand.

Preliminary analysis of Vivid Sydney 2013 indicates that:

- The integrated 36 page magazine insert distributed to more than 1.8 million people in Australia and New Zealand was well received and supported travel planning

- Domestic travel packages sold were up 8% year-on-year
- Over 11,000 international travel packages were sold, including 7,200 from China
- Record event attendance of more than 800,000 cumulative visitors (including 200,000 people visiting Darling Harbour) and positive media coverage in over 200 countries
- Strong ticket sales for Vivid Sydney events including 40,000 tickets for Vivid LIVE at the Sydney Opera House, 6,000 tickets across the 180 events at Vivid Ideas, and more than 5,400 tickets for Vivid Music
- Several waterfront restaurants in The Rocks saw a 300% year-on-year increase in diners and many Darling Harbour restaurants experienced similar growth
- 99% increase year-on-year of visits to vividssydney.com reaching over 1.1 million
- 241% increase year-on-year of sales leads to the travel industry reaching over 100,000 leads
- 219% growth year-on-year of Vivid Sydney Facebook fans – reaching over 150,000 fans
- 38,813 downloads of the new Vivid app from iTunes and the Google Play Store.

The 'Winter and Summer' seasonal campaigns

The seasonal campaigns are themed 'Love Every Second'. The campaign integrates unique Sydney and Regional NSW experiences and event content to create a fresh way to engage visitors from Australia and New Zealand. These campaigns which leverage online channels continue to demonstrate their effectiveness and direct benefit to accommodation providers who participate in the campaign.

In planning for the next financial year a Regional NSW guide was produced, with 36 pages detailing Regional Events and destinations including food and wine, adventure and family experiences on offer in the 14 regions featured.

The seasonal campaign delivered record increases in destination appeal, website visits, leads to industry and social media engagement.

The first Summer 2012/13 campaign delivered:

- 2.02 million visits to sydney.com
- 490,000 sales leads to tourism industry
- More than 26,000 room nights - an increase of 228% year-on-year from participating accommodation partners



01



02

Destination NSW Marketing for Tourism and Events CONTINUED

- Over 17,000 room nights and a 45:1 return on investment for participating online distribution partners
- Up to a 51:1 return on investment for the participating airline partner.
- Intention to visit research results indicated that the Summer campaign increased appeal for Sydney from people across Australia, with 1 in 3 respondents indicated they intended to visit Sydney.

The Winter 2013 campaign delivered:

- More than 1.6 million visits to sydney.com, a 83% increase year-on-year
- More than 327,000 sales leads to the tourism industry, a 103% increase year-on-year
- Intention to visit research results indicated that the Winter 2013 campaign increased appeal for Sydney during Winter from people in Melbourne by 14%, across Australia by 7% and Auckland by 31% (full results still pending).

It's ON! Sports Marketing campaign

Destination NSW secured a portfolio of the best international and local sporting events in Australia (and the South East Asia region). With a focus on driving attendance and overnight visitation, the campaign which was implemented in cooperation with key sporting bodies positioned NSW as 'the place to visit and see the best sports' in Australia. The campaign was very successful:

- More than 450,000 tickets sold to the five sell-out matches for the State of Origin Series (Games One and Three), the British and Irish Lions Tour, the FIFA World Cup Asian Qualifier and the Manchester United match. This resulted in over 40,000 overseas and interstate visitors and an estimated boost to the economy of NSW of more than \$100 million.
- State of Origin Game One saw the largest NSW Game One crowd on record at ANZ Stadium, with Game Three enjoyed by more than 83,800 people, breaking all attendance records at ANZ Stadium's current configuration
- FIFA World Cup Asian Qualifier at ANZ Stadium between Australia and Iraq sold out
- The British and Irish Lions tour is estimated to have brought 30,000 international travellers, spending over \$50 million in NSW
- Hotel operators reported increased bookings during the traditionally quieter winter months, reporting up to 27% increases in room nights compared with the same period last year.

IT'S ON! IN SYDNEY
WORLD CLASS SPORTING EVENTS

<p>Emirates Australian Open Golf Championship 28 November – 1 December 2013 The world's best battle to claim Australian golf's most prized trophy. The Royal Sydney Golf Club</p>	<p>V8 Supercars Sydney 500 4 – 8 December 2013 Sydney will host the ultimate V8 Supercars showdown. Sydney Olympic Park</p>	<p>Asia International Sydney 9 – 11 January 2014 Experience Sydney's Summer tennis competition. Sydney Olympic Park Tennis Centre</p>
<p>KFC Twenty20 International - Australia v England 7 February 2014 Packed with massive hits and explosive action. Stadium Australia, Sydney Olympic Park</p>	<p>Hurley Australian Open of Surfing 8 – 16 February 2014 A unique beach, lifestyle, sports and music festival. Manly Beach, Sydney</p>	<p>Major League Baseball - LA Dodgers v Arizona Diamondbacks 22 – 23 March 2014 Catch the first two games of the Opening Series of 2014 Major League Baseball. Sydney Cricket Ground</p>
<p>The BMW Sydney Carnival 22 March – 26 April 2014 Sydney's premier racing carnival and a world-class event held over 6 weeks. Rosehill Gardens & Royal Randwick, Sydney</p>	<p>Sydney International Rowing Regatta 24 – 30 March 2014 Featuring some of the world's best rowers. Sydney International Regatta Centre, Penrith</p>	<p>2014 Australian Badminton Open 24 – 29 June 2014 One of the 12 leg Superseries events, with the largest prize money in the world. State Sports Centre, Sydney Olympic Park</p>

NSW The new state of business | If it's on in Sydney, it's on sydney.com | Destination NSW

01



02



03

- 01 *It's On* Advertisement
- 02 View of Mount Warning over the Tweed River, Northern Rivers
- 03 Hot Air Balloon Festival, Canowindra, Central NSW

Integrated advertising campaigns for Major Exhibitions and Festivals help break visitation records

Having secured a number of significant exhibitions and festivals, with the delivery of integrated marketing campaigns, strong results have been achieved including setting attendance records for cultural exhibitions at the Australian Museum, with the Alexander the Great exhibition which attracted over 161,000 attendees. In only its second year in Sydney, the Australian Badminton Open secured the highly sought after status of becoming a World Super Series 2014-2017 event. The 2013 broadcast also reached 42,182,000 homes in key International markets, including China, Philippines, Hong Kong, Singapore and India.

Setting new benchmarks for integrated destination campaigns

Destination NSW partnered with regional stakeholders to develop and implement a broad range of destination marketing campaigns. Partner activity included Lord Howe Island Tourism, Destination Wollongong, South Coast Regional Tourism Organisation, Snowy Mountains Tourism, NSW Caravan and Camping Industry Association, lastminute and Wotif.com

Regional campaign highlights included:

Regional NSW – Short Breaks Campaign (3 phases over one year)

- Implemented innovative augmented reality experiences
- Participation from more than 980 accommodation operators
- More than \$3.1M in accommodation bookings
- More than 19,500 room nights booked and
- More than 278,000 website visits to visitnsw.com.

Regional NSW Campaign – Wollongong

- Campaign exceeded expectations by reaching over 486,000 people with print insertions and over 527,000 people via radio live reads in key feeder markets to Wollongong
- Digital media exceeded expectations by delivering over 6,600 visits to the campaign website (240% above target) and over 4,600 sales leads to the tourism industry (365% above target)
- Four hotels reported major year-on-year increases to reach 100% occupancy during the Australia Day long weekend and
- Facebook likes increased by a significant 19.5%.

South Coast Partnership campaign:

Working closely with five regional tourism operators in the South Coast region, this cooperative campaign significantly exceeded expectations delivering:

- 76,672 sales leads to the tourism industry (a 379% year-on-year increase)
- 7.1% year-on-year growth in page views for our online tourism campaign partners
- 321,437 visits to South Coast pages on visitnsw.com (over 165% growth year-on-year)
- 14.9% year-on-year room nights from participating online distribution partners
- 26 theme pages created on visitnsw.com (e.g. Fishing in Jervis Bay, Food and Produce in Eurobodalla)
- 1,456 of the 1,978 South Coast Get Connected listings updated and
- 200 new listings created on Get Connected.

Caravan and Camping Industry Association (CCIA) campaign

The cooperative campaign exceeded expectations by delivering:

- 131,528 visits to the campaign and product landing pages
- 30,797 video views of the South Coast TVCs on YouTube and
- 21,817 leads to industry, resulting in a 3.7:1 visit to lead ratio.

Destination NSW websites and social media assets delivered record results

Integration of Events to Destination NSW Consumer Websites

The Destination NSW websites sydney.com and visitnsw.com were fully integrated with events content from nswevents.com and eventssydney.com. According to online intelligence agency Experian Hitwise, Destination NSW has the top performing state tourism websites in Australia, with a 39.85 per cent share of the Government tourism industry market. They are also ranked as the tenth largest destination and accommodation websites in Australia in the top ten with sites such as Trip Advisor and Expedia.

During the period, social media channels have been used extensively to promote Sydney and Regional NSW to global audiences. They are now the largest social media channels within the NSW Government delivering strong results:

Destination NSW Marketing for Tourism and Events CONTINUED

- Together with vivid Sydney.com, Destination NSW's consumer websites delivered 12.6 million visits to Destination NSW's tourism websites (a 57% increase year-on-year), and over 2.6 million leads to the NSW tourism industry (a 59.9% increase year-on-year)¹
- A 385% increase in Destination NSW Tourism Facebook fans from 163,651 to over 630,000.² These Facebook fans have an average weekly reach of 6.65 million friends of fans on Facebook due to responses to advertising, sharing of posts and conversations
- A 60% increase in Destination NSW Tourism Twitter followers from 31,166 to almost 50,000.³ These Twitter followers have an average monthly reach of more than 1.7 million Twitter followers due to following and retweeting
- Over 1.5 million YouTube video views – a 45% growth on video assets viewed since the beginning of the financial year 2012-13.⁴ The Destination NSW YouTube channels provide an additional channel to broadcast TV commercials and video assets to improve the reach of campaign activity
- Google+ followers are over 796,000 from a nil base at the beginning of 2012-13 and
- NSW has up to 35% of the total share website visits to all State and Government Tourism websites in Australia with our closest rival, Tourism Victoria at just over 18%.⁵

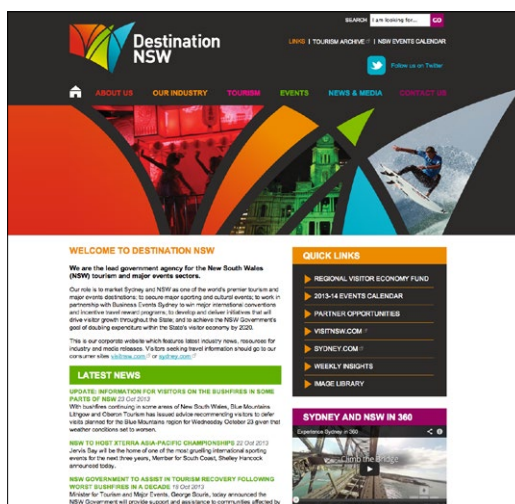
Global Youth Campaign partnering with MTV and STA Travel

Reaching the youth market by partnering with MTV and STA Travel the campaign exceeded expectations by delivering:

Content produced on

mtvtravelco.com/Sydney/home.html which included:

- 10 youth oriented videos with youth ambassadors featuring living like a local, working holidays and study
- 9 special deals from the tourism industry
- 11 celebrity guides about things to do in Sydney and
- 114 hot spots including recommendations about where to play, drink, dine, do, sleep, shop, eat, party and explore in Sydney.
- Media across MTV broadcast, digital and social channels delivered:
- 7 million impressions (target 8.4 million by end July 2013)
- 99,785 visits to the Sydney pages
- 43,622 clicks to product pages; and
- 5,931 entries to the Win a Trip to Sydney competition.



01



02

01 Destination NSW website
02 Regional NSW Insert feature

With a focus on the youth market, Working Holiday Maker Passenger Numbers have increased year-on-year across the UK (up 20%) Germany (up 11%) and France (up 100%).

Sydney 360 Degree Innovation

Destination NSW is the first tourism organisation in Australia to launch 360 degree aerial footage and 360 first-person footage. The 360 content is impactful and contains highly visual content.

Results for Australia and New Zealand include over 1.6 million views, 9,121 sales leads to the tourism industry, and a 20% conversion of lead to industry partner sites from Sydney.com

In Asia there were 63,476 video views, 3,120 sales leads to the tourism industry, and a 25% conversion of lead to industry partner sites from Sydney.com.

Integration with International Partner Campaigns

Working with partners to deliver integrated campaigns, strong results have been achieved including:

Singapore Airlines Partnership campaign:

- 15% increase in Sydney ticket sales compared to same period year-on-year;
- 25% increase in sales year-on-year and;
- 41% of total Australia package sales for Sydney.

Air Asia Partnership campaign:

- 15% increase year-on-year.

Malaysia Partnership campaign:

- 26% increase in Sydney travel package bookings.

Etihad UK Partnership campaign:

- 286% increase of passengers, 40.6% increase in NSW room nights and 103% increase in NSW touring product revenue.

Emirates UK campaign:

- Increase of 59% of passengers to Sydney year-on-year.

Qantas Airways UK campaign:

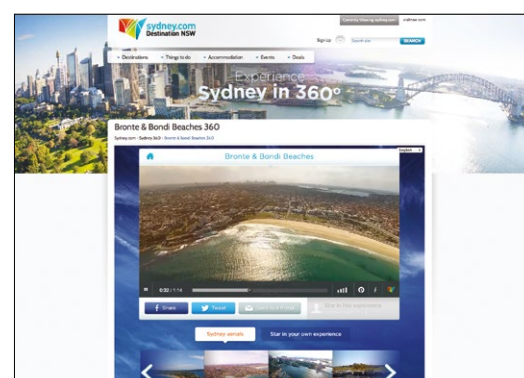
- 51.5% increase in NSW touring product year-on-year; and
- For the campaign period 38% of all UK passengers to Australia on Qantas.

Qantas Airways US campaign

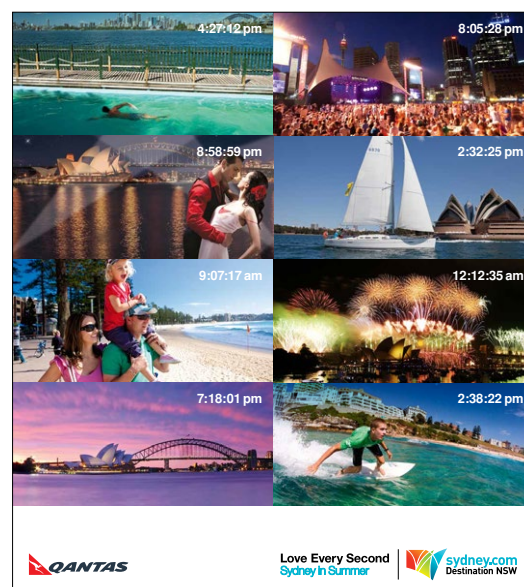
- Phase 1: A 41% increase in bookings year-on-year; and
- Phase 2: Over a 22% increase over phase one.



01



02



03

01 Sydney 360 Campaign
02 Sydney 360 Website
03 DNSW & Qantas
Partnership advertisement

Challenges

- The tourism and events market continues to be fiercely competitive. With multiple advertisers competing for media share of voice, and more than an estimated \$500 million spent by destination advertisers, the market is crowded making reaching the consumer with relevant messages a challenge.
- Consumers now demand the constant delivery of new, high quality and relevant content across multiple platforms and devices via 24/7 social media information and engagement.
- Media buyers in Australia have reported a double-digit decrease in 2013 in advertiser spend on traditional media channels, such as newspapers and magazines. Conversely, digital media has reached its third successive year of double-digit increases. The shifting of investment into digital media versus the higher cost of advertising in print and TV has had a definite impact.
- Digital media options have proliferated in the past two years from standard digital display banners to now include broader search offerings, video seeding and advertising, mobile advertising and social media advertising. All of these new digital options provide a greater ability to target and track audiences being lost to traditional media options, resulting in print and TV media budget being diverted into new digital media channels.
- The travel planning cycle and lead times are getting shorter, with new opportunities to package tourism and event tickets into the 'shopping cart' ticket-booking process.
- Industry must now constantly adapt to implement new technology, drive social media, and create mobile applications and interactive user-friendly websites.
- There is a continued need for Government investment and funding to support event owners trying to promote in international and domestic markets to drive overnight visitation.
- In international markets, travel distributors were discouraged by the strong Australian dollar, which had an impact on the price and affordability of Australian and New South Wales holidays.
- In mature overseas markets there is a strong need to refresh Sydney's image by presenting a renewed sense of excitement and fresh experiences.
- There is a constant need to update perceptions, knowledge and appeal in order to engage international audiences and encourage dispersal and visitation to regional NSW destinations.

Directions for 2013/2014

- Constantly evaluate market intelligence to deliver innovation and impactful media channels that can reach key target audiences in the most efficient and cost-effective way;
- Closely align all Destination NSW and partner marketing activities to higher growth key source markets and core target consumers in order to convert their travel intentions to visit Sydney and NSW;
- Implement 'world's best practice' digital, online and social media programs and broaden the scope of publicity programs to deliver higher reach and impact in target markets;
- A greater focus on encouraging word of mouth advocacy and growth in the Visiting Friends and Relatives (VFR) segment, which is a key driver of regional tourism, currently accounting for about 30% of domestic visitation;
- Maintain a strong focus on the Regional NSW Short Breaks market, a key trigger for growth in domestic travel;
- Create compelling new content (images/video/digital) to showcase unique Sydney and NSW experiences, thus differentiating Destination NSW marketing programs;
- Increase operational, development and marketing engagement with the rapidly growing China and India markets;
- Implement effective co-operative partner campaigns with key international airlines and continue to work with Sydney Airport; and
- Develop pre-and-post cruise opportunities for Sydney and Regional NSW.

Industry Partnerships and Government Policy

Destination, product development and event funding programs

Destination NSW works closely with Regional destinations, product suppliers and event organisers throughout New South Wales, providing funding under three key programs.

- The Regional Tourism Partnership Program provides a key focus for working with Regional Tourism Organisations (RTOs) to align marketing initiatives. In 2011/2012, Destination NSW provided \$5,048,402 to support the marketing campaigns of RTOs and their stakeholders. Matched funding was provided to 41 Regional tourism projects.
- The Regional Flagship Events Program aims to increase visitation to Regional events by providing support for Regional event marketing. During the review period, 32 events received funding.
- In addition to the marketing grants, Destination NSW also administered the Government's Regional Product Development Program, which delivered \$5 million to New South Wales operators to create, grow and enhance tourism products in Regional NSW.

Regional Visitor Economy Fund

The Regional Partnership Program, in place since January 2009, ceased on 30 June 2013.

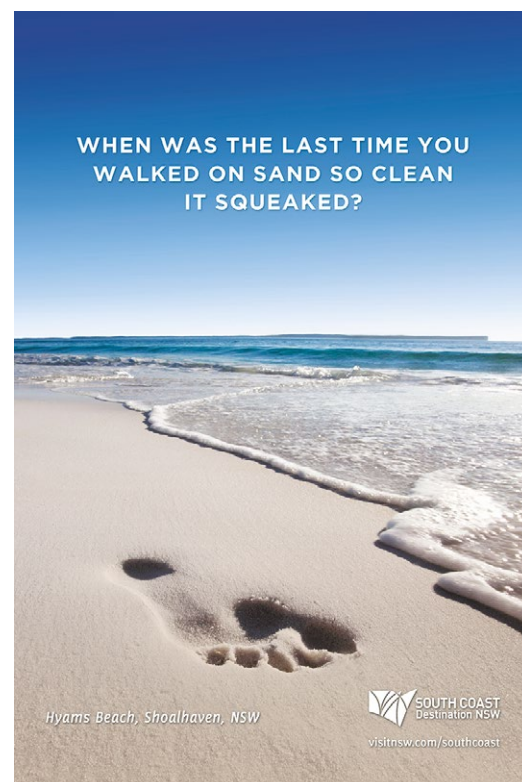
It was replaced with the Regional Visitor Economy Fund (RVEF), a program developed as a result of recommendations in the NSW Government's Visitor Economy Industry Action Plan. The Plan identified a clear target of doubling overnight visitor expenditure in NSW by 2020. The Regional Visitor Economy Fund provides funding for marketing and product development activities that can directly and measurably contribute towards achieving this goal.

The NSW Government has committed a record \$21.6 million in funding for this program over 3 years. The program was announced on 3 April 2013 and applications for Round One of funding opened on 1 May 2013.

Destination NSW conducted 13 Regional Visitor Economy Fund and Destination Management workshops throughout Regional NSW to assist stakeholders in understanding and applying for the new funding. Information about the program is available at www.destinationnsw.com.au/RVEF.

Tourist Attraction Signposting Assessment Committee

The Tourist Attractions Signposting Assessment Committee held 11 meetings in Regional NSW to discuss and evaluate signposting applications.



01



02

- 01 South Coast Campaign bus shelter advertisement
- 02 Regional NSW Poster Series

Industry Partnerships and Government Policy CONTINUED

For the 2012/13 reporting period, 50 applications were received and 37 were deemed eligible. The Tourist Attractions Signposting Assessment Committee also dealt with 110 enquiries.

International Trade Missions

In 2012/13 Destination NSW conducted and/or participated in ten international trade events in North America, China, Malaysia, Japan and the United Kingdom.

The largest mission was the joint China Mission led by Destination NSW and Tourism and Events Queensland. The 2013 Mission saw the first ever two city mission for Destination NSW in China. The New South Wales product contingent increased by 38% to 36 participants, who attended workshops and presentations in the second tier city of Chengdu and the first tier city of Beijing. All participants received assistance from the International Business Development Program to attend the mission.

New South Wales operators met with over 100 top wholesalers from China, Hong Kong and Taiwan during the six day event. Post Mission, 100% of participants advised they had secured business as a result, with 11.1% reporting passenger numbers of 1,000 people or more, 29.6% reporting 100 – 1,000 people and 59.3% reporting up to 100 people.

Australian Tourism Exchange 2013 Sydney

The Australian Tourism Exchange (ATE) is Australia's premier tourism trade event and the largest international travel trade show of its kind in the Southern Hemisphere. The event was held in Sydney from Friday 26 April 2013 - Tuesday 30 April 2013. Over 600 international buyers and 1,400 Australian sellers participated in the event. New South Wales buyer participation was the highest ever with 82 New South Wales product sellers exhibiting with Destination NSW and 49 New South Wales based national companies.

Based on industry feedback from previous years, Destination NSW successfully proposed a return to the original format of ATE combining 'East' and 'West' modules into a single global five day event comprising market briefings, meetings and media activities.

To showcase New South Sales, Destination NSW developed 38 familiarisation itineraries for trade with over 300 international buyers participating in the family trips after ATE. Destinations included a wide range of locations, from Byron Bay in the north to the NSW/Victorian border and west to Broken Hill. Activities included visiting national parks, self-drive experiences and touring holidays with motor homes. A comprehensive media familiarisation program was also conducted.



01



02

01 Destination NSW flags for the Australian Tourism Exchange (ATE) 2013

02 Destination NSW stand at Australian Tourism Exchange (ATE) 2013

Destination NSW hosted a number of functions to showcase Sydney during the Australian Tourism Exchange. These included a luncheon at the Sydney Convention and Exhibition Centre for more than 2,000 delegates at which Vivid Sydney was showcased; eight buyer dinner functions with approximately 950 delegates attending and a gala dinner for approximately 2,300 delegates on the lawn of the Museum of Contemporary Art, showcasing Sydney's finest views, entertainment and outstanding food, wine and beer from New South Wales as well as a fireworks display over the Sydney Opera House.

Support from the NSW tourism industry comprised discounted and complimentary services valued in excess of \$2 million. Destination NSW worked in co-operation with many industry partners for the Australian Tourism Exchange 2013 including Sydney Airport Corporation Limited, NSW Taxi Council, Sydney Harbour Foreshore Authority, the City of Sydney and Tourism Accommodation Australia.

International Trade Familiarisation Visits

105 familiarisation visits were conducted in 12/13, an increase of 31% on the previous year. Familiarisations always include Destination NSW major events where possible and this year Handa Opera on Sydney Harbour, the Royal Agricultural Society Easter Show and Vivid Sydney featured, along with supported regional events such as the British and Irish Lions tour match held in Newcastle in June.

Participant numbers in familiarisations were lower than the previous year due to the absence of two large familiarisations in 2012 - Harvey World Travel and Jetset Travelworld Group (over 300 people). These companies hold their events in different Australian states on a rotational basis.

INDUSTRY PARTNERSHIPS

Destination NSW works with a wide range of industry partners to maximise the opportunities to grow visitation for Sydney and NSW. These include airline partners, wholesale travel and tour operators and hotel groups.

2012-13 Successes:

- In April, Destination NSW and Qantas Airways signed the first and a ground-breaking joint Memorandum of Understanding (MoU) for marketing activities domestically and internationally, valued at \$30 million. The agreement comprises cash and in-kind commitments over a three year period and is the largest MOU undertaken by Qantas with any Australian State Tourism Office.



01



02



02

- 01 Destination NSW stand at Australian Tourism Exchange (ATE) 2013
- 02 Destination NSW hosted lunch at ATE 2013
- 03 NSW Premier Barry O'Farrell speaking at the Destination NSW hosted lunch at ATE 2013

Industry Partnerships and Government Policy CONTINUED

- Destination NSW secured a series of strategic airline partnerships with 20 airline partners. This represented a joint investment of over \$10.5 million in co-operative marketing investment.

China Strategy Launch

- In November 2012, Destination NSW released the *China Tourism Strategy 2012 to 2020*. The Strategy is designed to greatly increase tourism from China and to assist the Government and industry meet the 2020 goal to double visitor expenditure to NSW. The NSW Government will invest \$15 million in delivering the Strategy over the next four years. The Strategy is directed towards ensuring that NSW keeps pace with the rapid expansion of geographic source markets within China and the changing travel preferences of maturing consumer segments.

Industry Partnerships

In 2012/2013 Destination NSW worked with key industry partners including Tourism Australia, airlines, wholesale and retail travel distributors to undertake co-operative marketing programs designed to promote travel to Sydney and Regional NSW and increase overnight visitation. Destination NSW invested and assisted in the development and implementation of 80 campaigns in 16 international source markets.

International

Highlights included the 'Dance your Way Down Under' partnership campaign with Qantas Airways promoting the Ellen DeGeneres visit to Sydney. The campaign featured airfares and package holidays to Sydney and Regional NSW and was promoted via broadcast and digital media including the Ellen DeGeneres channels. This campaign resulted in a 22% increase in visitor numbers compared to the previous sales period.

Destination NSW has established a partnership with China's largest online travel agency C-Trip International. It has over 50 million registered members on its database. Destination NSW has undertaken a series of campaigns featuring Sydney and NSW itineraries promoted through the C-Trip database channels.

Airline partnerships

Destination NSW undertakes a multi-airline partner program and works with both full service and low cost carrier partners. In 2012/2013 Destination NSW developed partnership programs with 20 domestic and international airline partners. A three year Memorandum of Understanding valued at over \$30

million over three years was signed with Qantas Airways to deliver integrated partnership programs in both domestic and international markets, and will include trade engagement, advertising campaigns, and media programs. The partnership will provide significant opportunities for Destination NSW and Qantas to work collaboratively in key domestic and international markets to drive visitation to NSW.

Destination NSW continued to partner with two major low cost carriers servicing NSW from Asia. A series of campaigns were undertaken throughout 2012/2013 with both Scoot and AirAsia X to promote travel to NSW. Attractive fares were promoted and the Sydney events calendar featured heavily in both campaigns with the objective to drive repeat visitation. Overseas Arrivals Data showed a 9.6% increase in passenger numbers from Malaysia to Sydney compared to the same campaign period in the previous year. The data also showed a 10.4% increase in passengers from Singapore to Sydney compared to the previous campaign period.

Destination NSW signed a two year Memorandum of Understanding with China Southern Airlines to jointly undertake a series of marketing programs from July 2012 to June 2014.

Destination NSW also committed to a two year partnership with China Eastern Airlines which involves joint marketing support for both their Shanghai and Nanjing services.

In 2012/2013, Destination NSW also entered into new partnership agreements with Air New Zealand, Garuda Holidays, Cathay Pacific and Tiger Airways.

Domestic Campaigns

Destination NSW worked with multiple partners across the Summer and Winter *Love Every Second* seasonal campaigns. Partners included Accor Hotels, Countrylink, Jetset Travelworld Group, Qantas Airways, QantasLink, Tiger Airways, Lastminute and Expedia. The total joint partner investment for the seasonal campaigns was \$4.05 million – almost \$1 million more than 2011/12.

Leveraging events through Partnerships

In 2012-13 the Destination NSW partnership team worked with 25 event partners to distribute event content and packages through partner distribution channels. Events included Bledisloe Cup, Top Gear, Vivid, Handa Opera on Sydney Harbour and Sydney Mardi Gras.

New Marketing Partnerships

In 2012/13 Destination NSW developed strong partnerships with online travel distributors including lastminute.com.au, Wotif.com and Expedia. These channels were used to promote packages to key events in Sydney. Results for summer activity for lastminute.com.au showed an increase in hotel bookings of 7% year on year (total room nights booked was 17,232 and 16,699 forecasted). The campaign also achieved an increase in flight bookings of 18% year on year.

Sector Development

A Sector Development team was created in October 2012 to focus on specific growth and high yield sectors including Youth, Food and Wine, Cruise and Aboriginal Tourism as identified in the NSW Government's Visitor Economy Industry Action Plan. The team comprises a Manager and three Sector Specialists.

2012-13 Youth Program

Destination NSW's Youth Program, launched in 2011, continued to gain momentum in 2012-13. Destination NSW partnered in Tourism Australia's Global Youth Campaign "Best Jobs in the World" which was launched in March 2013, showcasing the best that Australian tourism has to offer the world's youth travellers, visiting Australia on a Working Holiday Maker visa. Applicants had the choice of six jobs from States across Australia, with NSW's Chief Funster receiving 124,000 applications, the highest number of any State.

The winner of the NSW Chief Funster role was Andrew Smith from the USA who will relocate to Sydney for six months working for Destination NSW as a social media commentator and ambassador for youth travel to the State in 2013-14.

To leverage the "Best Jobs in the World" campaign, Destination NSW partnered with STA Travel and MTV in a retail campaign promoting travel to NSW from April to July 2013. Destination NSW secured a two year deal with MTV Australia to feature Sydney as the exclusive Australian destination on mtvtravelco.com. Sydney joins New York, Los Angeles, London and Berlin as one of the five global cities featured on MTV's website and is the only Australia city featured. A series of downloadable Sydney guides feature on the MTV site, including *48 hours in Sydney*, *Working in Sydney*, *Study in Sydney*, blogger and tour guide Ms Darlinghurst's Fave Bars, musicians The Faders' Top 5 Hangouts and a Guide to Sydney by painter and installation artist Anthony Lister. The launch in April 2013 was supported by a global competition and promotion via on-air and online media in Australia and New Zealand with digital advertising and social media in the UK,

France, Germany, Canada, Japan, South Korea and Taiwan through to July 2013. The competition to win a trip of a lifetime to Sydney and NSW received over 5,500 entries from key international youth markets.

Cruise Ship Tourism

New South Wales achieved a record cruise ship season in 2012/13, with 265 cruise ships visiting Sydney and the regional ports of Newcastle and Eden.

Destination NSW contributed funding and support to the City of Sydney to provide a Meet and Greet Service, focusing on international cruises, for the 2012/13 cruise season. The meet and greet service was provided to 47 cruise ships with 7,870 passengers receiving information and assistance. Four boutique cruises were provided an on-board meet and greet service.

In March 2013, Destination NSW attended Cruise Shipping Miami, the leading international exhibition and conference serving the cruise industry in the USA to promote Sydney and NSW. Cruise Shipping Miami attracted 1,700 representatives from cruise line owners and operators from 65 global companies.

Aboriginal Tourism

Destination NSW has provided ongoing assistance to twenty emerging and/or market-ready NSW Aboriginal businesses with tourism specific product development support. In the period, an Aboriginal Tourism Sector Specialist was appointed to facilitate the development of Aboriginal tourism experiences and support growth in the State's Aboriginal tourism industry.

An additional 14 NSW Aboriginal tourism products have been provided with development support to assist them in becoming members of the national Indigenous Tourism Champions Program. An initiative of Tourism Australia, Indigenous Business Australia and the State Tourism Organisations, this program provides product development assistance and marketing opportunities. The number of NSW Aboriginal businesses participating in the Indigenous Tourism Champions Program has doubled over the past 12 months. At the time of printing, Destination NSW had also completed an Aboriginal Tourism Action Plan 2013-16 which will contribute to the longer term sustainability of Aboriginal tourism in NSW.

Food and Wine Tourism

A Food and Wine Sector Specialist was appointed to deliver a range of programs and projects to assist in the development and marketing of New South Wales tourism products, experiences and destinations within the Food and Wine industry sector.

Destination NSW has formed partnerships with two TV production companies to maximise promotion of NSW food and wine destinations. Lyndey Milan's Taste of Australia filmed eight episodes in Regional NSW focussing on regional produce and visitor experiences which will go to air late 2013 on Channel 7Two with international distribution in negotiation.

In April 2013, iKatch TV, a Chinese fishing and lifestyle program was filmed on location in Sydney, Hunter Valley and Coffs Harbour. The NSW iKatch TV episodes will air on China Food TV with a potential audience for this show of 22 million people in late 2013.

Business support programs

Product Development

During the year, Industry Services staff assisted 759 tourism businesses across Sydney and Regional NSW. Assistance included the provision of general business and product development advice, resources such as the Tourism Business Toolkit and business fact sheets, and introductions to key Destination NSW programs and opportunities. The Tourism Business Toolkit is an introductory guide for new tourism operators to help them understand how to work within the tourism industry. The Toolkit pages on www.dnsw.com.au recorded 3,093 unique page views which indicate the popularity of this resource.

Product Showcases

Product Showcases offer tourism businesses the opportunity to present their product to Destination NSW staff in a trade-show style environment. Operators develop their presentation skills and learn about the wide range of opportunities available to them from Destination NSW. The events are popular with operators with seven held during the year featuring 39 tourism businesses.

Australian Tourism Exchange Presentations Skills Training

This year, 27 NSW tourism operators who were attending the Australian Tourism Exchange took the opportunity to undertake a half day Presentation Skills workshop designed to ensure that operators understood how to prepare for a trade event, could maximize the results from their appointment times and effectively manage follow-up enquiries.

NSW First Industry Development Workshop program

In June 2013, Destination NSW launched a free, State-wide educational workshop program for tourism operators. The content for the workshops was tailored for each location, based on topics nominated by the local industry. The 16 free one-day workshops provided operators with an opportunity to learn new skills and ways to make their businesses and destinations more profitable.

During June 2013, the first three workshops were held in Wollongong, Batemans Bay and Canberra, attracting 81 participants, with the remaining 13 workshops held during July and August 2013.

Communications

Destination NSW's publicity programs maintained focus on event promotion and provided publicity support for major Sydney and Regional NSW destination campaigns. Aligned with the Visitor Economy Industry Action Plan, Communications continued to focus on the priority international markets and included the growth markets of China, Indonesia, Malaysia, Korea and India.

Key activities included the delivery of visiting media programs hosting broadcast, print and online media, media outreach to proactively pitch stories, promotional events, publicity stunts to capture media attention, Ministerial photo opportunities to announce events secured, social media content generation and supporting major broadcast productions.

In 12/13 the Media and Public Relations team generated more than 4,000 feature articles in Australia and in excess of 3,800 editorial features in international markets plus extensive broadcast and digital content. This included activities around Vivid Sydney, where coverage was generated in 200 countries around the world.

Highlights 2012/2013

TVB Jade Hong Kong

Destination NSW, in partnership with Tourism Australia, supported a large production crew of 19 from Jade TV Hong Kong who visited Sydney to film a travelogue for the "Tailor Made Tours" series, starring local celebrities Ms Jacqueline Wong and Ms Lai Yi Wong. TVB Jade is the leading Cantonese TV channel in Hong Kong and the 60-minute episode was viewed by a global audience of 30 million people; it featured key Sydney attractions as well as the Blue Mountains and Hunter Valley.

Ellen

Destination NSW marked the first visit by popular TV Talk Show host Ellen DeGeneres to Sydney with a consumer activation that generated national and international publicity. An exclusive consumer promotion, in conjunction with The Sunday Telegraph, gave readers the chance to win a place on the Destination NSW 'Sydney Loves Ellen' bus which travelled around the city hoping to catch a glimpse of the star. A 'Sydney Loves Ellen' cheer squad ensured Ellen felt welcome. Media attention of the activity was extensive, with Destination NSW securing coverage from Channel 10's *The Project*, plus Channels 7, 9 and ABC news, as well as features in MX, The Daily Telegraph and News.com. Footage of the 'Sydney Loves Ellen' cheer squad also reached international media in the USA.

Vivid Sydney 2013

Vivid Sydney 2013 realised a significant increase in national and international media coverage over previous years. With a campaign focussed on reaching a broader Australian and international audience, activities had an emphasis on driving engagement regionally and interstate. Preview and opening nights were leveraged extensively, and the expanded footprint into Darling Harbour, the western façade of Sydney Harbour Bridge and other opportunities such as the 50th Anniversary of Dr Who drove further national and international media exposure.

Over 7,000 media items were tracked globally with more than 3,600 in Australia. Global audience circulation and broadcast reach was in excess of 1.2 billion and media coverage was generated across 200 countries. Over 70 journalists were hosted during Vivid Sydney with 78 international media attending the Preview and Opening nights.

Chinese bloggers – Coastal Adventure Tour

In April 2013, Destination NSW, in partnership with Tourism Australia, welcomed a group of three influential Chinese travel bloggers to Sydney and NSW. The bloggers Ms Ping Guo, Mr Yuxin Hu and Ms Zhou Yu experienced Sydney icons, the Hunter Valley and Blue Mountains sharing their experiences through their extensive blogs and social media networks on Weibo. The group collectively generated more than 10 blog posts, three two-minute videos and one radio broadcast program accessing an audience in excess of 50 million across Greater China.

Media Famils

Destination NSW organised 240 trips for 585 journalists and bloggers from 25 countries during the 2012/13 financial year, representing a 3% increase over the previous financial year.

Homebush Motor Racing Authority

The Homebush Motor Racing Authority is constituted by the *Homebush Motor Racing (Sydney 400) Act 2008* to co-ordinate the delivery of Government services associated with an annual V8 Supercar motor race at Sydney Olympic Park and to undertake the role of consent authority for the event.

The Authority also provides specialist advice and input for other Destination NSW motor sport investments.

Sydney Telstra 500 V8 Supercar Motor Race - December 2012

The Grand Finale round of the 2012 V8 Supercar Championship Series, known as the Sydney Telstra 500, was staged at Sydney Olympic Park from 30 November to 2 December. The Authority issued the authorisation for the conduct of the event as well as the planning approval for the temporary works required for the construction of the street circuit to the proponent, V8 Supercars Australia Pty Ltd.

The Authority managed the terms of agreement with the event proponent and worked with NSW Government agencies to develop co-ordinated emergency management and traffic and transport plans. Rail, bus, traffic and transport networks coped well with the crowds and no major incidents occurred.

Challenges

- Working co-operatively with event proponents, Local Government Authorities and other Government agencies to manage the successful delivery of events.
- Working with Rally Australia and Local Councils to resolve any issues associated with the staging of the World Rally Championship event on the Coffs Coast of NSW in September 2013.
- Rival events around the same time of the year challenge the capacity of the V8 Supercar motor race to engage the Sydney market on an ongoing basis.

Directions for 2013/14

- The Authority will be responsible for the administration of the Motor Sports (World Rally Championship) Act 2009 as well as the management of the planning and consent processes for the staging of the next Australian round of the World Rally Championship in the Coffs Coast region of NSW from 12 to 15 September 2013. The Authority will work in co-operation with other NSW Government agencies and local councils to deliver services in support of the 2013 event and will oversee compliance monitoring during the rally and the reinstatement of land following the event.
- The Authority will continue to oversight the terms of agreement between the NSW Government and V8 Supercars Australia Pty Ltd and will work with the event proponent, Government agencies and key stakeholders to ensure another successful V8 Supercar event is delivered at Sydney Olympic Park from 6 to 8 December 2013.

Corporate Services

The Corporate Services team supports the organisation by providing and/or facilitating the following services across Destination NSW.

- Provides Financial and Risk Management services, Human Resources, Information Technology, administration, legal and procurement support.
- Tourism market research to gather, benchmark, analyse and communicate to stakeholders the various measures of tourism in New South Wales and factors affecting the industry.
- Event evaluation involving the assessment of economic benefit to NSW, marketing impact and community attitudes to events.
- Engagement with NSW Trade and Investment's Shared Services Operations.
- Corporate planning, performance and Government reporting.
- Provision of Board Secretarial Services for the Board and Audit and Risk Committee.

Achievements:

Improved organisation governance

Measures were taken to look for ongoing improvements to organisation governance. Introduction of a Risk Management Framework which includes a three-year internal audit plan and improved records management were completed. External audits were undertaken in relation to Destination NSW Fraud and Corruption policies and procedures and Employee Performance Management system.

In March 2013, an external review of the Destination NSW Fraud and Corruption Prevention Policies was undertaken. The new policy and procedures developed earlier in the year was endorsed by the auditors and the recommendations for implementation were completed within the timeframe recommended by the audit.

A revised Code of Conduct policy was published to staff in conjunction with the Fraud and Prevention documents and all staff returned their declaration confirming their understanding of the policy and their compliance.

In April 2013, Deloitte was retained to review the Destination NSW Annual Performance Review system implemented in 2012. Recommendations of the review will be implemented with new employees as they commence employment and existing employees during the next round of Annual Performance Reviews commencing June 2014.

Enhanced Customer Management

A Customer Relationship Management (CRM) System project has commenced and has included a consultation process to develop a business requirements document. CRM selection of SAP ByDesign CRM has been made in conjunction with NSW Trade & Investment and Destination NSW staff are working with the T&I project team to roll-out across the business.

Upgraded Finance and HR resource management

An Enterprise Resource Planning System (SAP ByDesign) was rolled out across the NSW Trade & Investment cluster and Destination NSW staff delivered Change Management and Training functions for the project with all Destination NSW employees. This represented a major change in the areas of Finance, HR, Procurement and Project Management.

Ongoing development and production of consolidated financial statements for Destination NSW is a key focus and there was implementation of new reporting and approval structures for credit cards (P-Cards) to reflect the new organisation structure.

Value-added Human Resources activity

Improvements in-house HR and recruitment processes were developed and introduced to monitor and manage employee contracts, recruitment and vacancies within Destination NSW. This has enabled sustained recruitment throughout the year and has included the development of a "Welcome Pack" for new employees and improved on-boarding processes.

There were no Workers Compensation claims in 2012/2013. Additional work has commenced to review Health and Safety practices in line with the Work, Health and Safety Act changes and will be finalised by the end of 2013.

Diligence in the management of staff Annual/ Recreation Leave balances across the organisation has resulted in a reduction in leave liability.

Human Resources, Payroll, Legal and Information Technology functions are currently provided to Destination NSW by Trade & Investment (T&I) Shared Services. Corporate Operations is working with T & I to implement Service Level Agreements to establish service provision and key performance indicators.

Research and Evaluation

The former Tourism and Events Research and Insights units were merged under Corporate Services and a new senior management team has been appointed. The unit has been restructured to focus on delivering

sound event evaluation with a focus on economic benefit to NSW and quality insights and resources for industry and individual businesses with decision making.

Challenges:

- Consolidation of all business units from two sites into one including consolidation of the records and documents from two sites into the existing records management system (TRIM) and the associated archiving.
- Integration of SAP ByDesign corporate financial processing with Destination NSW's information requirements. Implementation of the new SAP ByDesign system has presented operational challenges. However, through collaboration, issues are being addressed.
- GAA marketing approval and reporting requirements are time intensive as has been the automation of a number of research and evaluation processes e.g. Board KPI Report and manual data management practices.

Directions for 2013/14

- Finalising the merger of four businesses with the relocation to new premises at 88 Cumberland Street, The Rocks.
- Improved governance framework with the implementation of a new electronic records management system (Electronic Document Records Management System EDRMS) and consolidation of existing records and delivery of associated training to staff.
- Complete the review of Health & Safety and implement workplace initiatives under the Work Health and Safety Act 2011 amendments.
- Implementation of the Public Service Commission Capability Framework which will provide a common foundation for creating and recruiting to roles, managing performance, capability development, career and workforce planning.
- To complement the PSC Capability Framework, TALEO Recruitment system will be implemented to automate recruitment processes.
- Building on the implementation of SAP ByDesign ERP in 2012-13, the SAP Customer Relationship Management system will be introduced in 2013-14.
- Continued focus on Risk and Finance Management.

Appendices

46	Destination NSW Senior Executive
47	Human Resources
50	Corporate Governance
54	Operations
58	Grants
62	Financial Management

Destination NSW Senior Executive

Tanya Bowes

General Manager, Communications

Tanya Bowes brings over 18 years' experience in Communications, Corporate Affairs and Publicity, working for organisations to deliver strategic communications in Australia as well as across Japan, Asia Pacific and Europe. With significant expertise in strategic communications, issues management and building positive reputations and brands, Ms Bowes has previously worked for multi-national organisations and clients and PR agencies including Vodafone, 3 mobile and PeopleSoft - where she led the Communications and Corporate Affairs functions - Weber Shandwick, Fleishman Hillard, AT Kearney, Dell Computer Corporation and PA Consulting Group.

Peter Doran BA MA QPMR AMSRS TASA AFAM MAICD MISPI

Director, Program Performance and Assessment

Peter Doran has an extensive background in marketing and social research spanning 30 years. During this time Mr Doran has held senior positions in research, marketing and information technology with major Australian corporates as well as a number of years delivering professional consulting in research, project management and business re-engineering across the Government and private sectors. Mr Doran is acknowledged for his ability with research methodology, project management, re-engineering and drawing insight for strategic purpose. He is one of only 412 Qualified Practising Market Researchers (QPMR) in Australia.

Bryan Hardman MPA

Chief Executive Officer, Homebush Motor Racing Authority

In his role with the Authority, Bryan Hardman facilitates the staging of the annual V8 Supercar event at Sydney Olympic Park. Mr Hardman is a specialist in venue development: expertise he established through his role as Director Building Approvals at the former Olympic Co-ordination Authority to facilitate the Sydney 2000 Olympic and Paralympic Games. In this role he issued the regulatory Building Approvals for all the venues and infrastructure associated with the Games. Before he was appointed to head the authority, Mr Hardman held an executive position with the World Youth Day Co-ordination Authority, the NSW Government agency established to co-ordinate the provision of Government services in support of World Youth Day 2008 and the visit to Sydney by His Holiness Pope Benedict XVI.

John Hopwood B Bus, CPA

General Manager, Corporate Services and Chief Financial Officer

John Hopwood has an extensive background in the provision of the full range of corporate services in both Government and private sector organisations. A certified accountant and corporate treasurer, he has significant experience in the Federal Government environment and the global tourism and banking industries. Mr Hopwood was previously the Chief Financial Officer with Events New South Wales Pty Ltd and is widely acknowledged for his rigorous financial management and risk management expertise.

Diana Kahui

Director, Digital Strategy

Diana Kahui has over 15 years' experience in digital marketing and technologies bringing a unique insight into how digital can be definitively implemented, measured, monitored and optimised. Ms Kahui has previously delivered best practice Internet career sites for BHP Billiton, South East Area Health, University of South Australia, Australian Rugby Union, and ASB Banking Corporation (NZ) and has also occupied senior executive positions at TMP Worldwide and Monster.com Asia Pacific. Ms Kahui now leads the Digital team to digital innovation and excellence within the Marketing Unit.

Anthony Laver B Comms

General Manager, Marketing

Anthony Laver has an established reputation as a specialist in events, sports and entertainment marketing. He joined Events New South Wales Pty Ltd in 2009 from his previous role as the Chief Marketing Officer with the Sydney Swans. Mr Laver has also held senior marketing roles in multinational companies such as Warner Bros. Consumer Products, Westfield Group and Volkswagen Group, China. His background includes extensive experience working on prestigious local and global events such as World Expo '88 (Brisbane), America's Cup Yacht Race 1988, The Australian Bicentennial Authority, World Cup 1998 (Paris) and the Sydney 2000 and Beijing 2008 Olympic Games.

Simonne Shepherd B Bus

Acting Director Partnership Programs, Industry Partnerships & Government Policy

Simonne Shepherd is an experienced tourism professional having worked for the last twenty-four years in a number of tourism, hospitality and wine industry roles, in the public and private sectors, both here and abroad. Prior to joining Destination NSW, Ms Shepherd was based in Canberra for five years as CEO of Australian Capital Tourism. She was the Managing Director Australia of the Canadian Tourism Commission and also worked with Tourism Victoria, Le Méridien Port Vila, the Fiji Visitors Bureau and the Ritz-Carlton Hotel Company, as well as consulting to the Australian Government and private sector in regard to tourism.

Notes:

Lyndel Gray held the position of General Manager, Industry Partnerships & Government Policy and left Destination NSW on 6 July 2012.

John Drummond Montgomery held the position of General Manager, Event Development and left Destination NSW on 30 August 2012.

Human Resources

Destination NSW Staff Profile

The following tables cover staff of Destination NSW formed in 2011 by the amalgamation of the former Events NSW, Tourism NSW and Homebush Motor Racing Authority and the Greater Sydney Partnership.

PERCENTAGE OF STAFF BY GRADING: FULL-TIME EQUIVALENT (FTE)

Total staff on 30 June		2012/2013	Men	Women	Total %	% Men	% Women
Grade 1–2	\$54,742-\$59,512	2.6	1	1.6	1.79	0.69	1.10
Grade 3–4	\$61,198-\$67,010	10	2	8	6.88	1.38	5.50
Grade 5–6	\$72,242-\$79,711	18	0	18	12.38	0.00	12.38
Grade 7–8	\$83,227-\$92,125	25.6	6	19.6	17.61	4.13	13.48
Grade 9–10	\$93,586-\$103,128	19.2	5	14.2	13.20	3.44	9.77
Grade 11–12	\$108,242 - \$125,181	12	4	8	8.25	2.75	5.50
SO 1 (non SES)	\$140,067-\$150,926	1	0	1	0.69	0.00	0.69
SO 2 (non SES)	\$153,480-\$164,301	1	1	0	0.69	0.69	0.00
SO 3 (non SES)	\$169,799-\$186,390	2	1	1	1.38	0.69	0.69
SES 1–7		11	5	6	6.88	2.75	4.13
Overseas Contractors		13	3	10	8.94	2.06	6.88
Transition/Non Permanent		31	9	22	21.32	6.19	15.13
Total		145.4	36	109.4	100	25	75

STAFF PROFILE BY EMPLOYMENT BASIS

Total staff on 30 June	2012/2013			2012/2013		
	Total	Men	Women	Total %	% Men	% Women
Permanent Full-time (includes International staff)	87	21	66	57.24	13.82	43.42
Permanent Part-time	10	0	10	6.58	0.00	6.58
Temporary Full-time	12	2	10	7.89	1.32	6.58
Temporary Part-time	0	0	0	0.00	0.00	0.00
Contract SES	10	4	6	6.58	2.63	3.95
Contract (non SES)	2	0	2	1.32	0.00	1.32
Transition/Non Permanent	31	9	22	20.39	5.92	14.47
Training Positions	0	0	0	0	0	0
Retained staff	0	0	0	0.00	0.00	0.00
Total staff on 30 June	152	36	116	100	24	76

SENIOR EXECUTIVE SERVICE (SES) PROFILE

Total SES Officer on 30 June	2011/2012 Total	2012/2013 Total
Level 7	2	2
Level 6	2	1
Level 5	1	
Level 4		1
Level 3	3	3
Level 2	1	2
Level 1		2
Total	9	11

Total SES positions filled by women on 30 June	2011/2012 Total	2012/2013 Total
	3 (37.5%)	6 (55%)

Human Resources CONTINUED

Exceptional movements in remuneration

A salary increase of 2.5 per cent effective from the first full pay period after 1 July 2012 was paid to clerical officers and senior officers in accordance with the Crown Employees (Public Sector – Salaries) Award 2008. This also resulted in an increase in the payment of the First Aid Allowance.

The Statutory and Other Offices Remuneration Tribunal determined a performance-based increase of 2.5 per cent for SES officers, effective from 1 October 2012. All increases were subject to satisfactory assessment of performance. No adjustments were made to the recruitment and retention allowances.

These statements cover the Destination NSW staff from the former Events NSW, Tourism NSW and Homebush Motor Racing Authority.

Executive Performance

The following section covers Senior Executive Service (SES) officers, level 5 and above, of Destination NSW which includes the former Events New South Wales Pty Ltd, Tourism NSW and Homebush Motor Racing Authority.

Sandra Chipchase **Chief Executive Officer**

Appointed: 24 August 2011, SES Level 7

Remuneration at 30 June 2013: \$412,200
plus recruitment allowance of \$43,000

The Director General, Department of Trade and Investment, has expressed satisfaction with

Ms Chipchase's performance throughout the period of her employment with Destination NSW.

Specific achievements in 2012/2013 include:

- Led the organisational transition of Destination NSW including the implementation plan for structural reform of the organisation.
- Led integration and enhancement of Destination NSW's national and international marketing and event strategies.
- Oversaw development of Destination NSW's business and operations plans to better assist the industry in achieving the actions set out in the Visitor Economy Industry Action Plan.
- Led negotiations which resulted in the establishment of a historic \$30 million partnership with Qantas Airways.
- Initiated the development of major new Sydney and Regional NSW marketing campaigns; integration of Destination NSW international marketing programs.

- Negotiated event acquisitions and oversaw extensive development of the New South Wales Events Calendar, which resulted in the announcement of high profile events for Sydney and regional NSW including the Opening Series of Major League Baseball, two State of Origin matches and the Sydney-exclusive international soccer visit from Manchester United against the Foxtel A-League All-Stars.
- Oversaw the delivery of 134 marketing campaigns for Sydney and Regional NSW, which included 44 for Sydney, 36 for Regional NSW and 54 campaigns in international markets.
- Initiated significant market and business development strategies and programs with China and India to better position New South Wales and lay the necessary foundations to achieve 2020 growth targets.
- Continued to encourage innovation and extensive utilisation of digital technologies to increase traffic to Destination NSW consumer websites (www.visitnsw.com and www.sydney.com) to 12.7 million visits, which generated 2.75 million e-business leads to tourism industry partners.

John Hopwood **General Manager, Corporate Services** **and Chief Financial Officer**

Appointed: 1 September 2011, SES Level 7

Remuneration as at 30 June 2013: \$341,594

The Chief Executive Officer of Destination NSW has expressed satisfaction with Mr Hopwood's performance throughout the period of his employment with Destination NSW.

During 2012/2013 Mr Hopwood was responsible for:

- Implementation of Enterprise Resource Planning System (SAP ByDesign) within Destination NSW, including the delivery of Change Management and Training functions for the project for all employees.
- Revision of internal policies including the Destination NSW Fraud and Corruption Prevention Policies and a revised Code of Conduct policy was undertaken
- Ongoing development and production of consolidated financial statements for Destination NSW.
- Operational support for the restructured Destination NSW.
- Financial processing of \$133 million expenditure and revenue transactions.
- Administration and Technology environments over two premises in Sydney and six overseas offices.
- Provision of Board Secretarial Services.

Anthony Laver**General Manager, Marketing**

Appointed: 1 September 2011, equivalent SES Level 6

Remuneration at 30 June 2013: \$322,508

The Chief Executive Officer of Destination NSW has expressed satisfaction with Mr Laver's performance throughout the period of his employment with Destination NSW.

During 2012–13, Mr Laver and the Marketing team were responsible for:

- Full integration of the tourism and events Marketing teams and campaigns
- Aligned the Tourism-led 'Love Every Second' seasonal programs and the Events-led 'It's ON!' campaigns across all marketing for Sydney and NSW, delivering record results for Destination NSW and all key industry partners
- Created a solid marketing platform to support the successful implementation of several Major Events, Tourism Trade, Regional NSW, Sydney and key stakeholder campaigns
- The momentum generated by the successful 2012/13 marketing programs has resulted in greater investment by Industry Partners (such as airlines, hotels, tourism trade etc.) and other key stakeholders in cooperative campaigns and joint advertising programs
- Delivered the 'It's ON! Winter Sports' marketing campaign which resulted in over 450,000 tickets being sold to five sell-out matches at ANZ Stadium and contributing an estimated \$100 million in extra expenditure for the State
- Led the team to secure Vivid Sydney Corporate Partnership funding of \$450,000 in cash and more than \$1,100,000 in MIK, and implement the high successful marketing campaign that resulted in record breaking attendances, overnight visitation and ticket sales
- Created a significant amount of new content for Sydney and NSW experiences, including over 15,000 new images and 30 hours of video footage. In addition, worked closely with the Producers of the Lyndey Milan 'Taste of Australia' regional NSW seven episodes and three episodes of the iKatch fishing series (for the Chinese market)

- The review, approval and joint implementation of 92 event owner marketing plans that Destination NSW directly invests in and more than 30 events that we provide marketing and value in kind support
- Growth in the Destination NSW's consumer websites have delivered 12.6 million visits to Destination NSW's tourism websites (a 57% increase YOY), and over 2.6 million leads to the NSW tourism industry (a 60% increase YOY)
- Leadership and growth in social media resulting in a 385% increase in Destination NSW Tourism Facebook fans from 163,651 to over 630,000, over 1.2 million YouTube video views (a 45% YOY increase), over 680,000 New Google+ followers and Destination NSW being the number one ranked STO for web site visits with over 39% market share

John Drummond Montgomery**General Manager, Event Development**

Appointed: 1 September 2011, SES Level 6

Resigned 30 August 2012

Remuneration at 30 June 2013: \$291,500

Lyndel Gray**General Manager, Industry Partnerships and Government Policy**

Executive Director, Tourism

Appointed: November 2007, SES Level 5

Resigned: 6 July 2012

Remuneration at 30 June 2013: \$282,900

Agreements with the Community Relations Commission

Destination NSW had no agreements in place with the Community Relations Commission during 2012/2013.

Exemptions from reporting provisions

Destination NSW is exempt from reporting on the following matters:

- Disability
- Equal employment opportunity
- Multicultural policies and services program
- Occupational Health and Safety
- Waste.

The organisation has a FTE of fewer than 200 people: as such, it is classified as a 'small' statutory authority and is only required to lodge a triennial report on the matters listed above. As 2012/2013 is Destination NSW's second year of operation, its triennial reporting will be lodged in the 2013/2014 Annual Report.

Corporate Governance

Destination NSW Board of Management

Method of appointment and term of board members

Under the terms of the Destination NSW Act 2011, members of the Board of Management of Destination NSW are appointed by the Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts. The Board consists of a Chairperson (also appointed by the Minister), individuals with relevant skills and experience, the Chief Executive Officer and the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services. Each member holds office for the term (not exceeding five years) specified in his or her instrument of appointment. If they are otherwise qualified, members are eligible for reappointment for additional term(s).

Board members

John Conde AO, BSc, BE (Hons), MBA (Dist) (Chairman)

Russell Balding AO, B Bus, DipTech (Comm), FCPA, MAICD (Deputy Chairman)

Leslie Cassar AM KSJ MOM

Sandra Chipchase B Bus Comm, GAICD
(CEO of Destination NSW)

The Hon. Patricia Forsythe BA, DipEd

Rod McGeoch AM, LLB

Wendy Machin BA (Comms), M (Comm)

Mark I. Paterson AO, B Bus, FAICD, FAIM, FRMIA
(Director-General of the Department of Trade and Investment, Regional Infrastructure and Services)

Board Meetings

Destination NSW Board met on 9 occasions during 2012/13. The attendance record of the members was John Conde (9/9), Russell Balding (7/9), Leslie Cassar (8/9), Hon. Patricia Forsythe (9/9), Wendy Machin (9/9), Rod McGeoch (7/9), Mark Paterson (9/9) and Sandra Chipchase (9/9).

Board Committees

Audit and Risk Committee

The Committee has an important role in risk management and audit through endorsement of internal and external audit plans, review of audit reports and the review of risk assessment and management.

This Committee also ensures the sound financial position of Destination NSW through regular reviews of its budget performance.

Destination NSW Board Audit and Risk Committee met on 5 occasions during 2012/13. Members on the Internal Audit and Risk Committee at 30 June 2013 were John Conde (5/5), Wendy Machin (5/5), Mark Paterson (5/5), Russell Balding (4/5) and Sandra Chipchase (5/5).

Board Member Representation

Visitor Economy Taskforce

Destination NSW had two Board members on the Visitor Economy Taskforce:

Mr Russell Balding AO and Sandra Chipchase.

Homebush Motor Racing Authority

The Chairman of Destination NSW (Mr John Conde, AO) also has the role of Chairman Homebush Motor Racing Authority Advisory Board.

Events NSW Pty Ltd

The Chairman of Destination NSW (Mr John Conde, AO) is also the Chairman of Events NSW Pty Ltd and one member of the Destination NSW Board (Mr Rod McGeoch) is also a member of the Events NSW Pty Ltd Board.

Business Events Sydney

Destination NSW has two Board members on the Business Events Sydney Board:

Hon. Patricia Forsythe and Ms Sandra Chipchase.

Legal Change

Under the Public Sector Employment and Management (Mental Health Commission and Other Matters) Order 2012 Clause 5 (2), commencing on 30 June 2012, section 39 of the Homebush Motor Racing (Sydney 400) Act 2008 has been changed to refer to Destination NSW Division as being the agency which for the purposes of the Public Finance and Audit Act 1983, the Annual Reports (Departments) Act 1985, and any other Act prescribed by the regulations the Homebush Motor Racing Authority is to be taken as part.

Consultants

Consultants equal to or more than \$50,000

Consultant	Funding \$	Title/Nature
NIL	NIL	N/A

Consultants less than \$50,000

Category	Number	Cost \$
Source Marketing Pty Ltd	1	\$9,000.00
Source Marketing Pty Ltd	1	\$9,000.00
Source Marketing Pty Ltd	1	\$2,000.00
Devotion Digital	1	\$2,500.00
Devotion Digital	1	\$2,500.00
Devotion Digital	1	\$2,500.00
Devotion Digital	1	\$2,500.00
Devotion Digital	1	\$2,500.00
Think Social Media P/L	1	\$10,000.00
Razor Media	1	\$8,000.00
Total	10	\$50,500.00

Disclosure of Controlled Entities

Destination NSW has the following controlled entities:

Destination NSW Division

Destination NSW Division (the Division) was established as a Division of the Government Service by the Public Sector Employment and Management (Miscellaneous) Order 2011 which commenced on 1 July 2011. The Division is a Non-Public Service Division assigned to a statutory corporation pursuant to Part 2 of Schedule 1 of the Public Sector Employment and Management Act 2002 and falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

The Division's objective is to provide personnel services to Destination NSW. The Division has responsibility for the employees and employee-related liabilities of Destination NSW.

The Division is also responsible for the full activities of the Homebush Motor Racing Authority.

Homebush Motor Racing Authority (HMRA)

The Homebush Motor Racing Authority (HMRA) is a body corporate constituted under the Homebush Motor Racing (Sydney 400) Act 2008 (HMRA Act). HMRA has a CEO who is responsible for the day-to-day management of the affairs of the Authority. HMRA has an advisory Board, the principal function of which is to provide advice to the CEO; HMRA cannot employ staff and is assisted by staff employed within the Destination NSW Division. The CEO of HMRA reports to the CEO of Destination NSW.

Events New South Wales Pty Ltd (ENSW)

The principal activities of Events NSW prior to the creation of Destination NSW involved the driving

of significant economic, strategic, marketing and community benefits to the State of NSW through the sponsorship and leveraging of events.

Prior to 30 June 2011, the Company's shareholder, the NSW State Government, announced a restructure of its Tourism and Events resources with the proposed creation of a new statutory authority, Destination NSW.

When establishing Destination NSW it was the intention of Government that the operations of the former Tourism NSW, HMRA and Events NSW be combined under Destination NSW (The Agency) to commence on 1 July 2011. From that date Events NSW was effectively operating as an agent for The Agency, using Events NSW assets and premises, invoicing and contracting under The Agency name. Events NSW was deregistered on 5 May 2013.

Disclosure of subsidiaries

Destination NSW does not have any interest in any public sector subsidiaries

Government Information (Public Access) Act 2009

In 2012–13, Destination NSW received two valid access applications under the Government Information (Public Access) Act 2009. In addition, Destination NSW did receive and respond to one informal application for information and one third party consultation request for information.

This report covers the operations of the following entities which as per the Destination NSW Act (2011) are now operating as one – Events New South Wales Pty Ltd, Tourism NSW and Homebush Motor Racing Authority. Tourism NSW was a division within NSW Government Trade and Investment which has now ceased. Homebush Motor Racing Authority still exists but is managed by Destination NSW.

Pursuant to the Government Information (Public Access) Act 2009, Destination NSW reviews each year its release of Government information.

As a result of this review, Destination NSW will continue to do the following:

1. Produce a corporate annual report as part of its Government reporting requirements.
2. Distribute a regular e-newsletter which outlines upcoming events and insights in the events and tourism industry in NSW to industry stakeholders. Such e-newsletter is free to subscribe to.
3. Distribute a regular e-newsletter which outlines upcoming events and tourism initiatives to subscribers. Such e-newsletter is free to subscribe to.

Corporate Governance CONTINUED

4. Maintain a media centre on our website www.destinationnsw.com.au which provides media releases and media kits for downloading free of charge. The media centre also provides event fact sheets, destination media kits, reports, product fact sheets, product updates, videos, speeches and presentations, annual reports, image library and media visit details.
5. Produce letters to stakeholders.

Destination NSW aims to strike a balance to provide information to the public whilst acknowledging the resources and commerciality of Destination NSW. There was no adverse impact upon the activities of Destination NSW and no major issues arose in connection with Destination NSW's compliance with the Government Information (Public Access) Act 2009 requirements.

The table below details the total number of access applications received by the agency during the reporting year (1 July 2012 to 30 June 2013) including withdrawn applications but not including invalid applications.

Valid Formal Applications	Invalid Formal Applications
2	2

During the reporting year the agency received two access applications and has no information to disclose as required by Schedule 1 and Schedule 2 of the Government Information (Public Access) Regulation 2009 and the Government Information (Public Access) Act 2009.

Privacy and Personal Information Protection Act 1998

Destination NSW respects the privacy of members of the public who use our services and of our employees. As a NSW Government statutory authority, Destination NSW must comply with NSW State and Commonwealth Privacy legislation.

No complaints have been received regarding the privacy management of Destination NSW.

Destination NSW has a privacy policy which is reviewed regularly.

Destination NSW advises members of the public of its privacy obligations in various media i.e. website and terms and conditions. Destination NSW also outlines its privacy obligations in contracts with third parties and requests those third parties also to be aware and comply with privacy legislation.

Requests for access to personal information held by Destination NSW may be made to the Privacy Officer

at Level 2, 88 Cumberland Street, The Rocks, NSW, 2000 or by telephone on (02) 9931 1111.

In compliance with the provisions of the Privacy and Personal Information Protection Act 1998, Destination NSW has a Privacy Management Plan and has a designated Privacy Officer. Mechanisms have been established to make Destination NSW staff aware of the Privacy and Personal Information Protection Act 1998 and other privacy obligations.

In all staff contracts, staff are encouraged to exercise confidentiality in their dealings with third parties and in the execution of their duties.

Internal Management Audits

Destination NSW initiated an internal audit program to provide background to the establishment of its Risk Management environment. The program was undertaken by Deloitte. Two audits were commenced in the reporting year:

- Fraud & Corruption Risk Management Review (March 2013)
- Employee Performance Management Internal Audit (May 2013).

Destination NSW is implementing the agreed recommendations for these audits.

Risk Management

Destination NSW is developing a risk management program to identify and manage risks consistent with NSW Government guidelines and policy. Risk management aims to safeguard the public, staff, buildings and related assets.

Risk controls will include:

- Assessing corporate risk and conducting management audits
- Managing ongoing risk, including maintaining registers for various classes of assets, and conducting fire and safety audits
- Valuing assets
- Developing risk strategies
- Maintaining appropriate insurance cover with the Treasury Managed Fund that covers all classes of risk
- Reviewing financial management processes.

Insurance

Destination NSW is insured through the Treasury Managed Fund. The coverage provided by the scheme is all inclusive and policies are held for Workers Compensation, Motor Vehicles, Property, Miscellaneous and Public Liability. No claims were processed during the 2012/2013 financial year by Destination NSW.

Risk Management Attestation

The Board of Destination NSW is of the opinion that the internal audit and risk management processes in operation are, excluding the exception described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. Also that (a) the circumstances giving rise to this departure have been determined by the Portfolio Minister and (b) Destination NSW is implementing the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core Requirement 3	<p>Delays due to the lengthy process in qualifying for the Pre-qualification scheme: Audit and Risk Committee Independent Chairs and Members.</p> <p>Independent members are individuals who do not hold positions within the agency and are not employees of the NSW Government.</p> <p>They collectively possess all skill and knowledge requirements set out in the policy and also satisfy other TPP09-05 criteria prohibiting conflicts of interest.</p>
<i>The determination by the Portfolio Minister for Destination NSW in respect of this departure, date 10 December 2012, is appended to this attestation statement.</i>	

These processes, including the practicable alternative measures being implemented, provide a level of assurance that enables the Board of Destination NSW to understand, manage and satisfactorily control risk exposures.

As Chairman of the Board of Destination NSW I am of the opinion that the Audit and Risk Committee is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Mr Russell Balding AO (Appointed to August 2014)
- Independent Member 1, Mr John Conde AO (Appointed to August 2015)
- Independent Member 2, Ms Wendy Machin (Appointed to August 2015)
- Non-independent Member 1, Mr Mark Paterson (Appointed to August 2015)

Signed in accordance with a resolution of the Board of Destination NSW.



John Conde AO

DATED: 12 August 2013

Operations

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Country Visited	Purpose	Date from	Date to
Helen Marinic International Markets Coordinator	New Zealand	Undertake managerial duties of the Auckland office on resignation of NZ Regional Manager and supervise a large number of market based activities including the Emirates Sydney Campaign, Crave promotion, New Product Workshop, Legally Blonde promotion and JTG planning	9-Jul-12	13-Jul-12
Helen Marinic International Markets Coordinator	New Zealand	Undertake managerial duties of the Auckland office on resignation of NZ Regional Manager and supervise a large number of market based activities including the Emirates Sydney Campaign, Crave promotion, New Product Workshop, Legally Blonde promotion and JTG planning	16-Jul-12	20-Jul-12
Helen Marinic International Markets Coordinator	New Zealand	Undertake managerial duties of the Auckland office on resignation of NZ Regional Manager and supervise a large number of market based activities including the Emirates Sydney Campaign, Crave promotion, New Product Workshop, Legally Blonde promotion and JTG planning	23-Jul-12	27-Jul-12
Helen Marinic International Markets Coordinator	New Zealand	Undertake managerial duties of the Auckland office on resignation of NZ Regional Manager and supervise a large number of market based activities including the Emirates Sydney Campaign, Crave promotion, New Product Workshop, Legally Blonde promotion and JTG planning	30-Jul-12	3-Aug-12
Paramjit Bawa Manager, India	Australia	Lead a Sydney and Surrounds famil for key Indian travel agents. Also recently recruited, attending Head Office introduction and briefing process and further development of destination knowledge	26-Aug-12	6-Sep-12
Oton Wu Regional Manager, China	Australia	Lead a Sydney and Wollongong famil for a Chengdu Cathay Pacific Dragon Air and Sichuan Youth Travel Service famil visit	3-Sep-12	10-Sep-12
Rebecca Burke Marketing Coordinator NZ	Australia	Lead a Sydney and Crave Festival events famil group	12-Oct-12	17-Oct-12
Wayne Deed Regional Manager NZ	Australia	On recruitment, attended Head Office introduction and briefing process and further development of destination knowledge	15-Oct-12	20-Oct-12
Sandra Chipchase Chief Executive DNSW	India	Attend CAPA Aviation Summit and meetings with Air India and travel trade decision makers	28-Oct-12	8-Nov-12
Elissa Tyrrell A/Manager Media and Public Relations	Lord Howe Island	Accompany Channel 9 Weekend Today program to broadcast from LHI on 24 and 25 November	23-Nov-12	25-Nov-12
Jennifer Tung Regional Director, North Asia	Australia	Recently recruited, attending Head Office introduction and briefing process and further development of destination knowledge	12-Dec-12	20-Dec-12
Sandra Chipchase Chief Executive DNSW	USA	Speak at the Australian Tourism Summit and attend G'Day USA in Los Angeles and travel to New York to meet with theatrical producers	9-Jan-13	22-Jan-13
Rebecca Burke Marketing Coordinator NZ	Australia	Accompany a retail travel trade group to Sydney and the Blue Mountains	22-Feb-13	27-Feb-13
Sandra Chipchase Chief Executive DNSW	China	Lead joint Destination NSW & Tourism Queensland Mission to China 3- 9 March and meet with key Chines airline and travel trade partners	26-Feb-13	8-Mar-13

Louise McAlpine Exec Manager Trade Events & Famils	China	Attended joint Destination NSW & Tourism Queensland Mission to China 3- 9 March	1-Mar-13	10-Mar-13
Lilu Fu Snr Trade Coordinator - Eastern Markets	China	Attended joint Destination NSW & Tourism Queensland Mission to China 3- 9 March	1-Mar-13	13-Mar-13
Wayne Deed Regional Manager NZ	Australia	Accompany the senior trade famil in conjunction with Air New Zealand to Sydney and attend Handa Opera on the Harbour	5-Apr-13	7-Apr-13
Robin Byrne Marketing Coordinator, North America	Australia	Accompany the North American consortia group (Travel Leaders from leading USA network) to Sydney and attend Handa Opera on the Harbour	6-Apr-13	11-Apr-13
Kate Young Regional Manager, UK & Europe	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	17-Apr-13	9-May-13
Irene Morgan Regional Manager, North America	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	18-Apr-13	3-May-13
Paramjit Bawa Manager, India	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	18-Apr-13	7-May-13
Oton Wu Regional Manager, China	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	19-Apr-13	5-May-13
Jinko Narita Marketing Coordinator, Japan	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	19-Apr-13	2-May-13
Jennifer Tung Regional Director, North Asia	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	20-Apr-13	4-May-13
Wayne Deed Regional Manager NZ	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	20-Apr-13	5-May-13
Siew Hoon Tan Regional Manager, South Asia	Australia	Attend the Australian Tourism Exchange (ATE13) hosted in Sydney and attend meetings in Head Office from 21-22 Apr and lead famils post ATE.	20-Apr-13	3-May-13
Lisa Eyre Marketing Coordinator, UK & Europe	Australia	Attend Corroboree 2013 (15-19 May) under the auspices of the DAP partnership with Tourism Australia and lead a UK famil group (20-26 May)	13-May-13	26-May-13
Jennifer Tung Regional Director, North Asia	Australia	Accompany Hong Kong Television broadcasting station HKTVB on shoot of two 30 minute programs in Sydney and Regional NSW including Vivid Sydney	19-May-13	26-May-13
Tan Hui Ying Marketing Coordinator, South Asia	Australia	Accompany Singapore Agent ASA Holidays "Brings you Places" famil (21-24 May) and also Air Asia X Agents famil ((25-30 May)	21-May-13	30-May-13
Simonne Shepherd A/Director Partnership Programs	Singapore & Malaysia	Meet with key regional airline partners in order to re-negotiate airline agreements. Also meet with key retail partners to discuss packaging opportunities	16-Jun-13	22-Jun-13
Sue Doyle Manager, Partnership Programs	Singapore & Malaysia	Meet with key regional airline partners in order to re-negotiate airline agreements. Also meet with key retail partners to discuss packaging opportunities	16-Jun-13	22-Jun-13

Operations CONTINUED

Management Activities

Operational activities

This year has seen the consolidation of the organisational structure as well as the development and implementation of a number of new processes, policies and procedures which focus on efficient service delivery to our stakeholders.

There has also been a focus on streamlining databases and systems with the aim of building integrated information and financial systems. This has generated improvements in productivity and flexibility in the organisation to better support the strategic objectives of Destination NSW, in particular to deliver actions in the Visitor Economy Industry Action Plan and achieve the NSW Government's goal of doubling overnight visitor expenditure in NSW by 2020.

Integrated marketing activities

The integration of tourism and events information has been a key focus for the marketing team over the past 12 months. In response to the Visitor Economy Industry Action Plan, tourism and event marketing campaigns have now been integrated across marketing platforms and teams, including digital and marketing communications. This has created significant efficiencies and resulted in the delivery of more effective campaigns, which have delivered increased sales leads to industry.

Risk management

A comprehensive risk profile review of the new organisation was undertaken in 2012 and subsequently, a Risk Management Framework was introduced which includes a three-year internal audit plan and improved records management. To complement the Risk Framework, external audits were undertaken in relation to Destination NSW Fraud and Corruption policies and procedures and Employee Performance Management system.

Homebush Motor Racing Authority

The Authority is assisted with the delivery of its functions by an Advisory Board and an Event Implementation Committee. The Authority identifies potential risks to the successful delivery of events through its Risk Register and the implementation of risk minimisation strategies.

To ensure compliance between V8 Supercars Australia Pty Ltd and the NSW Government, the Authority monitors the obligations of both parties to the Deed of Agreement. The Authority also monitors compliance with the conditions of authorisation to conduct the event and the associated build and deconstruction program.

The Authority leads the development of Emergency Management Plans for the Sydney 500 V8 Supercar event in co-operation with the event proponent, the Sydney Olympic Park Authority, venue owners and emergency services agencies.

For the 2013 World Rally Championship event, the Authority is working with Rally Australia and Government authorities to ensure environmental impacts are minimised and health and safety plans are progressed.

The Authority seeks the assistance of Environmental Health and Building Surveyors from Local Councils to attend events and monitor a range of activities that involve health, food safety, waste and general hygiene matters.

Research and development

Along with the Commonwealth Government and other States and Territories, Destination NSW co-funds two national surveys that provide detailed information on the size of the visitor economy and trends in visitor behaviour (including length of stay, accommodation used, purpose of trip, day trips, transport used, activities taken, expenditure, travel party, demographics, destinations visited, source markets, etc.)

The first, the International Visitor Survey, is conducted in the exit lounges of airports around Australia, sampling 40,000 departing visitors each year. The second is the National Visitor Survey, a computer-assisted telephone survey of 120,000 Australian residents who have travelled in the previous two months. Destination NSW has database-level access to the results of these two surveys, which are used internally to inform campaign activities as well as externally to share our insights with industry.

In 2012/2013, Destination NSW published more than 341 visitor snapshots and profiles for use by industry and other stakeholders.

Market research studies completed and in progress include:

- Regional Dispersal of fly-in leisure visitors to Sydney
- Qualitative research on the domestic market Domesticate 2012
- Survey of NSW Tourism Operators on servicing the China market
- Destination Visitor Survey - Newcastle
- Destination Visitor Survey - Albury
- Tracking study of international visitors to regional NSW
- Visitor information Servicing qualitative research
- A continuous Brand Health Tracker survey conducted every week of the year
- Four Advertising Impact Studies undertaken for both Destination NSW and partner campaigns. (Note: These studies are in addition to quarterly Brand Health Tracker reporting.)

Resources enabling delivery of the above market studies include:

- Tourism Research Australia Service Level Agreement for the two national surveys, the Destination Visitor Survey research mentioned above, for the State Tourism Forecasts and State Tourism Satellite Account, at a cost of about \$700,000
- Strategic Insights Team, consisting of three full-time employees and three part-time employees.

Consumer response

All requests made to Destination NSW for information or assistance are met directly and promptly and/or are referred to the most appropriate officer as required. Destination NSW stakeholders and

the community have a number of avenues through which they can offer feedback regarding the level of consumer response and customer service, including contacting the Destination NSW principle office or international offices, or by providing comments in writing or by email.

Destination NSW received no significant consumer complaints during the reporting period. Consequently, no changes to the Department's programs and services were warranted on the basis of adverse consumer response.

Destination NSW remains committed to providing professional, courteous and prompt assistance to its clients and the public in general.

Economic and other factors affecting achievement of operational objectives

The performance of the NSW visitor economy is currently being affected by a wide range of economic, industry and consumer factors (some of which have already been identified in other parts of this report).

Aviation

- International and domestic aviation capacity and access from key markets have a direct impact on growth from these markets.
- Fuel prices and loadings are pushing up prices for travel to Australia.
- Low-cost airlines gaining access to the Sydney market are encouraging arrivals from key Asian markets but also shifting domestic market demand towards overseas destinations.

International market

- The growth of the Asian middle class in contrast to the economic decline being experienced in many Western countries is driving increased visitation from Eastern markets and a general decline in visitation from the Western markets.
- The growth of the international student market to Australia has been effected by a number of factors including the tightening of student visa regulations in 2010 in response to quality of education and safety issues, increasing global competition for the international student market and the unfavourable exchange rates due to the high Australian dollar making Australia a less attractive education destination.
- For most traditional markets, Australia is seen as a 'long-haul' destination.
- With the high Australian dollar, Australia remains a high cost destination for international visitors.

Domestic market

- The first signs of optimism have emerged following the bleakness of the Global Financial Crisis although conservative spending habits remain with higher electricity and fuel prices affecting travel demand. The market is extremely price sensitive.

- Consumer confidence is well above the low levels recorded during the Global Financial Crisis (rating slightly above most of 2011 and 2012). A high consumer confidence level combined with increased competitiveness of domestic travel may encourage domestic tourism.
- The depreciation of the Australian dollar since May 2013 should lead to an improvement in the price competitiveness of domestic tourism versus outbound travel for Australian residents. However, Australian travel products (e.g. accommodation) are still perceived as lacking value in comparison to overseas.
- There are cheap holiday packages to destinations in the Asia-Pacific region. Large new investments are being made in tourist, event and hospitality infrastructure and services in Asia. Australians are seizing the opportunity while the dollar is high and are taking their main holiday overseas although domestic travel is still the focus for short breaks, particularly on long weekends.
- Preferences in the domestic market are shifting towards lower yielding Visiting Friends and Relatives travel, while higher yielding holiday and business travel remain relatively stable.
- The popularity of cruises is increasing amongst Australian residents. While cruising can bring economic benefits to some NSW coastal destinations, it offers lower economic benefits than land based holidays. In addition many cruises include or exclusively visit overseas destinations.

Competing industries and labour and skills shortages

The mining boom has had an impact on the availability of labour and skills in the accommodation sector.

The utilisation of leisure tourism infrastructure for the mining sector has reduced accommodation and access for the consumer market.

Infrastructure investment

- Growth in the Business Events travel to Sydney is being affected by a period of transition while the city upgrades its convention and exhibition facilities.
- There is modest growth in pipeline investment in the Australian accommodation sector. Sydney hotel accommodation is operating at very high rates of occupancy, with a few new builds in the pipeline.

Grants

REGIONAL FLAGSHIP EVENTS PROGRAM		
The program supports regional events that have the potential to become tourism flagships for the region, building its image and boosting visitation from outside the region. All grants are provided for under the Tourism NSW Growth Program.		
Event	Organisation	Amount
Southern 80 (Echuca- Moama)	Moama Water Sports Club	\$10,000
The Riverboats of Music Festival (Echuca –Moama)	Echuca Moama & District Tourism Development Association Inc	\$10,000
Tumbafest (Tumbarumba)	Tumbarumba Shire Council	\$20,000
Byron Bay International Film Festival (Byron Bay)	Greenhouse Events Pty Ltd	\$20,000
June Rhythm n Rail (June)	June Rhythm and Rail Festival	\$10,000
Bathurst Autofest (Bathurst)	Spring Car Nationals Pty Ltd	\$10,000
Australian Longboard Surfing Championship (Kingscliff)	Island Style Promotions	\$10,000
Canowindra Balloon Challenge (Canowindra)	Canowindra Challenge Inc	\$10,000
Nab Blayney to Bathurst Cyclo Sportif Challenge (Bathurst)	Rotary Club of Bathurst Daybreak Inc	\$10,000
King of the Ranges Stockman's Challenge (Murrurundi)	King of the Ranges Stockman's Challenge Inc	\$10,000
Narooma Oyster Festival (Narooma)	Narooma Oyster Festival	\$10,000
Casino Beef Week (Casino)	Casino Beef Week Promotions Inc	\$10,000
Hunter Valley Food and Wine Month (Hunter Valley)	Hunter Valley Wine Industry Association	\$20,000
Snowy Mountains of Music Festival (Perisher)	Perisher Resorts Chamber of Commerce	\$10,000
Coonamble Rodeo and Campdraft (Coonamble)	Coonamble Shire Council	\$20,000
Shoalhaven Coast Winter Wine Festival (Kiama, Gerringong & Kangaroo Valley)	Shoalhaven Coast Wine Industry Association	\$10,000
Katoomba Winter Magic (Katoomba)	Katoomba Winter Magic Festival Inc	\$10,000
5 Lands Walk (Terrigal)	5 Lands Walk Inc	\$10,000
Aberdeen Highland Games (Aberdeen)	Aberdeen Highland Games	\$10,000
Flair Fashion (Taree)	The Flair Awards Inc	\$10,000
Fireside Festival The Poachers Way (Yass Valley)	The Poachers Trail Incorporated Association	\$20,000
BCU Coffs Coast Cycle Challenge (Coffs Harbour)	Rotary Club of Coffs Harbour City Inc	\$10,000
Zoo Grooves (Dubbo)	Taronga Western Plains Zoo	\$10,000
Murrumbateman Moving Feast (Yass Valley)	The Makers of Murrumbateman	\$10,000
Batlow Apple Blossom Festival (Batlow)	Batlow Development League	\$10,000
Spirit of the Land Lockhart (Lockhart)	Spirit of the Land Lockhart	\$10,000

Orange Wine Week (Orange)	Orange Region Vigneron Association	\$10,000
The Wingham Akoostik Festival (Wingham)	Manning Valley Neighbourhood Inc	\$10,000
Chromefest (The Entrance)	The Entrance Town Centre Management Corporation Inc	\$10,000
Bitter and Twisted Beer Festival (Maitland)	Maitland City Council	\$20,000
Tastes at the Bay Festival (Port Stephens)	Nelson Bay and District Association	\$10,000
Sculptures in the Vineyards (Wollombi)	Sculptures in the Vineyard Inc	\$10,000
Total (All Amounts are GST Exclusive)		\$380,000

Regional Tourism Product Development Program 2012-2013

Destination NSW worked in conjunction with the Forum of Regional Tourism Organisations (FORTO) to assess, approve and fund 126 projects to develop new experiences and improve visitor attractions.	
Tourism Business Name	Funding Approved
Stream One – (All funding was provided in Feb/ March 2012)	
Blue Mountains RTO	\$250,000
Central Coast RTO	\$250,000
Central NSW RTO	\$250,000
Hunter RTO	\$250,000
Inland RTO	\$750,000
Mid North Coast RTO	\$250,000
Murray Region Tourism Board	\$250,000
Northern Rivers RTO	\$250,000
Snowy Mountains RTO	\$250,000
Riverina RTO	\$250,000
South Coast RTO	\$250,000
Sub Total	\$3,250,000

Tourism Business Name	Remaining 25% of Grant Funding	Expenditure 2012/13
Stream Two		
Surfari's	\$63,366	\$15,841.50
Sea Eagle Estate	\$100,000	\$25,000
Hunter Belle Cheese	\$70,000	\$17,500
Dolphin Marine Magic	\$100,000	\$25,000
Dolphin Swim Australia	\$100,000	\$25,000
Boggy Creek Shows	\$68,834	\$17,208.50
Pacific Coast Touring Route	\$185,000	\$46,250
Sub Total	\$687,200	\$171,800
Grand Total	\$5,000,000	\$5,000,000

Grants CONTINUED

REGIONAL TOURISM PARTNERSHIP PROGRAM 2012-13	
The Regional Tourism Partnership Funding Program commenced in 2009 and continued until 30 June 2013. A total of approx. \$5.1 million per year has been allocated to the RTOs. The funding was for developing and implementing marketing activities to drive visitation to regional NSW and was offered on a matched dollar-for-dollar basis. As of 1 July 2013 and in response to the Visitor Economy Taskforce recommendations the Regional Visitor Economy Fund Program will be implemented.	
Regional Tourism Organisation	TOTAL
Blue Mountains	\$ 325,000
Central Coast	\$ 400,000
Central NSW	\$ 255,500
Hunter	\$ 490,000
Lord Howe Island	\$ 145,000
Inland NSW (comprising of New England North West, Outback NSW, Capital Country & 5 LGAs from Central NSW)	\$1,289,500
North Coast Destination Network (comprising Mid North Coast and Northern Rivers)	\$ 990,000
Riverina	\$ 245,000
Snowy Mountains	\$ 440,000
South Coast	\$ 560,000
Grand Total	\$5,140,000

Visitor Information Centre Support

Visitor Information Centres and Regional Tourism Organisations that update the State Tourism Data Warehouse via The Get Connected Program receive a performance-based payment on the number of updates made.

A total of **\$39,280** (GST excluding) was paid in the 2012-2013 financial year (payment period 1 July 2012 to 31 June 2013) for the updating of **3,644** product records.

Organisations that received payments were:

Armidale Visitor Information Centre	Leeton Visitor Information Centre
Ballina Visitor Information Centre	Lismore Visitor Information Centre
Balranald Visitor Information Centre	Lithgow Visitor Information Centre
Batemans Bay Visitor Information Centre	Lockhart Visitor Information Centre
Bathurst Visitor Information Centre	Maitland Visitor Information Centre
Baulkham Hills Visitor Information Centre	Manning Valley Visitor Information Centre
Blue Mountains Visitor Information Centres	Moree Visitor Information Centre
Boorowa Visitor Information Centre	Mudgee Visitor Information Centre
Broken Hill Tourism	Muswellbrook Visitor Information Centre
Campbelltown Visitor Information Centre	Narrabri Visitor Information Centre
Central Coast Visitor Information Centre	Narrandera Visitor Information Centre
Clarence Coast Visitor Information Centre	Newcastle Visitor Information Centre
Coffs Coast Visitor Information Centre	Orange Visitor Information Centre
Coolamon Visitor Information Centre	Parkes Visitor Information Centre
Cooma Visitor Information Centre	Parramatta Visitor Information Centre
Coonabarabran Visitor Information Centre	Penrith Valley Visitor Information Centre
Coonamble Visitor Information Centre	Port Macquarie Hastings Council
Corowa Visitor Information Centre	Queanbeyan Visitor Information Centre
Cowra Visitor Information Centre	Quirindi Visitor Information Centre
Deniliquin Visitor Information Centre	Richmond Valley Visitor Information Centre
Dubbo Visitor Information Centre	Sapphire Coast Visitor Information Centre
Dungog Visitor Information Centre	Shellharbour Visitor Information Centre
Echuca-Moama Tourism & Mathoura Visitor Information Centres	Shoalhaven Visitor Information Centre
Forbes Visitor Information Centre	Singleton Visitor Information Centre
Glen Innes Visitor Information Centre	Southern Highlands Visitor Information Centre
Gloucester Visitor Information Centre	Sutherland Visitor Information Centre
Goulburn Visitor Information Centre	Tenterfield Visitor Information Centre
Grenfell Visitor Information Centre	Tumbarumba Visitor Information Centre
Griffith Visitor Information Centre	Tweed Tourism
Gundagai Visitor Information Centre	Upper Lachlan Visitor Information Centre
Gunnedah Visitor Information Centre	Uralla Visitor Information Centre
Hay Visitor Information Centre	Wagga Wagga Visitor Information Centre
Hume Visitor Information Centre	Walcha Visitor Information Centre
Hunter Valley Wine Country Tourism	Wellington Visitor Information Centre
Inverell Visitor Information Centre	Wentworth and Mildura Visitor Information Centres
Jerilderie Visitor Information Centre	Wollondilly Visitor Information Centre
Junee Visitor Information Centre	Wollongong Visitor Information Centre
Kempsey Visitor Information Centre	Yass Visitor Information Centre
Kiama Visitor Information Centre	Young Visitor Information Centre

Financial management

PAYMENT OF ACCOUNTS					
Quarter	Current within due date \$	Less than 30 days overdue \$	Between 30 and 60 days overdue \$	Between 60 and 90 days overdue \$	More than 90 days overdue \$
All Suppliers					
September 2012	1,556,299	10,728,404	9,443,454	1,731,989	524,434
December 2012	579,837	12,820,409	1,964,554	750,980	5,270,151
March 2013	8,249,284	9,180,791	3,460,477	1,088,499	596,688
June 2013	36,436,042	8,170,255	3,466,735	1,025,933	2,230,847
Small Business					
September 2012	NIL	NIL	NIL	NIL	NIL
December 2012	NIL	NIL	NIL	NIL	NIL
March 2013	NIL	NIL	NIL	NIL	NIL
June 2013	NIL	NIL	NIL	NIL	NIL
All Suppliers					
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	
Total no. of account due for payment	1488	1389	1295	2893	
No. of accounts paid on time	1171	1058	914	2408	
% of accounts paid on time (based on no. of accounts)	79%	76%	71%	83%	
\$ amount of accounts due for payment	23,984,579	21,385,931	22,575,739	51,329,812	
\$ amount of accounts paid on time	12,284,703	13,400,246	17,430,075	44,606,297	
% of accounts paid on time (based on \$ amount of accounts)	51%	63%	77%	87%	
No. of payments for interest on overdue accounts					
Interest paid on overdue accounts					
Small Business					
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	
Total number of accounts due for payment	NIL	NIL	NIL	NIL	
No. of accounts paid on time	NIL	NIL	NIL	NIL	
% of accounts paid on time (based on no. of accounts)	NIL	NIL	NIL	NIL	
\$ amount of accounts due for payment	NIL	NIL	NIL	NIL	
\$ amount of accounts paid on time	NIL	NIL	NIL	NIL	
% of accounts paid on time (based on \$ amount of accounts)	NIL	NIL	NIL	NIL	
No. of payments for interest on overdue accounts	NIL	NIL	NIL	NIL	
Interest paid on overdue accounts	NIL	NIL	NIL	NIL	

Notes

1 Centralised processing under the one financials system commenced on 1 January 2012, so statistics commenced from that date.

2 Small business must be registered to be able to be reported on for the payment of accounts statistics. There were no payments to registered small business for Destination NSW.

Accumulated Funds

The accumulated funds in Destination NSW financial statements are as a result of the transfer of assets from Homebush Motor Racing Authority and cash assets held to meet future liability for staff entitlements.

Investment Performance

Refer Financial Statements: Financial Instruments Note 17

Liability Management Performance

Destination NSW has no debt greater than \$20 million.

Financial Management

In 2012/2013 there are no after Balance-Day events which have a significant effect on the financial or other operations of Destination NSW.

Budgets

Refer Financial Statements: Note 15

Implementation of Price Determination

Destination NSW is not subject to the Tribunal.

Credit Card Certification

Destination NSW has a policy for the use of corporate credit cards by staff that is in accordance with the Premier's memorandum 99-05 and the Treasurer's Directions 205.01 to 08.

No irregularities in the use of corporate credit cards have been recorded during the year.

In accordance with Treasurer's Direction 205.01, I certify that credit card use in the reporting period by officers of Destination NSW was in line with Government requirements.



Margaret Palmer
Acting Chief Financial Officer

Additional Matters:**Annual Report Costs**

Nil. Annual report produced in-house by Destination NSW Communications division. All images included in the document were existing images sourced from the Destination NSW image library. Printing of compliance copies only was undertaken in-house.

Financial Statements

65	Destination NSW Financial Statements
99	Destination NSW Division Financial Statements
119	Events New South Wales Pty Ltd Financial Statements

Destination NSW Financial Statements

Contents

66	Certificate under Section 41c of the Public Finance and Audit Act 1983
67	Auditor's report – Destination NSW
69	Destination NSW: Financial Statements for the year ended 30 June 2013
69	Statement of comprehensive income for the year ended 30 June 2013
70	Statement of financial position as at 30 June 2013
71	Statement of changes in equity for the year ended 30 June 2013
72	Statement of cash flows for the year ended 30 June 2013
73	Notes to the Financial Statements
73	1. Summary of significant accounting policies
81	2. Expenses excluding losses
82	3. Revenue
83	4. Gain/(loss) on disposal
83	5. Service groups of Destination NSW
84	6. Current assets – cash and cash equivalents
84	7. Current assets – receivables
85	8. Non-current assets – plant and equipment
87	9. Non-current assets – intangibles
88	10. Current/non-current liabilities – payables
89	11. Current/non-current liabilities – provisions
90	12. Increase/decrease in net assets from equity transfers
92	13. Commitments for expenditure
93	14. Contingent liabilities and contingent assets
93	15. Budget review
93	16. Reconciliation of cash flows from operating activities to Net result
94	17. Financial instruments
98	18. Contributed equity
98	19. After balance date events

Certificate under Section 41C of the Public Finance and Audit Act 1983

The accompanying financial statements and notes to the accounts have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, regulations contained within the *Public Finance and Audit Regulation 2010*, and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

In our opinion the statements exhibit a true and fair view of the financial position and transactions of Destination NSW's operations for the year ended 30 June 2013.

The members of the Board are not aware of any circumstances, as at the date of this certificate, which would render any particulars in the financial report to be misleading or inaccurate.

Date: 20th September 2013


.....
John Conde AO
Chairman

Date: 20th September 2013


.....
Sandra Chipchase
Chief Executive Officer

Auditor's Report – Destination NSW



INDEPENDENT AUDITOR'S REPORT

Destination NSW and Controlled Entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Destination NSW and its controlled entities (the Entity), which comprise the statements of financial position as at 30 June 2013, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Entity and the consolidated entity. The consolidated entity comprises the Entity and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Entity and the consolidated entity as at 30 June 2013, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Entity or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Caroline Karakatsanis
Director, Financial Audit Services

23 September 2013
SYDNEY

Destination NSW: Financial Statements for the year ended 30 June 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	15,713	16,621	18,608	245	172
Personnel services	2(b)	-	-	-	14,986	17,357
Other operating expenses	2(c)	114,706	112,973	115,341	114,715	115,423
Depreciation and amortisation	2(d)	1,298	2,163	1,469	360	428
Total expenses excluding losses		131,717	131,757	135,418	130,306	133,380
Revenue						
Sale of goods and services	3(a)	249	-	165	249	165
Investment revenue	3(b)	1,368	300	480	1,368	480
Grants and contributions	3(c)	128,903	132,562	132,290	129,363	131,086
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	92	340	153	-	-
Other revenue	3(e)	2,792	-	2,491	2,418	2,394
Total Revenue		133,404	133,202	135,579	133,398	134,125
Gain/(loss) on disposal	4	-	-	(232)	-	(232)
Other gains/(losses)		-	-	-	-	-
Net result		1,687	1,445	(71)	3,092	513
Other comprehensive income						
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		1,687	1,445	(71)	3,092	513

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	6	24,909	3,773	10,861	24,909	10,374
Receivables	7	7,505	1,588	7,589	7,505	7,589
Total Current Assets		32,414	5,361	18,450	32,414	17,963
Non-Current Assets						
Plant and equipment	8					
Plant and equipment		381	2,623	661	381	661
Infrastructure systems		6,748	6,376	7,686	-	-
Assets Under Construction		79	-	-	79	-
Total Plant and equipment		7,208	8,999	8,347	460	661
Intangibles	9	153	-	38	153	38
Total Non-Current Assets		7,361	8,999	8,385	613	699
Total Assets		39,775	14,360	26,835	33,027	18,662
LIABILITIES						
Current Liabilities						
Payables	10	25,116	3,117	11,994	25,315	12,187
Provisions	11	3,078	1,913	4,933	2,879	4,720
Total Current Liabilities		28,194	5,030	16,927	28,194	16,907
Non-Current Liabilities						
Payables	10	-	-	-	7	7
Provisions	11	84	-	98	77	91
Total Non-Current Liabilities		84	-	98	84	98
Total Liabilities		28,278	5,030	17,025	28,278	17,005
Net Assets		11,497	9,330	9,810	4,749	1,657
EQUITY						
Reserves		-	-	-	-	-
Accumulated funds		11,497	9,330	9,810	4,749	1,657
Total Equity		11,497	9,330	9,810	4,749	1,657

The accompanying notes form part of these financial statements

Financial Statements CONTINUED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

Note	Accumulated Funds		Asset Revaluation Surplus		Other Reserves		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Balance at 1 July 2012	9,810	1,657	-	-	-	-	9,810	1,657
Net result for the year	1,687	3,092	-	-	-	-	1,687	3,092
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	1,687	3,092	-	-	-	-	1,687	3,092
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance at 30 June 2013	11,497	4,749	-	-	-	-	11,497	4,749
Balance at 1 July 2011	-	-	-	-	-	-	-	-
Net result for the year	(71)	513	-	-	-	-	(71)	513
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(71)	513	-	-	-	-	(71)	513
Transactions with owners in their capacity as owners								
Increase / (decrease) in net assets from consolidation with Events NSW Pty Ltd	10	-	-	-	-	-	10	-
Increase / (decrease) in net assets from equity transfers as a result of administrative restructuring	9,871	1,144	-	-	-	-	9,871	1,144
Total transactions with owners in their capacity as owners	9,881	1,144	-	-	-	-	9,881	1,144
Balance at 30 June 2012	9,810	1,657	-	-	-	-	9,810	1,657

Note: The consolidated entity has contributed equity of \$100 associated with Events New South Wales Pty Ltd (refer Note 18).

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
Notes						
Cash flows from operating activities						
	Payments					
	Employee related	(17,767)	(16,277)	(14,450)	(16,873)	(13,582)
	Other operating expenses	(108,404)	(112,147)	(115,491)	(108,801)	(112,799)
	Total Payments	(126,171)	(128,424)	(129,941)	(125,674)	(126,381)
Receipts						
	Sales of goods and services	249	-	207	249	207
	Interest received	1,368	300	480	1,368	480
	Grants and contributions and Other revenue	138,876	131,712	136,688	138,866	135,243
	Total Receipts	140,493	132,012	137,375	140,483	135,930
	Net cash flows from operating activities	14,322	3,588	7,434	14,809	9,549
16						
Cash flows from investing activities						
	Purchases of buildings, plant and equipment and infrastructure systems	(134)	(3,060)	-	(134)	-
	Other	(140)	(100)	-	(140)	-
	Net cash flows from investing activities	(274)	(3,160)	-	(274)	-
Cash flows from financing activities						
	Net cash flows from financing activities	-	-	-	-	-
Net increase/(decrease) in cash						
	Net increase/(decrease) in cash	14,048	428	7,434	14,535	9,549
	Opening cash and cash equivalents	10,861	3,345		10,374	
	Events NSW Cash and cash equivalents at 1 July 2012	-	-	3,213	-	-
	Cash transferred in as a result of administrative restructuring	-	-	214	-	825
	Closing cash and cash equivalents	24,909	3,773	10,861	24,909	10,374
6						

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Summary of significant accounting policies

(a) Reporting entity

Destination NSW (the Group) as a reporting entity under the *Destination NSW Act 2011* comprises all the entities under its control, namely the Destination NSW Division, the Homebush Motor Racing Authority (HMRA) and Events New South Wales Pty Ltd (Events NSW).

The Group, which is a NSW statutory body, is a body corporate with a Board of Management including the Chief Executive Officer (CEO) who is responsible for the day to day management in accordance with the directions of the Board. The Group is a not-for-profit entity (as profit is not its principal objective).

The reporting entity is consolidated as part of the NSW Total Sector Accounts and falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

Destination NSW encompasses the functions of the former Tourism NSW, Events NSW, the Homebush Motor Racing Authority and Greater Sydney Partnership. Its main aim is to achieve economic and social benefits for the people of New South Wales by developing tourism and securing major events.

Under the *Destination NSW Act 2011* Destination NSW cannot employ any staff but may arrange for the use of the services of any staff (whether by way of secondment or otherwise) to enable the Group to exercise its functions. Destination NSW Division (the Division) was established as a Division of the Government Service by the *Public Sector Employment and Management (Miscellaneous) Order 2011* which commenced on 1 July 2011. The Division is a non-Public Service Division assigned to a statutory corporation pursuant to Part 2 of Schedule 1 of the *Public Sector Employment and Management Act 2002* (PSEM Act). Destination NSW Division provides personnel services to Destination NSW.

The Division is identified in Part 2 of schedule 1 to the PSEM Act as a non-Public Service Division. The Division has as its Division Head the CEO of DNSW and includes the CEO of Homebush Motor Racing Authority who is a direct report of, and accountable to, the CEO of Destination NSW and all staff reporting to the CEO. The Division is not identified as a Department in schedule 3 to the *Public Finance and Audit Act* (PFA Act).

The Homebush Motor Racing Authority (HMRA) is a body corporate constituted under the *Homebush Motor Racing (Sydney 400) Act 2008* (HMR Act). HMRA has a CEO who is responsible for the day-to-day management of the affairs of the Authority. HMRA has an advisory Board, the principal function of which is to provide advice to the CEO; HMRA cannot employ staff and is assisted by staff employed within the Destination NSW Division. HMRA is not identified in schedule 1 to the *Public Sector Employment and Management Act* (PSEM Act); and is not identified in schedule 2 or schedule 3 of the *Public Finance and Audit Act* (PFA Act).

The Public Sector Employment and Management (Mental Health Commission and Other Matters) Order 2012 which was published on 28 June 2012 and took effect from 30 June 2012, Clause 5(2) states the reference in section 39 of the Homebush Motor Racing (Sydney 400) Act 2008 to the Department of State and Regional Development is to be construed as a reference to the Destination NSW Division.

While Destination NSW does not own the shares in Events NSW, its Board has the power to govern Events NSW's financial and operating policies from the time of its formation. Consequently Destination NSW controls Events NSW under the terms of paragraph 13 (b) of AASB 127 *Consolidated and Separate Financial Statements* (September 2011 compilation).

On 5 May 2013 Events NSW was deregistered with the Australian Securities and Investments Commission.

Where reference in these notes is made to 'Group' it refers to the total activities of Destination NSW, Events NSW (to 5 May 2013), HMRA and the Destination NSW Division. A reference to the 'Parent' relates to the activities of Destination NSW only.

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Board on 20 September 2013.

(b) Basis of preparation

The financial statements are prepared on the basis that the ownership of assets and liabilities and the operations of the Group commenced on 1 July 2011.

The assets, liabilities and operating financials for HMRA are reported in the books of the Division.

Separate financial statements have been prepared for the Destination NSW Division.

In the process of preparing the consolidated financial statement for the economic entity consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated.

The Group's financial statements are general purpose financial statements which have been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- The requirements of the Public Finance and Audit Act 1983 and Regulation and
- The Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Plant and equipment and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. The assets for HMRA are based on their useful life. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Valuation of Long Service Leave is measured at present value in accordance with AASB 119 Employee Benefits as stated in Note 1(h)(ii)(b).

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

Destination NSW's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience. Events NSW has commercial insurance.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Group as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Sale of goods

Revenue from the sale of goods is recognised as revenue when Destination NSW transfers the significant risks and rewards of ownership of the assets.

(ii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Notes to the Financial Statements CONTINUED

(iii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(iv) Grants and contributions

Grants and contributions include donations and grants from the Department of Trade and Investment, Regional Infrastructure and Services. They are generally recognised as income when Destination NSW obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon receipt of cash relating to the receipt have been met.

(g) Assets

(i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Group. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Group revalues each class of plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

The need to revalue is assessed regularly. The next revaluation will be undertaken within five years of Destination NSW formation.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 Impairment of Assets effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the Group are regarded as immaterial.

(v) Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Group.

All material separately identifiable components of assets are depreciated over their shorter useful lives

Default asset lives are:

Plant and equipment	2–12 years
Leasehold improvements	Period of the lease (1–2 years)
Infrastructure systems	10 years

Depreciation rates are reviewed and determined on an annual basis.

(vi) Restoration costs (Provision for make good)

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability

(vii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(viii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership to the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The leasing transactions of the Group are restricted to operating leases of buildings, vehicles and equipment.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

(ix) Intangible assets

The Group recognises intangible assets only if it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Group's intangible assets, the assets are carried at cost less any accumulated amortisation.

Notes to the Financial Statements CONTINUED

Group's intangible assets are amortised using the straight line method over a period on 2 - 6 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(x) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Bad debts are written off as incurred.

(xi) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xii) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Group transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Group has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Group and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(b) Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits, based on the application of procedures specified in NSW TC 12/06 to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

(c) Superannuation

The Division's liability for defined benefit superannuation is assumed by the Crown Entity. The Division accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions (NSW TC 11/04). The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions exist when: the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(i) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with Destination NSW's policy on the revaluation of property, plant and equipment as discussed in Note 1(g)(iii).

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(j) Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit Government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at amortised cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

(k) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

Notes to the Financial Statements CONTINUED

(I) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

During 2013 Destination NSW moved to a new accounting system and condensed chart of accounts. Where necessary, comparatives have been reclassified to be consistent with current year disclosures. This has resulted in some movements in the 2012 disclosures.

Consolidated

(i) Employee related

Employee allowances (2012: \$12,000), previously in Other - Miscellaneous is now included within Salaries and wages.

Fees – Board/Committee Members has been amalgamated with Allowances – Board/Committee Members into Salaries & Wages – Board Members and included in Employee Related Expenses, Other – Miscellaneous rather than Other operating expenses, Fees – other (2012: \$40,000)

(ii) Other operating expenses

Changes in the provision for Makegood (2012: \$22,000) have been reclassified from Accommodation expenses to Miscellaneous.

Fees – Artwork (2012: \$158,000) has been amalgamated into Advertising, previously it was included in Printing and publications.

Industry Networking and Expansion Grants (2012: \$73,000) which were previously included within Promotion expenses are now amalgamated into Other General Expenses in Miscellaneous.

Expenses associated with Fees – events and Fees – other have been reclassified (2012: Net movement \$36,617,000, mainly due to the amalgamation of Fees – event investment (\$36,833,000) into Other Fees).

Further changes in the comparative amounts for Fees – other relate to the movement of Fees – Board/Committee Members as outlined above in Employee related.

Grants – Government organisations (2012: \$1,591,000) and Grants – other organisations (2012: \$13,218,000) have been amalgamated.

(iii) Sales of goods and services

Sale of Advertising Space (2012: \$42,000) has been amalgamated into Miscellaneous Revenue within Miscellaneous.

(iv) Other revenue

Various immaterial revenue items were amalgamated resulting in the reclassification of \$21,000 in the 2012 between Fees and Miscellaneous.

Parent

(i) Employee related

Fees – Board/Committee Members has been amalgamated with Allowances – Board/Committee Members into Salaries & Wages – Board Members and included in Employee Related Expenses, Other – Miscellaneous rather than Other operating expenses, Fees – other (2012: \$40,000)

(ii) Other operating expenses

Changes in the provision for Makegood (2012: \$22,000) have been reclassified from Accommodation expenses to Miscellaneous.

Fees – Artwork (2012: \$158,000) has been amalgamated into Advertising, previously it was included in Printing and publications.

Industry Networking and Expansion Grants (2012: \$73,000) which were previously included within Promotion expenses are now amalgamated into Other General Expenses in Miscellaneous.

Expenses associated with Fees – events and Fees – other have been reclassified (2012: Net movement \$36,620,000, mainly due to the amalgamation of Fees – event investment (\$36,833,000) into Other Fees).

Further changes in the comparative amounts for Fees – other relate to the movement of Fees – Board/Committee Members as outlined above in Employee related.

Grants – Government organisations (2012: \$275,000) and Grants – other organisations (2012: \$10,605,000) have been amalgamated.

(iii) Sales of goods and services

Sale of Advertising Space (2012: \$42,000) has been amalgamated into Miscellaneous Revenue within Miscellaneous.

(iv) Other revenue

Various immaterial revenue items were amalgamated resulting in the reclassification of \$8,000 in the 2012 between Fees and Miscellaneous.

(m) Related party transactions

Destination NSW is one of two members of Parramasala Limited, a company limited by guarantee ("Parramasala"), which was incorporated on 1 June 2010. Under the constitution of Parramasala, the limit of each member's guarantee is \$5. While Destination NSW has significant influence over Parramasala, it does not control the entity.

During the year ended 30 June 2013, Destination NSW provided Event funding to Parramasala in the amount of \$788,838 (2012: \$1,136,103). This amount has been recorded as an expense by Destination NSW.

As Parramasala is a company limited by guarantee, and Destination NSW is not entitled to any future distribution (either by dividend or on wind-up of Parramasala), Destination NSW has not recorded any investment for its interest in this entity. Disclosure has instead been made by way of note.

Events NSW transferred its membership of Parramasala to Destination NSW on 16 December 2011 for no consideration.

Events NSW transferred \$460,431 to Destination NSW on winding down.

(n) Administrative restructures

On 1 July 2011 Destination NSW was created through the transfer of the Tourism service group and Homebush Motor Racing Authority (HMRA) functions from the Department of Trade and Investment, Regional Infrastructure and Services and the transfer of functions from Events NSW which is to be formally wound up.

This is an administrative restructure, which is treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. The transfers are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure, which approximates fair value. Refer Note 12.

(o) New Australian Accounting Standards issued but not effective

NSW public sector entities are not permitted to early adopt new Accounting Standards, unless Treasury determines otherwise.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2013. Those relevant to the Group are listed as follows:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 1055 Budgetary Reporting
- AASB 2011-2 regarding Trans Tasman Convergence – RDR
- AASB 2011-4 Amendments to Key Management Personnel Disclosure Requirements
- AASB 2011-6 regarding RDR and relief from consolidation
- AASB 2011-12 regarding Interpretation 20
- AASB 2012-3 regarding disclosures and offsetting financial assets and financial liabilities
- AASB 2012-7 and 2012-11 regarding reduced disclosure requirements

These standards / interpretations are not considered to have a material impact.

Notes to the Financial Statements CONTINUED

2. Expenses excluding losses

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
(a) Employee related expenses				
Salaries and wages (including recreation leave)	13,326	14,771	-	-
Superannuation – defined benefit plans	87	145	-	-
Superannuation – defined contribution plans	973	1,018	19	11
Long service leave	195	394	-	-
Workers compensation insurance	73	15	-	-
Payroll tax and fringe benefits tax	823	711	12	6
Redundancy ⁽ⁱ⁾	(23)	1,338	-	-
Other - Miscellaneous	259	216	214	155
	15,713	18,608	245	172
(b) Personnel services				
Personnel services	-	-	14,986	17,357
	-	-	14,986	17,357
(c) Other operating expenses include the following:				
Auditor's remuneration – audit of the financial statements	110	92	105	64
Auditor's remuneration – other (internal audit)	250	-	250	-
Rental expense	1,686	1,696	1,495	1,696
Accommodation expenses	356	544	356	544
Maintenance*	87	150	87	150
Insurance	42	86	42	41
Telecommunications	336	773	335	770
Travel and accommodation	1,344	2,385	1,324	2,299
Motor Vehicle	86	79	86	50
Consultants	51	194	51	194
Other contractors	7,544	5,891	7,501	5,856
Administration fees	51	-	50	-
Advertising	26,940	28,504	26,909	28,472
Visiting journalists accommodation and expenses	660	29	660	28
Promotion	44,183	3,965	44,177	3,952
Printing and publications	259	244	258	242
Fees - events	2,948	10,580	2,940	10,507
Fees - other	13,899	44,196	13,891	44,120
Purchases	406	262	403	242
Miscellaneous	484	862	480	848
Grants	12,984	14,809	9,723	10,880
Grants – Homebush Motor Racing Authority	-	-	3,592	4,468
	114,706	115,341	114,715	115,423

Notes: (i) The remaining provision for redundancy created in 2012 has been written back in 2013 as the program is now complete.

2. Expenses excluding losses CONTINUED

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
*Reconciliation – Total maintenance				
Maintenance expense – contracted labour and other (non-employee related), as above	87	150	87	150
Employee related maintenance expense included in Note 2(a)	-	-	-	-
Total maintenance expenses included in Note 2(a) + (c)	87	150	87	150
(d) Depreciation and amortisation expense				
Plant and equipment	335	387	335	387
Infrastructure systems	938	1,041	-	-
Intangibles	25	41	25	41
	1,298	1,469	360	428
3. Revenue				
	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
(a) Sales of goods and services				
Sales of advertising and publications	50	5	50	5
Conferences	199	160	199	160
	249	165	249	165
(b) Investment revenue				
Interest	1,368	480	1,368	480
	1,368	480	1,368	480
(c) Grants and contributions				
Recurrent Grants from Department of Trade and Investment, Regional Infrastructure and Services	121,612	124,299	121,612	108,566
Grants from other bodies	4,403	6,621	4,863	21,150
In kind sponsorship	2,888	1,370	2,888	1,370
	128,903	132,290	129,363	131,086
(d) Acceptance by the Crown Entity of employee benefits and other liabilities				
Superannuation – defined benefit	87	145	-	-
Payroll tax	5	8	-	-
	92	153	-	-
(e) Other revenue				
Fees	802	400	360	166
Contributions from the Crown Entity	-	-	69	153
Miscellaneous	1,990	2,091	1,989	2,075
	2,792	2,491	2,418	2,394

Notes to the Financial Statements CONTINUED

4. Gain/(loss) on disposal

Assets with a written down value of nil as at date of transfer have not been capitalised.

Assets written off after transfer from Events NSW to Destination NSW

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Gain / (loss) on disposal of plant and equipment				
Proceeds from disposal	-	-	-	-
Written down value of assets disposed	-	(90)	-	(90)
Net gain / (loss) on disposal of plant and equipment	-	(90)	-	(90)
Gain / (loss) on disposal of intangibles				
Proceeds from disposal	-	-	-	-
Written down value of assets disposed	-	(142)	-	(142)
Net gain / (loss) on disposal of intangibles	-	(142)	-	(142)
	-	(232)	-	(232)

5. Service groups of Destination NSW

Recurrent and Capital grant funding from the Department of Trade and Investment, Regional Infrastructure and Services is provided to Destination NSW through the Department's Cluster Grant Funding service group (This funding excludes the funding provided by the Department to Destination NSW as part of the State and Investment Attraction Scheme).

This service group covers the provision of grant funding to agencies within the Trade and Investment, Regional Infrastructure and Services cluster.

As there is only one service group details of the expenses, income, assets and liabilities for this service group are available in the primary financial statements.

6. Current assets – cash and cash equivalents

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Cash at bank and on hand	24,909	10,861	24,909	10,374
	24,909	10,861	24,909	10,374

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	24,909	10,861	24,909	10,374
Closing cash and cash equivalents (per statement of cash flows)	24,909	10,861	24,909	10,374

Refer Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current assets – receivables

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Prepayments	23	73	23	73
GST receivable	3,353	2,650	3,353	2,650
Trade debtors	2,033	1,867	2,033	1,867
Transfers to Destination NSW	2,096	2,410	2,096	2,410
Miscellaneous	-	589	-	589
	7,505	7,589	7,505	7,589

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

Notes to the Financial Statements CONTINUED

8. Non-Current assets – plant and equipment

	Plant and equipment		Infrastructure systems		Assets Under Construction		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 1 July 2012 – fair value								
Gross carrying amount	1,048	1,048	8,727	-	-	-	9,775	1,048
Accumulated depreciation	(387)	(387)	(1,041)	-	-	-	(1,428)	(387)
Net carrying amount	661	661	7,686	-	-	-	8,347	661
At 30 June 2013 – fair value								
Gross carrying amount	1,103	1,103	8,727	-	79	79	9,909	1,182
Accumulated depreciation	(722)	(722)	(1,979)	-	-	-	(2,701)	(722)
Net carrying amount	381	381	6,748	-	79	79	7,208	460

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and equipment		Infrastructure systems		Assets Under Construction		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2013								
Net carrying amount at start of year	661	661	7,686	-	-	-	8,347	661
Additions	55	55	-	-	79	79	134	134
Disposals	-	-	-	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	-	-	-	-	-
Depreciation expenses	(335)	(335)	(938)	-	-	-	(1,273)	(335)
Depreciation written back on disposal	-	-	-	-	-	-	-	-
Net carrying amount at end of year	381	381	6,748	-	79	79	7,208	460

Notes to the Financial Statements CONTINUED

	Plant and equipment		Infrastructure systems		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 30 June 2012 – fair value						
Gross carrying amount	1,048	1,048	8,727	-	9,775	1,048
Accumulated depreciation	(387)	(387)	(1,041)	-	(1,428)	(387)
Net Carrying Amount	661	661	7,686	-	8,347	661

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and equipment		Infrastructure systems		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2012						
Net carrying amount at start of year	-	-	-	-	-	-
Acquisitions through administrative restructures	1,138	1,138	8,727	-	9,865	1,138
Additions	-	-	-	-	-	-
Disposals	(90)	(90)	-	-	(90)	(90)
Net revaluation increment less revaluation decrements	-	-	-	-	-	-
Depreciation expenses	(387)	(387)	(1,041)	-	(1,428)	(387)
Depreciation written back on disposal	-	-	-	-	-	-
Net carrying amount at end of year	661	661	7,686	-	8,347	661

9. Non-Current assets – intangibles

	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 1 July 2012 – fair value				
Gross carrying amount	79	79	79	79
Accumulated amortisation	(41)	(41)	(41)	(41)
Net carrying amount	38	38	38	38
At 30 June 2013 – fair value				
Gross carrying amount	219	219	219	219
Accumulated amortisation	(66)	(66)	(66)	(66)
Net Carrying Amount	153	153	153	153
Reconciliation				
	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2013				
Net carrying amount at start of year	38	38	38	38
Additions	140	140	140	140
Disposals	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	-
Amortisation expenses	(25)	(25)	(25)	(25)
Amortisation written back on disposal	-	-	-	-
Net carrying amount at end of year	153	153	153	153
	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 30 June 2012 – fair value				
Gross carrying amount	79	79	79	79
Accumulated amortisation	(41)	(41)	(41)	(41)
Net Carrying Amount	38	38	38	38

Notes to the Financial Statements CONTINUED

Reconciliation

	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2012				
Net carrying amount at start of year	-	-	-	-
Acquisitions through administrative restructures	221	221	221	221
Additions	-	-	-	-
Disposals	(142)	(142)	(142)	(142)
Net revaluation increment less revaluation decrements	-	-	-	-
Amortisation expenses	(41)	(41)	(41)	(41)
Amortisation written back on disposal	-	-	-	-
Net carrying amount at end of year	38	38	38	38

10. Current/non-current liabilities – payables

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Current				
Accrued salaries, wages and on-costs	454	857	-	-
Personnel Services payable	-	-	435	847
Creditors	23,542	10,272	24,288	10,907
Unearned revenue	1,120	865	592	433
	25,116	11,994	25,315	12,187
Non-current				
Creditors	-	-	7	7
	-	-	7	7

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 17.

11. Current/non-current liabilities – provisions

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Current				
Employee benefits and related on-costs				
Personnel services	-	-	2,588	4,299
Recreation Leave	1,197	1,342	-	-
Long Service Leave	1,590	1,862	-	-
Redundancy	-	1,308	-	-
	2,787	4,512	2,588	4,299
Other Provisions				
Make good	291	421	291	421
	291	421	291	421
Total Current Provisions	3,078	4,933	2,879	4,720
Non-Current				
Employee benefits and related on-costs				
Personnel services	-	-	77	91
Long Service Leave	84	98	-	-
Total Non-Current Provisions	84	98	77	91
Total Provisions	3,162	5,031	2,956	4,811
Aggregate employee benefits and related on-costs				
Provisions – current	2,787	4,512	2,588	4,299
Provisions – non-current	84	98	77	91
Personnel Services payable (Note 10)	-	-	435	847
Accrued salaries, wages and on-costs (Note 10)	454	857	-	-
	3,325	5,467	3,100	5,237
Movements in provisions (other than employee benefits)				
Carrying amount at the beginning of financial year	421	-	421	-
Increase / (decrease) in provision	(130)	21	(130)	21
Amounts used	-	-	-	-
Amounts transferred in due to restructure	-	400	-	400
Carrying amount at end of financial year	291	421	291	421

Notes to the Financial Statements CONTINUED

12. Increase / Decrease in Net Assets from Transfers in 2012

(a) Transfer of assets and liabilities to Destination NSW from the Department of Trade and Investment, Regional Infrastructure and Services on the transfer of Tourism and Homebush Motor Racing Authority functions.

	Consolidated \$'000	Parent \$'000
Assets		
Current assets		
Cash and cash equivalents	214	214
Receivables	4,432	4,432
Total Current Assets	4,646	4,646
Non-Current Assets		
Plant and equipment		
- Plant and equipment	540	540
- Infrastructure systems	8,727	-
Total Plant and equipment	9,267	540
Intangibles	6	6
Total Non-Current Assets	9,273	546
Total Assets	13,919	5,192
LIABILITIES		
Current Liabilities		
Payables	3,084	3,084
Provisions	1,542	1,542
Total Current Liabilities	4,626	4,626
Non-Current Liabilities		
Provisions	8	8
Total Non-Current Liabilities	8	8
Total Liabilities	4,634	4,634
Net Assets / (Liabilities)	9,285	558

12. Increase/decrease in net assets from equity transfers in 2012 CONTINUED

(b) Transfer of assets and liabilities to Destination NSW from Events NSW on the transfer of functions.

	Consolidated \$'000	Parent \$'000
Assets		
Current assets		
Cash and cash equivalents ⁽¹⁾	611	611
Total Current Assets	611	611
Non-Current Assets		
Plant and equipment		
- Plant and equipment	598	598
Total Plant and equipment	598	598
Intangibles	215	215
Total Non-Current Assets	813	813
Total Assets	1,424	1,424
LIABILITIES		
Current Liabilities		
Payables	627	627
Provisions ⁽²⁾	211	211
Total Current Liabilities	838	838
Total Liabilities	838	838
Net Assets / (Liabilities)	586	586

Notes

- 1 This balance is the result of a cash transfer of \$8.0 million, less grant expenditure of \$7.3 million paid by ENSW on behalf of Destination NSW.
- 2 Provision excludes superannuation defined benefit obligations which have been assumed by the Crown (refer Note 12(d)(i)).

(c) Total net assets/(liabilities) transferred into Destination NSW on the transfer of functions.

	Consolidated \$'000	Parent \$'000
Net assets/(liabilities)		
Department of Trade and Investment, Regional Infrastructure and Services	9,285	558
Events NSW	586	586
Total net assets/(liabilities)	9,871	1,144

(d) Transactions with the Crown

- (i) The Crown has assumed the negative reserve in the employer superannuation reserve account of the former Events NSW extinguishing the liability for defined benefit superannuation previously held in these accounts (\$586,000).
- (ii) Destination NSW has taken up the liability for long service for the staff transferred from the Department of Trade and Investment, Regional Infrastructure and Services which was previously held by the Crown. A cash transfer of funded long service leave was based on the assumption of the nominal value of the long service leave (\$1,394,000).

Notes to the Financial Statements CONTINUED

13. Commitments for expenditure

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
(a) Capital commitments				
As at 30 June 2013 Destination NSW had no capital commitments (2012: Nil).				
(b) Operating lease commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	388	1,112	189	934
Later than one year and not later than five years	-	121	-	-
Later than five years	-	-	-	-
Total (including GST)	388	1,233	189	934
The total of 'Operating Lease Commitments' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	35	112	17	85
(c) Finance Lease Commitments				
As at 30 June 2013 Destination NSW had no finance lease commitments (2012: Nil).				
(d) Service Level Agreement with NSW Trade & Investment				
As at 30 June 2013 the service level agreement between Destination NSW and NSW Trade & Investment was still being negotiated.				
(e) Events Funding Commitments (including HMRA)				
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:				
Not later than one year	30,370	37,877	29,724	35,292
Later than one year and not later than five years	57,118	74,658	57,118	74,012
Later than five years	8,250	14,300	8,250	14,300
Total (including GST)	95,738	126,835	95,092	123,604
The total of 'Events Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	8,703	11,530	8,645	11,237
(f) Tourism Funding Commitments				
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:				
Not later than one year	5,170	4,015	5,170	4,015
Later than one year and not later than five years	3,623	348	3,623	348
Later than five years	-	-	-	-
Total (including GST)	8,793	4,363	8,793	4,363
The total of 'Tourism Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	799	397	799	397

14. Contingent liabilities and contingent assets

The Board is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2012: Nil).

15. Budget review

The budget process is finalised prior to the beginning of each financial year. Events can arise after that date that necessitates variations to the planned activities of the Group for that year. This in turn may cause variations to the financial activities. Major variations between the budget and actual amounts are outlined below.

Net result

The consolidated actual net result for 2013 was \$0.2m higher than budget. Although there was a reclassification of some of the grants and contributions revenue to interest revenue and other revenue, total revenue was \$0.2m higher than budget. Whilst depreciation and amortisation was \$0.9m lower than budget, due to the deferral of the planned capital fitout of new premises and employee related expenses were down due to the extension of the restructure timeframe, other operating expenses were \$0.8m higher than budget which resulted in total expenses being under budget by \$0.1m.

Assets and liabilities

The net assets are \$2.2m higher than budget. Current assets are substantially higher than budget (\$27.1m), predominately due to higher cash and cash equivalents (\$21.1m). Higher cash levels provide coverage for a higher than budgeted level of expense accruals (creditors) arising from significant operating activity in the last two months of the financial year as reflected in the level of payables (\$22.0m higher than budget).

Cash flows

The net increase in cash is \$7.5m higher than budget as a result of a combination of the abovementioned revenue and expense positions and timing differences in the expected investing activity expenditure of \$2.9m for the fitout of the new premises (postponed to September 2013).

16. Reconciliation of cash flows from operating activities to Net result

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Net cash used on operating activities	14,322	7,434	14,809	9,549
Depreciation and amortisation	(1,298)	(1,469)	(360)	(428)
Non-cash expense	-	(232)	-	(232)
Non-cash transfers in of receivables, payables and provisions	-	3,632	-	1,040
Increase / (decrease) in Receivables	(84)	7,589	(84)	7,589
(Increase) / decrease in Payables	(13,122)	(11,994)	(13,128)	(11,974)
(Increase) / decrease in Provisions	1,869	(5,031)	1,855	(5,031)
Net result	1,687	(71)	3,092	513

Notes to the Financial Statements CONTINUED

17. Financial instruments

The Group's principal financial instruments are outlined below. These financial instruments arise directly from the Group's operations or are required to finance the Group's operations. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's main risks arising from financial instruments are outlined below, together with the Group's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Group, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors.

(a) Financial instrument categories

Financial assets	Note	Category	Consolidated carrying amount 2013 \$'000	Consolidated carrying amount 2012 \$'000	Parent carrying amount 2013 \$'000	Parent carrying amount 2012 \$'000
Class:						
Cash and cash equivalents	6	N/A	24,909	10,861	24,909	10,374
Receivables ¹	7	Loans and receivables (at amortised cost)	4,129	4,866	4,129	4,866

Financial liabilities	Note	Category	Consolidated carrying amount 2013 \$'000	Consolidated carrying amount 2012 \$'000	Parent carrying amount 2013 \$'000	Parent carrying amount 2012 \$'000
Class:						
Payables ²	10	Financial liabilities measured at amortised cost	23,996	11,129	24,730	11,761

Notes

- 1 Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
- 2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit risk

Credit risk arises when there is the possibility of the Group's debtors defaulting on their contractual obligations, resulting in a financial loss to the Group. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Group, including cash, receivables and authority deposits. No collateral is held by the Group. The Group has not granted any financial guarantees.

Credit risk associated with the Group's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the Westpac Bank as well as various overseas Advance Accounts. Interest is earned on daily bank balances held in the Westpac Bank account. The interest rate at period end was 3.60%. No interest is earned on the overseas Advance Accounts.

Receivables – trade debtors

All trade debtors are recognised as amounts at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Group is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: \$929,000; 2012: \$1,337,000) and past due (2013: \$1,104,000; 2012: \$530,000) are not considered impaired. Together these represent 100% (2012: 100%) of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

Consolidated	Total^{1,2} \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2013			
< 3 months overdue	399	399	-
3 months – 6 months overdue	25	25	-
> 6 months overdue	680	680	-

2013			
< 3 months overdue	530	530	-

Parent	Total^{1,2} \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2013			
< 3 months overdue	399	399	-
3 months – 6 months overdue	25	25	-
> 6 months overdue	680	680	-

2012			
< 3 months overdue	530	530	-

Notes

- Each column in this table represents 'gross receivable'.
- The ageing analysis excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivable total recognised in the statement of financial position.

Authority deposits

The Group has no funds placed on deposit with TCorp.

Other facilities

The Group has access to the following banking facilities:

	2013 \$'000	2012 \$'000
MasterCard Limit	550	550

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due. The Group continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

Notes to the Financial Statements CONTINUED

During the period under review there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Group's exposure to liquidity risk is deemed insignificant based on the current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 0%.

The table below summarises the maturity profile of the Group's financial liabilities, together with the interest rate exposure.

MATURITY ANALYSIS AND INTEREST RATE EXPOSURE OF FINANCIAL LIABILITIES

Consolidated	Weighted average effective int. rate	Interest rate exposure				Maturity dates		
		Nominal amount ¹ \$'000	Fixed int. rate \$'000	Variable int. rate \$'000	Non-interest bearing \$'000	< 1 yr	1 – 5 yrs	> 5 yrs
2013								
Payables	-	23,996	-	-	23,996	23,996	-	-
		23,996	-	-	23,996	23,996	-	-
2012								
Payables	-	11,129	-	-	11,129	11,129	-	-
		11,129	-	-	11,129	11,129	-	-

Parent	Weighted average effective int. rate	Interest rate exposure				Maturity dates		
		Nominal amount ¹ \$'000	Fixed int. rate \$'000	Variable int. rate \$'000	Non-interest bearing \$'000	< 1 yr	1 – 5 yrs	> 5 yrs
2013								
Payables	-	24,730	-	-	24,730	24,723	7	-
		24,730	-	-	24,730	24,723	7	-
2012								
Payables	-	11,761	-	-	11,761	11,754	7	-
		11,761	-	-	11,761	11,754	7	-

Notes

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group has no material exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Group operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statement of financial position date. The analysis is performed on the same basis as for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Group's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Group does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of + / - 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Group's exposure to interest rate risk is set out below.

Consolidated	Carrying amount	\$'000			
		-1% Result	Equity	1% Result	Equity
2013					
<i>Financial assets</i>					
Cash and cash equivalents	24,909	(249)	(249)	249	249
Receivables	4,129	-	-	-	-
<i>Financial liabilities</i>					
Payables	23,996	-	-	-	-

2012					
<i>Financial assets</i>					
Cash and cash equivalents	10,861	(108)	(108)	108	108
Receivables	4,866	-	-	-	-
<i>Financial liabilities</i>					
Payables	11,129	-	-	-	-

Parent	Carrying amount	\$'000			
		-1% Profit	Equity	1% Profit	Equity
2013					
<i>Financial assets</i>					
Cash and cash equivalents	24,909	(249)	(249)	249	249
Receivables	4,129	-	-	-	-
<i>Financial liabilities</i>					
Payables	24,730	-	-	-	-

2012					
<i>Financial assets</i>					
Cash and cash equivalents	10,374	(104)	(104)	104	104
Receivables	4,866	-	-	-	-
<i>Financial liabilities</i>					
Payables	11,761	-	-	-	-

(e) Fair Value compared to Carrying Amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

18. Contributed equity

Consolidated	2013 \$	2012 \$
100 ordinary shares of \$1 each, fully paid	-	100
	-	100

Events NSW does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of Events NSW.

On 5 May 2013 Events NSW was deregistered with the Australian Securities and Investments Commission.

19. Events after the Reporting Period

There are no events subsequent to the balance date which affect the financial information disclosed in these financial statements.

End of the audited financial statements.

Destination NSW Division Financial Statements

Contents

100	Statement by the Chief Executive Officer
101	Auditor's report – Destination NSW Division
103	Statement of comprehensive income for the year ended 30 June 2013
104	Statement of financial position as at 30 June 2013
105	Statement of changes in equity for the year ended 30 June 2013
105	Statement of cash flows for the year ended 30 June 2013
106	Notes to the Financial Statements
106	1. Summary of significant accounting policies
112	2. Expenses excluding losses
113	3. Revenue
113	4. Current/non-current assets – receivables
114	5. Non-current assets – plant and equipment
115	6. Current liabilities – payables
115	7. Current/non-current liabilities – provisions
116	8. Increase/decrease in net assets from equity transfers
117	9. Commitments
118	10. Contingent liabilities and contingent assets
118	11. Reconciliation of cash flows from operating activities to the Net result
118	12. Audit fees
118	13. Financial instruments
118	14. After balance date events

Destination NSW Division

Statement by the Chief Executive Officer

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, I state that:

- The accompanying financial statements and notes to the accounts have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions;
- The statements exhibit a true and fair view of the financial position and transactions of the Destination NSW Division for the year ended 30 June 2013; and
- At the date on which the statement is signed, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Date: 20th September 2013



Sandra Chipchase
Chief Executive Officer

Auditor's Report – Destination NSW Division



INDEPENDENT AUDITOR'S REPORT

Destination NSW Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Destination NSW Division (the Division), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Division's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis
Director, Financial Audit Services

23 September 2013
SYDNEY

Destination NSW Division Financial Statements for the year ended 30 June 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
Expenses excluding losses			
Operating expenses			
Employee related	2(a)	15,468	17,964
Other operating expenses	2(b)	3,575	4,140
Depreciation	2(c)	938	1,041
Total expenses excluding losses		19,981	23,145
Revenue			
Personnel services	3(a)	14,917	17,204
Acceptance by Crown Entity of employee benefits and other liabilities	3(b)	92	153
Grants and contributions	3(c)	3,592	4,513
Other revenue	3(d)	442	234
Total Revenue		19,043	22,104
Gain / (loss) on disposal		-	-
Other gains / (losses)		-	-
Net result		(938)	(1,041)
Other comprehensive income			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(938)	(1,041)

The accompanying notes form part of these financial statements.

Financial Statements CONTINUED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
Assets			
Current assets			
Receivables	4	3,772	5,802
Total Current Assets		3,772	5,802
Non-Current Assets			
Receivables	4	83	98
Plant and equipment	5		
- Infrastructure systems		6,748	7,686
Total Plant and equipment		6,748	7,686
Total Non-Current Assets		6,831	7,784
Total Assets		10,603	13,586
LIABILITIES			
Current Liabilities			
Payables	6	984	1,290
Provisions	7	2,787	4,512
Total Current Liabilities		3,771	5,802
Non-Current Liabilities			
Provisions	7	84	98
Total Non-Current Liabilities		84	98
Total Liabilities		3,855	5,900
Net Assets		6,748	7,686
EQUITY			
Accumulated funds		6,748	7,686
Total Equity		6,748	7,686

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2012	7,686	7,686
Net result for the year	(938)	(938)
Total other comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Balance at 30 June 2013	6,748	6,748
Balance at 1 July 2011	-	-
Net result for the year	(1,041)	(1,041)
Total other comprehensive income	-	-
Transactions with owners in their capacity as owners	8,727	8,727
Balance at 30 June 2012	7,686	7,686

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
Cash flows from operating activities			
Payments			
Employee related		(17,518)	(13,839)
Other		(2,133)	(3,697)
Total Payments		(19,651)	(17,536)
Receipts			
Personnel services		14,917	13,232
Other		4,734	4,304
Total Receipts		19,651	17,536
Net cash flows from operating activities	11		-
Net increase/(decrease) in cash		-	-
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents		-	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Summary of significant accounting policies

(a) Reporting entity

Destination NSW Division (the Division) was established as a Division of the Government Service by the *Public Sector Employment and Management (Miscellaneous) Order 2011* which commenced on 1 July 2011. The Division is a Non-Public Service Division assigned to a statutory corporation pursuant to Part 2 of Schedule 1 of the *Public Sector Employment and Management Act 2002* and falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

The Division is a controlled entity of Destination NSW and is consolidated as part of the NSW Total State Sector Accounts.

The Division's objective is to provide personnel services to Destination NSW. The Division has responsibility for the employees and employee-related liabilities of Destination NSW. From July 2011 staff from the Department of Trade and Investment, Regional Infrastructure and Services who were principally involved in matters relating to tourism and who were required to enable Destination NSW to exercise its functions were transferred to the Destination NSW Division. The functions of Events NSW were also transferred to Destination NSW from July 2011 and the Events NSW staff transferred to the Destination NSW Division from this date.

Under the *Public Sector Employment and Management (Mental Health Commission and Other Matters) Order 2012* Clause 5 (2), commencing on 30 June 2012, section 39 of the Homebush Motor Racing (Sydney 400) Act 2008 has been changed to refer to Destination NSW Division as being the agency which for the purposes of the *Public Finance and Audit Act 1983*, the *Annual Reports (Departments) Act 1985*, and any other Act prescribed by the regulations the Homebush Motor Racing Authority is to be taken as part.

The Homebush Motor Racing Authority (HMRA) is a body corporate constituted under the Homebush Motor Racing (Sydney 400) Act 2008 (HMR Act). HMRA has a CEO who is responsible for the day-to-day management of the affairs of the Authority. HMRA has an advisory Board, the principal function of which, is to provide advice to the CEO; HMRA cannot employ staff and is assisted by staff employed within the Destination NSW Division. HMRA is not identified in schedule 1 to the Public Sector Employment and Management Act (PFA Act); and is not identified in schedule 2 or schedule 3 of the Public Finance and Audit Act (PFA Act).

A legal opinion was provided on 11 July 2012 by the NSW Crown Solicitor's office that by virtue of cl. 5 of the 2012 Order, HMRA was taken to be part of the Destination NSW Division for the purposes of the *ARSB Act* on and from 30 June 2012, accordingly, the entire financial year activities for HMRA should be included in Destination NSW Division's financial reports.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Chief Executive Officer, Destination NSW on 20 September 2013.

(b) Basis of preparation

The Division's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*; and
- specific directions issued by the Treasurer.

Plant and equipment and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Valuation of Long Service Leave is measured at present value in accordance with AASB 119 *Employee Benefits* as stated in Note 1(j)(ii).

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

The Division's insurance activities are included within Destination NSW's cover and conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the amount of GST incurred by the Division as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

The GST components of cash flows arising from the operating activities of the Division are included in the cash flows of Destination NSW accounts.

(f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Personnel services

Income is measured at the fair value of the consideration received or receivable. Income from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Division transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*

(v) Grants and contributions

Grants and contributions include donations and grants from Destination NSW. They are generally recognised as income when Destination NSW Division obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained when the obligations relating to the receipt have been met.

(g) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the Net result for the year. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the net result for the year.

Notes to the Financial Statements CONTINUED

(h) Plant and equipment

(i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Division. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Division revalues each class of plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the Division are regarded as immaterial.

(v) Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Division.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Default asset lives are:

Infrastructure systems	10 years
------------------------	----------

Depreciation rates are reviewed and determined on an annual basis.

(vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(i) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) when there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(j) Employee benefits and other provisions**(i) Salaries and wages, annual leave, sick leave and on-costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long service leave

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*, based on the application of procedures specified in NSW TC 12/06 to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

(iii) Superannuation

The Division's liability for defined benefit superannuation is assumed by the Crown Entity. The Division accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions (NSW TC 11/04). The expense for certain superannuation schemes (i.e. Basic Benefit and First State

Notes to the Financial Statements CONTINUED

Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(k) Equity

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Division's policy on the revaluation of property, plant and equipment as discussed in Note 1(h)(iii).

(ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(l) Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit Government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at amortised cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

(m) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

During 2013 Destination NSW moved to a new accounting system and condensed chart of accounts. Where necessary, comparatives have been reclassified to be consistent with current year disclosures. This has resulted in some immaterial movements in the 2012 disclosures.

(i) Employee related

Employee allowances (2012: \$12,000), previously in Other - Miscellaneous is now included within Salaries and wages.

(ii) Other operating expenses

Fees – catering costs (2012: \$3,000), previously in Fees - other is now included within Fees - events.

Grants – Government organisations (2012: \$1,317,000) and Grants – other organisations (2012: \$2,612,000) have been amalgamated.

(n) Administrative restructures

On 1 July 2011 Destination NSW Division was created through the transfer of staff from the Department of Trade and Investment, Regional Infrastructure and Services who were principally involved in matters relating to tourism and the transfer of staff from Events NSW.

This is an administrative restructure, which is treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. The transfers are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure, which approximates fair value. Refer Note 8.

From 30 June the activities of the Homebush Motor Racing Authority are taken as part of Destination NSW Division for the purposes of annual reporting.

(o) New Australian Accounting Standards issued but not effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2013. Those relevant to the Division are listed as follows:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 1055 Budgetary Reporting
- AASB 2011-2 regarding Trans Tasman Convergence – RDR
- AASB 2011-4 Amendments to Key Management Personnel Disclosure Requirements
- AASB 2011-6 regarding RDR and relief from consolidation
- AASB 2011-12 regarding Interpretation 20
- AASB 2012-3 regarding disclosures and offsetting financial assets and financial liabilities
- AASB 2012-7 and 2012-11 regarding reduced disclosure requirements

These standards/interpretations are not considered to have a material impact.

Notes to the Financial Statements CONTINUED

2. Expenses excluding losses

	2013 \$'000	2012 \$'000
(a) Employee related		
Salaries and wages (including recreation leave)	13,326	14,330
Superannuation-defined benefit plans	87	145
Superannuation-defined contribution plans	954	964
Long service leave	195	406
Workers compensation insurance	73	15
Payroll tax and fringe benefits tax	811	705
Redundancy ⁽ⁱ⁾	(23)	1,338
Other - Miscellaneous	45	61
	15,468	17,964
Notes: (i) The remaining provision for redundancy created in 2012 has been written back in 2013 as the program is now complete.		
(b) Other operating expenses		
Rent - Other	191	-
Telecommunications	1	3
Travel	20	26
Motor Vehicle	-	29
Other contractors	43	35
Administration Fees	1	-
Advertising	31	32
Promotion	6	4
Printing and publications	1	2
Fees - events	8	48
Fees - other	8	9
Purchases	3	19
Miscellaneous	1	4
Grants	3,261	3,929
	3,575	4,140
(c) Depreciation		
Infrastructure systems	938	1,041
	938	1,041

3. Revenue

	2013 \$'000	2012 \$'000
(a) Personnel services		
Personnel services	14,917	17,204
	14,917	17,204
(b) Acceptance by Crown Entity of employee benefits and other liabilities		
Superannuation – defined benefit	87	145
Payroll tax	5	8
	92	153
(c) Grants and contributions		
Grant from Destination NSW to Homebush Motor Racing Authority	3,592	4,468
Grants from other bodies	-	45
	3,592	4,513
(d) Other revenue		
Fees	442	233
Miscellaneous	-	1
	442	234

4. Current/non-current assets – receivables

	2013 \$'000	2012 \$'000
Current		
Personnel services	3,024	5,146
Operating grant for Homebush Motor Racing Authority	748	656
	3,772	5,802
Non-current		
Personnel services	76	91
Operating grant for Homebush Motor Racing Authority	7	7
	83	98

Notes to the Financial Statements CONTINUED

5. Non-current assets – plant and equipment

	Infrastructure \$'000	Total \$'000
At 1 July 2012 – fair value		
Gross carrying amount	8,727	8,727
Accumulated depreciation	(1,041)	(1,041)
Net Carrying Amount	7,686	7,686
At 30 June 2013 – fair value		
Gross carrying amount	8,727	8,727
Accumulated depreciation	(1,979)	(1,979)
Net Carrying Amount	6,748	6,748

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Infrastructure \$'000	Total \$'000
Year ended 30 June 2013		
Net carrying amount at start of year	7,686	7,686
Additions	-	-
Disposals	-	-
Net revaluation increment less revaluation decrements	-	-
Depreciation expenses	(938)	(938)
Depreciation written back on disposal	-	-
Net carrying amount at end of year	6,748	6,748

	Infrastructure \$'000	Total \$'000
At 30 June 2012 – fair value		
Gross carrying amount	8,727	8,727
Accumulated depreciation	(1,041)	(1,041)
Net Carrying Amount	7,686	7,686

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Infrastructure \$'000	Total \$'000
Year ended 30 June 2012		
Net carrying amount at start of year	-	-
Acquisitions through administrative restructures	8,727	8,727
Additions	-	-
Disposals	-	-
Net revaluation increment less revaluation decrements	-	-
Depreciation expenses	(1,041)	(1,041)
Depreciation written back on disposal	-	-
Net carrying amount at end of year	7,686	7,686

6. Current liabilities – payables

	2013 \$'000	2012 \$'000
Current		
Accrued salaries, wages and on-costs	438	437
Creditors	18	421
Unearned revenue	528	432
	984	1,290

7. Current/non-current liabilities – provisions

	2013 \$'000	2012 \$'000
Current		
Employee benefits and related on-costs		
Recreation leave	1,197	1,342
Long service leave	1,590	1,862
Redundancy	-	1,308
	2,787	4,512
Non-current		
Employee benefits and related on-costs		
Long service leave	84	98
	84	98
Total provisions	2,871	4,610
Aggregate employee benefits and related on-costs		
Provisions – current	2,787	4,512
Provisions – non-current	84	98
Accrued salaries, wages and on-costs (note 6)	438	437
	3,309	5,047

Notes to the Financial Statements CONTINUED

8. Increase / Decrease in Net Assets from Equity Transfers in 2012

- (a) Transfer of HMRA infrastructure assets and operations and employee related liabilities for tourism staff to Destination NSW Division from the Department of Trade and Investment, Regional Infrastructure and Services.

Assets	\$'000
Non-current assets	
Plant and equipment	
- Infrastructure	8,727
Total Non-Current Assets	8,727
Total Assets	8,727
LIABILITIES	
Current Liabilities	
Accrued salaries, wages and on-costs	141
Employee Provisions	1,143
Total Current Liabilities	1,284
Non-Current Liabilities	
Employee Provisions	8
Total Non-Current Liabilities	8
Total Liabilities	1,292

- (b) Transfer of employee-related liabilities to Destination NSW Division from Events NSW.

Liabilities	\$'000
Current liabilities	
Employee Provisions	211
Total Current Liabilities	211
Total Liabilities	211

- (c) Establishment of a receivable from Destination NSW for the provision of personnel services and HMRA operations.

Assets	\$'000
Current assets	
Receivables	1,495
Total Current Assets	1,495
Non-Current Assets	
Receivables	8
Total Non-Current Assets	8
Total Assets	1,503

(d) Transactions with the Crown

- (i) The Crown has assumed the negative reserve in the employer superannuation reserve account of the former Events NSW extinguishing the liability for defined benefit superannuation previously held in these accounts (\$586,000).
- (ii) Destination NSW has taken up the liability for long service for the staff transferred from the Department of Trade and Investment, Regional Infrastructure and Services which was previously held by the Crown. A cash transfer funded the assumption of the nominal value of the long service leave (\$1,394,000).

9. Commitments

	2013 \$'000	2012 \$'000
(a) Capital commitments		
As at 30 June 2012 Destination NSW Division had no Capital commitments. (2012: NIL)		
(b) Operating lease commitments		
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:		
Not later than one year	199	178
Later than one year and not later than five years	-	121
Later than five years	-	-
Total (including GST)	199	299
The total of 'Operating Lease Commitments' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	18	27
(c) Finance Lease Commitments		
As at 30 June 2013 Destination NSW Division had no finance lease commitments (2012: Nil).		
(d) Events funding commitments		
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:		
Not later than one year	646	2,585
Later than one year and not later than five years	-	646
Later than five years	-	-
Total (including GST)	646	3,231
The total of 'Events Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	59	293

Notes to the Financial Statements CONTINUED

10. Contingent liabilities and contingent assets

The Division is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2012: Nil).

11. Reconciliation of cash flows from operating activities to the Net result

	2013 \$'000	2012 \$'000
Net cash used on operating activities	-	-
Depreciation	(938)	(1,041)
Increase/(decrease) in Receivables	(2,045)	5,900
(Increase)/decrease in Payables	306	(1,290)
(Increase)/decrease in Provisions	1,739	(4,610)
Net result	(938)	(1,041)

12. Audit fees

All audit fees are met directly by Destination NSW.

13. Financial instruments

The Division has no cash and cash equivalents and all receivables (2013: \$3,855,000; 2012: \$5,900,000) relate to a single debtor, Destination NSW. No receivables are past due or impaired.

All liabilities (2013: \$3,855,000; 2012: \$5,900,000) are payables, accruals and provisions relating to the provision of personnel services to Destination NSW and the operations of HMRA.

These financial instruments arise directly from the Division's operations or are required to finance the Division's operations. The Division does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Division's financial instruments are managed by Destination NSW. The Division's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The Division has no interest bearing liabilities or assets and is not exposed to market risk.

14. Events after the Reporting Period

There are no events subsequent to the balance date which affect the financial information disclosed in these financial statements.

End of the audited financial statements.

Events New South Wales Pty Ltd Financial Statements

Contents

119	Events New South Wales Pty Ltd Financial Statements
120	Statement of comprehensive income for the year ended 5 May 2013
121	Statement of financial position as at 5 May 2013
122	Statement of changes in equity for the year ended 5 May 2013
122	Statement of cash flows for the year ended 5 May 2013
123	Notes to the Financial Statements
123	1. Reporting entity
123	2. Basis of preparation
123	3. Significant accounting policies
126	4. Determination of fair values
127	5. Personnel expenses
127	6. Cash and cash equivalents
127	7. Other receivables
127	8. Trade and other payables
127	9. Contributed equity
127	10. Reconciliation of cash flows from operating activities
128	11. Financial instruments
128	12. Interest rate risk
128	13. Economic dependency
129	14. Related parties
129	15. Details of Directors' remuneration
130	16. Auditor's remuneration
130	17. Contingent assets/liabilities
130	18. Dealings with Destination NSW
130	19. Events subsequent to reporting date
131	Directors' Declaration
132	Independent audit report to the members of Events New South Wales Pty Limited

Events New South Wales Pty Ltd (deregistered on 5 May 2013)

Financial Statements as at 5 May 2013

STATEMENT OF COMPREHENSIVE INCOME AS AT 5 MAY 2013

	Note	2013 \$	2012 \$
Revenue			
Government grant income		-	15,733,000
Events revenue		-	15,000
Gain on sale of assets		-	300
Other income		650	-
Total revenue		650	15,748,300
Expenses			
Grant expenditure		-	14,574,133
Expense transfers		460,431	-
General and administrative expenses		7,087	245,910
Personnel expenses	5	-	471,628
Total expenses		467,518	15,291,671
Profit/(loss) for the year		(466,868)	456,629
Total comprehensive income for the period		(466,868)	456,629

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 5 MAY 2013

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	6	365	487,033
Other receivables	7	-	200
Total current assets		365	487,233
Total assets		365	487,233
Liabilities			
Current liabilities			
Trade and other payables	8	-	20,000
Total current liabilities		-	20,000
Total liabilities		-	20,000
Net assets		365	467,233
Equity			
Contributed equity	9	100	100
Retained earnings		265	467,133
Total equity		365	467,233

Financial Statements CONTINUED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 5 MAY 2013

	Contributed Equity \$	Retained Earnings \$	Total Equity \$
Opening balance 1 July 2011	100	10,504	10,604
Comprehensive income for the period			
Profit/(loss) for the period	-	456,629	456,629
Other comprehensive income			
Defined benefit plan actuarial gains/(losses)	-	-	-
Total comprehensive income for the period	-	456,629	456,629
Closing balance 30 June 2012	100	467,133	467,233
Opening balance 1 July 2012	100	467,133	467,233
Comprehensive income for the period			
Profit/(loss) for the period	-	(466,868)	(466,868)
Other comprehensive income			
Defined benefit plan actuarial gains/(losses)	-	-	-
Total comprehensive income for the period	-	(466,868)	(466,868)
Closing balance 5 May 2013	100	265	365

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 5 MAY 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Cash received from Government		-	15,733,000
Cash received from operations		3,375	1,425,240
Cash paid to suppliers and employees		(29,612)	(3,900,220)
Interest received		-	-
Cash paid to Destination NSW	18	(460,431)	(15,984,373)
Net cash from operating activities	10	(486,668)	(2,726,353)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	300
Net cash from investing activities		-	300
Cash flows from financing activities			
Proceeds from contributed capital		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		(486,668)	(2,726,053)
Cash and cash equivalents at 1 July		487,033	3,213,086
Cash and cash equivalents at 5 May	6	365	487,033

Notes to the Financial Statements

1. Reporting entity

Events New South Wales Pty Limited (the 'Company') is a not for profit entity (as profit is not its principal objective) and responsible for the driving of significant economic, strategic, marketing and community benefits to the State of NSW through sponsorship and leveraging of events. Events New South Wales Pty Limited is a company domiciled in Australia. The address of the registered office was Level 4, 88 George Street, Sydney.

2. Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2010 and Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB).

The financial statements were approved by the Board of Directors on 20 September 2013.

(b) Basis of measurement

The financial statements have been prepared on a liquidation basis (see (d) below). The financial statements have been presented in Australian dollars.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(d) Liquidation basis of preparation

Due to the company's shareholder, the NSW State Government, decision to restructure its tourism and events resources, the financial statements have been prepared on a liquidation basis. The company's business activities were transferred to a new authority, Destination NSW with effect from 1 July 2011. As a result, assets and liabilities have been measured at their realisable amounts. All items are presented at 5 May 2013 as current in the statement of financial position.

On 5 May 2013, the company was deregistered with the Australian Securities and Investments Commission.

Dealings with Destination NSW are disclosed in Note 18.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, other receivables and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date,

Notes to the Financial Statements CONTINUED

i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances, call deposits and cash on hand.

Accounting for finance income and expense is discussed in note 3(f)

(b) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in group that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the Statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the Statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

As a not-for-profit entity with no cash generating units, the Company is effectively exempt from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(d) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in the Statement of comprehensive income when they are due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated or Government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of any economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Actuarial gains and losses are recognised outside of profit or loss in the Other Comprehensive Income in the year in which they occur.

(iii) Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or Government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(v) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(e) Revenue**(i) Government grants**

Government grants are received from the New South Wales State Government to assist the Company in funding for providing support and resources to events held in NSW.

An unconditional Government grant under a signed funding agreement is recognised in the Statement of comprehensive income when the grant becomes receivable.

(ii) Events revenue

Events revenue is recognised upon completion of sponsorship of events in recognition for the Company's assistance in providing support and resources to hold events.

(f) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense that is recognised in the Statement of comprehensive income as it accrues.

(g) Contributions paid

The constitution of the Company does not allow payment of dividends to shareholders. Rather any surplus net assets must be paid to another entity with like objective. Any such transfer or payment of net assets to another entity is treated as a contribution paid and included in the Statement of comprehensive income equal to the fair value of the transfer.

(h) Income tax

The Company has been granted an exemption from income tax pursuant to Section 24AM of the Income Tax Assessment Act 1936.

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to the Financial Statements CONTINUED

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

(k) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(l) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Trade and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of comprehensive income when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

5. Personnel expenses

	2013 \$	2012 \$
Salaries & wages	-	486,187
(Decrease)/increase in liability for annual leave	-	(45,122)
(Decrease) in liability for long service leave	-	(12,243)
Payroll tax	-	-
Contributions to superannuation plans	-	42,806
Defined benefit contribution expense	-	-
		471,628

6. Cash and cash equivalents

Cash at bank	365	486,820
Cash on hand	-	213
	365	487,033

7. Other receivables

GST receivables	-	200
	-	200

8. Trade and other payables

Current	-	20,000
Accrued expenses	-	20,000

9. Contributed equity

100 ordinary shares of \$1 each, fully paid	100	100
	100	100

10. Reconciliation of cash flows from operating activities

Cash flows from operating activities		
Profit/(loss) for the year	(466,868)	456,629
Adjustments for:		
Gain on sale of assets	-	(300)
Operating profit/(loss) before changes in working capital	(466,868)	30,595
Change in trade and other receivables	200	961,035
Change in trade and other payables	(20,000)	(4,086,352)
Change in provisions	-	(57,365)
New cash from/(used in) operating activities	(486,668)	(2,726,353)

Notes to the Financial Statements CONTINUED

11. Financial instruments

Credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was.

Cash and cash equivalents	365	487,033
	365	487,033

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	6 mths or less	6–12 months	1–2 years	2–5 years
2013	-	-	-	-	-	-
Trade and other payables						
2012	20,000	-	20,000	-	-	-
Trade and other payables						

12. Interest rate risk

The Company had no income-earning financial assets, being cash on deposits (at call) at reporting date.

Fair values

The fair values of financial assets and liabilities approximate their carrying amounts shown in the Statement of financial position.

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was

	2013 \$	2012 \$
Variable rate instruments		
Financial assets	-	-
	-	-

A change of 100 basis points in interest rates at the reporting date would have no effect on equity and profit or loss.

13. Economic dependency

The Company was incorporated on 3 September 2007 and was wholly owned by the New South Wales State Government, until deregistration on 5 May 2013.

The Company was dependent upon the New South Wales State Government to adhere to the quantum and timing of Government grants under the funding agreement to allow the Company to continue its operations and meet its contracted obligations.

14. Related parties

Directors

The names of directors during the period ended 5 May 2013 were John Conde and Roderick McGeogh.

	2013 \$	2012 \$
Non-executive directors' remuneration		
Short-term employee benefits	-	97,260
Post-employment benefits	-	7,741
	-	105,001
Executive director's remuneration		
Short-term employee benefits	-	260,646
Eligible termination payments	-	164,356
Post-employment benefits	-	28,260
	-	453,262

15. Details of Directors' remuneration

Directors		Short term		Other long-term benefits		Post-employment	Total
		Salary	Other benefits	ETP		Superannuation	
John Conde (Chairman)	2013						
	2012	24,083	-	-	-	2,167	26,250
Richard Colless	2013						
	2012	10,321	-	-	-	929	11,250
Johanna Griggs	2013						
	2012	10,321	-	-	-	929	11,250
Peter Ivany	2013						
	2012	10,321	-	-	-	929	11,250
David Richmond	2013						
	2012	10,321	-	-	-	929	11,250
Belinda Seper	2013						
	2012	10,321	-	-	-	929	11,250
Charlotte Vidor	2013						
	2012	11,250	-	-	-	-	11,250
Roderick McGeoch	2013						
	2012	10,321	-	-	-	929	11,250
Geoff Parmenter (CEO & KMP)	2013						
	2012	129,281	20,121	123,214	-	18,262	290,878

Notes to the Financial Statements CONTINUED

Other key management personnel

Other key management personnel in the positions of Chief Financial Officer, General Manager Operations & Communications, General Manager Marketing & Strategy and General Manager Events are the responsibilities of Destination NSW.

	2013 \$	2012 \$
Key management personnel remuneration (excluding CEO)		
Short-term employee benefits	-	152,386
Post-employment benefits	-	9,998
	-	1,356,690

16. Auditor's remuneration

	2013 \$	2012 \$
Audit services		
Auditors of the Company	-	16,500
	-	16,500

17. Contingent assets/liabilities

Under certain funding agreements, if key event performance indicators are not met by the event organiser, Events NSW is entitled to a return on their investment in line with the contract. At reporting date, no such amounts, that can be reliably measured are known.

18. Dealings with Destination NSW

Events NSW Pty Limited transferred assets and liabilities during the year to Destination NSW as part of a restructure as per Note 2 (d). A reconciliation of the transfers to Destination NSW is outlined below.

	2013	2012 \$
Reconciliation of transfers to Destination NSW		
Operating expenditure paid on behalf of Destination NSW	460,431	(7,389,708)
Property, plant and equipment	-	597,713
Intangibles	-	215,540
Accrued expenses	-	(571,700)
Operating lease payable	-	(55,614)
Annual leave provision	-	(187,948)
Long service leave provision	-	(23,105)
Employee superannuation defined benefit obligations	-	(585,928)
Cash transfer to Destination NSW	460,431	8,000,750

19. Events subsequent to reporting date

On 3 June 2013, the balance of funds in the bank was transferred to Destination NSW. Subsequent to the final transfer the bank account was closed.

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the Company.

Directors Declaration

The accompanying financial statements and notes to the accounts have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, regulations contained within the *Public Finance and Audit Regulation 2010* and the Australian Accounting Standards and Interpretations.

In our opinion the statements exhibit a true and fair view of the financial position and transactions of Events NSW Pty Limited operations for the period up to deregistration, being 5 May 2013.

The members of the Board are not aware of any circumstances, as at the date of this certificate, which would render any particulars in the financial report to be misleading or innacurate.

Date: 27 September 2013



John Conde
Chairman
Destination NSW



INDEPENDENT AUDITOR'S REPORT

Events New South Wales Pty Limited

To Members of the New South Wales Parliament and Members of Events New South Wales Pty Limited.

I have audited the accompanying financial statements of Events New South Wales Pty Limited (the Company), which comprise the statement of financial position as at 5 May 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 5 May 2013, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis
Director, Financial Audit Services

2 October 2013
SYDNEY

Index

- Aboriginal tourism, 39
- Access, 135
- accounting policies
 - Destination NSW, 73-80
 - Destination NSW Division, 99-118
 - Events NSW, 119-130
 - see also* Australian Accounting Standards
- accounts payment, 62
- additional matters for inclusion
 - PPIPA details, 52,
 - after balance day events, 63
 - annual report costs, 63
 - non-printed formats, 132
 - internet address access, 132
- administrative restructures, 80, 110
- agreements with the Community Relations Commission, 49
- Air Asia 21, 33
- airline partnerships, 11, 13, 38
- Arts and entertainment portfolio, 25-26
- assets
 - Destination NSW, 70, 71, 74, 78, 80, 83, 84, 85, 87, 90, 91, 93, 97
 - Destination NSW Division, 104, 108, 109, 110, 111, 113, 114, 116, 118
 - Events NSW, 121, 123, 124, 127, 128, 130
- Audit and Risk Committee, 50
- audit fees, 118
- Auditor's Reports
 - Destination NSW, 67-68
 - Destination NSW Division, 101-102
 - Events NSW, 132-134
- audits, internal management, 54
- Australian Accounting Standards, 74, 75, 79, 80, 106, 107, 108, 110, 111, 123, 126
- Australian Open of Surfing, 27
- aviation, 51
 - see also* airline partnerships
- awards, 15
- badminton, 31
- Balding, Russell, 50, 53
- board committees, 52
- Board of Management, 6, 52
- Board Members, 8
- Bowes, Tanya, 46
- Broken Hill City Council, 31, 32
- budget review, 93
- budget structure, 14
- budgets, 63
- Business Events, 17, 27, 51, 52
- business support programs, 40
- campaigns, 19, 28-29, 31, 33, 38
- Cassar, Leslie, 50
- CEO's Report, 11-13
- CEO's Statement, 100
- Chairmans Foreword, 4
- Charter, aims & objectives, 6
- China, 11-13, 36, 38, 41, 50
- China Mission, 36
- China Southern Airlines, 38
- China Tourism Strategy, 12, 38
- Chipchase, Sandra, 8, 9, 11-13, 17, 48, 50, 55, 66, 100
- Colless, Richard, 129
- commitments
 - Destination NSW, 92
 - Destination NSW Division, 117
- competing industries,
 - Conde, John, 4, 8, 50, 53, 129
- consolidated financial statements, 43
- consultants, 52
- consumer response, 50
- controlled entities disclosure, 53
- co-operative marketing, 7, 38
- co-operative programs, 6
- corporate governance, 50-52
- Corporate Services, 43
- credit card certification, 63
- credit risk
 - Destination NSW, 94
 - Events NSW, 128
- Crown transactions, 91, 117
- cruise ship services tourism, 39
- cruise ship tourism, 39
- current assets
 - Destination NSW, 70, 84, 90, 91
 - Destination NSW Division, 104, 113, 116
 - Events NSW, 121
- current liabilities
 - Destination NSW, 70, 90, 93
 - Destination NSW Division, 104, 115, 116
 - Events NSW, 121
- defined benefit plans, 124
- defined contribution plans, 124
- Department of Trade and Investment, Regional Infrastructure and Services
 - grants and contributions, 77, 82
 - services transfers, 80, 90
- Destination NSW Division, 53, 73
- Destination NSW Division financial statements, 99-118
- Destination NSW financial statements, 65-98
- Destination NSW service groups, 83
- Directors' Declaration, 131
- disability reporting provision
 - exemption, 49
- disclosure of controlled entities, 53
- disclosure of subsidiaries, 53
- domestic marketing/performance, 12
- Doran, Peter, 46
- economic factors, 21, 57
- employee benefits and other provisions
 - Destination NSW, 77-78, 89
 - Destination NSW Division, 103, 109, 115, 124, 125
 - Events NSW, 119, 127, 131, 134, 141
- entertainment, 16
- equal employment opportunity
 - reporting provision exemption, 49
- equity and reserves
 - Destination NSW, 71, 78, 97
 - Destination NSW Division, 104, 110
 - Events NSW, 121, 122, 127
- equity transfers, 71, 78, 91, 110, 116
- Equivalent Advertising Value, 15, 19
- event evaluation, 43
- events, 11-13, 25-27, 53
- events funding commitments, 94, 117
- events grants, 58
- Events NSW, 8, 52, 53, 71, 73, 80, 91, 98, 106, 116
- Events NSW financial statements, 119-131
- exceptional movements in remuneration, 48
- executive performance, 48-49
- exemptions from reporting provisions, 49
- expenditure commitments *see* commitments
- expenses including losses
 - Destination NSW, 69, 72, 74, 79, 81, 82
 - Destination NSW Division, 103, 112
 - Events NSW, 120
- fair value, 74, 75, 98, 106, 108, 110, 114, 123, 124, 125, 126, 128
- festivals, 16
- financial instruments
 - Destination NSW, 94-98
 - Destination NSW Division, 118
 - Events NSW, 123, 124, 128
- financial management, 61-63
- financial overview, 14
- financial statements
 - Destination NSW, 65-98
 - Destination NSW Division, 98-118
 - Events NSW, 119-133
- food and wine tourism, 39-40
- football, 12, 26, 28
- Forsythe, The Hon. Patricia, 8, 9, 50
- Funds granted to non-Government community organisations *see* grants, 58
- funds sources, 14
- gain/loss on disposal
 - Destination NSW, 69, 83
 - Destination NSW Division, 103
- Government Information (Public Access) Act 2009*, 51
- grants, 69, 72, 75, 79, 80, 112
- Regional Flagship Events Program, 58
- Regional Tourism Partnership Program, 60
- Regional Tourism Product Development Program, 59
- Visitor Information Centre, 61
- Gray, Lyndel, 46, 49
- Greater Sydney Partnership, 6, 14, 73
- Griggs, Johanna, 129
- GST, 74, 84, 107, 125
- Handa Opera on Sydney Harbour, 25, 37, 38
- Hardman, Bryan, 46
- Homebush Motor Racing Authority, 6, 14, 42, 46, 47, 48, 50, 51, 56, 63, 73, 80, 81, 90, 106, 110, 113
- Hopwood, John, 46, 48
- human resources
 - exceptional movements in remuneration, 48
 - executive performance, 48-49
 - exemptions from reporting divisions, 49
 - see also* employee benefits/ expenses; staff profile
- implementation of price
 - determination, 63
- income recognition, 74-75, 107
- infrastructure investment, 51
- innovation, 13, 33
- insurance, 52, 74, 107
- integrated marketing activities, 50
- interest rate risk, 97, 128
- internal audit and risk management
 - policy attestation, 53
- internal management audits, 52
- international activity, 11
- international campaigns/
 - performance, 19, 21, 33
- international education, 51
- international markets, 23
- international trade familiarisation visits, 37
- international trade missions, 36
- investment performance, 63
- investment revenue, 75, 82
- Ivany, Peter, 129
- Kahui, Diana, 46
- Laver, Anthony, 46, 49
- leases, operating *see* operating leases
- leave, 77, 78, 81, 89, 106, 109, 112, 115, 127, 130
- Legal change, 52
- legislation, 54
- Letter of Submission, 2
- liabilities
 - Destination NSW, 69, 70, 77-78, 88-91, 93, 94, 96
 - Destination NSW Division, 103, 104, 109, 111, 113, 115, 116, 118
 - Events NSW, 121, 130
- liability management performance, 62
- lifestyle portfolio, 16, 27
- liquidity risk
 - Destination NSW, 95-95
 - Events NSW, 128
- losses *see* expenses including losses
- Love Every Second*, 12, 28, 29, 38
- Machin, Wendy, 8, 9, 50
- management activities, 56
- Management and structure *see* Board, 8
- Senior Executive, 46
- Organisation Structure, 10
- market risk, 96-97
- McGeoch, Roderick, 8, 9, 50, 129
- media engagement, 15, 18
- Montgomery, John Drummond, 46, 49
- multicultural policies and services
 - program reporting provision exemption, 49
- non-current assets
 - Destination NSW, 70, 75, 85, 87, 90, 91,
 - Destination NSW Division, 104, 108, 110, 113, 114, 116
- non-current liabilities
 - Destination NSW, 70, 88, 89, 90
 - Destination NSW Division, 104, 115, 116
- NSW First, 11, 40
- NSW Treasury Managed Fund Scheme, 74, 107
- Occupational Health & Safety
 - reporting provision exemption, 49
- operating leases
 - Destination NSW, 76
- operations
 - consumer response, 56
 - factors affecting operational objectives, 57
 - managed activities, 56-57
 - promotion, 54-55
 - research and development, 56
- organisation, 10
- Organisation Chart, 10
- overseas visits, 54-55
- Parmenter, Geoff, 129
- Parramasala Limited, 80
- partnerships, 10, 11, 13, 19, 35-40
 - see also* grants
- Paterson, Mark I., 8, 9, 50
- payment of accounts, 62
- performance
 - Destination NSW, 15-20
 - NSW tourism industry, 21
 - Senior Executives, 46
- performance and numbers of executive officers, 48
- Privacy and Personal Information Protection Act 1998*, 52
- promotion, 54-55
- see also* overseas visits
- publicity programs, 41
- Regional Flagship Events Program, 35, 58
- regional NSW
 - campaigns, 19, 31, 35
 - events, 17, 25, 27, 58
 - grants, 58-60
- Regional Tourism Partnership Program, 35, 60
- Regional Tourism Product Development Program, 59
- Regional Visitor Economy Fund, 11, 35, 60
- related party transactions, 80
- remuneration movements,
 - exceptional, 48
- reporting provision exemptions, 49
- research and development, 56
- research and evaluation, 43
- reserves *see* equity and reserves
- revenue
 - Destination NSW, 69, 79, 80, 82, 88
 - Destination NSW Division, 103, 107, 113
 - Events NSW, 120, 125
 - Richmond, David, 129
 - risk *see* credit risk; interest rate risk; liquidity risk; market risk
 - risk management, 52, 53, 56
- Scoot Airlines, 21, 38
- Senior Executive, 46, 47, 48
- Seper, Belinda, 129
- service groups (Destination NSW), 83
- services, 7
- Shepherd, Simonne, 46
- short breaks, 31, 34
- social media channels, 31
- sport, 16
- sport portfolio, 26
- staff profile (Destination NSW), 47
- Statement of Cash Flows
 - Destination NSW, 74
 - Destination NSW Division, 105
 - Events NSW, 122
- Statement of Changes in Equity
 - Destination NSW, 71
 - Destination NSW Division, 105
 - Events NSW, 122
- Statement of Comprehensive Income
 - Destination NSW, 69,
 - Destination NSW Division, 103
 - Events NSW, 120
- Statement of Financial Position
 - Destination NSW, 70
 - Destination NSW Division, 104
 - Events NSW, 121
- strategic objectives, 15-20
- subsidiaries, 51
- Summary review of operations
 - CEO's Report – The Year in Review, 11-13
 - Destination NSW Performance KPIs 15-20
 - Financial Overview, 14
 - Review Section divisional reports 25-44
- superannuation, 78, 81, 109, 110, 112, 113, 127, 130
- Sydney 360 Degree Innovation, 33
- Sydney in Summer, 30, 31
- Sydney in Winter*, 30
- Sydney Gay & Lesbian Mardi Gras, 27
- Sydney Telstra 500 V8 Supercar Motor Race, 16, 42
- tourism funding commitments, 92
- tourism industry performance, 21
- Tourism NSW, 47, 48, 51, 73
- tourism snapshots, 22-23
- Trade and Investment *see* Department of Trade and Investment, Regional Infrastructure and Services
- trade missions, 36
- Vidor, Charlotte, 129
- visitor arrivals, 22
- 'visitor economy', 6, 7
- Visitor Economy Industry Action Plan, 6, 7, 11, 12, 13, 35, 39, 56
- Visitor Economy Taskforce, 7, 50, 60
- Visitor Information Centre support, 61
- visitor nights, 22, 23
- Vivid Sydney, 11, 12, 13, 25, 28
- waste reporting provision
 - exemption, 49
- websites, 13, 15, 19, 31
- workers compensation insurance, 81, 112
- Youth Program, 39

Access

Destination NSW

Sydney Offices

To 6 September, 2013

Level 2, 55 Harrington Street
The Rocks NSW 2000

Tel: +61 2 9931 1111
(0830-1700 Mon – Fri)
Fax: + 61 2 9931 1490

and

Level 5, 88 George Street
The Rocks NSW 2000

Tel: +61 2 8114 2400
(0830-1730 Mon – Fri)
Fax: +61 2 8114 2444

From 9 September, 2013

Level 2, 88 Cumberland Street
The Rocks, NSW 2000

Tel: +61 2 9931 1111
and +61 2 8114 2400
Fax: + 61 2 9931 1490
and +61 2 8114 2444

Business hours 8:30am-5:30pm
Monday to Friday

Postal address:

GPO Box 7050, Sydney NSW 2001

Corporate e-mail & website

info@dnsw.com.au
destinationnsw.com.au

Consumer Websites

Sydney.com
Visitnsw.com
vivid Sydney.com

International Offices

United Kingdom & Europe

Level 6, Australia Centre Strand
London WC2B 4LG

UNITED KINGDOM
Tel: +44 20 7438 4644 or 4643
Fax: +44 20 7240 6690

North America

6100 Center Drive, Suite 1150
Los Angeles, CA 90045

UNITED STATES OF AMERICA
Tel: +1 310 695 3235
Fax: +1 310 641 1655

North Asia (China, Hong Kong, Korea)

Suite 2203
22/F, Central Plaza
18 Harbour Road

Wanchai
Hong Kong
Tel: +852 2411 2955
Fax: +852 2877 0387

China

C/- New South Wales
- Government Business Office
Unit 2208, Level 22, CITIC Square,
1168 Nanjing Road West
Shanghai 200040
P. R. CHINA
Tel: +86 21 5292 8833
Fax: +86 21 5292 5557

Japan

12F Marunouchi Trust Tower North
1-8-1 Marunouchi, Chiyoda-ku,
Tokyo 100-0005
JAPAN
Tel: +81 3 5224 4080
Fax: +81 3 5224 4083

New Zealand

Level 3, 125 The Strand,
Parnell, Auckland 1010
NEW ZEALAND
Tel: +64 9 307 7040
Fax: +64 9 366 6173

South and South-East Asia

(Singapore, Malaysia, Indonesia)

#08-01A United Square
101 Thomson Rd,
Singapore 307591
SINGAPORE
Tel: +65 6253 3888
Fax: +65 6352 4888

India (from October 2013)

Office Number 85, 3 North Avenue
(Building 3), Maker Maxity, Bandra Kurla
Complex, Bandra (E), Mumbai – 400 051
Tel: +91 22 6749 3034
PBX: +91 22 6749 3030

