

Destination NSW

ANNUAL REPORT
2013/2014



Destination NSW

ANNUAL REPORT 2013/2014



The Hon. Troy Grant MP
Deputy Premier
Minister for Tourism and Major Events
52 Martin Place
SYDNEY NSW 2000

31 October 2014

Dear Deputy Premier,

We are pleased to submit the Annual Report of Destination NSW for the financial year ended 30 June 2014 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 Government Sector Employment Act 2013, 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 Hartigan".

John Hartigan
Chairman

A handwritten signature in black ink, appearing to read "S. Chipchase".

Sandra Chipchase
CEO

Contents

4	Chairman's Foreword
5	Organisation
6	About Destination NSW
8	Board Members
11	Organisation Chart 2013/2014
12	CEO's Report: The Year in Review
15	Financial Overview 2013/2014
16	Destination NSW Performance 2013/2014
22	NSW Tourism Performance 2013/2014
24	Visitor Snapshot: NSW Year Ending June 2014
26	Review
27	Event Development
31	Marketing for Tourism and Events
40	Industry Partnerships and Government Policy
49	Communications
51	Homebush Motor Racing Authority
52	Corporate Operations
53	Appendices
54	Destination NSW Senior Executive
55	Human Resources
57	Policies and Programs
59	Corporate Governance
64	Operations
67	Management Activities
69	Grants
72	Financial Management
74	Financial Statements
75	Destination NSW Financial Statements
103	Destination NSW Staff Agency Financial Statements
122	Index
124	Access

Chairman's Foreword

In my first few months as Chairman of Destination NSW, I was struck by three things in particular:

1. The wealth of outstanding attractions, experiences, festivals and events that New South Wales has to offer;
2. The strong NSW Government support of the work of Destination NSW and their commitment to delivering the Visitor Economy Industry Action Plan; and
3. The dedication and professionalism of the Destination NSW Board, CEO and team.

Achieving the New South Wales Government's goal of "Doubling Overnight Visitor Expenditure by 2020" is at the forefront of Destination NSW operations. In 2013/14, the organisation has been focused on delivering Year Two Actions outlined in the Visitor Economy Industry Action Plan (VEIAP), which is the New South Wales Government's response to the Visitor Economy Taskforce Report.

On reviewing the results and achievements of Destination NSW in implementing the VEIAP, it is clear the Plan is certainly delivering excellent results for New South Wales. In both domestic and international markets Destination NSW is delivering innovation, stronger industry partnerships and in most cases record results.

Destination NSW's work in developing Australia's most compelling calendar of major events is also paying dividends. In the past year Sydney and Regional NSW have hosted some wonderful events across arts, culture, lifestyle and sports that have strong appeal for international and interstate visitors.

I thank the former Deputy Premier and Minister for Tourism and Major Events, Andrew Stoner and the New South Wales Government for their ongoing recognition and support of the work of Destination NSW in growing the State's Visitor Economy.



John Hartigan
Chairman
Destination NSW

I also congratulate our CEO, Sandra Chipchase on her vision and commitment as she has guided Destination NSW to become an innovative, customer focused organisation with the agility to respond to changing priorities to ensure that New South Wales maintains its position as the most visited State in Australia. I also applaud the efforts of the Destination NSW Executive team and our staff both in NSW and overseas, whose commitment to achieving our strategic objectives is outstanding.

It has been a great pleasure to take on the position of Chairman following on from the exemplary work of my predecessor, John Conde AO, and to work with a Board of Directors whose immense knowledge of the tourism and major events sectors and the business world more broadly has contributed greatly to the organisation's success.

I look forward to working with the industry across New South Wales to ensure that the capacity for the New South Wales Visitor Economy to grow and flourish is further embedded during my term as Chairman.

John Hartigan
Chairman
Destination NSW

Organisation

- 6 About Destination NSW
- 8 Board Members
- 11 Organisation Chart 2013/2014
- 12 CEO's Report: The Year in Review
- 15 Financial Overview 2013/2014
- 16 Destination NSW Performance 2013/2014
- 22 NSW Tourism Performance 2013/2014
- 24 Visitor Snapshot

NSW NUMBER 1 STATE
FOR OVERNIGHT EXPENDITURE



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.

Destination NSW is a Public Service Executive Agency governed by a Board of Management and is subject to the control and direction of the Deputy Premier and Minister for Tourism and Major Events. It is principally funded by the NSW Government. Destination NSW is part of a cluster of agencies under the responsibility of the Secretary 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. Our particular focus is on driving tourism and acquiring and developing major sporting and cultural events for Sydney and Regional NSW. In addition, Destination NSW is the major investor in Business Events Sydney with the aim 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 initiatives that support the provision of goods and services to overnight visitors including, but not limited to, leisure, business, events, food and wine, arts/cultural, nature and student visitors.

The visitor economy contributes \$28.1 billion to the State's economy and supports 158,000 direct jobs. In the year ended June 2014, New South Wales welcomed 29.7 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 NSW 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 NSW 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 works 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 regional events and tourism activities.

Board Members



John Hartigan (Chairman)



Russell Balding AO (Deputy Chairman)



Leslie Cassar AM, MOM, KSJ



Sandra Chipchase



Wendy Machin



Mark I. Paterson AO



The Hon. Patricia Forsythe



Rod McGeoch AM

John Hartigan (Chairman)

John Hartigan was appointed as Chairman of Destination NSW in March 2014. With more than four decades in the media industry, Mr Hartigan previously headed the Australian operations of News Corporation as Chairman and Chief Executive Officer of News Limited. Mr Hartigan is a former Director of News Limited and its subsidiary companies, Queensland Press, Advertiser Newspapers and The Herald and Weekly Times Limited; a former Director of FOXTEL and a former Chairman of the Australian News Channel, which owns and operates Sky News.

Mr Hartigan has been an adviser to the Australian Government, sat on the Independent Steering Committee for the Australia 2020 Summit, co-chairing the Future of Australian Governance stream at that conference. In addition, he was appointed to a new business advisory group to advise the Australian Government on new workplace legislation.

He has worked in advisory positions for the American Australian Association and the NSW Export and Investment Advisory Board.

Among his external board and community responsibilities Mr Hartigan is a Director of The Bradman Foundation and is a Trustee of the Sydney Cricket and Sports Ground Trust.

In May 2014 he was appointed Chairman of Prime Media Group, an ASX listed company.

Leslie Cassar AM, MOM, KSJ

A former Chairman of Tourism NSW and the Tourism and Transport Forum (TTF), Leslie 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)

Russell Balding is Chairman of Cabcharge Australia Limited, a Board Director of ComfortDelgro Cabcharge Pty Ltd, CityFleet Networks Pty Ltd, The Trust Company (Sydney Airport) Limited and a member of the Board of Racing NSW.

Mr Balding previously 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, Managing Director of the Australian Broadcasting Corporation (ABC) and Director of Finance at the NSW Roads and Traffic Authority.

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. Sandra is also a member of the Project Steering Committee for Sydney's new International Convention, Exhibition and Entertainment Centre Precinct, 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 General Manager 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)

Wendy Machin is Deputy President of NRMA Motoring and Services. 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.

Board Members CONTINUED

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

Mark Paterson was appointed Secretary of the NSW Department of Trade & Investment, Regional Infrastructure and Services in June 2011.

Previously, Mr Paterson has held appointments as Secretary of the Commonwealth Department of Innovation, Industry, Science and Research (2007) and Secretary of the then Department of Industry, Tourism and Resources (2002). Outside of Government, Mr Paterson has held Chief Executive roles with the Australian Chamber of Commerce and Industry (1996-2002), the Retailers' Council of Australia and the Retail Traders' Association of NSW. He has held positions on the Boards of CSIRO, AusTrade, Australian Tourist Commission and the Australian Export Finance Insurance Commission.

Mr Paterson currently sits on the Board of Infrastructure NSW and is a member of the NSW Innovation & Productivity Council.

Mr Paterson was appointed as an Officer of the Order of Australia in 2007 in recognition of his service to business and industry through policy development and economic research, to the resources sector in the areas of energy regulation and marketing, and to tourism development.

The Hon. Patricia Forsythe BA, DipEd

Patricia 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; Board of Studies Teaching and Educational Standards; Cricket NSW; and the Council of Macquarie University.

Patricia also represents Destination NSW on the Board of Business Events Sydney.

Rod McGeoch AO, LLB

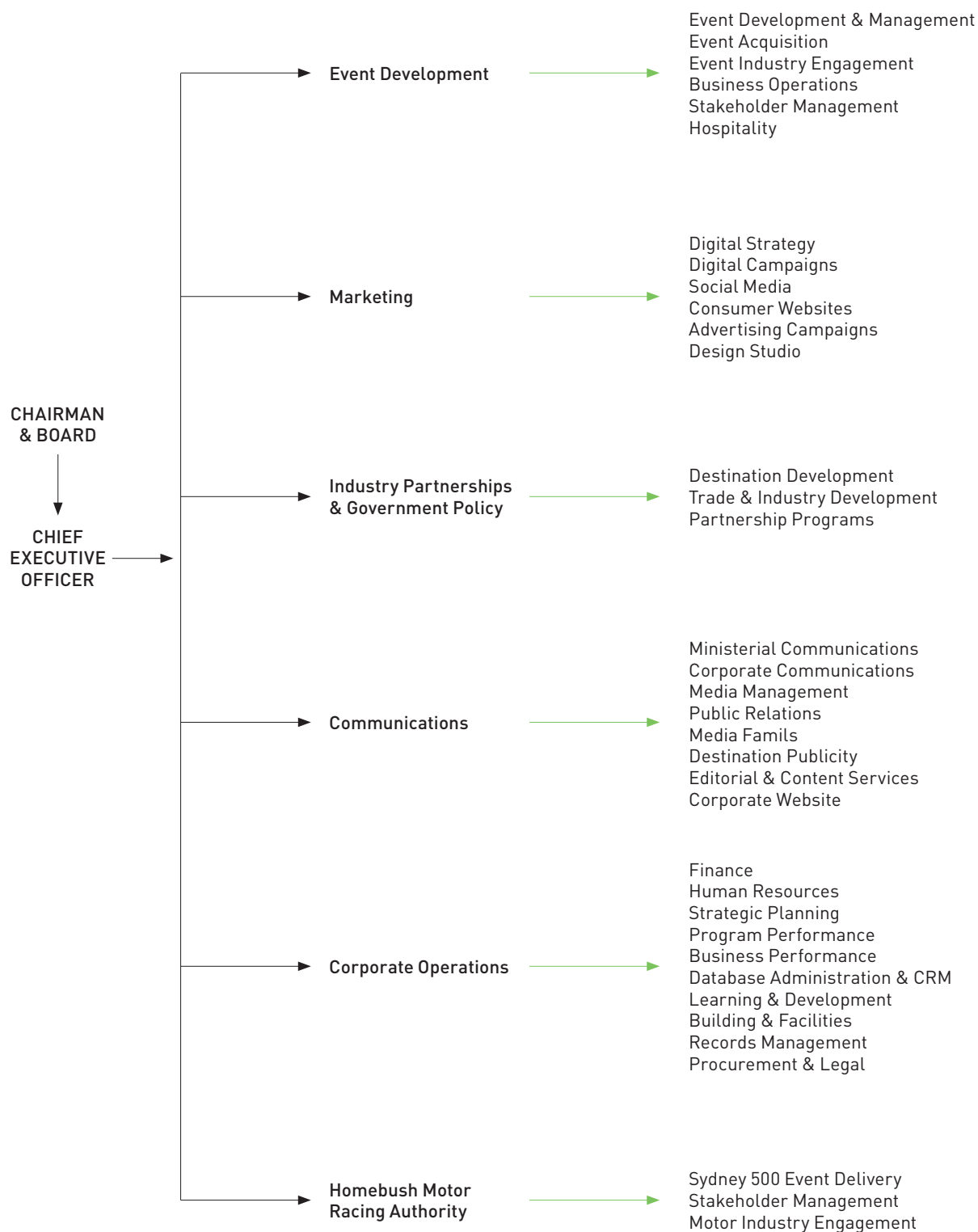
The leader of the successful Sydney 2000 Olympic Games bid, Rod McGeoch holds a number of influential Board positions, including Director of SKYCITY Entertainment Group, Chairman of Vantage Private Equity Growth Limited, Mediaworks New Zealand Ltd and BGP Holdings PLC. A past- President of the Law Society 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, and Deputy Chairman, 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.

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

With experience in business, commerce, arts and not-for-profit organisations, John 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.

Mr Conde resigned from the Board of Destination NSW on 28 February 2014.

Organisation Chart 2013/2014



CEO's Report: The Year in Review

Destination NSW marked the third financial year since our formation with record results for both international and domestic visitation.

International Visitors

For the third time in a row, NSW has achieved its highest number of international visitors since 2004 and surpassed the 3 million international visitor record.

- NSW was the only State to achieve significant growth in all three metrics: visitor numbers (+6.6%), nights (+6.6%) and expenditure (+6.1%).
- NSW was the only State to record significant growth higher than the national average in both nights and expenditure.
- NSW accounted for 50.6% of all visitors to Australia and increased its market share in both visitor nights (up from 32.7%) and expenditure.
- NSW exceeded one million Youth Visitors for the first time since 2004. (Youth nights to NSW increased while declining in Victoria and Queensland).
- NSW performed above its five-year average annual growth in international visitors, nights and expenditure.

Domestic Visitors

- NSW received the highest visitor expenditure level increase nationally, an increase of \$837 million year on year in a total domestic spend of \$15.3 billion.
- NSW leads Australia in the Holiday market segment having received 10.9 million Holiday visitors.
- NSW leads Australia in the Visiting Friends and Relatives market segment. (NSW had 10.1 million Visiting Friends and Relatives visitors).
- NSW has achieved 99% of its milestone Domestic Visitor Expenditure and 101% of its milestone Domestic Visitor Nights on the way to achieving the Target 2020 Doubling of NSW Visitor Economy.
- Sydney was the only Australian capital city to achieve significant growth in all three metrics, with domestic visitation up 12%, nights up 13.5%, and expenditure up 10.9%.



Sandra Chipchase
Chief Executive Officer
Destination NSW

Highlights during the 2013/14 year included:

- The delivery of 80% of the Visitor Economy Industry Action Plan since its release in November 2012
- Delivering the Regional Visitor Economy Fund reform across NSW
- Introducing a new Regional NSW magazine insert with a two million newspaper circulation in addition to the Summer and Winter in Sydney editions
- Achieving record results for the "Love Every Second in Sydney" campaigns
- Increased co-operative funding and support from industry partners by 26%
- Dissemination of record funding through the Regional Visitor Economy Fund
- Record publicity results achieved nationally and internationally
- Digital Leadership taking NSW from 17% of State and National Tourism Organisation web traffic to 51% - the greatest growth of any State Tourism Office in Australia
- Securing several blockbuster events for NSW including the Opening Series of Major League Baseball, Manchester United, World Rally Championships and the World Premiere of *Strictly Ballroom the Musical* to name a few
- The creation and delivery of the "Jhappi Time" campaign for India
- Record results for our Vivid Sydney festival which generated more than 1.43 million visitors, including 20,000 international visitors on Vivid Sydney travel packages and a record visitor spend of more than \$41 million over the 18 day festival.

Destination NSW also won awards for our Digital Advertising, for the Vivid Sydney festival and the International Festival of Events Association Global City Award for Sydney and the naming of NSW as Best Tourism State in Australia.

Growing overnight visitor expenditure is our primary focus. In 2013/14 that focus has enabled us to deliver a range of initiatives including activities under our historic \$30 million partnership with Qantas Airways, to create and deliver bigger and better events and tourism promotions.

Destination NSW also delivered a comprehensive program of industry seminars under the banner of NSW FIRST Workshops - an Industry Development Program to assist operators to optimise marketing, product and publicity opportunities and increase their profitability. This program proved so successful that it is being repeated in 2014/15.

In August 2013, Destination NSW launched the Aboriginal Tourism Action Plan to facilitate the development of Aboriginal experiences and support growth in the State's Aboriginal tourism industry. NSW has the largest Aboriginal population in Australia, and has many opportunities for visitors to engage with Aboriginal people and experience their culture.

International activity

Destination NSW's priority international markets were identified by the Visitor Economy Taskforce. They include the traditional markets of USA, Europe, Japan and New Zealand and the high value and growth potential markets of China, India, South Korea, Malaysia and Singapore.

In 2013/14 Destination NSW secured strategic partnerships with a total value of \$22.5 million, comprising 20 airlines and 130 other trade partners. This represented \$6.7 million inclusive of partner value-in-kind invested in domestic markets and a further \$15.8 million in co-operative marketing investment internationally (an increase of 26 per cent over the previous year).

In 2013/14, Destination NSW developed a new campaign in-house to build on the State's reputation as the key destination for Indian travellers to Australia. The "Jhappi Time" campaign comprises a series of videos filmed by

acclaimed Australian-Indian Bollywood director, Anupam Sharma, which aim to increase visitation from India, a priority market which is currently worth around \$182 million a year to the NSW economy.

The popularity of Sydney and NSW as cruise destinations continues. New South Wales achieved a record cruise ship season in 2013/14, with more than 267 cruise ships visiting Sydney and the regional ports of Newcastle and Eden, including 39 cruise ships in Sydney Harbour in the 28 day February peak.

To ensure that NSW continues to prosper from this important sector, Destination NSW has commenced work on the 10-year Cruise Development Plan for NSW. The Plan, to be developed in consultation with industry, will review forecasts in the growth of cruise ship arrivals and passenger numbers to ensure that NSW is equipped to capture a larger share of economic benefits from the cruise sector.

Domestic marketing

Through our Domestic Partnership Strategy we have worked with multiple partners across various media channels to promote the Summer and Winter 'Love Every Second in Sydney' campaigns with partners including Accor Hotels, Jetset Travelworld Group, Qantas Airways, QantasLink, Lastminute.com.au, Wotif.com, Virgin Australia Holidays and Zuji.

Highlights from these activities include: a new partnership with Webjet to promote "Sydney in Summer". The campaign delivered 33 per cent growth in passenger sales to Sydney and a "Sydney in Winter" campaign with Wotif which delivered a 42 per cent growth of room nights in Sydney.

Destination NSW developed a whole-of-state Regional NSW Short Breaks campaign with activities including a 40 page Regional newspaper insert detailing regional events and destinations including key themes and experiences found throughout NSW such as food and wine, national parks, and adventure, distributed in 2.1 million copies across Australia and New Zealand.

Our joint campaigns with Regional Tourism Organisations have also produced impressive results as this report will demonstrate.

CEO's Report: The Year in Review CONTINUED

Events

Since 2011, Destination NSW has secured more than 270 events for NSW which will deliver over \$1.5 billion in visitor spend.

Sydney's annual event calendar is created through collaborative partnerships between the NSW Government, local and international event communities, business and industry. These diverse groups are united by two key objectives: ensuring that Sydney remains Australia's leading events city and that it continues to enhance its reputation and capability in staging global world class events.

Some outstanding events have been secured and delivered over the past years including the world premiere of Baz Luhrmann's *Strictly Ballroom The Musical*, and the triumphant return of one of the most successful musicals of all time, Disney's *The Lion King. Matilda The Musical* which will commence in 2015 was also secured for Sydney. We were also delighted to secure the spectacular Handa Opera on Sydney Harbour for a further three years, ensuring that audiences can enjoy this "only in Sydney" event until 2017.

Destination NSW also secured the Opening Series of Major League Baseball which showcased Sydney to an estimated international television audience of more than 168 million across our priority international markets in US, Japan, China, Korea and Taiwan. The exclusive Sydney visit of Manchester United for a pre-season tour match against the A-League All Stars was enjoyed by 83,000 fans at ANZ Stadium as well as television audiences around the world.

Regional events across the State were also strongly supported to increase overnight visitors and provide unique destination appeal to interstate and intrastate visitors. A number of new events were secured for Regional NSW including the Australian Bowl-riding Championships and the Eastern University Games and the Dungog Festival.

Innovation

According to online intelligence agency Experian Hitwise, Destination NSW has the top performing state tourism websites in Australia. Over the past year, Destination NSW has achieved the greatest growth of any National or State Tourism organisation for its digital assets and social media channels, creating one of the most progressive digital platforms within the Australian and Asia Pacific travel industry sector.

In April 2014 Destination NSW was awarded Best Digital Advertising or Communication - Tourism and Travel at the 20th annual Australian Interactive Media Industry Association (AIMIA) Awards held in Sydney for the ground-breaking Sydney 360 program, which was launched in 2013. The results for Sydney 360 exceeded all original expectations generating over 1.5 million video views for the 360 degree panorama and first person video technology, filmed in Sydney and selected Regional NSW destinations, with more than 100,000 visits to sydney.com and 25,000 direct leads to the NSW tourism industry.

The Year Ahead

As we further embed the recommendations of the Visitor Economy Industry Action Plan, Destination NSW will increase its focus on programs for Regional NSW, securing major events, supporting Business Events Sydney to win more incentive travel programs and conventions, and building capacity and capability in Regional NSW through the work of our Zone Managers who will assist Regional NSW to garner more co-operative dollars and greater success for regional campaigns and events.

I take this opportunity to thank the New South Wales Government, in particular our Premier and the former Deputy Premier and Minister for Tourism and Major Events, Andrew Stoner, for their tireless support of the tourism and major events industries, our Chairman, John Hartigan and members of the Destination NSW Board for their guidance and support, as well as my exceptional Executive Team and staff, both here in New South Wales as well as in our 10 overseas offices.

We have an extraordinary product in NSW, outstanding industry partners and enormous opportunities. Together I am sure New South Wales will enjoy even greater success in the years ahead.



Sandra Chipchase

CEO

Financial Overview 2013/2014

Budget Structure

Destination NSW is a NSW Public Service Executive Agency under the Destination NSW Act 2011 (created on 1 July 2011) comprising all the entities under its control, namely Destination NSW Staff Agency which provides personnel services to Destination NSW and controls the activities and operations of Homebush Motor Racing Authority.

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 NSW Pty Ltd, the Homebush Motor Racing Authority and the Greater Sydney Partnership.

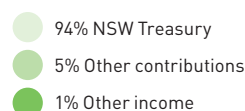
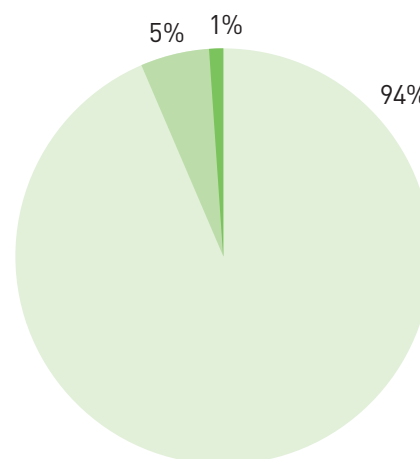
This summary represents the consolidated financial performance for the year ended 30 June 2014.

Sources of Funds (\$135.0 million)

Total revenue for Destination NSW for the year ending 30 June 2014 was \$135.0 million.

The main sources of revenue were Government grants from NSW Treasury (\$127.4 million), contributions received from industry and other parties (\$6.1 million) to participate in marketing activities and other income (\$1.5 million).

Sources of Funds



Destination NSW Performance 2013/2014

Strategic Objective 1:

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

Key Performance Indicators	Target 2013/14	Actual 2013/14	% Achieved	Actual 2012/13	Comment
Growth in total NSW visitor nights (million)*					
Total	163.4	161.6	99%	154.7	<i>Note 1</i>
Domestic	86.1	86.8	101%	84.5	
International	77.3	74.8	97%	70.2	
Growth in total NSW overnight expenditure (\$billion)*					
Total	24.6	22.2	90%	21.0	<i>Note 2</i>
Domestic	15.5	15.3	99%	14.5	
International	8.9	6.9	78%	6.5	
Media Exposure					
No. of media articles	1,090	19,460	1,785%	Exceeded	
Equivalent Advertising Value	\$50,632,086	\$183,968,041	363%	Exceeded	
No. of co-sponsored media visits to Sydney and regional destinations	240	328	137%	Exceeded	
No. of media participants (domestic and international media famils)	585	793	136%	Exceeded	
No. of pitch and servicing engagements with media	1,161	1,203	104%	Exceeded	
Consumer Response to Marketing Activity (millions)					
Visits to tourism & events consumer websites (www.sydney.com & www.visitnsw.com)	15,000,000	18,236,910	119%	Exceeded	
Visits to Vidsydney.com consumer website	1,400,000	1,783,778	127%	Exceeded	
Business Leads to Industry generated by digital and campaign activity	3,000,000	4,896,559	163%	Exceeded	

Note 1: Growth in total visitor nights: Achieved visitor night growth over financial year 2012/13 for both the international and domestic markets but fell slightly short of target for international visitor nights. There were decreases in visitor nights from Japan, Singapore, Germany and New Zealand.

Note 2: Growth in total overnight expenditure: Achieved significant visitor expenditure growth over financial year 2012/13 for both the international and domestic markets but fell short of target. The biggest expenditure declines in NSW were from the Malaysian, Korean, Japanese, Taiwanese and American markets.

Awards
Sydney named as a World Festival and Event City by the International Festivals and Events Association for the fifth year in a row. Newcastle also recognised as a World Festival and Event City by the International Festivals and Events Association
The Sydney 360 video project was awarded Best Digital Advertising or Communication - Tourism and Travel at the 20th Annual AIMIA Awards. Sydney 360 is a first-to-market innovation filming Sydney and NSW destinations using 360 and first-person footage that can be viewed across multiple screen sizes (mobile to desktop)
Vivid Sydney named Best Tourism Event and the Australian Event of the Year and NSW named Best Events State or Territory at the 2013 Australian Event Awards

Strategic Objective 2:

Attract and secure high value major events

Festivals	Australian Surf Festival Coffs Harbour (continued investment)
	Big Sky Blues & Roots Festival, Deniliquin (continued investment)
	Dungog Festival (secured investment)
	Just for Laughs – Comedy Festival (secured investment)
	Mercedes Benz Fashion Week Australia (secured investment: new two-year agreement: 2014-2015)
	Newcastle Real Film Festival (secured investment)
	Parramasala 2013 (secured investment: new one-year agreement)
	Sydney Festival (secured investment: new two-year agreement: 2014-2015)
	Sydney Film Festival (secured investment: new two-year deal: 2014-2015)
	The Slow Summer Banjo Patterson Festival (secured investment)
	Tamworth Country Music Festival (continued investment)
	Vivid Sydney (continued investment)

Entertainment	Communicating the Museum
	Dirty Dancing – The Classic Story on Stage
	Electronic Music Conference
	Good Design Festival
	Handa Opera on Sydney Harbour (new three-year agreement: 2015-2017)
	<i>Matilda – The Musical</i>
	Modulations at Carriageworks
	Remix Sydney
	Sydney International Art Series: Chuck Close Prints: Process and Collaboration
	Sydney Opera House: 40th Anniversary
	Temptation Reloaded
	Tropfest (new three-year agreement: 2013-2015)
	Tyrannosaurs (museum exhibition)
	<i>Continued investment into:</i> Corroboree Sydney, The Helpmann Awards, Rob Guest Endowment Concert, <i>Strictly Ballroom The Musical</i> , Sydney International Art Series, AACTA Awards, ARIA Awards

Sport	Asian AFC Cup – Game Draw (soccer)
	Bingham Cup (rugby)
	Eastern University Games
	Ferrari Racing Days (motor racing)
	ICF Canoe Slalom Junior and Under 23 World Championships
	Juventus v A-League All Stars (soccer)
	National Touch League (new three-year agreement: 2016-2018)
	NRL Test Match and Regional Fixture (league)
	V8 Supercars Sydney 500 (motor racing)
	V8 Sydney Motorsport Park Supercar Race Weekend (motor racing)
	<i>Continued investment into:</i> Sydney Track Classic & Australian Junior Athletics Championships, T20 International Cricket, Australian Open Golf Championship, Inter Dominion Championship Grand Final, NRL State of Origin, NRL Grand Final & Grand Final Week, FIA World Rally Championships (Rally Australia), Sydney International Rowing Regatta, Bledisloe Cup Festival]

Lifestyle	Australian Badminton Open (new four-year agreement: 2014-2017)
	Australian Bowl-riding Championships
	Australian Surfing Awards (new two-year agreement: 2014-2015)
	Bowl-A-Rama Bondi (skateboarding championships)
	Sydney Gay & Lesbian Mardi Gras (new three-year agreement: 2014-2017)
	XTERRA Asia Pacific Championships
	Sydney Royal Easter Show (new three-year agreement: 2014-2016)
	IRONMAN 70.3 Port Macquarie
	IRONMAN 70.3 Western Sydney
	Jack Newton Celebrity Classic 2014 (golf) (new one-year agreement)
	Navy Australian Open Surf Boat Championships (new six-year agreement: 2014-2020)
	Surfest Newcastle (new two-year agreement: 2015-2016)
	The National Variety Bash
	<i>Continued investment into:</i> Australia Day, Australian Garden Show Sydney, Australian Open of Surfing, Australian University Games, Great Australian Swim, Port to Port (mountain biking), Sail Port Stephens

Destination NSW Performance 2013/2014 CONTINUED

Strategic Objective 3:

Build a sustainable events calendar for New South Wales

EVENT ATTENDANCE July 2013-June 2014					
Key Performance Indicators	Intrastate Unique visitors	Interstate Unique visitors	International Unique visitors	Total Unique attendees	Comment Note 1
Sydney events	567,417	344,334	122,746	5,055,483	Note 2
Regional events	81,106	61,085	7,051	239,590	
Total	648,522	405,419	129,797	5,295,073	

EVENT ATTENDANCE July 2013-June 2014			
Key Performance Indicators	No of events evaluated	Visitor Expenditure	Comment
Sydney events	65	\$478,361,168	Note 3
Regional events	31	\$99,499,441	
Total	96	\$577,860,609	

INTERNATIONAL SPORTS, CULTURAL, CREATIVE AND ARTS EVENTS HELD IN NSW July 2013-June 2014				
Key Performance Indicators	Sydney Metro	Western Sydney	Regional NSW	Total
Events won or retained	17	15	7	39
Events assisted or grown	14	5	8	27
Events on calendar (not directly assisted)	16	2	9	27
Total no. of events held	47	22	24	93

BUSINESS EVENTS SYDNEY PERFORMANCE July 2013-June 2014				
Key Performance Indicators	Target 2013/2014	Actual 2013/2014	% Achieved	Comment
Events Secured:				
Bids Won	83	84	101%	
Delegate Days	130,755	194,780	149%	
Estimated Economic Impact	\$149.2m	\$200.1m	134%	
Events Delivered:				
Events Held		76		
Delegate Days		283,894		
Estimated Economic Impact		\$249.2m		

Note 1: Event attendance results include actuals, where event evaluations have been completed and forecasts, where evaluations have not been finalised. For events that run across financial years, estimates have been made for the impact of the event/s for the 2013/14 period. The attendance data excludes information on Regional Flagship events.

Note 2: 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 an event or extended their stay.

Note 3: Visitor expenditure reports the money flowing into the State, from the expenditure by intrastate, interstate and international visitors who came specifically to Sydney or NSW for an event or extended their stay.

Strategic Objective 4:

Increase industry stakeholder and customer engagement

Key Performance Indicators	Target 2013/2014	Actual 2013/2014	% Achieved	Comment
Communications (hundreds)				
No. of media articles	1,090	19,460	1,785%	<i>Note 1</i>
Equivalent Advertising Value	\$50,632,086	\$183,968,041	363%	<i>Exceeded</i>
No. of co-sponsored media visits to Sydney and regional destinations	240	328	137%	<i>Exceeded</i>
No. of media participants (domestic and international media famils)	585	793	136%	<i>Exceeded</i>
No. of pitch and servicing engagements with media	1,161	1,203	104%	<i>Exceeded</i>

Trade Development & Support				
No. of trade missions	10	9	90%	<i>Note 2</i>
No. of New South Wales businesses attending trade missions	120	107	89%	<i>Note 2</i>
No. of trade familiarisations	50	60	120%	<i>Exceeded</i>
No. of trade familiarisation participants	550	650	118%	<i>Exceeded</i>
No. of workshops delivered	31	31	100%	<i>Note 3</i>

Note 1: Figure quoted for 12-13/14 includes media coverage secured for the 2014 Vivid Sydney Festival, which took place from 23 May to 9 June 2014.

Note 2: The number of trade missions delivered varies from year to year. In 2013/14 Destination NSW had to reduce the planned number of trade missions due to unforeseen circumstances.

Note 3: Destination NSW delivered workshops to build industry capacity and knowledge in a range of areas including: the Regional Visitor Economy Fund, welcoming Chinese visitors, Aboriginal tourism development, marketing, digital promotion, public relations and tourism research.

Key Performance Indicators	Target 2013/2014	Actual 2013/2014	% Achieved	Comment
Communications				
No. of approved TASAC applications	36	41	114%	<i>Exceeded</i>
No. of tourism businesses assisted	759	858	113%	<i>Exceeded</i>
No. of research insight fact sheets published	339	448	132%	<i>Exceeded</i>
Visits to corporate website	220,860	217,971	99%	<i>Achieved</i>

Grants – No. of applications received				
Regional Visitor Economy Fund	0	31	-	<i>Note 4</i>
Regional Flagship Events Grants	32	37	119%	<i>Exceeded</i>

Note 4: The Regional Visitor Economy Fund was introduced in the 2013/14 year; no targets were set in the Program's inaugural year.

Destination NSW Performance 2013/2014 CONTINUED

Strategic Objective 5:

Deliver value in partnership/co-operative programs

Key Performance Indicators	Target 2013/2014	Actual 2013/2014	% Achieved	Comment
Marketing & Communications				
No. of advertising/creative pieces developed (television ads, magazines, radio, outdoor and press ads)	1,909	4,315	226%	<i>Exceeded</i>
No. of campaigns Sydney	16	50	312%	<i>Exceeded</i>
No. of campaigns Regional	7	34	485%	<i>Exceeded</i>
Equivalent Advertising Value (EAV) of publicity generated	\$50,632,086	\$183,968,041	363%	<i>Exceeded</i>

Consumer Response to Marketing Activity	(millions)			
Visits to tourism & events consumer websites (www.sydney.com & www.visitnsw.com)	15,000,000	18,236,910	119%	<i>Exceeded</i>
Visits to vidsydney.com consumer website	1,400,000	1,783,778	127%	<i>Exceeded</i>
Business leads to industry generated by digital and campaign activity	3,000,000	4,896,559	163%	<i>Exceeded</i>

Industry Partnerships				
No. of campaigns Domestic	15	34	227%	<i>Exceeded</i>
No. of campaigns International	65	106	163%	<i>Exceeded</i>
Total no. of airline partnerships secured and or renewed	20	21	105%	<i>Exceeded</i>
Value of Domestic and International airline partnerships	\$10.5m	\$11m	105%	<i>Exceeded</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 organisation's performance / productivity, it assists in allocating resources. The number of creative pieces does NOT include digital, search and social media advertising or creative developed by event and industry partners.

Strategic Objective 6:

Create and sustain a high performance organisation

Key Performance Indicators	Targeted Outcomes	Achieved	Comment
Organisation Governance	Key People Management strategies	Cultural Change Program commenced: 'Good to Great'	Achieved and On-going
		Multicultural Plan developed for consultation with staff	Achieved
		Disability Action Plan developed for consultation with staff	Achieved
		High Level Senior Executive Implementation Plan completed for submission to Public Service Commission	Achieved
		Strategic Workforce Plan Completed	Achieved
		Revised Recruitment and Performance Review Process implemented (in response to changes required by the GSE Act 2013)	Achieved
		Establishment of Aboriginal Traineeship Program	Achieved
		Implementation of Destination NSW Work Health and Safety system and Consultation mechanism	Achieved
		Training programs and learning opportunities for staff	Achieved
		Shared Services Partnership agreement with Trade and Investment	Achieved
Consolidation of and accounting financial environment	Improved provision of Operations support	Implementation of TRIM Electronic Document Records Management	Achieved
		Processed \$131 million expenditure and revenue transactions.	Achieved
Review of premises	Housing of organisation in single premises	Relocation of all staff to 88 Cumberland Street, The Rocks from 9 September 2013.	Achieved
Legal Procurement	Streamlined procurement and legal procedures and systems	Continued enhancement of user friendly procurement and legal procedures and systems to ensure economic, marketing and community return on investment is maximised and cost and time savings realised. Management of longer term contracts using SAP By Design Limit Orders has been introduced.	Achieved and On-going

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 2013/2014

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 \$28.1 billion, up 5.4 per cent from the previous year. Overnight visitors spent \$22.2 billion in NSW. Domestic overnight visitors contributed 69 per cent of the total spend and international overnight visitors contributed 31 per cent. Domestic day trip visitors spent \$5.9 billion in NSW.

NSW received 82.4 million overnight and day trip visitors, up 3.7 per cent from year ended June 2013. This was mainly due to growth in international and domestic overnight visitors (up 6.2 per cent). Visitors stayed 161.6 million nights in the State, up 4.5 per cent.



Bondi Beach

International performance

NSW experienced record results in the number of visitors, nights and expenditure in the year ending June 2014.

NSW received \$6.9 billion in international overnight expenditure, up 6.1 per cent from the previous year. The key drivers of NSW visitor expenditure growth were Holiday (+8.5 per cent), China (+13.0 per cent), Visiting Friends and Relatives (+13.2 per cent), Education (+5.5 per cent) and the United Kingdom (+11.0 per cent).

NSW received 3.11 million international visitors who stayed 74.8 million nights and spent \$6.9 billion. NSW was the only State to achieve significant growth in all three metrics: international visitor numbers (+6.6 per cent), nights (+6.6 per cent) and expenditure (+6.1 per cent). For the first time, the number of Youth visitors to NSW exceeded one million (1.01 million, +4.2 per cent). Youth nights to NSW increased to 43.2 million, up by 1.7 million nights.

China remains in first place having overtaken New Zealand as NSW's leading inbound tourism market in year ending June 2013. New Zealand is NSW's second largest visitor market, followed by the United Kingdom. China is the number one international market for visitors, nights and expenditure in NSW.

New South Wales was able to achieve visitor growth in thirteen of its top fifteen performing markets. The strong growth from the Asian markets, led by Hong Kong (+20.7 per cent), Malaysia (+19.0 per cent), India (+18.6 per cent), Singapore (+9.1 per cent) and China, (+8.4 per cent) helped to offset marginal declines in visitation from Japan and Korea (-3.8 per cent and -0.9 per cent, respectively). These results show the positive influence of the work Destination NSW is doing through its airline partnerships in these countries as well as the impact that the introduction of AirAsia X, Scoot, China Southern, China Eastern and Air India services into Sydney are having on our tourism industry.

The top two Western markets to NSW showed some recovery in the latest year with USA visitors increasing by 7.7 per cent and the UK by 6.4 per cent.

The best-performing purpose-of-visit segments included the Visiting Friends and Relatives and Holiday segments which achieved significant growth of 11.7 per cent and 7.5 per cent, respectively.

Sydney remains the most popular capital city in Australia for international travellers. Sydney received 2.9 million visitors or 94 per cent of international visitors to NSW. It achieved a significant increase of 6.5 per cent in visitor numbers in the year ending June 2014. There was a slight increase in visitors to Regional NSW (+3.7 per cent) and strong growth in visitor nights and expenditure (+16.4 per cent and +12.9 per cent, respectively).

Domestic performance

New South Wales continued its national leadership in terms of domestic market performance for year ending June 2014. NSW received 26.6 million visitors who stayed 86.8 million nights and spent \$15.3 billion. Nationally, NSW had the highest increase in visitor overnight expenditure level, up by \$0.84 billion for the year.

NSW received \$21.2 billion in domestic overnight and day trip expenditure, up 5.2 per cent over year ending June 2013. This was mainly due to the significant 5.8 per cent growth in domestic overnight spending. The key drivers of NSW growth in overnight visitor expenditure over last year were visitation from the Visiting Friends and Relatives segment (+18.9 per cent), visitation to Sydney (+10.9 per cent) and the Interstate market (+8.4 per cent).

NSW overnight expenditure growth in the Visiting Friends and Relatives segment and Interstate visitation were more than double the national growth for these categories (+8.6 per cent and +3.4 per cent, respectively). NSW was the only State to record significant growth in visitor numbers, nights and expenditure in the Visiting Friends and Relatives segment.

Sydney received 8.6 million visitors who stayed 23.6 million nights and spent \$6.1 billion in year ending June 2014. Sydney was the only capital city in Australia to achieve significant growth in all three key metrics: visitors (+12.0 per cent), nights (+13.5 per cent) and expenditure (+10.9 per cent) year-on-year.

There were 18.5 million overnight visitors to Regional NSW, up 3.2 per cent. Visitors to Regional NSW accounted for 70 per cent of the total visitors to NSW. Regional NSW residents remain the largest source of visitors to NSW contributing 40.8 per cent, followed by Sydney residents.

Factors affecting performance

- Improving global economic condition** – Europe continues to recover with an economy moving towards moderate growth. USA posted a stronger than expected end to 2013, however a weak first quarter in 2014 means that growth for the year will be slightly more restrained. Asian economies continue to post strong growth and are expected to continue to grow at a similar rate for the next year. The Australian economy is continuing to grow and should remain broadly stable as mining related investment slows.
- Australian dollar** – In the 2013/14 financial year, Australia is a comparatively cheaper destination for international visitors than it was in the previous year when the dollar was still trading above parity with the US dollar. A sharp drop below parity late in the last financial year has brought the dollar into the range of around 0.90 US cents. With the exception of some minor fluctuations, it has remained at this level throughout 2013/14. Despite the drop in value, the Australian dollar remains relatively strong. It is still trading well above the rates that were seen around 2008-2009 when the dollar traded well below 0.70 US cents.
- Growth in Australians travelling overseas** – with the relatively high Australian dollar buying power, outbound travel continues to grow. Since year ending June 2010, however, the rate of growth has slowed.
- Increased airline services to Sydney and other Australian destinations** – NSW domestic capacity accounted for 48% of domestic seat capacity in Australian competitive routes with capacity increasing by 0.6% in year ending June 2014. International seat capacity to NSW which accounted for 40% of international seat capacity in Australia grew by 4.6% in year ending June 2014. The growth in international seat capacity was mainly due to new services secured by Destination NSW from Air India and Sichuan Airlines in the second half of 2013, and significant increased capacity by Air Asia X, Malaysian Airlines, Qantas, Emirates, China Southern and China Eastern Airlines.

Visitor Snapshot: NSW Year Ending June 2014

TOTAL VISITORS AND VISITOR NIGHTS (INTERNATIONAL AND DOMESTIC)	
TOTAL VISITOR ARRIVALS	
Australia	85.2 million
NSW	29.7 million
Growth of Previous Year: Australia	5.3%
Growth of Previous Year: NSW	6.2%
NSW Market Share Visitors	34.9%

TOTAL VISITOR NIGHTS	
Australia	511.0 million
NSW	161.6 million
Growth on Previous Year: Australia	2.0%
Growth on Previous Year: NSW	4.5%
NSW Market Share Visitor Nights	31.6%

AVERAGE LENGTH OF STAY	
Australia	6.0 nights
NSW	5.4 nights

EXPENDITURE	
Australia	\$73.0 billion
NSW	\$22.2 billion
Growth on Previous Year: Australia	3.8%
Growth on Previous Year: NSW	5.9%

STATE VISITOR DISPERSAL		
Visitation to Sydney and Regional NSW	Visitors	Visitor Nights
Sydney	39%	53%
Regional	64%	47%

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	43%	39%
Visiting Friends & Relatives	37%	31%
Business	16%	9%
Other	7%	20%
Total	100%	100%

PURPOSE OF VISIT - CHANGES ON PREVIOUS YEAR (YE June 2013)		
	Visitors	% change
Holiday	12.6 million	3%
Visiting Friends & Relatives	11.0 million	10%
Business	4.9 million	3%
Other	1.9 million	14%
Total	29.7 million	6%

Nights	Visitor nights	% change
Holiday	62.4 million	-1%
Visiting Friends & Relatives	50.6 million	15%
Business	15.2 million	-1%
Other	33.1 million	3%
Total	161.6 million	4%

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

Note: Visitors may visit a State for more than one purpose – hence, figures by Purpose of Visit category may not add up to the Total.

TOTAL VISITORS AND VISITOR NIGHTS						
	Visitors (millions)	% change	Visitors nights (millions)	% change	Expenditure (\$billion)	% change
Sydney						
International	2.9	6.5%	62.4	4.9%	6.2	5.3%
Domestic	8.6	12.0%	23.6	13.5%	6.1	10.9%
Total	11.5	10.5%	86.1	7.1%	12.3	8.0%
Regional NSW						
International	0.6	3.7%	12.4	16.4%	0.7	12.9%
Domestic	18.5	3.2%	62.8	-1.0%	9.2	2.6%
Total	19.1	3.2%	75.2	1.5%	9.9	3.3%
New South Wales						
International	3.1	6.6%	74.8	6.6%	6.9	6.1%
Domestic	26.5	6.1%	86.7	2.7%	15.3	5.8%
Total	29.7	6.2%	161.6	4.5%	22.2	5.9%

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						
	Visitors	% change	Visitors nights (millions)	% change	Expenditure (\$billion)	% change
Country of Origin						
Mainland China	423,500	8.4%*	12.1	7.9%	1,502	13.0%*
New Zealand	392,000	3.6%	3.9	-4.4%	438	2.1%
United Kingdom	340,000	6.4%	8.3	6.3%	679	11.0%
USA	317,000	7.7%*	4.3	1.5%	546	-2.8%
South Korea	145,000	-0.9%	4.5	-6.6%	404	-10.8%

* The percentage change is statistically significant

Review

- 27 Event Development
- 31 Marketing for Tourism and Events
- 40 Industry Partnerships and Government Policy
- 49 Communications
- 51 Homebush Motor Racing Authority
- 52 Corporate Operations

**VIVID
SYDNEY**

**MORE THAN
1.43 MILLION
ATTENDEES**

**20,000
VISITORS ON
VIVID SYDNEY
PACKAGES**

**MORE THAN
\$41 MILLION
GENERATED
FOR THE NSW
ECONOMY**

**AVERAGE
VIVID SYDNEY
FACEBOOK
REACH WAS
2.8 MILLION
PEOPLE
PER DAY**



Event Development

Destination NSW has continued 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 premier events state of Australia.

Destination NSW remains committed to the development of a 'one-stop shop' to provide advice and assistance to Event Owners wishing to secure and stage major events in New South Wales. 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 2013/2014 Destination NSW worked with a broad cross-section of external agencies in order to achieve this goal.

2013/2014 Achievements

Sydney's annual events calendar is created through collaborative partnerships between the NSW Government, local and international event communities, business and industry. This collaboration assists Destination NSW to achieve two key objectives: ensure that Sydney remains Australia's leading events city and that the city continues to enhance its reputation and capability in staging global world class events.

This strategic focus has led to the constant evolution of Sydney's events calendar. 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.

The vibrant and comprehensive NSW Regional events calendar is designed to drive overnight visitor expenditure and to provide a perfect way for visitors to experience the local communities, skills and nature pre and post their event visit.

Arts & Entertainment Portfolio

Musicals remained a major focus for development due to the enormous benefits they bring to Sydney and NSW, and their ability to attract interstate and overseas visitors. In 2013/2014, Destination NSW worked with local and international producers to secure a pipeline of Australian premieres of West End and Broadway musicals. This included the world premiere of Baz Luhrmann's *Strictly Ballroom The Musical* as well as the triumphant return of one of the most successful musicals of all time, Disney's *The Lion King*.

In addition, Destination NSW secured the Australian premiere of the Royal Shakespeare Company's *Matilda the Musical* and the return of the much-loved musical, *Dirty Dancing: The Classic Story on Stage*, all reinforcing Sydney's position as Australia's live performance capital.

In 2014 Handa Opera on Sydney Harbour presented *Madama Butterfly*. This production was set against the stunning backdrop of the Sydney Opera House and Sydney Harbour Bridge and played in Sydney for an exclusive three-week season. *Madama Butterfly* was a critical success and Opera Australia reported a total audience



The Lion King



Strictly Ballroom The Musical

Event Development CONTINUED

of around 40,000 people. The 2014 event was the final year of a three-year agreement between Destination NSW and Opera Australia, which the NSW Government, through Destination NSW, has renewed to deliver another three years of this spectacular event for Sydney from 2015-2017.

The Sydney International Art Series continued its success in the 2013/2014 period with The Art Gallery of New South Wales, the Museum of Contemporary Art Australia (MCA) and Destination NSW partnering for the fourth consecutive year to bring some of the world's most outstanding exhibitions to Australia.

The 2013/14 series featured *America: Painting a Nation* at the Art Gallery of NSW and *War Is Over! (if you want it)* by the famous artist, Yoko Ono at the MCA.

Vivid Sydney, owned and managed by Destination NSW, is an 18-day festival of Light, Music and Ideas. Now in its sixth year, Vivid Sydney is rated as one of the top ten Ideas Festivals in the world. In 2013, Vivid Sydney was named Australian Event of the Year and Best Tourism Event at the Australian Event Awards. In 2014, **Vivid Light** featured more than 50 light-walk installations with new precincts added to its lighting program including: Martin Place at the heart of the Central Business District, which became part of the city's transformation with giant light installations; and the activation of The Star Entertainment precinct, which used changing light projections on its external façade. Ferries and vessels decked out with computer controlled LED lights that made shifting patterns and tracks as they moved across the water were also introduced to bring Vivid Sydney to life on Sydney Harbour.

Vivid Music also featured new venues and acts and multi-media productions including: dance clubs and mood cellars in restaurants, bars and multi-function venues. The program including Vivid Live staged at the Sydney Opera House, featured some unusual music collaborations such as the work performed by the Australian Chamber Orchestra and the electronic music duo the Presets, which presented a full history of music in two hours.

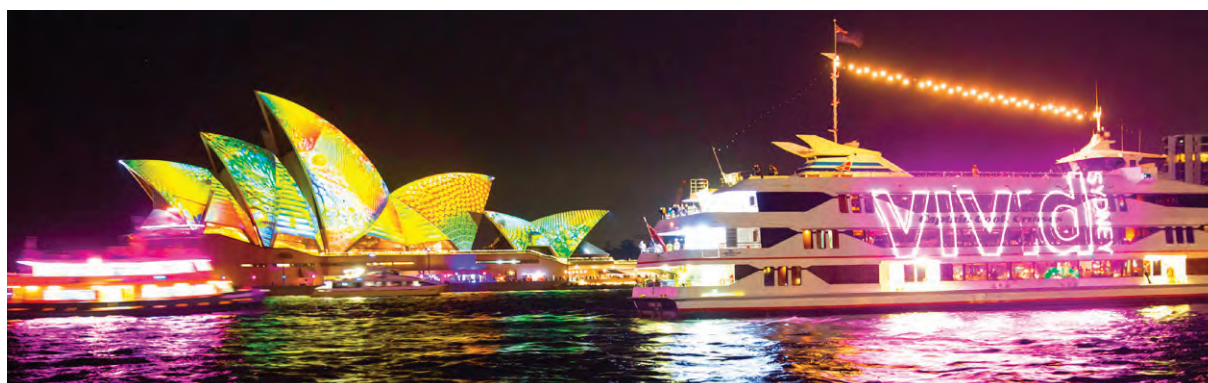
This year, for the first time, Vivid Music hosted **Modulations at Carriageworks**, a multi-disciplinary program ranging across music, art, innovative food and contemporary ideas. Headlined by the famous music duo,

The Pet Shop Boys, the program was curated to actively engage audiences and create unique experiences, reinterpreting Carriageworks' contemporary spaces.

In 2014, Vivid Sydney comprised a program of more than 180 events. The event continued its spectacular growth with audiences increasing by almost 79 per cent to exceed 1.43 million visitors who generated a visitor spend of approximately \$41.3 million and selling more than 85,000 tickets to festival events.



Handa Opera on Sydney Harbour – *Madama Butterfly*



Vivid Sydney 2014

Sports Portfolio

The focus on football remained strong over the 2013/2014 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).

In July 2013, Destination NSW and the Football Federation of Australia (FFA) brought **Manchester United** to Sydney for an exclusive pre-season tour against a fan-selected squad of A-League All Stars before a crowd of 83,000 fans.

The success of that event, which also attracted global television coverage, resulted in Sydney securing a second international tour for 2014, this time by the legendary Italian team **Juventus**.

Another football highlight in 2013/2014 included the **Bledisloe Cup Festival**, a series of events and celebrations staged around an annual high profile Rugby Union match played in Sydney between the Australian Wallabies and their arch rivals, the New Zealand All Blacks.

The NRL was also a featured code in 2013/2014. Sydney hosted Game 2 of the **State of Origin** series and made it the star event in the series by working with the NRL to develop an event activation program which included lighting displays, extensive media campaigns, tourism marketing initiatives to ensure visitation from interstate was maximised and expanded retail, dining and entertainment in the event precinct. The **National Rugby League Grand Final** and Grand Final Week were also highlights of the 2013/2014 football season, with events and celebrations scheduled in the week leading up to the club competition Grand Final in October 2013.

In March 2014, Destination NSW ensured Sydney achieved a major international sporting coup when it hosted the Opening Series of **Major League Baseball (MLB)**. The event program comprised the two opening games for the National League season which were played between the Los Angeles Dodgers and the Arizona Diamondbacks. Two additional matches were also played as demonstration games between each team and a composite Australia side. The games were broadcast live to an estimated international television audience of more than 168 million across key visitor markets in the US, Japan, China, Korea and Taiwan. The games delivered more than \$13 million in direct visitor spend plus additional flow on benefits to business, tourism and publicity for the city.

Lifestyle Portfolio

Lifestyle event highlights in 2013/2014 included high profile events such as the **International Fleet Review** celebrating the centenary of the first entry of the Royal Australian Navy's Fleet into Sydney Harbour and included an international fleet of naval vessels from 17 countries that participated in the celebrations; the **Australian Open of Surfing**, which attracted some of the world's biggest names in surfing to compete in the 6-star ASP Men's and Women's contests and 2-star Junior Male and Junior Female contests, and the Nike SB (Skateboard) Classics Cup; **Bowl-A-Rama** which celebrated its 10th anniversary at Bondi Beach by transforming the area into



Bledisloe Cup



State of Origin



Australian Open of Surfing

Event Development CONTINUED

a skateboarding precinct for six days with internationally ranked competition featuring some of the world's best professional skateboarders including Tony Hawk; the **Sydney Gay & Lesbian Mardi Gras**, which celebrates diversity and the contribution of the LGBTI community; and the **Australian Badminton Open**, a new World Super Series event for Sydney.

In addition, new events were secured for the coming year, including the **Australian Bowl-riding Championships** and **IRONMAN 70.3** in Western Sydney.

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 its new weekend edition extension and the **Sydney Film Festival**. The Business Activation portfolio also works closely with Vivid Sydney to program events for the Vivid Ideas component of the festival. Business highlights for Vivid Sydney 2014 included **Semi-Permanent**, the **Good Design Festival**, **Modulations at Carriageworks** and **Remix Sydney**.

Regional Portfolio

Regional events across the State increase visitors and provide unique destination appeal to interstate and intrastate visitors. Destination NSW provided funding to 37 regional events under the Regional Flagship Events Program.

A number of new regional events were secured in 2013/2014 including the **Australian Bowl-riding Championships** and the **Eastern University Games**, the **Dungog Festival**, and the **National Variety Bash** which will be played out in numerous centres across Regional NSW. In addition, in 2013/2014 Destination NSW was proud to have re-secured a number of key events for Regional NSW for future years including the **Navy Australian Open Surf Boat Championships**, **Surfest** and the **National Touch League** in Coffs Harbour.

In addition, a number of high-profile events took place in Regional NSW in 2013/2014 including the **XTERRA Asia Pacific Championships**, which saw the best athletes from around the world competing in ocean swimming, mountain biking and trail running at Jervis Bay; the **Australian Bowl-Riding Championships**, a national skateboarding event which brought international exposure to Newcastle; and **Big Sky Blues and Roots Festival** in Deniliquin, which has become one of the premier events on the Australian music calendar, bringing together the best international and local country and roots performers to Deniliquin.



International Fleet Review



Sydney Gay & Lesbian Mardi Gras



Bowl-A-Rama

Marketing for Tourism and Events

Over the past year Destination NSW has continued implementing its results-driven campaign platforms that align with the strategic imperatives of the Visitor Economy Industry Action Plan. We have developed best practice digital and social media assets and delivered high quality integrated campaigns and co-operative programs with Regional Tourism Organisations (RTOs) and industry partners and supported major Event Owner campaigns and other key stakeholders in Australia and our priority international markets.

These activities have created significant momentum to drive potential visitor interest, travel bookings and event ticket sales in Sydney and Regional NSW, further strengthening the State's leadership position. We have worked collaboratively with key stakeholders to optimise the return on investment for approved programs, focusing on driving increased visitation from the target audience in each key source market to meet the NSW Government's target of doubling overnight visitor expenditure by 2020.

Specific areas of activity include:

- Build on the brand development work already implemented and further align the communication and messaging strategies to attract overnight visitors across core target audiences in key source markets
- An inventory of wholly owned photo and film assets to be deployed by the organisation across multiple stakeholders and channels
- Enhance the continued development, implementation and evaluation of Destination NSW's domestic and international marketing programs, including the input into the management of Destination NSW's strategic relationships with organisations operating within the NSW Visitor Economy
- Support co-operative Industry Partnership marketing initiatives undertaken in conjunction with a broad range of commercial, industry, event and Government organisations
- Support international and domestic business development activities undertaken in conjunction with NSW tourism operators, RTOs and international travel distributors, including the deployment of funding programs, resources and expert assistance to support product promotion and destination experiences
- Facilitate the implementation of international market development initiatives with major airline and tourism industry stakeholders
- Focus marketing resources on the greater integration and leveraging of digital assets and social media channels to improve the links between the tourism travel industry, Event Owners and potential overnight target audience segments.

Campaign achievements

Destination NSW has successfully developed, consolidated and refined integrated programs for its two key campaign platforms: the tourism-led 'Love Every Second' and the Events-led 'It's ON! in Sydney and NSW', creating a very strong return on investment from its advertising expenditure. This has resulted in economies of scale and media buying efficiencies that have enabled Destination NSW to support a greater number of tourism experiences and secure events with the same level of year-on-year funding for the 2014/15 financial year.

Independent analysis of these campaign platforms has showcased their strength in delivering the key message that there is always something to see and do in Sydney and NSW.

The 'Summer and Winter' seasonal campaigns

The seasonal 'Love Every Second' campaign platform integrates unique Sydney and Regional NSW experience and event content to create a fresh way to engage potential visitors across Australia and New Zealand.

Summer 2013/14 campaign delivered¹:

- 3.4 million visits to Sydney.com, a 57% increase year-on-year
- 884,000 leads to the NSW tourism industry, a 67% increase year-on-year²
- Research results indicated that the summer campaign increased intention to visit Sydney results from people across Australia, with 2 in 5 respondents indicating they intended to visit Sydney, a 10% increase in stated intention year-on-year.

Winter 2014 campaign recorded³:

- 3.14 million visits to sydney.com, a 21% increase year-on-year
- 764,000 leads to industry, a 50% increase year-on-year
- Independent analysis of the campaign indicates continued strong intention to visit results with 1 in 3 people taking action after encountering campaign messages.

¹Source: DNSW research, Google Analytics, Inside Story Sydney in Summer 2013/14 - Campaign Evaluation, February 2014

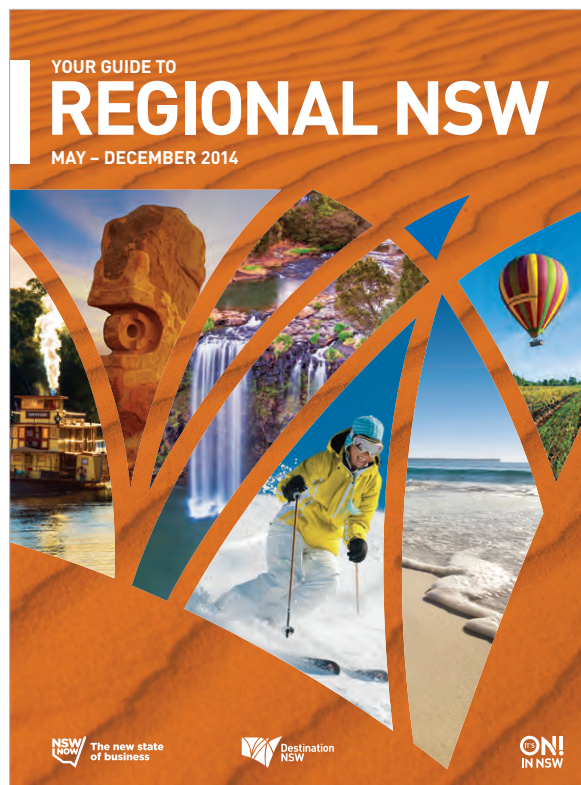
²Leads to industry include: click to an operator's booking page, click to an operator's phone number, completion of an email enquiry form to an operator

³Source: DNSW research, Google Analytics, Inside Story Sydney in Winter 2014 - Campaign Evaluation, August 2014

Marketing for Tourism and Events CONTINUED



Summer 'Love Every Second' campaign – insert magazine



Regional NSW Guide – insert magazine



Winter 'Love Every Second' campaign – tram wrap in Melbourne

Integrated campaign delivers Vivid Sydney 2014 record visitation

Vivid Sydney, which was featured in the seasonal Sydney Winter 'Love Every Second' campaign, delivered record breaking crowds, positioning Vivid Sydney as the leading festival of its kind in the Southern Hemisphere. The campaign was integrated into a newspaper magazine insert (2.1 million copies distributed in Australia and New Zealand), out of home, print and a comprehensive digital and social media schedule, including the delivery of three new digital tools - a new mobile-optimised Vivid Sydney website, Vivid Trails functionality and the VividSnap application.

Analysis of Vivid Sydney 2014 indicates⁴:

- Record event attendance of more than 1.43 million cumulative visitors and positive media coverage in over 190 countries and territories
- The 40 page magazine insert with a 2.1 million distribution run in Australia and New Zealand was well received and supported travel planning
- More than 1.7 million visits to vividssydney.com and over 238,000 industry leads, a 119% increase year-on-year
- Strong ticket sales for Vivid Sydney events including 37,000 tickets for Vivid LIVE at the Sydney Opera House, 34,000 tickets across the 180 events at Vivid Ideas and more than 15,000 tickets for Vivid Music
- 57% growth year-on-year of Vivid Sydney Facebook fans - reaching over 234,000 fans
- 60,559 downloads of the Vivid Sydney and VividSnap app and delivery of a new mobile-responsive website
- More than 95,000 images tagged with #vividssydney on Instagram.

Marketing events to drive attendance and visitation

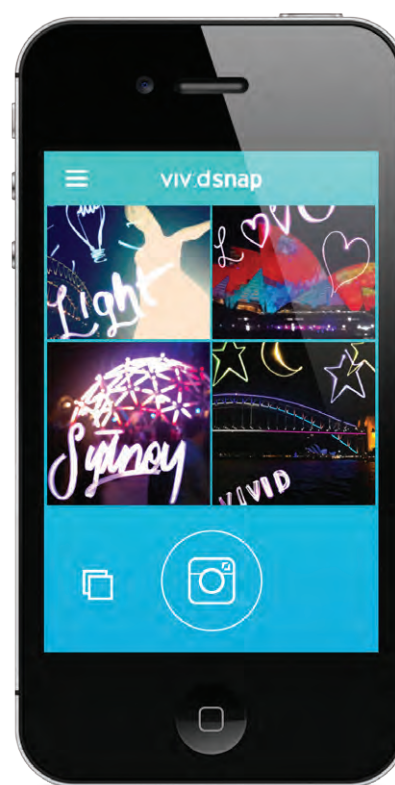
Destination NSW campaigns promoted the annual Sydney & NSW Events Calendar covering sporting, arts and cultural events to drive attendance and visitation. The integration of print, broadcast, digital, search, publicity and social media activities to showcase events in Sydney and Regional NSW has created a positive impact on overnight visitation for the State.

Events supported with campaign activity included: a sell-out season of Disney's *The Lion King* musical, six sold-out sports matches at ANZ Stadium (including the Manchester United versus A League All Stars match, NRL State of Origin matches and the 2013 NRL Grand Final), Top Gear Live, Ferrari Racing Days, Handa Opera on Sydney Harbour, plus the 2014 Opening Series of Major League Baseball and world premiere of *Strictly Ballroom - The Musical*, all of which had a major impact on driving incremental overnight visitor expenditure.

Many visitors attending these events stay in hotels, eat in restaurants, visit attractions and shop at retail outlets, all of which drives additional jobs, tourism industry investment and economic growth which flows through the NSW economy.



Winter 'Love Every Second' campaign featuring Vivid – insert magazine



VividSnap mobile app

⁴Source: DNSW research, partner results, Google, Facebook and Instagram Analytics

Marketing for Tourism and Events CONTINUED

It's ON! Event campaigns

The events-led 'It's ON!' campaign continues to be an effective platform to promote the annual Sydney & NSW Events Calendar, creating a strong call to action to visit Sydney and Regional NSW.

'It's ON! in Sydney and NSW' has shown a strong increase in performance year-on-year, in particular the television advertising using the 'It's ON!' creative showcasing a selection of quality events in Sydney over the Summer period, created strong intention to visit with research indicating 48 per cent of people who saw it took action or sought further information.⁵

Event Owners (more than 100) now integrate the 'It's ON!' mark in the majority of event-led campaigns. 'It's ON!' has proved so successful in driving visitation that travel trade industry partners have started using it to sell travel packages and make special offers to their key target audiences, to encourage ticket sales to events and participation in other activities during visits to Sydney and Regional NSW.

Destination NSW has also further developed this approach with co-operative campaigns supported by Regional Tourism Organisations and online tourism travel wholesalers to implement integrated Regional NSW event marketing programs. Two successful applications of this strategy were the 'It's ON! in Wollongong' campaign⁶ which generated more than 251,000 visits to Wollongong event pages on visitnsw.com and more than 34,000 leads to industry and the 'It's ON! in Newcastle and The Hunter' campaign⁷ which generated more than 37,000 visits to Hunter event pages on visitnsw.com and more than 6,000 leads to industry.

Setting new benchmarks for integrated destination campaigns

Destination NSW partnered with Regional Tourism Organisations and industry partners to develop and implement a broad range of destination marketing campaigns. Partner activity included campaigns with the South Coast Regional Tourism Organisation, Blue Mountains Lithgow and Oberon Tourism, Central Coast Tourism, Lord Howe Island Tourism, Destination Wollongong, Snowy Mountains Tourism and Caravan and Camping Industry Association NSW. The Regional NSW campaign highlights include:

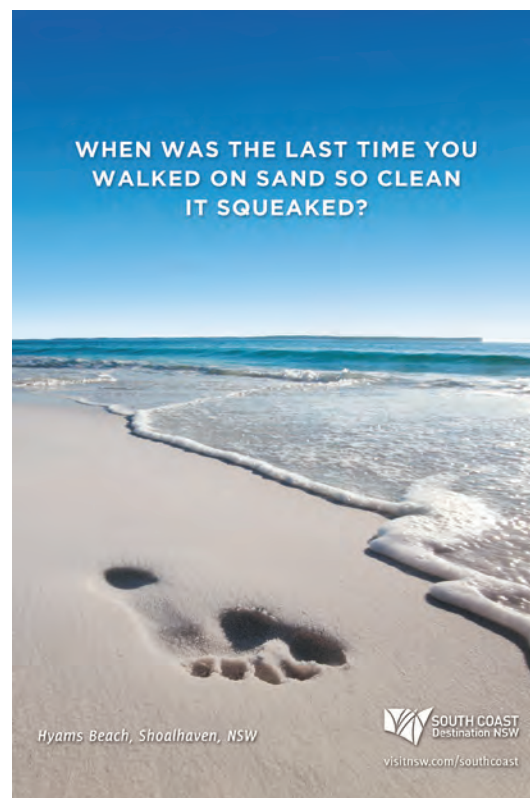
South Coast Partnership campaign

While in market (in FY2012/13) the campaign drove⁸:

- A 165% increase year-on-year in visits to South Coast pages on visitnsw.com
- Generated more than 75,000 leads to industry
- Delivered a 14% increase in room nights for participating accommodation partners
- The campaign effect continued in FY2013/14 with National Visitor Survey (NVS)⁹ results from the September quarter 2013 indicating that visitors to the South Coast increased by 31.3% and overnight visitation increased by 38.5% directly after the campaign. These results are the largest September quarter increase in the region for the visitor KPI's since NVS reporting began.



It's ON! in NSW campaign – press advertising



South Coast campaign

⁵Source: DNSW research, Google Analytics, Inside Story Sydney in Summer 2013/14 - Campaign Evaluation, February 2014

⁶Source: DNSW research, Google Analytics

⁷Source: DNSW research, Google Analytics

⁸Source: DNSW research, partner results, Google Analytics

⁹Source: Tourism Research Australia (TRA) National Visitor Survey, year ended September 2013

Destination NSW led a natural disaster recovery campaign to generate volume bookings to operators throughout the region to overcome negative perceptions that tourism areas and infrastructure had been destroyed. The campaign delivered¹⁰:

- 680,000 visits to Blue Mountains content on visitnsw.com, a 124% increase year-on-year
- More than 48,000 leads were generated to Blue Mountains tourism industry, a 78% year-on-year increase
- A 52% month-on-month increase in room night bookings for the entire region
- A 159% month-on-month increase in room night bookings for one participating online distribution partner was recorded
- According to the National Visitor Survey, in the December quarter 2013 the region recorded a 21% quarter-on-quarter increase in visitors and a 14% quarter-on-quarter increase in visitor nights.

The Getaway campaign targeted families to experience a short break on the Central Coast and delivered¹¹:

- More than 577,000 visits to Central Coast pages on visitnsw.com, a 214% increase year-on-year
- 58,000 leads to industry, a 520% increase year-on-year
- According to the National Visitor Survey, in the March quarter 2014 visitors to the region had increased 9% year-on-year, with visitor expenditure up 27.6% year-on-year.

The winter packages campaign helped to reverse a three year decline for the travel period. The campaign delivered¹²:

- Almost 30,000 visits to Lord Howe Island pages on visitnsw.com
- Almost 5,000 leads delivered to tourism operators
- A 43% year-on-year increase in flight sector / package bookings for participating industry partners.

Caravan and Camping Industry Association (CCIA) campaign

In partnership with the Caravan and Camping Industry Association, the 2014 campaign generated¹³:

- More than 252,000 visits to related pages on visitnsw.com, a 91% increase year-on-year
- More than 73,000 leads to the caravan and camping industry representing a 337% increase year-on-year.



Lord Howe Island winter campaign 2014



CCIA press advertisement

¹⁰Source: DNSW research, partner results, Google Analytics, Tourism Research Australia (TRA), National Visitor Survey (NVS) YE December 2013

¹¹Source: DNSW research, Google Analytics, Tourism Research Australia (TRA), National Visitor Survey (NVS) YE March 2014.

¹²Source: DNSW research, partner results, Google Analytics

¹³Source: DNSW research, Google Analytics.

Marketing for Tourism and Events CONTINUED

Regional NSW – Short Breaks campaign

Destination NSW developed a whole-of-state Short Breaks campaign and activities included:

- Regional newspaper insert - a 40 page magazine detailing regional events and destinations including key themes and experiences found throughout NSW such as food and wine, national parks, and adventure, distributed via 2.1 million copies across Australia and New Zealand
- Independent research has confirmed the strength of the regional newspaper insert to significantly increase awareness of events and experiences and intention to visit Regional NSW in the next 12 months¹⁴
- Dedicated Winter School holidays campaign targeting families delivered more than 56,000 visits to visitnsw.com and 7,900 leads to industry.¹⁵



Family Fun image from the Regional NSW insert

Destination NSW websites and social media assets delivered record results

Destination NSW Consumer Websites

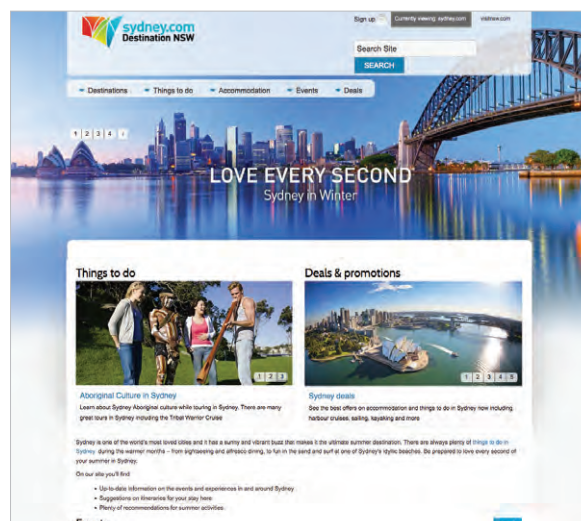
Over the past year, Destination NSW has achieved the greatest growth of any National or State Tourism Organisation for its digital assets and social media channels, creating one of the most progressive digital platforms within the Australian and Asia Pacific travel industry sector.

According to online intelligence agency Experian Hitwise, as at 30 June 2014, Destination NSW has the top performing state tourism websites in Australia, with a 54.04 per cent share of the total Government tourism industry market. They also ranked Destination NSW's tourism websites as the fifth largest destination and accommodation websites in Australia against global operators such as Trip Advisor, Booking.com, Agoda.com and Stayz.com.au.¹⁶

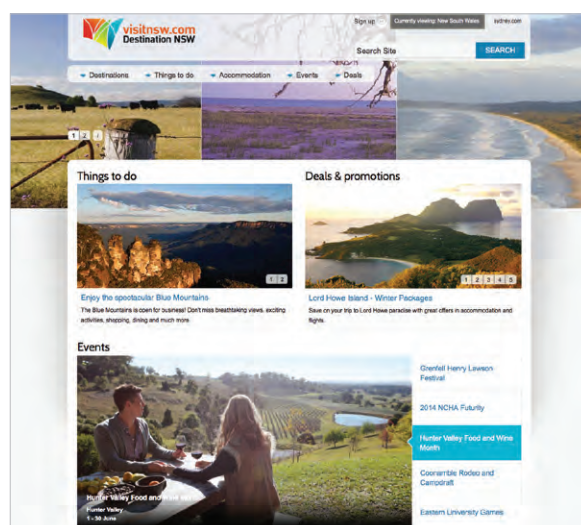
During FY2013/14, the Destination NSW consumer social media channels were used extensively to promote Sydney and Regional NSW to global audiences. They are the largest social media channels within the NSW Government and continue to deliver strong results.

Highlights of our digital programs include:

- Together with vividsydney.com, Destination NSW's consumer websites sydney.com and visitnsw.com generated more than 20 million visits (a 43% increase year-on-year), and over 4.8 million leads to the NSW tourism industry (a 78% increase year-on-year)¹⁷
- Sydney.com and visitnsw.com relaunched as fully responsive websites in March 2014. The websites are now fully mobile-optimised and the website design scales elegantly to the users' device. Over 130 device and browser combinations were tested during the responsive website project. Since the relaunch, leads to the NSW tourism industry have increased by 48% from users on mobile devices¹⁸



sydney.com homepage



visitnsw.com homepage

¹⁴Source: Destination NSW Program & Insights Reporting

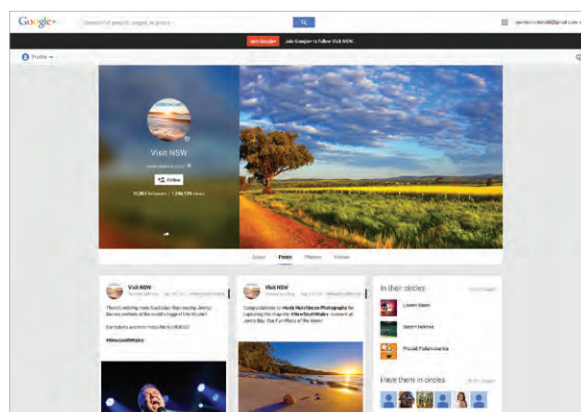
¹⁵Source: DNSW research, Google Analytics

¹⁶Source: Hitwise STO/GTO Website Traffic Market Share Monthly Reports - June 2014, Hitwise Top 10 Destination & Accommodation Websites in Australia Monthly Report - June 2014

¹⁷Source: Google Analytics

¹⁸Source: Google Analytics - Visitnsw.com and Sydney.com

- A 128% increase in Destination NSW Tourism Facebook fans from 714,000 to more than 1.63 million. These Facebook fans have an average weekly reach of 26.5 million friends of fans on Facebook due to responses to advertising, sharing of posts and conversations¹⁹
- A 123% increase in Destination NSW tourism Twitter followers from 54,873 to over 122,000²⁰
- More than 2.3 million completed YouTube video views - a 45% growth on video assets viewed since the beginning of the FY2013/14. Destination NSW YouTube channels provide an additional channel to broadcast TV commercials and video assets to improve the reach of campaign activity²¹
- Google+ followers are over 1.33 million - an 87% increase from the beginning of FY2013/14.²²



plus.google.com/+visitnsw

Chief Funster campaign

Tourism Australia created the 'Best Jobs in the World' competition in conjunction with all State Tourism Organisations to implement a social media driven program. Destination NSW leveraged this campaign to highlight the broad spectrum of great Sydney and Regional NSW experiences targeted to international youth travellers. Chief Funster, Andrew Smith, experienced '821,959 moments of fun' (one for every square kilometre of NSW) in his mission to prove that New South Wales is 'The Most Fun Place in the World'. The campaign generated²³:

- Extensive digital assets and content including 20 videos, 1000 tweets, 421 Instagram posts, 401 Facebook posts and 2000+ photos
- More than 6 million people reached via Destination NSW social channels
- More than 600,000 video views and 500,000 people interacting with Funster content
- More than 120,000 visits to the Youth campaign website.



Chief Funster, Andrew Smith, skydiving in Wollongong



Chief Funster, Andrew Smith, at Peppy Beach

¹⁹Source: Facebook Analytics - Sydney Australia, VisitNSW

²⁰Source: Twitter Analytics Sydney_Sider and NSW Tips on Twitter

²¹Source: YouTube Analytics - See Sydney and VisitNSW on YouTube

²²Source: Google Analytics

²³Source: DNSW Research

Marketing for Tourism and Events CONTINUED

Sydney 360 Degree Innovation

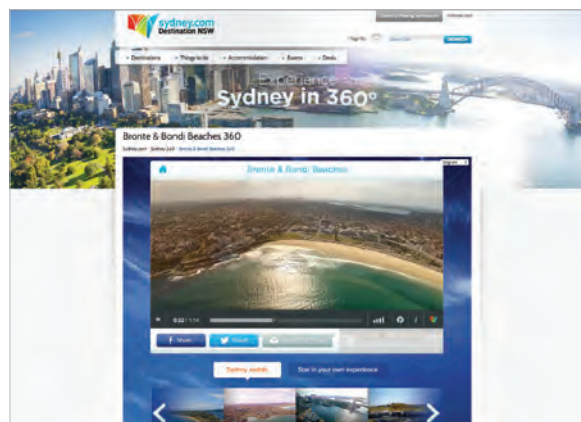
In April 2014 Destination NSW was awarded Best Digital Advertising or Communication - Tourism and Travel at the 20th annual Australian Interactive Media Industry Association (AIMIA) Awards held in Sydney for the ground-breaking Sydney 360 program, which was launched in 2013. The results for Sydney 360 exceeded all original expectations generating over 1.5 million video views for the 360 degree panorama and first person video technology, filmed in Sydney and selected Regional NSW destinations, with over 100,000 visits to sydney.com and 25,000 leads to the NSW tourism industry.²⁴

Creative and Content Focus

During the FY2013/14 the Marketing business unit delivered an extensive portfolio of creative assets and outputs:

- Artwork approvals (TV, print/magazine and radio advertising, collateral, video production, library collections, signage and industry partner and Event Owner) increased by 226% from 1,909 in FY2012/13 to 4,315 in FY2013/14, not including the thousands of creative advertising items used in search and social media advertising
- The Digital projects team worked on 100 digital production tasks a month; built pages for 472 destinations and 14,000 product listings
- The Social Media team managed 29 social channels, 1,500 posts and 300 blogs per year to support campaigns and events
- Destination NSW's Get Connected team processed more than 3,800 new products, 8,000 enquiries and over 27,000 updates to products from the NSW tourism industry each year.

Destination NSW completed the tender process to establish supplier panels to service and support the organisation's marketing requirements, with 25 agencies now appointed across eight panel areas including marketing strategy development, advertising production and social media. This streamlined approach to procurement affords Destination NSW a number of new opportunities by working with a range of innovative companies in its programs.



Sydney 360 campaign on sydney.com



Sydney in Summer outdoor advertising with Qantas partnering

²⁴Source: DNSW Research, Google Analytics

Challenges

- The tourism and events market continues to be fiercely competitive with multiple organisations representing domestic and international destinations all vying for the potential visitors whom Destination NSW is also targeting. With an estimated \$550 million²⁵ spent by destination advertisers in the 2013/14 financial year, the market is very crowded, making the cost of reaching and converting the consumer to visit NSW extremely challenging
- Consumers continue to demand the delivery of new, high quality and relevant content 24/7, across multiple platforms and devices, with mobile media now the fastest growing channel to market
- Digital media options continue to proliferate both domestically and internationally – with many dedicated applications being developed by tourism and events organisations. Campaigns must now include broader search offerings to ensure greater engagement via video seeding, using fully responsive mobile technology and social media advertising to remain relevant to target audiences. However, all of these new digital options provide a greater ability to target and track audiences, resulting in all marketing campaigns now containing a strong digital component, becoming more effective, measurable and optimising all stakeholders return on investment
- To meet this challenge, Destination NSW has continued to invest 'ahead of the curve' in digital assets to ensure we optimise the limited funding resources and gain cost efficiencies by integration across all media channels. Industry must now constantly invest in new technology, drive social media engagement and create innovative mobile applications and interactive user-friendly websites
- The travel planning cycle and lead times between visitor interest, consideration and decision making are getting shorter, creating new opportunities to package tourism and event tickets into the 'shopping cart' ticket-booking process
- There is a continued need for Destination NSW investment to support Event Owners trying to promote in international and domestic markets to drive overnight visitation
- In international markets, travel distributors have noted greater interest in travel due to the softening of the Australian dollar, which will start to have a flow on effect to increase the affordability and competitiveness for Sydney and NSW against other rapidly growing destinations in South East Asia
- There is a constant need to update the knowledge and appeal of our key source international audiences to visit major events that are 'Only in Sydney' (such as Vivid Sydney, Mardi Gras, Handa Opera on Sydney Harbour, plus selected sporting events) and to encourage dispersal and visitation to Regional NSW destinations. The AFC Asian Cup 2015 and the ICC Cricket World Cup 2015 present good opportunities to grow overnight visitation via sports-led campaigns.

Directions for 2014/2015

- Continue to implement our results-driven campaign platforms in alignment with the marketing related strategic imperatives specified in the Visitor Economy Taskforce (VET) and the Visitor Economy Industry Action Plan (VEIAP)
- Closely align all Destination NSW and industry partner marketing activities to leverage higher growth from key source markets and core target consumers in order to convert their travel intentions to visit Sydney and NSW
- Work with all stakeholders and the Destination NSW research team to constantly evaluate market intelligence to deliver innovative and high impact media channel activation that reaches key target audiences in the most efficient and cost-effective way
- Continue to invest in and maintain the development of 'world's best practice' digital, online and social media programs and broaden the scope of programs to deliver higher reach and impact in target markets
- Further develop our integrated campaign platforms and the magazine insert / digital publishing platforms to drive word of mouth advocacy and growth in the Visiting Friends and Relatives segment. This is a key driver of regional tourism, currently accounting for about 30% of domestic visitation
- Maintain a strong focus on developing integrated and highly effective Regional NSW campaigns with Regional Tourism Organisations and industry partners / operators to further develop the 'Short Breaks' market to deliver retention of intrastate travel by NSW residents
- Create more compelling content (images/video/digital) to fill existing gaps and showcase unique Sydney and NSW experiences, thus differentiating Destination NSW marketing programs from competitors
- Progress the development of digital assets, websites, content and social media channels in all the Destination NSW key source markets, focusing on implementing further marketing engagement with the rapidly growing China and India markets
- Continue to work with the Sydney Airport marketing team to leverage precinct and venue advertising opportunities, plus implement effective co-operative partner campaigns with key international airlines
- Support the further sector development of the Food and Wine, Great Walks, Soft Adventure, and pre-and-post cruise markets for Sydney and Regional NSW.

²⁵Source: Universal McCann, Media Landscape update, March 2014

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 from two key programs: the Regional Visitor Economy Fund and the Regional Flagship Events Program.

Regional Visitor Economy Fund

The Regional Visitor Economy Fund (RVEF) commenced in July 2013 in response to recommendations outlined in the NSW Government's Visitor Economy Industry Action Plan to achieve the target of doubling overnight visitor expenditure in NSW by 2020. The RVEF provides funding for marketing and product development activities that can directly and measurably contribute towards achieving this goal.

The NSW Government committed a record \$21.6 million in funding for this program over three years. Each year of the RVEF program offers a contestable funding pool of \$3.5 million for industry, local government and Regional Tourism Organisations (RTOs) to apply for on a competitive basis and \$3.7 million is quarantined for NSW's 11 RTOs. All funding is provided on a matched dollar-for-dollar basis commencing at \$50,000 and a number of projects funded have provided significantly greater than matched dollar-for-dollar investment.

The first year of the RVEF program, July 2013 - June 2014, resulted in a total of \$6.7 million being invested into product development and marketing projects for Regional NSW. There were 12 successful applications through the contestable pool of funding, which received total funding of \$3.1 million, and 19 successful applications through the quarantined pool of funding which received a total of \$3.6 million. Refer to the Regional Visitor Economy Fund table on page 70.

The first round of Contestable Funding for 2014/15 closed on 13 June 2014 and received 25 applications. Quarantined Funding applications which opened on 5 May 2014 will close on 7 November 2014 and a second round of Contestable Funding opened in September 2014, also closing on 7 November 2014.

Destination NSW conducted 10 Regional Visitor Economy Fund and Destination Management Planning workshops throughout Regional NSW during 2013/14 to provide stakeholders with an understanding of the Program and how to apply for funding. A further 12 workshops were delivered between July and October 2014. Detailed information about the program is available at www.destinationnsw.com.au/RVEF.

Regional Flagship Events Program

The Regional Flagship Events Program (RFEP) aims to increase visitation to regional events by providing support for regional event marketing. A total of 37 events received funding. Refer to the Regional Flagship Events Program 2013/14 table on page 69.

Tourist Attraction Signposting Assessment Committee

The Tourist Attraction Signposting Assessment Committee (TASAC) held 12 meetings in Regional NSW to discuss and evaluate signposting applications. For the 2013/14 reporting period, 47 applications were received, 41 of which were deemed eligible. TASAC also managed 112 enquiries.

Regional Visitor Economy Fund (RVEF)

Program Guide



RVEF Program Guide

Sector Development

The role of the Sector Development team is 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.

2013/14 Youth Program

The NSW winner in Tourism Australia's Global Youth Campaign 'Best Jobs in the World' was Andrew Smith from the USA. Under the terms of the competition, Andrew worked with Destination NSW for six months, from 18 December 2013 to 18 June 2014.

Destination NSW developed 'The Funster Experiment' campaign in January 2014 to 'prove' that Sydney and New South Wales are the most fun places in the world. Andrew proved the experiment by showcasing 821,959 moments of fun - more than one moment for each square kilometre of the State. Moments included 40 events and 80 experiences in Sydney and Regional NSW to youth travellers, particularly working holiday makers.

A video featuring Andrew's halfway milestone received over 136,000 views on YouTube and the @sydneyfunaustralia Facebook page grew to reach a fan base of almost 30,000. Media coverage to May 2014 achieved 234 articles with an advertising value of \$1.5 million and a readership/viewership of 22.64 million.

Destination NSW continued to partner with STA Travel in a campaign targeting UK, Germany, USA, Singapore and Japan from April to July 2014. The campaign promoted work, study and play in NSW, driving conversion by promoting tactical offers with a focus on 'value-add' propositions.

In partnership with MTV, four three-minute short films were produced and profiled on air with MTV and online through mtvtravelco.com and Destination NSW channels. The films featured CMC Rocks the Hunter, Top Gear Festival, Byron Bay Bluesfest and a Coastal Roadtrip with the Chief Funster. Additional Regional NSW hotspot content was also added to MTVtravelco.com.

Destination NSW also supported key trade events for the youth sector, including the World Youth Student & Travel Conference in September 2013 and ATEC's Australian Youth Tourism Exchange in April 2014, which were both held in Sydney.

Cruise Ship Tourism

New South Wales achieved a record cruise ship season in 2013/14, with more than 267 cruise ships visiting Sydney and the regional ports of Newcastle and Eden.

The 10-year Cruise Development Plan for NSW commenced in June 2014 with Sydney based company MI Associates appointed to work with Destination NSW. The Plan, to be developed in consultation with industry, will forecast the growth in cruise ship arrivals and passenger numbers to ensure that NSW is equipped to capture a larger share of economic benefits from the cruise sector. Financial models to identify capacity and infrastructure needs will also be developed and included.



Chief Funster, Andrew Smith



Overseas Passenger Terminal, Sydney Harbour

Industry Partnerships and Government Policy CONTINUED

Destination NSW contributed funding and support to the City of Sydney to provide a Meet and Greet Service for cruise passengers, focusing on international cruises, for the 2013/14 cruise season. The meet and greet service was provided to 61 cruises with more than 10,000 passengers receiving information and assistance. Four boutique cruises were provided an on-board meet and greet service. In addition, Destination NSW organised for brochure stands to be installed at the Overseas Passenger Terminal and for White Bay Terminal to have the Official Guide to Sydney available to arriving cruise passengers.

In March 2014, 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. Appointments were held with 15 major cruise lines with discussions focussed on pre and post cruise stays in Sydney and opportunities to include Eden and Newcastle in cruise itineraries.

Aboriginal Tourism

The Aboriginal Tourism Action Plan (ATAP), released in August 2013, was developed to support the Aboriginal tourism sector and contribute to the longer-term sustainability of Aboriginal tourism in NSW. The Action Plan comprises 26 actions to be implemented over a three-year period: in the first year 19 have been completed and are ongoing; four are in progress; and three are in planning.

Some of the first programs from the ATAP delivered by Destination NSW were the NSW Tour Operators Networking Workshops held in Sydney in September 2013 and in Port Stephens in April 2014. Each workshop attracted over 30 participants including Aboriginal Tour Operators, industry stakeholders and representatives from Government agencies.

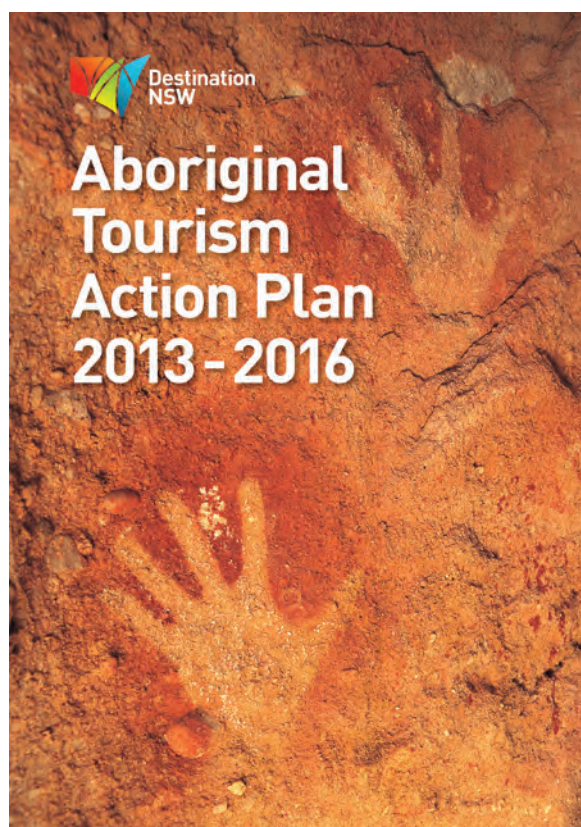
Destination NSW employs a Sector Specialist - Aboriginal Tourism, to facilitate the development of NSW Aboriginal tourism experiences and in February 2014 an Aboriginal Trainee was employed for 12 months. Destination NSW provided advice and assistance to 23 emerging and/or market-ready NSW Aboriginal businesses with tourism-specific product development support. An additional 16 NSW Aboriginal tourism products were provided with development support to assist them in becoming members of the national Indigenous Tourism Champions Program which provides product development assistance and marketing opportunities.

To promote Aboriginal experiences in Sydney and Regional NSW, new content was developed on Destination NSW's digital and social media channels including blogs and Facebook.

Destination NSW also made a three-year commitment to invest in the major Indigenous festival, Corroboree Sydney, which was successfully held for the first time in November 2013.



Tribal Warrior experience on Clark Island



ATAP publication

Food and Wine Tourism

Destination NSW formed a partnership with Wonder Communications to develop 'PLONK', a branded content series promoting NSW's wine regions. A series of five, 12-minute NSW episodes featuring the Hunter Valley, Canberra District, Mudgee and Orange wine regions was produced for distribution via YouTube. Broadcast deals were secured on Network Ten and the Australia Network to screen the content edited into commercial half-hour shows. Qantas also screened the series on domestic in-flight video from April to July 2014, as well as through Video-On-Demand services on both domestic and international flights. Content generated by this campaign was integrated into Destination NSW's social media and digital activity as well as in domestic partnership campaigns with Qantas and lastminute.com. The series generated \$1.5 million in media publicity and a total estimated audience to date of over 5 million viewers.

As part of Tourism Australia's Restaurant Australia marketing platform, Destination NSW partnered with Tourism Australia by investing in the production of marketing assets including TV commercials (Eastern and Western versions) for use across broadcast and digital media in overseas markets.

A partnership between Destination NSW, McGuigan Wines and Qantas focused on the Hunter Valley via a retail promotion in the UK and Ireland featuring MasterChef UK presenter, John Torode. The promotion was held in over 1,250 retail outlets and was seen by over 4.2 million people which generated over 30,000 competition entries. Ten prize winners will visit Sydney and the Hunter Valley in November 2014 to attend a special lunch hosted by Neil McGuigan and John Torode.

Destination NSW partnered with Flame Productions in 2012/13 to produce a cooking and lifestyle program promoting the food and lifestyle of Regional NSW. Lyndey Milan's Taste of Australia aired domestically on Channel 7Two in early 2014, achieving an estimated audience of 532,000 cumulative viewers across the nine episodes featuring NSW. The series was also aired by FoodTV in New Zealand and further Australian broadcast is scheduled for late 2014 on the Lifestyle Channel.

Business support programs

Product Development

During the year, Industry Development staff assisted 858 tourism businesses comprising 237 Sydney businesses, 556 regional businesses and 65 Government agencies or industry associations. Assistance ranged from providing general business and product development advice, to the provision of resources such as the Tourism Business Toolkit and business fact sheets as well as 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 in the tourism industry.



Episode one of *Plonk* on YouTube



Tourism Australia's Restaurant Australia photoshoot, in partnership with Destination NSW. Bistro Molines, Tallavera Grove Vineyard, Hunter Valley.

Industry Partnerships and Government Policy CONTINUED

Product Showcases

Product Showcases are events which offer tourism businesses the opportunity to present their product to Destination NSW staff in a trade-show style environment. The showcase gives new businesses a chance to improve their presentation skills and learn about the wide range of opportunities available with different teams across Destination NSW that may be of benefit to their business. Six Product Showcases, featuring 27 tourism businesses, were held during the year.

Presentations Skills Training

In September 2013, seven NSW tourism businesses who attended the New Zealand New Product Workshop took the opportunity to undertake a half-day Presentation Skills training workshop organised by Destination NSW's Industry Development team. The workshop was designed to ensure that each tourism business understood how to prepare for a trade event, maximise the results from their appointment times and manage follow-up effectively.

NSW First - Industry Development Workshop Program

In 2013, Destination NSW developed and delivered a program of workshops for tourism businesses in 16 locations across NSW. The workshops took place between 25 June and 21 August and were designed to assist tourism operators learn new skills and increase their tourism knowledge to assist them to work more effectively and increase the profitability of their business. The content for each workshop was tailored to the needs and interests of the tourism industry in each location, following expressions of interest received from tourism businesses through Destination NSW's Get Connected Program. The free one-day program was delivered by Destination NSW staff from across the organisation. A total of 446 participants attended the 16 workshops and 97 per cent of participants surveyed expressed their satisfaction with the overall workshop program.

Welcoming Chinese Visitors Program

Destination NSW in partnership with the Australian Tourism Export Council conducted two Welcoming Chinese Visitors Program workshops, presented by AVANA. The workshops were held in Sydney and the Blue Mountains during May and June 2014 and were designed to equip tourism businesses with an understanding of how to work with the Chinese travel trade and deliver a product or service that meets the needs of Chinese visitors. A total of 117 tourism businesses attended the workshops.

New Product Workshop

Destination NSW held a full-day New Product Workshop for 12 new export ready tourism businesses to meet with Inbound Tour Operators (ITO's) in April 2014. The workshop was held as trade-show style appointments to introduce the businesses to the inbound market. The tourism businesses also attended a training session prior to the workshop to ensure they were read to present their products as export-ready. Three months after the workshop, 90 per cent of participants had received enquiries from ITO's and 50 per cent had received confirmed bookings.



New Product Workshop



New Product Workshop

Industry Sponsorships and Events

Destination NSW works in partnership with a range of industry associations. In 2013/14 partnerships included:

1. Caravan and Camping Industry Association

The Caravan and Camping Industry Association (CCIA) Annual Conference and Awards of Excellence were held in Sydney from 30 July to 1 August 2013. Destination NSW presented a keynote speech.

2. Caravan and Camping Shows

Destination NSW worked with the Caravan and Camping Industry Association (CCIA) to co-ordinate NSW exhibitor participation at the Sydney, Melbourne and Brisbane Caravan and Camping consumer shows. The 2014 Caravan and Camping Shows were held in Melbourne from 6 - 11 March, Sydney from 26 April - 4 May and Brisbane 4 - 10 June. The table below shows the attendance figures and exhibitors for each show.

Location	NSW exhibitors	Visitor attendance	% change in attendance from 2013
Melbourne	15	52,273	4.9% increase
Sydney	9	75,549	1.4% decrease
Brisbane	9	64,820	13% increase



Caravan and Camping Show, Sydney

3. Local Government NSW

The Local Government NSW Tourism Conference was held in the Hunter Valley from 10 - 12 March 2014 with 235 delegates attending. Destination NSW provided the keynote address.

4. Minister's Student Achiever Awards 2013

This event has been held each year since 1991 to acknowledge academically high-achieving tourism and hospitality students at a Minister's Student Achiever Awards ceremony. NSW education institutions (public and private) offering degrees, diplomas and certificate courses in tourism and hospitality studies are invited to participate in the program by nominating their most outstanding student to receive an award. Sixteen awards in total were presented by the Minister for Tourism and Major Events during a function at Parliament House on 3 July 2013.



Some of the award winners from the Minister's Student Achiever Awards 2013

5. NSW Tourism Awards

The 2013 NSW Tourism Awards were held on 28 November at Royal Randwick Racecourse. The NSW Tourism Awards recognise and celebrate the diverse range of tourism product throughout NSW and the outstanding individuals who promote and support the industry. Destination NSW is the major sponsor of these awards which are managed by the Tourism Industry Council NSW.

6. Qantas Australian Tourism Awards

The 2013 Qantas Australian Tourism Awards were held on 7 February 2014 at Luna Park, Sydney. The event was secured in Sydney as a result of a successful expression of interest to host the Australian Tourism Awards by Destination NSW to the National Tourism Alliance. NSW was the most successful state with the NSW tourism industry winning eight gold awards at the event as well as eight silver and five bronze awards.

7. Tourism Accommodation Australia

The Tourism Accommodation Australia (NSW) Awards for Excellence were held on 24 July 2013 in Sydney. These awards are recognised as the most prestigious hospitality awards, honouring the achievement of excellence in a wide range of categories in the accommodation industry.

Industry Partnerships and Government Policy CONTINUED

International Trade Missions

In 2013/14 Destination NSW conducted and/or participated in nine international trade events in North America, China, Indonesia, India, United Kingdom (UK), Germany, New Zealand, and Singapore. The Destination NSW International Business Development Program supported these international trade missions. The Program is designed to encourage New South Wales product suppliers and destination marketers to attend missions-to-market, trade workshops and nominated Tourism Australia missions and events, to increase NSW's presence in market.

The largest mission was the joint China Mission led by Destination NSW and Tourism and Events Queensland. The Greater China Mission was held in Qingdao and Shanghai in March 2013.

Thirty-one NSW tourism product suppliers attended the workshops and presentations. All participants received assistance from the International Business Development Program to attend the mission.

NSW operators met with up to 300 key trade partners from mainland China, Hong Kong and Taiwan during the five-day event. Post Mission, 100 per cent of participants advised they had secured business as a result, with 11.1 per cent reporting passenger numbers of 1,000 people or more, 29.6 per cent reporting 100 – 1,000 people and 59.3 per cent reporting up to 100 people.

The UK and Germany Trade Mission ran from 24-28 March 2014 with 11 participating NSW tourism suppliers visiting two German and two UK cities over five days. The NSW suppliers met with 260 travel agents at four workshops, held in Frankfurt, Munich, London and Manchester and with 22 Product Managers at two events, held in Munich and London.

Each event introduced NSW suppliers to key industry travel buyers and sellers – wholesale and retail in these priority international markets.

Australian Tourism Exchange 2014 Cairns

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 Cairns from 11-15 May 2014. Over 600 international buyers and 1,400 Australian sellers participated in the event. Forty-eight NSW suppliers exhibited with Destination NSW and 46 NSW-based national companies. Destination NSW co-ordinated the theming of the NSW booths to deliver a cohesive presence at the event.

Destination NSW staff met with key airline, wholesale and retail decision-makers in relation to future co-operative partnership activities.

The annual Destination NSW networking function was held for all NSW suppliers and invited international buyers. The function was well received by all attendees showcasing NSW food, wine and produce.

International Trade Familiarisation Visits

Sixty trade familiarisation tours were offered in 2013/14 to more than 650 travel agents to help them gain the latest knowledge about Sydney and Regional NSW to increase their support and advocacy for the city as a tourism and events destination.

Destination NSW hosts famils around events, taking travel trade buyers from retail, wholesale and inbound sectors, along with industry personnel who are able to package these events with accommodation, travel and tours.

An ongoing focus for the program is promotion of Sydney's event experiences. In the past 12 months, highlights for our clients have included famils around Handa Opera on Sydney Harbour, musicals such as *The Lion King* and *Strictly Ballroom*, State of Origin, the Royal Easter Show and Vivid Sydney.

The total number of familiarisation visits was lower than the previous year, as Sydney played host to the Australian Tourism Exchange in 2013 and Destination NSW re-focussed its efforts on priority international markets identified in the Visitor Economy Industry Action Plan.



Cycling tour group around Sydney Harbour



Jetboating tours on Sydney Harbour

Partnership Programs

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 and retail travel partners, tour operators, hotel groups, online distribution groups and Tourism Australia.

In 2013/14 Destination NSW secured a series of strategic partnerships totalling \$22.5 million, with 20 airlines and 130 other trade partners. This represented a joint investment domestically of \$6.7 million inclusive of partner value-in-kind and internationally \$15.8 million in co-operative marketing investment. Destination NSW invested and assisted in the development and implementation of 106 campaigns in 13 international markets and 32 campaigns domestically.

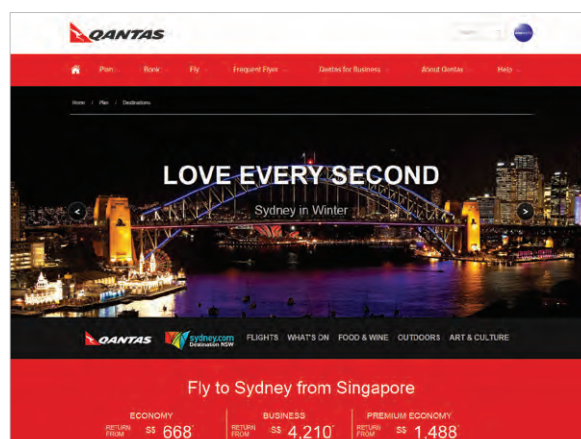
Destination NSW undertook the first year of activity under a three year Memorandum of Understanding (MOU) with Qantas. Marketing activities were carried out both domestically and across agreed priority international markets.

Key Qantas Airways MOU Partnership Successes:

- In the USA four successful campaigns were undertaken with an average 31% incremental increase across each campaign year-on-year (YOY). Campaigns included activity to leverage the Ellen DeGeneres Show broadcast in the USA (production earlier in 2013); activity around the Opening Series of Major League Baseball games played in Sydney in March 2014 saw a 41% increase in incremental passengers YOY, as well as promotion of key events including: Vivid Sydney 2014, the Sydney Gay and Lesbian Mardi Gras, the Australian Open of Surfing in Manly and the Tamworth Country Music Festival.
- Co-operative campaign activity was developed for China, with partners Ctrip and Qantas. Ctrip is the largest online travel agency in China, with a database of over 50 million registered members. They operate a hotel reservation network of over 39,000 hotels worldwide, with an average of 36 million travellers booking annually. Campaign activity was undertaken in Shanghai and Guangzhou to promote travel to Sydney with mono-state packages being developed and promoted by key trade partners. Integrated activity included a Chinese blogger tour of Sydney and NSW and video content with both Qantas and Ctrip call to actions, which received a total of 3.25 million views.
- Japan campaign activity featured digital on-train and in-station billboard advertising showcasing Vivid Sydney 2014. The creative featured a 15 second video with a Qantas call to action and the campaign provided maximum media exposure with 1.5 million travellers being reached on a daily basis.
- Joint activity in New Zealand leveraged both the 'Love Every Second in Winter' and 'Love Every Second in Summer' campaigns, with activity promoted across Auckland, Wellington and Christchurch ports to Sydney. The campaign was promoted through nationwide television advertising, national press and radio, as well as digital activity.
- Co-operative campaign activity in Singapore and Indonesia promoted Sydney and surrounds with a Qantas retail airfare offer. Wholesale and retail trade partners including ASA Holidays, Famosa and Holiday Tours, provided itineraries promoting regional destinations to leverage the joint Qantas activity. Featured destinations included Sydney, the Blue Mountains, the Hunter Valley, Port Stephens and Jervis Bay.
- In the United Kingdom a successful joint Qantas/Destination NSW campaign was undertaken with Austravel to promote Australia Day 2014. The campaign featured Sydney and New South Wales, a consumer competition and trade packages. Austravel reported up to 44% increases in room nights for NSW.
- In the domestic market, a dedicated Sydney and NSW microsite on Qantas.com was launched, featuring dynamic pricing along with Sydney and NSW destination and event content. The microsite provides an ongoing platform to showcase Sydney and NSW content, as well as events in both Sydney and Regional NSW.



Vivid Sydney 2014 digital advertising in Japan



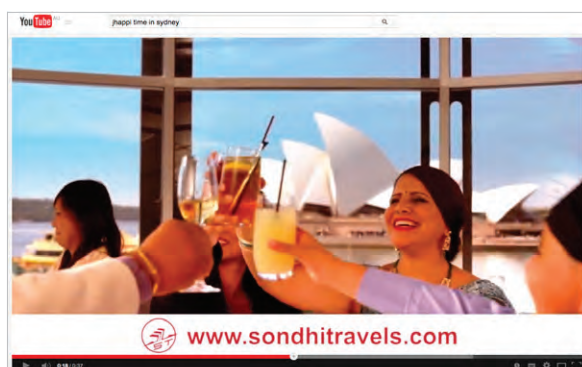
Qantas Sydney microsite

Industry Partnerships and Government Policy CONTINUED

2013/14 Successes – International

Key Highlights:

- International Partnership activity from Destination NSW source markets saw impressive results for Vivid Sydney 2014, with 20,061 visitors travelling to Sydney on Vivid Sydney packages. Of these, 9,700 were from the fastest growing market, China. International campaign activity saw extensive exposure for the event in the international markets, including large-scale, high-impact outdoor media, Vivid video content distribution and additional value through campaign PR leveraging and advertorial.
- Destination NSW partnered with key online and trade partners in India, Ezeego1, Yatra, Sondhi Travel, Kuoni and Thomas Cook, to leverage the Destination NSW 'Jhappi Time' campaign. Partner campaigns targeted the 'Visiting Friends and Relatives' market across affluent middle class families, couples and students. Each campaign promoted dedicated Sydney and NSW 'Jhappi Time' packages and featured the 'Jhappi Time' assets including imagery and videos. Over 1,000 passengers purchased NSW packages by the end of June 2014.
- Destination NSW partnered with three key wholesalers, China Travel International Guangdong, GZL International Travel Services (both based in Guangzhou in Southern China), and Beijing Caissa International Travel Service (based in Beijing, Northern China), in a campaign to promote mono-Sydney and NSW itineraries. The campaign targeted markets in North China (Beijing, Qingdao, Tianjin, Dalian, Shenyang and Jinan) and South China (Guangzhou, Shenzhen, Xiamen, Dongguan, Foshan, Huizhou and Fuzhou). The three wholesalers have a network of preferred agents across 13 cities, totalling 1,560 agencies.
- Destination NSW partnered with four key Korean group agents to develop and promote mono-state itineraries and strengthen the awareness of NSW in the Korean market. The campaign achieved an average 25% incremental increase in passengers across the four agents, compared to sales in the previous year.
- Destination NSW partnered with Singapore Airlines and Condé Nast Traveller Magazine to promote travel to Sydney. A 20-page content piece was developed to promote food and wine in NSW. The campaign achieved a 7% increase YOY in passenger flight bookings on Singapore Airlines for the travel period.



Jhappi Time campaign video on YouTube

2013/14 Successes – Domestic

As part of the Domestic Partnership Strategy, Destination NSW worked with multiple partners across various media channels to promote the summer and winter 'Love Every Second' seasonal campaigns. In 2013/14 partners included Accor Hotels, Toga Hotels, Jetset Travelworld Group, Qantas Airways, QantasLink, Tiger Airways, Lastminute.com.au, Wotif.com, Virgin Australia Holidays, Webjet and Zuji.

Key Highlights:

- Destination NSW developed a new partnership with digital partners Webjet and Zuji and further development of a partnership with Wotif.
- Destination NSW established a new partnership with Webjet to promote 'Sydney in Summer'. The campaign delivered 33% growth in passenger sales to Sydney YOY.
- Destination NSW delivered a campaign with Wotif to promote 'Sydney in Winter', delivering a 42% growth of room nights in Sydney YOY.
- Destination NSW partnered with Blue Mountains Lithgow and Oberon Tourism (BMLot) to assist the region to encourage visitors to return following the major bush fires in November 2013. Destination NSW developed a partnership campaign with Wotif to showcase the Blue Mountains region by promoting short breaks in the Region. The campaign resulted in an 18% growth in room nights sold YOY for visitation during the December period.

Leveraging Events through Partnerships

In 2013/14 the Destination NSW Partnership Programs team worked with 32 event partners to distribute event content and packages through partner distribution channels. In addition to Vivid Sydney, events included Bledisloe Cup, NRL State of Origin Series, British & Lions Tour, Top Gear Festival, International Fleet Review, Australian Garden Show Sydney, Sydney International Art Series, *Strictly Ballroom the Musical*, *Lion King*, Monster Jam, MLB Opening Series, Handa Opera on Sydney Harbour, Manchester United vs A League All Stars, Australia Day, Sydney Mardi Gras and Sydney Running Festival.

Key Highlights:

- Destination NSW developed a partnership campaign to sell travel packages for the MLB Opening Series. A total of eight wholesalers were engaged in the international markets of Japan, Korea, USA and New Zealand, as well as domestic packages. A total of 867 packages were sold.
- Destination NSW developed a joint campaign with Jetset Travelworld Group to package Manchester United vs A-League All Stars and to drive visitation to the event. This partnership resulted in a total of 1,711 package sales in the domestic market.
- Destination NSW undertook a joint partnership program with Jetset Travelworld Group to promote travel packages to the 2013 British & Irish Lions Sydney Test Match. This partnership resulted in a total of 1,251 passengers purchasing packages in the domestic and international markets.

Communications

Overview

In 2013/14, Destination NSW's Communications team maintained its focus on promoting events to drive overnight visitation, and providing publicity support for major Sydney and Regional NSW destinations, linked closely to marketing campaigns. Communications activities were focussed and aligned with the goal of doubling overnight visitor expenditure to NSW by 2020 and supporting initiatives recommended and implemented as a result of the Visitor Economy Industry Action Plan. Activities undertaken to appeal to international visitors focused in the main on the priority markets including China, India, Singapore, Malaysia, New Zealand, the US and the UK.

Key activities included the delivery of an extensive visiting media familiarisation program, including hosting broadcast, print and online journalists, proactively pitching stories to domestic and international media, promotional events, publicity stunts to capture the attention of the media, Ministerial media releases and photo opportunities to announce tourism campaigns, events and results, and leveraging activities through social media channels and major broadcast productions.

In 2013/14 more than 19,000 editorial features in international and domestic markets plus extensive broadcast and digital content was generated. This included 1,210 features profiling Regional NSW which were published and broadcast in domestic media outlets and activities around Vivid Sydney, where coverage was generated in nearly 200 countries around the world.

Highlights 2013/2014

Vivid Sydney 2014

The sixth year of Vivid Sydney saw a significant increase in national and international media coverage over previous years, with a campaign focused on reaching a broader Australian and international audience to drive visitation. Multiple preview and opening nights were leveraged extensively, and the expanded footprint into five new precincts including Martin Place, The Star, Sydney Harbour, the University of Sydney and Carriageworks at Eveleigh (who head lined with The Pet Shop Boys at the new Vivid Music event Modulations) drove further national and international media exposure. Over the 18-day festival of light, music and ideas, 90 media were hosted, including 80 international journalists. Over 17,500 pieces of domestic and international media coverage were tracked across 200 countries with a global audience circulation and broadcast reach in excess of 1.8 billion.

Strictly Ballroom the Musical

The world premiere of Baz Luhrmann's *Strictly Ballroom the Musical* opened on 12 April 2014 at the Sydney Lyric Theatre. In the lead up to the world premiere, Destination NSW supported promotional stunts, including *Strictly Sydney*, a public event which saw hundreds of ballroom dancers samba on the forecourt of the Sydney Opera House, and the *Strictly*

Mardi Gras float, which featured in the Gay and Lesbian Mardi Gras Parade as well as at Vivid Sydney 2014.

During the show's run, Destination NSW hosted 20 journalists at performances, which generated over 50 pieces of solid metropolitan media coverage across Australia and in New Zealand. A Video News Release was also distributed internationally and broadcast by channels across Asia Pacific, Europe and America.



Vivid Sydney 2014



Strictly Ballroom launch activity on top of the Sydney Opera House



British & Irish Lions tour – launch campaign

Communications CONTINUED

Manchester United vs A-League All Stars

Destination NSW supported the Manchester United tour against the Foxtel A-League All Stars with a range of consumer PR activities that leveraged the world famous football club and promoted Sydney as a destination nationally and internationally.

Destination NSW generated widespread media coverage in the lead up and during the Manchester United vs Foxtel A-League All Stars match on 20 July 2013. This included press conferences, hosting media, a reader promotion in the Daily Telegraph and player appearances, which saw players, take part in leisure activities at iconic locations throughout Sydney, such as Taronga Zoo. Pictures of players enjoying the sights and sounds of Sydney were distributed to domestic and international media and included coverage in the UK's Daily Mail online, the Daily Telegraph and MX. Destination NSW also undertook a publicity stunt at Manly Beach where they presented players with personalised surfboards. The media event was picked up by all national news, Channel Seven, Nine, Ten, The Project ABC, and ABC 24. The story was also picked up by a range of online sites, and was syndicated through News Corporation in Sydney, Melbourne, Adelaide and Brisbane. The vision was also broadcast 78 times internationally, predominately in the UK and Asia with media outlets such as BBC News, Sky News and CNN International all running the vision which included Destination NSW branding on the surfboards.

British & Irish Lions Test Match

On the 125th anniversary of the first British and Irish Lions Tour the Lions took on the Qantas Wallabies at ANZ Stadium. Leading up to the test match on 6 July 2013 both corporate and consumer media coverage was generated and secured in domestic and international media. To support the British & Irish Lions Tour and 3rd test in Sydney, Destination NSW worked with the Lions on a photo call and consumer stunt, promoting the Lions fans in Sydney. A giant Lions shirt (9m x 9m) was brought to Dawes Point, where hundreds of British and Lions fans gathered for a media photo opportunity. Footage of the giant Lions Shirt against the backdrop of Sydney Harbour and the Sydney Opera House were picked up across all domestic and international media, both broadcast and online. Channel Seven, Nine, Ten, ABC and SBS all covered the shirt with the Sydney Opera House in the background.

Opening Series of Major League Baseball

The Opening Series of Major League Baseball between the LA Dodgers and the Arizona Diamondbacks took place on 22 and 23 March 2014 at the Sydney Cricket Ground. In the lead up to game day, a series of corporate and consumer media opportunities were secured, including revealing the pitch, a taste test of special American food, such as hot dogs and nachos, a welcome press conference and player appearances at Sydney's iconic Bondi Beach, where players were given branded beach towels and baseball caps. In addition, Destination NSW hosted more than 25 media at the event. All up this major international sporting event generated extensive coverage across Australia and the world.

Regional

In 2013/14 Destination NSW continued to profile Regional NSW destinations, attractions, events and campaigns. In November 2013 Destination NSW, in partnership with Tourism Australia's Best Job campaign, welcomed Chief Funster Andrew Smith to target the international youth sector. The key component of the Chief Funster campaign was The Funster Experiment – a challenge for Andrew to uncover 802,000 moments of fun, one for each square kilometre of the State, with a real-time tally tracking his progress. Fun moments which added to the tally included: 2,105 steps taken while climbing the Sydney Harbour Bridge; 1,500 stomped grapes in the Hunter Valley; two hot laps with The Stig at Top Gear Festival Sydney; 60 seconds of freefall skydiving in Wollongong; and seeing 18,000 Elvis impersonators at the Parkes Elvis Festival. In addition to pitching news stories across Regional NSW, the Communications team targeted US media and hosted media famils with sector media and social influencers. The Chief Funster's activities were also promoted on MTV as part of a major international partnership to promote NSW work, study and play opportunities to youth travellers from the USA, UK, Germany, Singapore and Japan. The campaign generated more than 235 individual stories, December 2013 and May 2014, including coverage in the Huffington Post, LA Times online and Sunrise.

Destination NSW also undertook a three-month campaign to promote the Blue Mountains following the devastating bushfires in October 2013. The campaign to encourage tourism to the area included an Instameet, front page coverage in the Sunday Telegraph including a promotion to win a Blue Mountains holiday package, hosting domestic and international online and broadcast bloggers and presenters, securing a Sydney Weekender segment and an Time Out Melbourne electronic direct mail sent to Victorian-based subscribers.

The Camping and Caravanning Industry Association was supported by Destination NSW in 2013/14 to promote outdoor-based tourism across Sydney and Regional NSW. The Communications team supported the campaign through Ministerial announcements, a pop-up caravan and barbeque in Martin Place to give people a taste of a caravan and camping holiday right in the heart of the city, and segments on broadcast outlets Sydney Weekender and Places We Go, including print articles in News Limited's Escape. The campaign included media visits with key outlets to promote camping in NSW, including The Australian, Broadsheet, Best Weekend, Sunrise, Kidspot and Fat Mum Slim, as well as feature articles on the breadth of camping experiences on offer in NSW.

Total Media Famils

Destination NSW organised 328 visits for 793 journalists and bloggers from more than 30 countries during the 2013/14 financial year, representing a 35 per cent increase on the previous financial year.

Homebush Motor Racing Authority

The Homebush Motor Racing Authority was 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.

During the reporting period the Authority also provided specialist advice and input for other Destination NSW motor sport investments. This included the administration of the **Motor Sports (World Rally Championship) Act 2009** and the management of the planning and consent processes for the staging of the Australian round of the 2013 World Rally Championship in the Coffs Coast region of NSW from 12 to 15 September 2013.

Sydney NRMA Motoring & Services 500 V8 Supercar Motor Race - December 2013

The Grand Finale round of the 2013 V8 Supercar Championship Series, known as the Sydney NRMA Motoring & Services 500, was staged at Sydney Olympic Park from 6 to 8 December 2013. In addition to the exciting three-day racing program the event offered a range of on and off-track entertainment and promoted Sydney as a destination for both domestic and international markets.

The Homebush Motor Racing Authority managed the terms of agreement with the event proponent, V8 Supercars Australia Pty Ltd, and 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.

The Authority worked with the event proponent, NSW Government agencies and key stakeholders to develop co-ordinated transport, traffic and emergency management plans to deliver another safe and successful V8 Supercar event.

The NSW Government's Event Access and Inclusion Project aims to make major and community events more accessible to everyone. An initiative introduced by the Authority in 2013 to support that aim provided an alternative option for people with a disability and members of the broader community to access the event from the Olympic Park Rail Station.



Sydney NRMA Motoring & Services 500 V8 Supercar Motor Race

Passenger hoist lifts connected to each end of one over-track pedestrian bridge near Station Square facilitated entry into and out of the inside track area. The lifts were well-utilised by wheelchair users, patrons with limited mobility, carers, and families with strollers and small children.

Coates Hire Rally Australia - September 2013

The Authority was 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 2013 Australian round of the World Rally Championship held in the Coffs Coast Region of NSW from 12 to 15 September 2013. This included the preparation of the authorisations by the Minister for Tourism and Major Events, Hospitality and Racing and Minister for the Arts for the conduct of the rally event and the associated temporary works.



Coffs Coast Rally 2013

Challenges

- The staging of events at Sydney Olympic Park venues during the event infrastructure build period, often at short notice, impacts on the approved works program, and we need to ensure that the construction of the street circuit is delivered to deadline.
- Maintaining an effective stakeholder and community consultation program, particularly with the World Rally Championship given the vast geographic area covered by the event.
- Ensuring works authorisations for motor sport events address all relevant environmental, cultural heritage and safety issues.

Future Directions

Destination NSW has negotiated a new agreement with V8 Supercars Australia Pty Ltd to retain the Sydney 500 V8 Supercar event at Sydney Olympic Park for three years from 2014 to 2016, with an option of a further two years to 2018. With the dissolution of the Homebush Motor Racing Authority, from 1 July 2014, Destination NSW will undertake the functions prescribed by the **Homebush Motor Racing (Sydney 400) Act 2008** and the **Motor Sport (World Rally Championship) Act 2009**.

Corporate Operations

The Corporate Operations Division brings together specialist support services including workplace health and safety, strategic workforce planning, human resource management, database administration and technology support, record-keeping, general administration, facilities management and property maintenance. It also undertakes numerous projects related to each of these functional areas and managing the relationship with the Trade and Investment Shared Services function (which includes Payroll and ICT).

Achievements and Future Directions

The Corporate Operations team has made considerable progress over the past year. Highlights include:

- Significant progress in meeting the requirements of the new Government Sector Employment Act 2013 (GSE Act) which commenced on 24 February 2014 and repeals the Public Sector Employment and Management Act 2002 (PSEM Act), including integration of the NSW Public Sector Capability Framework into core people management processes. In 2014-15 Destination NSW will also finalise the 'Senior Executive Implementation Plan' and implement a 'Strategic Workforce Plan'.
- Consolidation of all business units from two sites into one including consolidation of the records and documents from two sites.
- A complete review of the Destination NSW Work Health & Safety arrangements has taken place, and Destination NSW has now implemented various workplace initiatives under the Work Health and Safety Act 2011. This includes, but is not limited to, the establishment of a new Risk Management process, and a formal Consultation mechanism. No injuries were reported in the 2014-15 period, and there are no outstanding Workers Compensation matters.
- A Customer Relationship Management (CRM) System project has commenced and has included a consultation process to develop a business requirements document. Implementation of the system is expected in 2014-15.
- Human Resources, Payroll, Legal and Information Technology functions are currently provided to Destination NSW by Trade & Investment (T&I) Shared Services. A formal Shared Services Partnership Agreement has been reached with NSW Trade & Investment, and Destination NSW staff are working with the T&I team to provide support across a range of Corporate Operations functions.
- A "Welcome Pack" for new employees and improved on-boarding processes have been introduced.
- An external audit was undertaken by Deloitte in relation to Performance Management at Destination NSW and no adverse findings were made. Supporting this, other Human Resource activities that will continue in 2014-15 include the 'On-Cue' Training program and implementation of a 'People Development Plan'.
- An Electronic Document Records Management System project pilot has been completed. The pilot is progressively being extended into usual business practices across Destination NSW. It is expected that this program of work will be completed in 2014-15.

Appendices

54	Destination NSW Senior Executive
55	Human Resources
57	Policies and Programs
59	Corporate Governance
64	Operations
67	Management Activities
69	Grants
72	Financial Management

**TOURISM ACCOUNTS FOR 1 IN 23
JOBS IN NEW SOUTH WALES**



Destination NSW Senior Executive (as at 30 June 2014)

Sandra Chipchase, B. Bus Comm, GAICD
Chief Executive Officer

Tanya Bowes, BA (Hons) Business Studies
General Manager, Communications

Anthony Laver, B. Com (Marketing)
General Manager, Marketing

Simonne Shepherd, B. Bus
General Manager, Industry Partnerships and Government Policy

Neville D'Costa, B. Com, LL.B. (Hons)
Director, Procurement and Legal

Peter Doran, BA MA QPMR AMSRS TASA AFAIM MAICD MISPI
Director, Program Performance and Assessment

Sue Doyle, BA Tourism Management
Director, Partnership Programs

Libby Ellis, B. Education
Event Development Manager, Arts and Entertainment

Bryan Hardman, Master of Public Administration, Gr.Dip, Bdg Svg, AIBS
Chief Executive Officer, Homebush Motor Racing Authority

Holly Hearne, BA Communication (Journalism)
Director, Ministerial and Executive Communications

Diana Kahui, B. Com
Director, Digital Strategy

Steve Keogh, B. App Sc
Event Development Manager, Sport and Strategic Events

Anna McInerney, B. Bus Marketing
Director, Event Development

Sonia McIvor, BA, Master of Tourism
Director, Marketing

Theresa Mejia, Master of Industrial Engineering, BSc Statistics
Manager, Visitor Insights and Performance

Nadine Neate, MCom UNSW, BCom Hons UOW
Manager, Event Assessment and Reporting

Human Resources

Destination NSW Staff Profile (as at 30 June 2014)

The following tables cover staff of Destination NSW.

PERCENTAGE OF STAFF BY GRADING: FULL-TIME EQUIVALENT (FTE)						
Total staff on 30 June	2013/2014	Men	Women	Total %	% Men	% Women
Trainee, Internship	2	1	1	1.50	0.75	0.75
Grade 1–2 \$55,985–\$60,863	0	0	0	0.00	0.00	0.00
Grade 3–4 \$62,587–\$68,531	5	3	2	3.76	2.26	1.50
Grade 5–6 \$73,882–\$81,520	22	1	21	16.54	0.75	15.79
Grade 7–8 \$83,962–\$92,940	31	7	24	23.31	5.26	18.05
Grade 9–10 \$95,710–\$105,469	28	6	22	21.05	4.51	16.54
Grade 11–12 \$110,699 – \$128,023	11	4	7	8.27	3.01	5.26
Senior Executives Band 1–3	17	6	11	12.78	4.51	8.27
Overseas Contractors	17	4	13	12.78	3.01	9.77
Contingent	33	9	24	N/A	N/A	N/A
Total	166	41	125	100.00	24.06	75.94

STAFF PROFILE BY EMPLOYMENT BASIS			
Total staff on 30 June	2013/2014	2012/2013	2011/2012
Permanent Full-time (includes international staff)	86	87	82
Permanent Part-time	9	10	11
Temporary Full-time	20	12	13
Temporary Part-time	0	0	4
Contract Senior Executives	17	10	3
Contingent	33	2	18
Transition/Non Permanent	0	31	0
Training Positions	1	0	0
Total staff on 30 June	166	152	131

Human Resources CONTINUED

Senior Executive Profile

21.18 per cent of Destination NSW's employee-related expenditure in 2013/14 was related to senior executives, compared with 16.73 per cent in 2012/2013.

Note: While total remuneration paid to the Chief Executive Officer is within Band 4, for the purposes of this annual report this amount has been placed against Band 3 which is consistent with the placement of Executive Agency Head's in the new Senior Executive structure and as established by the Government Sector Employment Act 2013.

SENIOR EXECUTIVE PROFILE		
Band	2013/2014	
	Female	Male
Band 3 (Chief Executive Officer)	1	0
Band 2 (General Manager)	2	1
Band 1 (Director)	8	5
Totals	11	6
	17	

SENIOR EXECUTIVE PROFILE – REMUNERATION		
Band	Range	Average Remuneration (Not Actual)
Band 3 (Chief Executive Officer)	336,851 – 488,100	412,476
Band 2 (General Manager)	238,301 – 336,851	287,576
Band 1 (Director)	167,100 – 238,300	202,700

Exceptional movements in remuneration

A salary increase of 2.27 per cent effective from the first full pay period after 1 July 2013 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 2013.

All increases were subject to satisfactory assessment of performance. No adjustments were made to the recruitment and retention allowances.

These statements cover all head office-based Destination NSW staff. International staff received cost of living increases in accordance with their individual contracts.

Policies and Programs

Disability Plan

Destination NSW developed a Disability Action Plan for internal consultation this year. It is an overarching plan that sets out the actions that Destination NSW is taking and will take to support people living with a disability. This includes supporting those people living with a disability that work at Destination NSW, and those who engage with it in the broader community. With the commencement of the Disability Inclusion Act 2014 in the latter part of 2014, Destination NSW will review its Plan in 2015 and incorporate any new requirements. Destination NSW also works with the Access and Inclusion Manager at the NSW Department of Premier and Cabinet to improve access to major events such as Vivid Sydney, World Rally Championships and Sydney Gay & Lesbian Mardi Gras. In addition, most of Destination NSW's event partners have arrangements in place for anyone with special accessibility needs.

Workforce Diversity

Destination NSW is currently implementing systems to better identify its people living with disabilities, and those employees whose first language spoken as a child was not English. Currently this process is managed as part of recruitment and induction. In 2014-15 activity will be undertaken to encourage employees to provide more information about their requirements, and other activity promoting or targeting programs and services to meet their needs. This is reflected in the Destination NSW Multicultural Plan and the Destination NSW Disability Action Plan.

The table below outlines Workforce Diversity information for Destination NSW as reported by the Public Service Commission.

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS				
Workforce Diversity Group	Benchmark/Target	2012	2013	2014
Women	50%	77.9%	76.6%	75.2%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%	0.0%	0.0%
People whose First Language Spoken as a Child was not English	19.0%	1.8%	1.9%	2.6%
People with a Disability	N/A	0.0%	0.0%	0.0%
People with a Disability Requiring Work-Related Adjustment	1.5%	0.0%	0.0%	0.0%

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS				
Workforce Diversity Group	Benchmark/Target	2012	2013	2014
Women	100	86	92	96
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Note: These figures are yet to be substantiated by the Public Service Commission.

Policies and Programs CONTINUED

Aboriginal Employment Strategies

In 2013-2014, an Aboriginal traineeship was established at Destination NSW. The traineeship program is expected to be extended in future years. Targeted internship opportunities are also being considered for future years.

Cultural awareness training for all staff is also being implemented across Destination NSW (as outlined in the Aboriginal Tourism Action Plan 2013-16). Destination NSW also provides significant support to Aboriginal tourism operators and events in NSW as part of its investment, product development and sponsorship activities.

Multicultural Policy

Destination NSW is committed to the Community Relations Commission and Principles of Multiculturalism Act 2000 and the NSW Government's aims and objectives for multiculturalism as stated in the Multicultural Advantage Action Plan.

We recognise multiculturalism as a deliberate public policy and have developed the 'Destination NSW Multicultural Plan 2014-2016' to ensure that that our organisation both reflects and engages with multicultural resources and people, and to ensure every success of its initiatives in promoting NSW.

Multicultural initiatives

Destination NSW undertakes media analysis on a campaign basis to establish the primary and specific ethnic communities that may need to be communicated to as part of media activity in line with the NSW Government guidelines regarding Culturally and Linguistically Diverse communities.

In 2014, the Jhappi Time campaign was developed to encourage visitors from India via the advocacy of their friends and relatives living in Australia. The campaign utilised extensive print advertisements in domestic Indian community newspaper titles complemented with marketing activity in India.

Destination NSW provides the Official Sydney Guide in English, Chinese, Japanese and Korean languages and customised and translated versions of its consumer website Sydney.com for visitors from the USA, United Kingdom, Singapore, New Zealand, Malaysia, Korea, Italy, India, Hong Kong, France, Germany, Japan and China.

Destination NSW has developed the Aboriginal Tourism Action Plan and assists emerging or market-ready Aboriginal businesses with tourism specific product development support. Destination NSW has also made a three-year commitment to invest in the major Indigenous festival, Corroboree Sydney, which was held for the first time in November 2013.

Occupational Health and Safety

A complete review of the Destination NSW Work Health & Safety arrangements has taken place, and Destination NSW has now implemented various workplace initiatives under the Work Health and Safety Act 2011. This includes but is not limited to the establishment of a Risk Management process, and a formal Consultation mechanism. No injuries were reported in the 2014-15 period, and there are no outstanding Workers' Compensation matters.

Waste

Destination NSW is committed to the NSW Government's Waste Reduction and Purchasing Policy agenda and aims to create awareness amongst staff, encourage participation and develop practical strategies to avoid waste, increase resource recovery and increase the purchase of recycled products. Destination NSW staff are encouraged to recycle office stationery (double sided printing, recycled paper for drafts), paper, cardboard, glass, cans and plastics. These initiatives are supported by internal communication which includes coaching and training at new starter inductions, email updates to staff, sustainability newsletters, and signage to inform and encourage participation.

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 were appointed by the responsible Minister. The Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts was the responsible Minister before 22 April 2014. As of 23 April 2014, the responsible Minister is now the Deputy Premier in his capacity as Minister for Tourism and Major Events.

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) (Former Chairman) resigned as Chairman on 28 February 2014.

John Hartigan (Chairman) appointed as Chairman on 27 March 2014

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 eight occasions during 2013/14. The attendance record of the members was John Conde (5/8), John Hartigan (2/2), Russell Balding (7/8), Leslie Cassar (7/8), Hon. Patricia Forsythe (7/8), Wendy Machin (7/8), Rod McGeoch (8/8), Mark Paterson (6/8) and Sandra Chipchase (8/8).

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 6 occasions during 2013/14.

Members on the Internal Audit and Risk Committee at 30 June 2014 were Russell Balding (Committee Chairman) (6/6), John Conde (4/6), John Hartigan (2/6), Wendy Machin (4/6), Mark Paterson (3/6) and Sandra Chipchase (5/6).

Homebush Motor Racing Authority

The former Chairman of Destination NSW (Mr John Conde AO) also held the role of Chairman of the Homebush Motor Racing Authority Advisory Board until 28 February 2014. The Deputy Chairman of Destination NSW (Mr Russell Balding AO) held the role of the Advisory Board Chairman from 17 March 2014 until 30 June 2014.

This Board representation ceased on 1 July 2014 due to the enactment of Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014. This Act dissolves the Homebush Motor Racing Authority, Homebush Motor Racing Authority Advisory Board and Event Implementation Committee. All functions are now transferred to Destination NSW. The Homebush Motor Racing (Sydney 400) Act 2008 still has legislative effect.

Business Events Sydney

Destination NSW has two Board members on the Business Events Sydney Board:
Hon. Patricia Forsythe and Ms Sandra Chipchase.

Legal Change

Following the issue of *Administrative Arrangements Order 2014*, the Destination NSW Division is now referred to as the Destination NSW Staff Agency and is classified as a Public Service Executive Agency. The execution of *Administrative Arrangements Order 2014* resulted in all functions of the former Destination NSW Division being transferred to the Destination NSW Staff Agency with effect from 24 February 2014.

The *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014* commenced on 1 July 2014; schedule 2 of the Act amends the *Homebush Motor Racing (Sydney 400) Act* to dissolve the Homebush Motor Racing Authority, its Advisory Board and Event Implementation Committee and to transfer the functions, powers, assets, rights and liabilities of the Authority to Destination NSW.

Consultants

Consultants equal to or more than \$50,000:

Consultant	Funding \$	Title/Nature
Events and Sports Projects Australia Pty Ltd	\$60,395	Traffic & safety management for the 2014 Vivid Festival.

Consultants less than \$50,000:

Consultant	Number	Cost\$
On Cue Executive Consulting Pty Ltd	\$39,196	Organisational change development

Corporate Governance CONTINUED

Disclosure of Controlled Entities

Destination NSW has the following controlled entities:

Destination NSW Staff Agency

The Destination NSW Staff Agency (Staff Agency) was established in February 2014 following the execution of *Administrative Arrangements Order 2014*, which resulted in all functions of the former Destination NSW Division being transferred to the Staff Agency.

The Destination NSW Staff Agency is classified as a Public Service Executive Agency and 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 Staff Agency's objective is to provide personnel services to Destination NSW. The Staff Agency has responsibility for the employees and employee-related liabilities of Destination NSW.

Homebush Motor Racing Authority

The Homebush Motor Racing Authority (HMRA) was constituted as a body corporate under the Homebush Motor Racing (Sydney 400) Act 2008 (HMRA Act). The position of Chief Executive Officer was established by the HMRA Act to be responsible for the day-to-day management of the affairs of the Authority. The HMRA Advisory Board was established to provide advice to the Chief Executive Officer. When Destination NSW was created, HMRA's CEO reported to the Destination NSW CEO.

As of 1 July 2014 due to the enactment of Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014; the Homebush Motor Racing Authority, Homebush Motor Racing Authority Advisory Board and Event Implementation Committee has been dissolved. All functions are now transferred to Destination NSW. The Homebush Motor Racing (Sydney 400) Act 2008 still has legislative effect.

Events New South Wales Pty Ltd

Events NSW Pty Ltd was deregistered as of 5 May 2013. All assets, liabilities and rights have been transferred to Destination NSW.

Disclosure of subsidiaries

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

Government Information (Public Access) Act 2009

In 2013–14, Destination NSW received one valid access application under the Government Information (Public Access) Act 2009. In addition, Destination NSW did receive and respond to one informal application for information.

This report covers the operations of the following entities which as per the Destination NSW Act (2011) are 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 and has now ceased. Homebush Motor Racing Authority does not exist now and 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. The e-newsletter is free for subscribers.
3. Distribute a regular e-newsletter which outlines upcoming events and tourism initiatives to subscribers. The e-newsletter is free for subscribers.
4. Maintain a media centre on our website www.destinationsw.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 2013 to 30 June 2014) including withdrawn applications but not including invalid applications.

Valid Formal Applications	Invalid Formal Applications
1	0

During the reporting year the agency received one access application 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 Public Service Executive Agency, 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.

Public Interest Disclosures

The Public Interest Disclosures Act 1994 was amended to require Agencies to report every six months to the Ombudsman on Public Interest Disclosures (PIDs) and to include this information in Annual Reports.

This report covers those PIDs received during the period from 1 July 2013 to 30 June 2014.

Number of public officials who have made a disclosure to the Agency – (0)

Number of the public interest disclosures received by the Agency relating to:

- corrupt conduct – (0)
- maladministration – (0)
- serious & substantial waste – (0)
- government information contravention – (0)

Total number of public interest disclosures received – (0)

The number of public interest disclosures finalised to 30 June 2014 – (0)

The Destination NSW PID Reporting Policy and Procedure was developed in accordance with the requirements of the Public Interest Disclosures Act 1994 and approved effective from June 2012.

The following action has been taken to ensure that staff are aware of the contents of the Policy and the protections available, as required under s6E(1)(b) of the Public Interest Disclosures Act 1994:

Destination NSW staff have access to the Public Interest Disclosures policy from the staff intranet.

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. Four audits were commenced in the reporting year:

- Procurement and Expenditure Report (2013)
- Contra and In Kind Audit (2014)
- Business Risk Assessment and three year internal audit plan (2014).

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 2013/2014 financial year by Destination NSW.

Corporate Governance CONTINUED

Digital Information Security Annual Attestation Statement for the 2013-2014 Financial Year for Destination NSW

I, John Hartigan, am of the opinion that Destination NSW had an Information Security Management System in place during the financial year, which is materially consistent with the Core Requirements set out in the *Digital Information Security Policy for the NSW Public Sector*.

I, John Hartigan, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems delivered to Destination NSW under a shared services agreement with NSW Trade & Investment require improvement. A review performed during the year identified several areas requiring improvement. The work to address these specific areas will be led by NSW Trade & Investment's Chief Information Officer, including the transition to an information classification and labelling scheme, is expected to be completed by December 2015.

I, John Hartigan, am of the opinion that no other Public Sector Agencies, or part thereof, under the control of Destination NSW with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*.

I, John Hartigan, am of the opinion that, in accordance with the *Digital Information Security Policy for the NSW Public Sector*, certified compliance with *AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information Security Management Systems - Requirements* is not required.



John Hartigan

Chairman

Dated: 17 October 2014

Internal Audit and 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.

The Board of Destination NSW is of the opinion that the internal audit and risk management processes for Destination NSW depart from the following core requirement set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures 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	<ul style="list-style-type: none"> • Delays due to the lengthy process in qualifying for the Pre-qualification scheme: Audit and Risk Committee Independent Chairs and Members. • Independent members are individuals who do not hold positions within the agency and are not employees of the NSW Government. They collectively possess all skill and knowledge requirements set out in the policy and also satisfy other TPP09-05 criteria prohibiting conflicts of interest.
<i>The determination by the Portfolio Minister for Destination NSW in respect of this departure, date 6 December 2013, 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 (Resigned March 2014)
- Independent Member 2, Ms Wendy Machin (Appointed to August 2015)
- Independent Member 3, Mr John Hartigan (Appointed to March 2018)
- Non-independent Member 1, Mr Mark Paterson AO (Appointed to August 2015).

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



John Hartigan

Chairman

Dated: 12 September 2014

Operations

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Purpose of Visit	Country Visited	Date From	Date To
Josh Hall Marketing Co-ordinator, New Zealand	To host retail trade famils in Sydney to present STO Tri-State Trade Show in Melbourne.	Australia	13/08/2013	21/08/2013
Helen Marinic Senior Trade Co-ordinator, Western Markets	To provide direction and support to the New Product Workshop. The New Product Workshop is an important event in the New Zealand market and it is critical for an experienced Destination NSW person manage this activity. Provide update on New Zealand market and NSW suppliers.	New Zealand	16/09/2013	19/09/2013
Jinko Narita Marketing Executive, Japan	To escort a Japanese travel agent famil group, in partnership with Qantas Japan, to introduce agents to new products and destinations for educational travel market to Sydney and regional NSW.	Australia	19/09/2013	25/09/2013
Lisa Eyre Marketing Executive, UK/Europe	To lead a famil group of UK travel agents from Sydney to the Hunter Valley & Port Stephens. Additionally the visit will further develop her product knowledge within Sydney & Regional NSW.	Australia	7/10/2013	14/10/2013
Tan Hui Ying Marketing Executive, South East Asia	To lead a group of top Singaporean Aussie Specialists Program travel agents on a Scoot/DNSW/Tourism Australia organised trade famil to Sydney to experience and familiarise agents on the Legendary Pacific Coast.	Australia	23/10/2013	1/11/2013
Allan Yang Business Development Manager, Chengdu, China	To acquire product knowledge as Business Development Manager based in Chengdu, China to assist with the travel agents' needs with product packaging & further develop Western China market. To assist NSW operators understand the market needs of Western China.	Australia	12/11/2013	18/11/2013
Angel Zhang Business Development Manager, China	To foster close working relationship with major travel agents and China Eastern Airlines. Will also build market awareness of quality Sydney & NSW products and leverage opportunities for developing mono-Sydney and NSW itineraries for sale to Jiangsu market. To assist NSW industry partners to understand the needs of Chinese consumers and agents.	Australia	27/11/2013	5/12/2013
Sarah Williams A/Senior Trade Co-ordinator	To attend the International Luxury Travel Mart in Cannes, France.	France	30/11/2013	8/12/2013
Tan Siew Hoon Regional Manager, South East Asia	To lead a group of key Garuda Airlines' top agents to Sydney & Regional NSW. To build market trade awareness, and to maintain Sydney as Australia's key iconic city & events capital.	Australia	17/01/2014	23/01/2014
Haruhiko Niihori Country Manager, Japan	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates. Includes Head Office introduction.	Australia	6/02/2014	14/02/2014
Samantha Cameron Country Manager, New Zealand	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates. Includes Head Office introduction.	Australia	6/02/2014	14/02/2014
Irene Morgan Regional Manager, USA	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates.	Australia	8/02/2014	14/02/2014
Jennifer Tung Regional Director, North Asia	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates.	Australia	8/02/2014	14/02/2014
Oton Wu Regional Manager, China	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates.	Australia	8/02/2014	14/02/2014

Name of Officer	Purpose of Visit	Country Visited	Date From	Date To
Paramjit Bawa Country Manager, India	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates. Attend Focus on India workshop, famil & gala event. Will also escort Indian buyers during the Sydney familiarisation trip.	Australia	8/02/2014	15/02/2014
Pooja Razdan Business Development Manager, Mumbai, India	To foster close working relationship with major travel agents and NSW tourism product & service suppliers. Will also build market awareness of quality Sydney & NSW products and leverage opportunities for developing mono-Sydney and NSW itineraries for sale to India market. To assist NSW industry partners to understand the needs of Indian consumers and agents.	Australia	8/02/2014	15/02/2014
Tan Siew Hoon Regional Manager, South East Asia	Destination NSW International Managers Conference, including a strategic planning workshop, training and head office meetings and NSW supplier updates.	Australia	8/02/2014	14/02/2014
Sandra Chipchase Chief Executive Officer	Meetings with Regional Tourism Organisation and Chamber of Commerce.	Australia (Lord Howe Island, classified as an overseas trip)	2/03/2014	4/03/2014
Simonne Shepherd General Manager, Industry Partnerships & Government Policy	Attend joint Destination NSW and Tourism and Events Queensland's Greater China Mission, which is designed to showcase Sydney and NSW products to key trade partners and travel trade media in China. Includes executive meeting with key industry partners including airlines and wholesalers to formalise co-operative activity for 2014-15.	Hong Kong & China	13/03/2014	22/03/2014
Lilu Fu Senior Trade Co-ordinator, Eastern Markets	Attend joint Destination NSW and Tourism and Events Queensland's Greater China Mission, which is designed to showcase Sydney and NSW products to key trade partners and travel trade media in China.	China	16/03/2014	25/03/2014
Helen Marinic A/Executive Manager Trade Events	To attend and assist with the management of Destination NSW Germany and UK Trade Mission.	Germany & United Kingdom	19/03/2014	30/03/2014
Jeanne Stradmoor Business Development Executive, North Asia	Lead a group of key agents on Qantas/DNSW trade famil to Sydney & Regional NSW. It also includes induction at DNSW Head Office and build market awareness of Sydney & Regional NSW for the Hong Kong market.	Australia	26/03/2014	2/04/2014
Samantha Cameron Country Manager, New Zealand	Host a VIP group of key industry decision makers including Wholesale Product Managers and Retail Marketing Managers to experience key Sydney events and the Blue Mountains tourism products. Also, to influence key partners to invest in the winter & summer 2014/15 campaigns.	Australia	28/03/2014	1/04/2014
Anthony Laver General Manager, Marketing	To present advertising campaign concepts to the Lord Howe Island Tourism Association.	Australia (Lord Howe Island, classified as an overseas trip)	15/04/2014	16/04/2014
Irene Morgan Regional Manager, USA	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	6/05/2014	16/05/2014
Haruhiko Niihori Country Manager, Japan	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	7/05/2014	21/05/2014
Jennifer Tung Regional Director, North Asia	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	7/05/2014	16/05/2014

Operations CONTINUED

Name of Officer	Purpose of Visit	Country Visited	Date From	Date To
Oton Wu Regional Manager, China	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	7/05/2014	16/05/2014
Paramjit Bawa Country Manager, India	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	7/05/2014	16/05/2014
Tan Siew Hoon Regional Manager, South East Asia	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	7/05/2014	16/05/2014
Samantha Cameron Country Manager, New Zealand	To attend pre event Sydney meetings. Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns, and to acquire product and destination knowledge.	Australia	8/05/2014	16/05/2014
Lisa Eyre Marketing Executive, UK/Europe	Attend the Australian Tourism Exchange 11-15 May 2014 trade event in Cairns. After event, attend meetings in Head Office and then lead the Travel 2 UK famil with a group of UK travel agents from Sydney, Hunter Valley & Port Stephens, and to acquire product and destination knowledge.	Australia	9/05/2014	28/05/2014
Adam Lubicz Marketing Executive, North America	Host a group of top producing retail travel agents on a famil around Sydney, Blue Mountains and the Hunter Valley. To strengthen the relationship with these travel agents and to increase product knowledge of Regional NSW.	Australia	18/05/2014	27/05/2014
Allan Yang Business Development Manager, Chengdu, China	To lead a group of key agents and Sichuan Airlines' VIP executives familiarisation to Sydney and Regional NSW. Will also visit Destination NSW Head Office and attend relevant training programs and business sessions with DNSW staff. To build market awareness of Sydney & Regional NSW for Western China market and acquire product updates on Regional NSW that will be promoted to drive regional dispersion, encourage length of stay and increase spend in Sydney and NSW.	Australia	23/05/2014	30/05/2014
Jinko Narita Marketing Executive, Japan	To escort a group of top producing travel agents focused on group travel. Will showcase Vivid Sydney to key Japanese travel agents, increase product knowledge of Regional NSW and strengthen relationships with top producing travel agents.	Australia	25/05/2014	30/05/2014
Anthony Laver General Manager, Marketing	Review current campaign in the market. Review and approve revised creative for the new destination campaign with Lord Howe Island Tourism Association and key stakeholders. Discuss the Annual Marketing Programme Plan for 2014/15 financial year and site reconnaissance for a film and photo shoot planned for July/August 2014.	Australia (Lord Howe Island, classified as an overseas trip)	10/06/2014	12/06/2014
Jeanne Stradmoor Business Development Executive, North Asia	Lead a group of key agents on a pre-Corroboree Greater China 2014 familiarisation to Sydney & Regional NSW. To acquire product updates and build market awareness of Sydney & Regional NSW for Southern China, Hong Kong & Taiwan market.	Australia	16/06/2014	29/06/2014
Angel Zhang Business Development Manager, China	Lead a group of key agents on a pre-Corroboree Greater China 2014 familiarisation to Sydney & Regional NSW. To acquire product updates and build market awareness of Sydney & Regional NSW for Mainland China market.	Australia	17/06/2014	28/06/2014
Tan Hui Ying Marketing Executive, South East Asia	Lead a group of top Malaysia Aussie Specialist Program travel agents on a familiarisation to Sydney and Surrounds. To reinforce market trade awareness of Sydney and Surrounds and to build awareness and acquire product updates of winter experiences, as well as dining experiences to tie into Restaurant Australia activities.	Australia	17/06/2014	28/06/2014

Management Activities

Organisational Activities

Consolidation of all business units from two sites into one including consolidation of the records and documents has been completed. While additional building works are being planned in 2014-15 to accommodate growth and business activity, the new head office space has been established and people are settled and working well together in the new environment.

Significant strides have been made in meeting the requirements of the Government Sector Employment Act 2013 (GSE Act) which commenced in February 2014, including integration of the NSW Public Sector Capability Framework into core people management processes. In 2014-15, Destination NSW will also finalise the 'Senior Executive Implementation Plan' and implement a 'Strategic Workforce Plan'. An external audit was undertaken by Deloitte in relation Performance Management at Destination NSW and no adverse findings were made. Supporting this, other Human Resource activities that will continue in 2014-15 include the 'On-Cue' Training program.

Integrated marketing activities

The Destination NSW Marketing Business Unit continued to implement a strategy to integrate destination campaigns with event-led programs to ensure we optimise overnight visitor expenditure.

The events-led 'It's ON!' and the tourism-led 'Love Every Second' campaign platforms have been fully integrated via cooperative Industry Partnership campaigns with airlines, tourism trade and Event Owners which creates a stronger overall share of voice in the market for NSW travel messages. The importance of this strategy is focused on ensuring content is also integrated across both traditional media channels (including out of home, print, radio and television), PR and Communications activities, and digital channels such as websites, applications and social media channels to provide a holistic approach to reaching our target audiences in key source markets.

Risk management

A comprehensive risk profile review of the new organisation was undertaken in 2012. Another comprehensive risk profile review was undertaken in 2014. Subsequently, a new 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. The Authority ensures the requirements of the Homebush Motor Racing (Sydney 400) Act 2008 are met. To ensure compliance between V8 Supercars Australia Pty Ltd and the NSW Government, the Authority monitors the obligations of both parties in respect of the (now) former Sydney 500 Deed and the new Strategic Investment

Agreement. The Authority also manages the approvals process and 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 and co-ordinates Traffic and Transport 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 and transport agencies.

For the 2014 World Rally Championship event, the Authority is working with Rally Australia and NSW Government authorities to ensure environmental impacts are minimised and health and safety plans are progressed. The Authority also prepares the necessary Orders and Authorisations for the Minister's consideration and approval under the Motor Sports (World Rally Championship) Act 2009. The Authority seeks the assistance of Environmental Health Surveyors from Local Councils relevant to both events to attend 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 landline survey of 120,000 Australian residents who have travelled in the previous two months. From January 2014, the National Visitor Survey methodology was updated to include half mobile phone and half computer-assisted landline interviewing.

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 2013/2014, Destination NSW published 448 visitor snapshots and profiles for use by industry and other stakeholders.

Market research studies completed and in progress include:

- Domestic Market Research Domesticated 2013
- Tourist Signposting Research
- Destination Visitor Survey - Food and Wine Research
- Sydney Cruise Ship Passenger Survey
- Sydney Fish Market Survey
- Destination Visitor Survey - Visitor Information Servicing
- Destination NSW Stakeholder Research.

Resources that deliver the above market studies include:

- Tourism Research Australia Service Level Agreement for the International Visitor Survey and National Visitor Survey, Destination Visitor Surveys, State Tourism

Management Activities CONTINUED

Forecasts and State Tourism Satellite Account, at a cost of about \$726,000;

- Visitor Insights and Performance 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 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

- Growing 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 continued strong growth of the Asian economies in contrast to an improving US economy and moderate growth in the European economy are driving robust visitation growth from the Eastern markets and a modest growth from the Western markets.
- For most traditional markets, Australia is seen as a 'long-haul' destination.
- Australia is a comparatively cheaper destination for international visitors than it was in the previous year when the dollar was still trading above parity with the US dollar. Despite the drop below parity late in 2013/14, the Australian dollar remains relatively strong, and Australia remains a relatively high cost destination for international visitors.

- Outbound trips by Australians remain a major competitive threat to domestic travel with outbound visitation in 2013/14 higher than in the previous year.

Domestic market

- There is growing optimism among Australians about the future economy of Australia, yet there is a fair way to go. They require an impetus to travel domestically given the affordability of international travel. They aspire for authenticity, particularly in terms of events and festivals, and food and wine experiences.
- 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 relatively high and are taking their main holiday overseas although domestic travel is still the focus for short breaks, particularly on long weekends.
- Strong growth in the 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. Sydney is Australia's premier cruise hub with growing popularity in terms of ship visits and passenger and crew days at port.

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. This has been less of an issue in 2013/14 with the large fall off in mining investment.

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.
- Australian tourism investment pipeline comprised mainly of aviation, arts and recreation services infrastructure and accommodation. Investment activity in the aviation sector and accommodation increased while those in the arts and recreation services waned.
- There was marginal growth in accommodation properties in NSW for the year. Sydney hotel accommodation is operating at high rates of occupancy.

Grants

Regional Flagship Events Program 2013/14

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 Destination NSW – Regional Flagship Events Program.

Event	Organisation	Amount
Sawtell Chilli Festival (Sawtell)	Sawtell Chamber of Commerce	\$10,000
Opera at the Channon (Lismore)	Combined Rotary Clubs of Lismore	\$10,000
Fireside Festival the Poachers Way (Yass Valley)	The Poachers Trail Association	\$20,000
Hilltops Annual Dinner (Hilltops)	Hilltops Harvest NSW Inc	\$10,000
WUPA@Wanaruah (Hunter Valley)	Ungooroo Aboriginal Corporation	\$10,000
Sample Food Festival (Bangalow)	Tancred Holdings Pty Ltd	\$10,000
Murrumbateman Moving Feast (Murrumbateman)	The Makers of Murrumbateman	\$10,000
Spirit of the Land (Lockhart)	Spirit of the Land Lockhart	\$10,000
Orange Wine Week (Orange)	Orange Vigneron Association	\$10,000
The Wingham Akoostik Festival (Wingham)	Manning Valley Neighbourhood Inc	\$10,000
Chrome fest (The Entrance)	The Entrance Town Centre Management Corporation Inc	\$20,000
CoastOut Festival (Coffs Harbour)	Pavillion 3 Productions Pty Ltd	\$10,000
Tastes at the Bay Festival (Port Stephens)	Nelson Bay and District Association	\$10,000
Eden Whale Festival (Eden)	Eden Whale Festival Inc	\$20,000
Sculptures in the Vineyards (Wollombi)	Sculptures in the Vineyard Inc	\$10,000
Warbirds Downunder (Temora)	Temora Aviation Inc	\$10,000
The Mullum Music Festival (Mullumbimby)	Red Square Music Pty Ltd	\$10,000
Lithgow Flash Gift (Lithgow)	Lithgow City Council	\$10,000
Summerside Festival (Yass Valley)	The Poachers Trail Association	\$10,000
The Riverboats of Music Festival (Moama)	Echuca Moama & District Tourism Development Association	\$10,000
Tumbafest (Tumbarumba)	Tumbarumba Shire Council	\$20,000
Byron Bay International Film Festival (Byron Bay)	Greenhouse Events Pty Ltd	\$20,000
Junee Rhythm 'n' Rail (Junee)	Junee Rhythm 'n' Rail Festival	\$10,000
Australian Longboard Surfing Championship (Kingscliff)	Island Style Promotions	\$10,000
Orange F.O.O.D Week (Orange)	Food of Orange District Week Inc	\$20,000
Narooma Oyster Festival (Narooma)	Narooma & District Chamber of Commerce and Tourism Inc	\$10,000
Woolgoolga Curryfest (Woolgoolga)	Woolgoolga & Northern Beaches Chamber of Commerce	\$10,000
Griffith La Festa (Griffith)	La Festa Incorporated	\$20,000
Canowindra Balloon Challenge (Canowindra)	Canowindra Challenge Inc	\$10,000
Sculptures at Scenic World (Katoomba)	Katoomba Scenic Railway Pty Ltd	\$10,000
Batlow Cider Fest (Batlow)	Batlow Development League	\$10,000
Scone Cup Carnival (Scone)	Scone Race Club Limited	\$10,000
Eurobodalla River of Art (Durras Lake & Tilba Tilba)	River of Art Incorporated	\$10,000
Hunter Valley Food and Wine Month (Hunter Valley)	Hunter Valley Wine Industry Association	\$20,000
Peak 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
Total (All Amounts are GST Exclusive)		\$460,000

Grants CONTINUED

REGIONAL VISITOR ECONOMY FUND 2013/14		
Project	Organisation	Amount
Contestable Round 1		
Safari Eco Cabins	Taronga Conservation Society of Australia - Taronga Western Plains Zoo	\$250,000
The Best of Outback – Destination Appeal Program	Inland NSW Tourism	\$394,745
Tamworth and New England Destination Appeal Program	Inland NSW Tourism	\$233,500
Dubbo and Surrounds – Destination Appeal Program	Inland NSW Tourism	\$323,250
South Coast Marketing Campaign 2013-14 – Stayz and Wotif Promotion.	South Coast Regional Tourism Organisation	\$50,000
Contestable Round 2		
World Heritage Exhibition Centre Upgrade	Blue Mountains Botanic Gardens, Mt Tomah	\$50,000
Cadell on the Murray Motel Resort - Conference Facility Development and Accommodation Upgrade	Cadell on the Murray Motel Resort	\$318,190
Coffs Coast Co-operative Wotif Campaign and App Development	Coffs Harbour City Council	\$75,000
Discover Jervis Bay – International Marketing, Product and Destination Development	Discover Jervis Bay Pty Ltd	\$200,000
The Murray Regional Destination Appeal Marketing Program	Murray Regional Tourism Board	\$500,000
Riverdeck Café (Albury) – Riverdeck Kiosk Redevelopment	Sharps & Taylors Pty Ltd	\$250,000
Diggers @ The Entrance, Ibis Styles Motel Development	Tuggerah Lakes Memorial Club Ltd	\$429,960
Quarantined Funding		
Blue Mountains Lithgow Oberon International Marketing	Blue Mountains Tourism Ltd	\$77,500
Blue Mountains, Lithgow & Oberon Festivals, Events & Short Breaks	Blue Mountains Tourism Ltd	\$150,000
Getaway Plan, Central Coast Digital Marketing Campaign	Central Coast Tourism	\$100,000
Sydney Surrounds International Activity	Central Coast Tourism	\$41,815
Central Coast TVC Regional Campaign	Central Coast Tourism	\$57,000
Destination Appeal – Business Events/MICE	Central Coast Tourism	\$61,200
Unearthed Central NSW	Central NSW Tourism	\$178,000
Southern Inland Destination Appeal Campaign	Inland NSW Tourism	\$306,242
Southern Highlands Destination Appeal Campaign	Inland NSW Tourism	\$180,000
Inland NSW Regional Digital Platform and VFR Program	Inland NSW Tourism	\$832,816 (over two years)
Lord Howe Island Quarantined Funding Submission	Lord Howe Island Tourism Association	\$145,000
Murray Regional Quarantined Funding Submission	Murray Regional Tourism Board	\$90,000
The Legendary Pacific Coast Destination Appeal - Beaches & Bush and Food & Art	North Coast Destination Network	\$484,250
The Legendary Pacific Coast International Marketing Project (with Scoot)	North Coast Destination Network	\$208,750
Riverina Agritourism Development Project	Riverina Regional Tourism	\$171,500
South Coast 2013-2014 Marketing Campaign	South Coast Regional Tourism Organisation	\$326,087
Snowy Mountain Summers – Australia's Best Short Break Holidays	Tourism Snowy Mountains	\$205,000
Snowy Mountains Winter Campaign 2014 – Thredbo, Perisher, Selwyn, Charlotte Pass	Tourism Snowy Mountains	\$100,000
Visitor Economy Hunter Activity	Tourism Hunter	\$297,127

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 **\$34,870** (GST excluding) was allocated in the 2013-2014 financial year (payment period 1 July 2013 to 30 June 2014) for the updating of **3,269** 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	Lightning Ridge Visitor Information Centre
Bathurst Visitor Information Centre	Lithgow Visitor Information Centre
Blue Mountains Visitor Information Centres	Maitland Visitor Information Centre
Boorowa Courthouse Arts & Crafts Co-op	Manning Valley Visitor Information Centre
Broken Hill Tourism	Moree Visitor Information Centre
Campbelltown Visitor Information Centre	Narrabri Visitor Information Centre
Casino Visitor Information Centre	Narrandera Visitor Information Centre
Central Coast Visitor Information Centre	Orange Visitor Information Centre
Clarence Coast Visitor Information Centre	Parkes Visitor Information Centre
Clarence Coast Visitor Information Centre	Port Macquarie Hastings Council
Cooma Visitor Information Centre	Port Stephens Visitor Information Centre
Coonabarabran Visitor Information Centre	Queanbeyan Visitor Information Centre
Corowa Visitor Information Centre	Quirindi Visitor Information Centre
Cowra Visitor Information Centre	Shellharbour Visitor Information Centre
Dubbo Visitor Information Centre	Shoalhaven Visitor Information Centre
Dungog Visitor Information Centre	Singleton Visitor Information and Enterprise Centre
Forbes Railway Arts & Tourist Centre	Southern Highlands Visitor Information Centre
Gloucester Visitor Information Centre	Tamworth Visitor Information Centre
Goulburn Visitor Information Centre	Tenterfield Gateway Visitors Information Centre
Griffith Visitor Information Centre	Tumbarumba Visitor Information Centre
Gundagai Visitor Information Centre and Travel Centre	Upper Lachlan Visitor Information Centre
Gunnedah Visitor Information Centre	Uralla Visitor Information Centre
Holbrook Visitor Information Centre Greater Hume	Wagga Wagga Visitor Information Centre
Hunter Valley Visitor Information Centre	Wellington Visitor Information Centre
Inverell Visitor Information Centre	Wentworth and Mildura Visitor Information Centres
Kempsey Visitor Information Centre	Wollondilly Visitor Information Centre
Kiama Visitor Information Centre	Wollongong Visitor Information Centre
Kyogle Visitor Information Centre	Yass 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 2013	27,235,782	3,649,727	985,194	57,039	158,345
December 2013	23,736,936	1,623,080	525,735	666,721	1,115,872
March 2014	8,678,667	9,387,072	3,115,132	806,574	588,291
June 2014	29,404,427	3,892,789	1,095,842	464,363	382,001
Total All Suppliers	89,055,812	18,552,668	5,721,903	1,994,697	2,244,509
Small Business					
September 2013	NIL	NIL	NIL	NIL	NIL
December 2013	NIL	NIL	NIL	NIL	NIL
March 2014	NIL	NIL	NIL	NIL	NIL
June 2014	NIL	NIL	NIL	NIL	NIL
Total Small Business	NIL	NIL	NIL	NIL	NIL

All Suppliers	September 2013	December 2013	March 2014	June 2014
Total no. of accounts due for payment	1,690	1,856	1,295	2,398
No. of accounts paid on time	1,382	1,365	562	1,867
% of account paid on time (based on no. of accounts)	82%	74%	43%	78%
\$ amount of accounts due for payment	32,086,087.00	27,668,344.00	22,575,736.00	35,239,422.00
\$ amount of accounts paid on time	27,235,782.00	23,736,936.00	8,678,667.00	29,404,427.00
% of accounts paid on time (based on \$ amount of accounts)	85%	86%	38%	83%
Number of payment for interest on overdue accounts	NIL	NIL	NIL	NIL
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

Small Business	September 2013	December 2013	March 2014	June 2014
Total no of accounts due for payment	NIL	NIL	NIL	NIL
No of accounts paid on time	NIL	NIL	NIL	NIL
% of account 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
Number of payment for interest on overdue accounts	NIL	NIL	NIL	NIL
Interest paid on overdue accounts	NIL	NIL	NIL	NIL

Note: Small business must be registered to be able to be reported on for the payment of account 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 16.

Liability Management Performance

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

Financial Management

In 2013/2014 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 14.

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.



Caroline Miller
Acting Chief Financial Officer

Additional Matters:**Annual Report Costs**

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

Financial Statements

75 Destination NSW Financial Statements

103 Destination NSW Staff Agency Financial Statements

**3 MILLION MORE VISITORS
IN 2013-14 FINANCIAL YEAR**



Destination NSW Financial Statements

Contents

76	Statement in accordance with Section 41C (1C) of the Public Finance and Audit Act 1983
77	Auditor's Report – Destination NSW
79	Destination NSW: Financial Statements for the year ended 30 June 2014
83	Notes to the Financial Statements
83	1. Summary of significant accounting policies
89	2. Expenses excluding losses
90	3. Revenue
91	4. Gain / (loss) on disposal
91	5. Service groups of Destination NSW
92	6. Current assets – cash and cash equivalents
92	7. Current assets – receivables
92	8. Non-current assets – plant and equipment
94	9. Non-current assets – intangibles
95	10. Current / non-current liabilities – payables
95	11. Current / non-current liabilities – provisions
96	12. Commitments for expenditure
98	13. Contingent liabilities and contingent assets
98	14. Budget review
98	15. Reconciliation of cash flows from operating activities to Net result
99	16. Financial instruments
102	17. Events after the reporting period

Destination NSW Financial Statements

STATEMENT IN ACCORDANCE WITH SECTION 41C(1C) OF THE PUBLIC FINANCE AND AUDIT ACT 1983

Pursuant to section 41C(1C) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of Destination NSW we state that:

- (a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of 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;
- (b) The accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Destination NSW for the year ended 30 June 2014;
- (c) At the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.

Date: 22nd September 2014



John Hartigan
Chairman

Date: 22nd September 2014



Sandra Chipchase
Chief Executive Officer

Auditor's Report – Destination NSW



INDEPENDENT AUDITOR'S REPORT

Destination NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Destination NSW (DNSW), which comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, statements of changes in equity, statements of cash flows, and notes comprising a summary of significant accounting policies and other explanatory information of DNSW and the consolidated entity. The consolidated entity comprises DNSW and the entity 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 DNSW and the consolidated entity as at 30 June 2014, 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 DNSW'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 DNSW'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.

Auditor's Report – Destination NSW CONTINUED

My opinion does *not* provide assurance:

- about the future viability of the DNSW or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- 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.

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.



Peter Barnes
Director, Financial Audit Services

22 September 2014
SYDNEY

Destination NSW: Financial Statements for the year ended 30 June 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014						
	Notes	Consolidated Actual 2014 \$'000	Budget 2014 \$'000	Consolidated Actual 2013 \$'000	Parent Actual 2014 \$'000	Parent Actual 2013 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	17,367	17,869	15,713	91	245
Personnel services	2(b)	-	-	-	16,679	14,986
Other operating expenses	2(c)	100,360	105,242	101,722	98,321	101,400
Grants & Subsidies	2(d)	11,826	7,200	12,984	13,537	13,315
Depreciation and amortisation	2(e)	1,621	1,670	1,298	683	360
Total expenses excluding losses		131,174	131,981	131,717	129,311	130,306
Revenue						
Sale of goods and services	3(a)	192	-	249	192	249
Investment revenue	3(b)	1,382	750	1,368	1,382	1,368
Grants and contributions	3(c)	132,129	132,458	128,903	131,601	129,363
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	80	323	92	46	-
Other revenue	3(e)	1,266	-	2,792	902	2,418
Total Revenue		135,049	133,531	133,404	134,123	133,398
Gain / (loss) on disposal	4	(16)	-	-	(16)	-
Other gains / (losses)		-	-	-	-	-
Net result		3,859	1,550	1,687	4,796	3,092
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		3,859	1,550	1,687	4,796	3,092

The accompanying notes form part of these financial statements.

Destination NSW: Financial Statements for the year ended 30 June 2014

CONTINUED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014						
	Notes	Consolidated Actual 2014 \$'000	Budget 2014 \$'000	Consolidated Actual 2013 \$'000	Parent Actual 2014 \$'000	Parent Actual 2013 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	6	36,132	9,458	24,909	36,132	24,909
Receivables	7	4,657	7,152	7,505	4,657	7,505
Total Current Assets		40,789	16,610	32,414	40,789	32,414
Non-Current Assets						
Plant and equipment	8					
- Land and building		-	2,560	-	-	-
- Plant and equipment		2,928	309	381	2,928	381
- Infrastructure systems		5,810	5,810	6,748	-	-
- Assets Under Construction		-	-	79	-	79
Total Plant and equipment		8,738	8,679	7,208	2,928	460
Intangibles	9	125	202	153	125	153
Total Non-Current Assets		8,863	8,881	7,361	3,053	613
Total Assets		49,652	25,491	39,775	43,842	33,027
LIABILITIES						
Current Liabilities						
Payables	10	30,314	12,764	25,116	30,527	25,315
Provisions	11	3,090	4,393	3,078	2,878	2,879
Total Current Liabilities		33,404	17,157	28,194	33,405	28,194
Non-Current Liabilities						
Payables	10	-	-	-	-	7
Provisions	11	892	98	84	892	77
Total Non-Current Liabilities		892	98	84	892	84
Total Liabilities		34,296	17,255	28,278	34,297	28,278
Net Assets		15,356	8,236	11,497	9,545	4,749
EQUITY						
Reserves		-	-	-	-	-
Accumulated funds		15,356	8,236	11,497	9,545	4,749
Total Equity		15,356	8,236	11,497	9,545	4,749

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014						
	Notes	Accumulated Funds		Asset Revaluation Surplus		Total
		Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000 Parent \$'000
Balance at 1 July 2013		11,497	4,749	-	-	11,497 4,749
Net result for the year		3,859	4,796	-	-	3,859 4,796
Total other comprehensive income		-	-	-	-	- -
Total comprehensive income for the year		3,859	4,796	-	-	3,859 4,796
Transactions with owners in their capacity as owners		-	-	-	-	- -
Balance at 30 June 2014		15,356	9,545	-	-	15,356 9,545
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

The accompanying notes form part of these financial statements.

Destination NSW: Financial Statements for the year ended 30 June 2014

CONTINUED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014						
	Notes	Consolidated Actual 2014 \$'000	Budget 2014 \$'000	Consolidated Actual 2013 \$'000	Parent Actual 2014 \$'000	Parent Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(16,483)	(17,663)	(17,767)	(15,539)	(16,873)
Other operating expenses		(115,310)	(117,691)	(108,404)	(115,277)	(108,801)
Total Payments		(131,793)	(135,354)	(126,171)	(130,816)	(125,674)
Receipts						
Sales of goods and services		192	-	249	192	249
Interest received		1,382	750	1,368	1,382	1,368
Grants and contributions		130,257	127,458	138,876	130,257	138,866
Other revenue		13,904	10,669	-	13,455	-
Total Receipts		145,735	138,877	140,493	144,758	140,483
Gain / (loss) on disposal		-	-	-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	13,942	3,523	14,322	13,942	14,809
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of buildings, plant and equipment and infrastructure systems		(2,719)	(3,020)	(134)	(2,719)	(134)
Other		-	(150)	(140)	-	(140)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(2,719)	(3,170)	(274)	(2,719)	(274)
CASH FLOWS FROM FINANCING ACTIVITIES						
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH		11,223	353	14,048	11,223	14,535
Opening cash and cash equivalents		24,909	9,105	10,861	24,909	10,374
CLOSING CASH AND CASH EQUIVALENTS	6	36,132	9,458	24,909	36,132	24,909

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 Staff Agency (the Agency), which controls the activities and operations of Homebush Motor Racing Authority (HMRA).

The Group, which is a NSW statutory body, is a body corporate with a board of management which has a statutory position of Chief Executive Officer (CEO) that 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 Partnerships. 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 Staff Agency provides personnel services to Destination NSW.

The Agency has as its head the CEO of Destination NSW 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 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 Staff Agency.

Pursuant to *Trade and Investment Cluster Governance (Amendment and Repeal) Bill 2014*, the Homebush Motor Racing Authority, its Advisory Board and the Event Implementation Committee was dissolved on 1 July 2014.

On dissolution the assets, rights and liabilities of the Authority transfers to Destination NSW. Schedule 2 of the *Trade and Investment Cluster Governance (Amendment and Repeal) Bill 2014* abolishes the *Homebush Motor Racing (Sydney 400) Act 2008*.

Administrative Arrangements Order 2014 abolished Destination NSW Division and determined that references to the former Division in any document be construed as a reference to Destination NSW Staff Agency.

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). Events NSW did not exist during 2013-2014.

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 Staff Agency. A reference to the 'Parent' relates to the activities of Destination NSW only.

These consolidated financial statements for the year ended 30 June 2014 have been authorised for issue by the Board on 22 September 2014.

(b) Basis of Preparation

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

Separate financial statements have been prepared for the Destination NSW Staff Agency.

In the process of preparing the consolidated financial statements 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 on an accrual basis in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- The requirements of the *Public Finance and Audit Act 1983* and *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.

Notes to the Financial Statements CONTINUED

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.

(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).

(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.

(g) Assets

(i) Acquisition of assets

Assets acquired are initially recognised at cost. 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 price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and 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 valuation techniques (market approach, cost approach and income approach) that maximises observable inputs. 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. Also refer to Note 10 for further information regarding fair value

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, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost, where depreciated replacement cost is also fair value.

(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.

Plant and equipment useful lives range from 1 to 8 years.

Infrastructure systems useful lives range from 8 to 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.

Notes to the Financial Statements CONTINUED

(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.

Group's intangible assets are amortised using the straight line method over a period of 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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although shortcut methods are permitted).

The Group has obtained external actuarial advice from a third-party entity in regards to the valuation of the Long Service Leave provisions.

The Group has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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 14/04 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 Agency's liability for defined benefit superannuation is assumed by the Crown Entity. The Agency 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 14/05). 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 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) 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.

(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.

Notes to the Financial Statements CONTINUED

(l) 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 2014, Destination NSW provided Event funding to Parramasala in the amount of \$792,000 (2013: \$788,838). 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.

In 2013 Events NSW transferred \$460,431 to Destination NSW on winding down.

(m) 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 2014. Those relevant to the Group are listed as follows:

- AASB 9 and AASB 2010-7 regarding financial instruments (Operative date - 1 Jan 2015)
- AASB 1055 and AASB 2013-1 regarding budgetary reporting (Operative date - 1 July 2014)
- AASB 2011-7 (NFP) regarding consolidation and joint arrangements (Operative date - 1 Jan 2014)
- AASB 2012-3 regarding offsetting financial assets and liabilities (Operative date - 1 Jan 2014)
- AASB 2013-3 and AASB 2013-6 regarding impairment of assets (Operative date - 1 Jan 2014)
- AASB 2013-8 regarding control and structured entities (Operative date - 1 Jan 2014)

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

(n) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14 (AASB 119 and AASB 2011-10 regarding Employee Benefits; AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement).

The impacts of these Standards in the period of initial application have an immaterial effect on the financial statements.

(ii) Issued but not yet effective

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

The following new Australian Standards have not been applied and are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments (Operative date - 1 Jan 2015)
- AASB 1055 and AASB 2013-1 regarding budgetary reporting (Operative date - 1 July 2014)
- AASB 2011-7 (NFP) regarding consolidation and joint arrangements (Operative date - 1 Jan 2014)
- AASB 2012-3 regarding offsetting financial assets and liabilities (Operative date - 1 Jan 2014)
- AASB 2013-3 and AASB 2013-6 regarding impairment of assets (Operative date - 1 Jan 2014)
- AASB 2013-8 regarding control and structured entities (Operative date - 1 Jan 2014)

2. Expenses excluding losses

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
(a) Employee Related Expenses				
Salaries and wages (including recreation leave)	14,165	13,326	-	-
Superannuation – defined benefit plans	76	87	-	-
Superannuation – defined contribution plans	817	973	-	19
Long service leave	717	195	-	-
Workers compensation insurance	62	73	-	-
Payroll tax and fringe benefits tax	948	823	-	12
Redundancy ⁽ⁱ⁾	481	(23)	-	-
Other - Miscellaneous	101	259	91	214
	17,367	15,713	91	245

Notes:

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

(b) Personnel services

Personnel services	-	-	16,679	14,986
	-	-	16,679	14,986

(c) Other operating expenses include the following:

Auditor's remuneration – audit of the financial statements	114	110	114	105
Auditor's remuneration – other (internal audit)	47	250	47	250
Rental expense	2,237	1,686	1,920	1,495
Accommodation expenses	152	356	152	356
Maintenance*	237	87	237	87
Insurance	79	42	79	42
Telecommunications	164	336	164	335
Travel and accommodation	1,282	1,344	1,272	1,324
Motor Vehicle	128	86	128	86
Consultants	110	51	110	51
Other contractors	8,028	7,544	7,881	7,501
Administration fees	2	51	2	50
Advertising	26,617	26,940	26,617	26,909
Visiting journalists accommodation and expenses	1,228	660	1,228	660
Promotion	54,862	44,183	53,348	44,177
Printing and publications	210	259	210	258
Fees - events	55	2,948	54	2,940
Fees - other	3,893	13,899	3,843	13,891
Purchases	414	406	414	403
Miscellaneous	501	484	501	480
	100,360	101,722	98,321	101,400

Notes to the Financial Statements CONTINUED

2. Expenses excluding losses CONTINUED

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
*Reconciliation – Total maintenance				
Maintenance expense – contracted labour and other (non-employee related), as above	237	87	237	87
Employee related maintenance expense included in Note 2(a)	-	-	-	-
Total maintenance expenses included in Note 2(a) + (c)	237	87	237	87
(d) Grants and Subsidies				
Grants	11,826	12,984	10,641	9,723
Grants – Homebush Motor Racing Authority	-	-	2,896	3,592
	11,826	12,984	13,537	13,315
(e) Depreciation and amortisation expense				
Plant and equipment	665	335	665	335
Infrastructure systems	938	938	-	-
Intangibles	18	25	18	25
	1,621	1,298	683	360

3. Revenue

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
(a) Sales of goods and services				
Sales of advertising and publications	192	50	192	50
Conferences	-	199	-	199
	192	249	192	249
(b) Investment revenue				
Interest	1,382	1,368	1,382	1,368
	1,382	1,368	1,382	1,368
(c) Grants and contributions				
Recurrent Grants from Department of Trade and Investment, Regional Infrastructure and Services	122,648	121,612	122,648	121,612
Capital Grants from Department of Trade and Investment, Regional Infrastructure and Services	3,060	-	3,060	-
Other Grants	4,549	4,403	4,021	4,863
In kind sponsorship	1,872	2,888	1,872	2,888
	132,129	128,903	131,601	129,363
(d) Acceptance by the Crown Entity of employee benefits and other liabilities				
Superannuation – defined benefit	76	87	44	-
Payroll tax	4	5	2	-
	80	92	46	-

3. Revenue CONTINUED

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
(e) Other revenue				
Fees	60	802	60	360
Contributions from the Crown Entity	-	-	-	69
Miscellaneous	1,206	1,990	842	1,989
	1,266	2,792	902	2,418

4. Gain / (loss) on disposal

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Gain / (loss) on disposal of plant and equipment				
Proceeds from disposal	-	-	-	-
Written down value of assets disposed	(6)	-	(6)	-
Net gain / (loss) on disposal of plant and equipment	(6)	-	(6)	-
Gain / (loss) on disposal of intangibles				
Proceeds from disposal	-	-	-	-
Written down value of assets disposed	(10)	-	(10)	-
Net gain / (loss) on disposal of intangibles	(10)	-	(10)	-
	(16)	-	(16)	-

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.

Notes to the Financial Statements CONTINUED

6. Current assets – cash and cash equivalents

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Cash at bank and on hand	36,132	24,909	36,132	24,909
	36,132	24,909	36,132	24,909

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)	36,132	24,909	36,132	24,909
Closing cash and cash equivalents (per statement of cash flows)	36,132	24,909	36,132	24,909

Refer Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current assets – receivables

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Prepayments	-	23	-	23
GST receivable	3,198	3,353	3,198	3,353
Trade Debtors	1,459	2,033	1,459	2,033
Transfers to Destination NSW	-	2,096	-	2,096
	4,657	7,505	4,657	7,505

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.

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 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
At 30 June 2014 – fair value								
Gross carrying amount	3,804	3,804	8,727	-	-	-	12,531	3,804
Accumulated depreciation	(876)	(876)	(2,917)	-	-	-	(3,793)	(876)
Net Carrying Amount	2,928	2,928	5,810	-	-	-	8,738	2,928

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.

8. Non-current assets – plant and equipment CONTINUED

	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
Period ended 30 June 2014								
Net carrying amount at start of year	381	381	6,748	-	79	79	7,208	460
Additions	3,139	3,139	-	-	-	-	3,139	3,139
Disposals	(6)	(6)	-	-	-	-	(6)	(6)
Net revaluation increment less revaluation decrements	-	-	-	-	-	-	-	-
Transfers	79	79	-	-	(79)	(79)	-	-
Depreciation expenses	(665)	(665)	(938)	-	-	-	(1,603)	(665)
Net carrying amount at end of year	2,928	2,928	5,810	-	-	-	8,738	2,928

	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 prior 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)
Net carrying amount at end of year	381	381	6,748	-	79	79	7,208	460

Notes to the Financial Statements CONTINUED

9. Non-current assets – intangibles

	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 1 July 2013 – cost				
Gross carrying amount	219	219	219	219
Accumulated amortisation	(66)	(66)	(66)	(66)
Net Carrying Amount	153	153	153	153
At 30 June 2014 – cost				
Gross carrying amount	140	140	140	140
Accumulated amortisation	(15)	(15)	(15)	(15)
Net Carrying Amount	125	125	125	125

Reconciliation

	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Period ended 30 June 2014				
Net carrying amount at start of year	153	153	153	153
Additions	-	-	-	-
Disposals	(10)	(10)	(10)	(10)
Amortisation expenses	(18)	(18)	(18)	(18)
Net carrying amount at end of year	125	125	125	125

	Software		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 1 July 2012 – cost				
Gross carrying amount	79	79	79	79
Accumulated amortisation	(41)	(41)	(41)	(41)
Net Carrying Amount	38	38	38	38
At 30 June 2013 – cost				
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	-	-	-	-
Amortisation expenses	(25)	(25)	(25)	(25)
Net carrying amount at end of year	153	153	153	153

10. Current / non-current liabilities – payables

Current	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Accrued salaries, wages and on-costs	560	454	-	-
Personnel Services payable	-	-	528	435
Creditors	29,591	23,542	29,836	24,288
Unearned revenue	163	1,120	163	592
	30,314	25,116	30,527	25,315

Non-current	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Creditors	-	-	-	7
	-	-	-	7

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 16.

11. Current / non-current liabilities – provisions

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Current				
Employee benefits and related on-costs				
Personnel services	-	-	2,878	2,588
Recreation Leave	1,281	1,197	-	-
Long Service Leave	1,809	1,590	-	-
	3,090	2,787	2,878	2,588
Other Provisions				
Make good	-	291	-	291
	-	291	-	291
Total Current Provisions	3,090	3,078	2,878	2,879
Non-Current				
Employee benefits and related on-costs				
Personnel services	-	-	-	77
Long Service Leave	460	84	460	-
	460	84	460	77
Other Provisions				
Make good	432	-	432	-
	432	-	432	-
Total Non-Current Provisions	892	84	892	77
Total Provisions	3,982	3,162	3,770	2,956

Note:

1) Provision for Make Good: - As per clause 10.3 and 10.4 Destination NSW has an obligation to 'Make Good' the premise of 88 Cumberland Street, if they vacate the premises. The earliest exit date from the lease is 1 July 2018.

Notes to the Financial Statements CONTINUED

11. Current / non-current liabilities – provisions CONTINUED

CURRENT

Recreation Leave

The liability at 30 June was \$1,281,000 (2013 - \$1,197,000). This is based on leave entitlements at 30 June 2014. The value of recreational leave expected to be taken within 12 months is \$380,000 (2013 - \$259,400) and \$901,000 (2013 - \$937,600) after 12 months.

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Aggregate employee benefits and related on-costs				
Provisions – current	3,090	2,787	2,878	2,588
Provisions – non-current	460	84	460	77
Personnel Services payable (Note 10)	-	-	528	435
Accrued salaries, wages and on-costs (Note 10)	561	454	-	-
	4,111	3,325	3,866	3,100
Movements in provisions (other than employee benefits)				
Carrying amount at the beginning of financial year	291	421	291	421
Increase / (decrease) in provision	420	(130)	420	(130)
Amounts used	(291)	-	(291)	-
Unwinding of discount rate	12	-	12	-
Carrying amount at end of financial year	432	291	432	291

12. Commitments for expenditure

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
--	--------------------------------	--------------------------------	--------------------------	--------------------------

(a) Capital Commitments

As at 30 June 2014 Destination NSW had no capital commitments (2013: Nil).

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	2,212	388	1,857	189
Later than one year and not later than five years	6,240	-	6,058	-
Later than five years	-	-	-	-
Total (including GST)	8,452	388	7,915	189

The total of 'Operating Lease Commitments' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.

Destination NSW has an operating lease for Level 1 & 2, 88 Cumberland Street with GP NSW. The earliest exist date from this lease is 1 July 2018.

(c) Finance Lease Commitments

As at 30 June 2014 Destination NSW had no finance lease commitments (2013: Nil).

12. Commitments for expenditure CONTINUED

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
(d) Partnership Agreement with NSW Trade & Investment				
Not later than one year	437	-	437	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	437	-	437	-
The total of 'Partnership Agreement' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	40	-	40	-

Under the current Service Level Agreement the Agency needs only provide three months' notice to terminate the agreement

(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	31,796	30,370	28,003	29,724
Later than one year and not later than five years	51,991	57,118	46,030	57,118
Later than five years	8,333	8,250	8,333	8,250
Total (including GST)	92,120	95,738	82,366	95,092
The total of 'Events Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	8,374	8,703	7,488	8,645

(f) Tourism Funding Commitments

Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:

Not later than one year	6,708	5,170	6,708	5,170
Later than one year and not later than five years	3,911	3,623	3,911	3,623
Later than five years	-	-	-	-
Total (including GST)	10,619	8,793	10,619	8,793
The total of 'Tourism Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	965	799	965	799

Notes to the Financial Statements CONTINUED

13. Contingent liabilities and contingent assets

The Board is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2013: Nil).

14. 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 2014 was \$2.3m higher than budget. This was primarily due to total revenue being \$1.5m higher than budgeted from higher than anticipated interest on bank balances (\$0.6m) and additional non-cash donations/contributions (\$0.9m). Total expenses excluding losses was \$0.8m under budget primarily due to employee related expenses being lower than expected (\$0.5m).

Assets and liabilities

The net assets are \$7.1m higher than budget. Current assets are higher than budget (\$24.2m) predominately due to higher cash and cash equivalents (\$26.6m). 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 (\$17.6m higher than budget).

Cash flows

The increase in cash is \$10.9m higher than budget as a result of a combination of the abovementioned revenue and expense positions. Total payments are under budget by \$3.5m primarily due to employee related payments (\$1.1m), with the remainder relating to delays in program expenditures. Receipts are over budget by \$6.9m primarily due to a higher than budgeted revenues (\$1.5m), a reduced level of receivables at year end (\$2.5m below budget) and higher than budgeted refunds in relation to GST payments. Capital payments were lower than budgeted by \$0.5m due to the office refurbishment continuing into 2015.

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

	Consolidated 2014 \$'000	Consolidated 2013 \$'000	Parent 2014 \$'000	Parent 2013 \$'000
Net cash used on operating activities	13,942	14,322	13,942	14,809
Depreciation and amortisation	(1,621)	(1,298)	(683)	(360)
Gain / (Loss) in Sale of Plant & Equipment	(16)	-	(16)	-
Increase / (decrease) in Receivables	(2,848)	(84)	(2,848)	(84)
(Increase) / decrease in Payables	(5,198)	(13,122)	(5,205)	(13,128)
Non-cash movement in Provisions	420	-	420	-
(Increase) / decrease in Provisions	(820)	1,869	(814)	1,855
Net result	3,859	1,687	4,796	3,092

16. 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 2014 \$'000	Consolidated Carrying Amount 2013 \$'000	Parent Carrying Amount 2014 \$'000	Parent Carrying Amount 2013 \$'000
Class:						
Cash and cash equivalents	6	N/A	36,132	24,909	36,132	24,909
Receivables ⁽¹⁾	7	Loans and receivables (at amortised cost)	1,459	4,129	1,459	4,129
Financial Liabilities	Note	Category	Consolidated Carrying Amount 2014 \$'000	Consolidated Carrying Amount 2013 \$'000	Parent Carrying Amount 2014 \$'000	Parent Carrying Amount 2013 \$'000
Class:						
Payables ⁽²⁾	10	Financial liabilities measured at amortised cost	30,151	23,996	30,364	24,730

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 3.35%. No interest is earned on the overseas Advance Accounts.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable 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 (2014: \$291,000; 2013: \$929,000) and past due (2014: \$1,168,000; 2013: \$1,104,000) are not considered impaired. Together these represent 100% (2014: 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.

Notes to the Financial Statements CONTINUED

16. Financial instruments CONTINUED

Consolidated	Total ^{1,2} \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2014			
< 3 months overdue	1,082	1,082	-
3 months – 6 months overdue	4	4	-
> 6 months overdue	81	81	-
2013			
< 3 months overdue	399	399	-
3 months – 6 months overdue	25	25	-
> 6 months overdue	680	680	-
Parent	Total ^{1,2} \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2014			
< 3 months overdue	1,082	1,082	-
3 months – 6 months overdue	4	4	-
> 6 months overdue	81	81	-
2013			
< 3 months overdue	399	399	-
3 months – 6 months overdue	25	25	-
> 6 months overdue	680	680	-

Notes

1. Each column in this table represents "gross receivable"

2. 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:

	2014 \$'000	2013 \$'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.

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	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-Interest bearing \$'000	< 1 yr	1–5 yrs	>5 yrs
2014								
Payables	-	30,151	-	-	30,151	30,151	-	-
		30,151	-	-	30,151	30,151	-	-
2013								
Payables	-	23,996	-	-	23,996	23,996	-	-
		23,996	-	-	23,996	23,996	-	-

Parent	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non-Interest bearing \$'000	< 1 yr	1–5 yrs	>5 yrs
2014								
Payables	-	30,364	-	-	30,364	30,364	-	-
		30,364	-	-	30,364	30,364	-	-
2013								
Payables	-	24,730	-	-	24,730	24,723	7	-
		24,730	-	-	24,730	24,723	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 2013. 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 on the next page.

Notes to the Financial Statements CONTINUED

Consolidated	Carrying Amount \$'000	-1% Result \$'000	Equity \$'000	1% Result \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	36,132	(361)	(361)	361	361
Receivables	1,459	-	-	-	-
<i>Financial liabilities</i>					
Payables	30,151	-	-	-	-
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	-	-	-	-

Parent	Carrying Amount \$'000	-1% Result \$'000	Equity \$'000	1% Result \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	36,132	(361)	(361)	361	361
Receivables	1,459	-	-	-	-
<i>Financial liabilities</i>					
Payables	30,364	-	-	-	-
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	-	-	-	-

(e) Fair value measurement

(i) 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.

17. Events after the reporting period

From 1 July 2014, pursuant to the *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014* the function, assets and liabilities of HMRA are being transferred to Destination NSW.

The transfer is treated as a contribution by owners of the assets and liabilities were recognised by the transferor immediately prior to the restructure.

The table below details the assets transferred to Destination NSW.

	30 June 2014 \$'000
Plant and Equipment Infrastructure	5,810
	5,810

End of the audited financial statements.

Destination NSW Staff Agency Financial Statements

Contents

104	Statement by the Chief Executive Officer
105	Auditor's Report – Destination NSW Staff Agency
107	Destination NSW Staff Agency: Financial Statements for the Year ended 30 June 2014
110	Notes to the Financial Statements
110	1. Summary of significant accounting policies
115	2. Expenses excluding losses
116	3. Revenue
116	4. Current / non-current assets – receivables
117	5. Non-current assets – plant and equipment
118	6. Current liabilities – payables
118	7. Current / non-current liabilities – provisions
119	8. Commitments
119	9. Contingent liabilities and contingent assets
119	10. Reconciliation of cash flows from operating activities to the Net result
119	11. Audit fees
120	12. Financial instruments
121	13. Events after the reporting period

Destination NSW Staff Agency

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

Pursuant to section 41C(1C) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of Destination NSW Staff Agency we state that:

- (a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2010* or issued by the Treasurer;
- (b) The accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Destination NSW Staff Agency for the year ended 30 June 2014;
- (c) At the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.

Date: 22nd September 2014



Sandra Chipchase
Chief Executive Officer
Destination NSW

Auditor's Report – Destination NSW Staff Agency



INDEPENDENT AUDITOR'S REPORT

Destination NSW Staff Agency

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Destination NSW Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2014, 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 Staff Agency as at 30 June 2014, 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 determines is 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 Staff Agency'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 Staff Agency'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.

Auditor's Report – Destination NSW Staff Agency CONTINUED

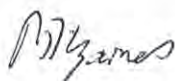
My opinion does *not* provide assurance:

- about the future viability of the Staff Agency
- 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.



Peter Barnes
Director, Financial Audit Services

22 September 2014
SYDNEY

Destination NSW Staff Agency Financial Statements for the year ended 30 June 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014			
	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses			
Operating expenses			
Employee related	2(a)	17,275	15,468
Other operating expenses	2(b)	2,040	314
Grants and Subsidies	2(c)	1,185	3,261
Depreciation	2(d)	938	938
Total expenses excluding losses		21,438	19,981
Revenue			
Personnel services	3(a)	16,632	14,917
Acceptance by Crown Entity of employee benefits and other liabilities	3(b)	80	92
Grants and contributions	3(c)	3,424	3,592
Other revenue	3(d)	364	442
Total Revenue		20,500	19,043
Gain / (loss) on disposal		-	-
Other gains / (losses)		-	-
Net result		(938)	(938)
Other comprehensive income			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(938)	(938)

The accompanying notes form part of these financial statements.

Financial Statements CONTINUED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014			
	Notes	Actual 2014 \$'000	Actual 2013 \$'000
ASSETS			
Current Assets			
Receivables	4	3,660	3,772
Total Current Assets		3,660	3,772
Non-Current Assets			
Receivables	4	460	83
Plant and equipment			
- Infrastructure systems	5	5,810	6,748
Total Plant and equipment		5,810	6,748
Total Non-Current Assets		6,270	6,831
Total Assets		9,930	10,603
LIABILITIES			
Current Liabilities			
Payables	6	570	984
Provisions	7	3,090	2,787
Total Current Liabilities		3,660	3,771
Non-Current Liabilities			
Provisions	7	460	84
Total Non-Current Liabilities		460	84
Total Liabilities		4,120	3,855
Net Assets		5,810	6,748
EQUITY			
Accumulated funds		5,810	6,748
Total Equity		5,810	6,748

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014		
	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2013	6,748	6,748
Net result for the year	(938)	(938)
Total other comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Balance at 30 June 2014	5,810	5,810
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

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014			
	Notes	Actual 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(16,358)	(17,518)
Other		(3,859)	(2,133)
Total Payments		(20,217)	(19,651)
Receipts			
Personnel services		16,632	14,917
Other		3,585	4,734
Total Receipts		20,217	19,651
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	-	-
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 Staff Agency (the Agency) is a NSW government entity. The Agency falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

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

The Agency's objective is to provide personnel services to Destination NSW. The Agency has responsibility for the employees and employee-related liabilities of Destination NSW. This function had previously been undertaken by Destination NSW Division but under the *Government Sector Employment Act 2013* and in accordance with the *Administrative Arrangements Order 2014*, effective 24 February 2014, Destination NSW Division was abolished and staff transferred to Destination NSW Staff Agency.

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. *Administrative Arrangements Order 2014* abolished Destination NSW Division and determined that references to the former Division in any document be construed as a reference to Destination NSW Staff Agency.

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 Staff Agency.

Pursuant to *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014*, the Homebush Motor Racing Authority, its Advisory Board and the Event Implementation Committee were dissolved on 1 July 2014.

On dissolution the assets, rights and liabilities of the Authority transfers to Destination NSW. Schedule 2 of the *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014* abolishes the *Homebush Motor Racing (Sydney 400) Act 2008*.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Chief Executive Officer, Destination NSW on 22 September 2014.

(b) Basis of Preparation

The Agency'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
- The Financial Reporting Directions issued by the Treasurer.

Plant and equipment 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)(iii).

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 Agency'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 Agency 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. Receivables and payables are stated with the amounts of GST included.

The GST components of cash flows arising from the operating activities of the Agency 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 Agency 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 Staff Agency 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.

(h) Plant and equipment**(i) Acquisition of assets**

Assets acquired are initially recognised at cost. 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 price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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.

Notes to the Financial Statements CONTINUED

(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 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and 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 valuation techniques (market approach, cost approach and income approach) that maximises observable inputs. 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.

Also refer Note 6 for further information regarding fair value.

The Agency 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, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. 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 Agency 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 Agency.

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

Infrastructure systems useful lives range from 8 to 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.

(vii) 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 of the leased assets, and operating lease under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payment, at the inception of the lease. The corresponding liability is established at the same amount, lease payments are allocated between the principal component and the interest expense.

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

(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.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9 per cent of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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 certain factors specified in NSW TC 14/04 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 Agency's liability for defined benefit superannuation is assumed by the Crown Entity. The Agency 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 14/05). 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.

(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 Agency'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.

Notes to the Financial Statements CONTINUED

(l) 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.

(m) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14 (AASB 119 and AASB 2011-10 regarding Employee Benefits; AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement).

The impacts of these Standards in the period of initial application have an immaterial effect on the financial statements.

(ii) Issued but not yet effective

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

The following new Australian Standards have not been applied and are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments (Operative date - 1 Jan 2015)
- AASB 1055 and AASB 2013-1 regarding budgetary reporting (Operative date - 1 July 2014)
- AASB 2011-7 (NFP) regarding consolidation and joint arrangements (Operative date - 1 Jan 2014)
- AASB 2012-3 regarding offsetting financial assets and liabilities (Operative date - 1 Jan 2014)
- AASB 2013-3 and AASB 2013-6 regarding impairment of assets (Operative date - 1 Jan 2014)
- AASB 2013-8 regarding control and structured entities (Operative date - 1 Jan 2014)

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

2. Expenses excluding losses

	2014 \$'000	2013 \$'000
(a) Employee related		
Salaries and wages (including recreation leave)	14,165	13,326
Superannuation-defined benefit plans	76	87
Superannuation-defined contribution plans	817	954
Long service leave	717	195
Workers compensation insurance	62	73
Payroll tax and fringe benefits tax	948	811
Redundancy(i)	481	(23)
Other - Miscellaneous	9	45
	17,275	15,468
Notes:		
(i) The remaining provision for redundancy created in 2012 has been written back in 2013 as the program was complete.		
(b) Other operating expenses		
Rent - Other	317	191
Telecommunications	-	1
Travel	10	20
Other contractors	147	43
Administration Fees	-	1
Advertising	-	31
Promotion	1,514	6
Printing and publications	-	1
Fees - events	1	8
Fees - other	50	8
Purchases	-	3
Miscellaneous	1	1
	2,040	314
(c) Grants and Subsidies		
Grants	1,185	3,261
	1,185	3,261
(d) Depreciation		
Infrastructure systems	938	938
	938	938

Notes to the Financial Statements CONTINUED

3. Revenue

	2014 \$'000	2013 \$'000
(a) Employee related		
Personnel services	16,632	14,917
	16,632	14,917
(b) Acceptance by Crown Entity of employee benefits and other liabilities		
Superannuation – defined benefit	76	87
Payroll tax	4	5
	80	92
(c) Grants and contributions		
Grant from Destination NSW to Homebush Motor Racing Authority	2,896	3,592
Grants from other bodies	528	-
	3,424	3,592
(d) Other revenue		
Fees	-	442
Miscellaneous	364	-
	364	442

4. Current / non-current assets – receivables

	2014 \$'000	2013 \$'000
CURRENT		
Personnel Services	3,405	3,024
Operating grant for Homebush Motor Racing Authority	255	748
	3,660	3,772
NON-CURRENT		
Personnel Services	460	76
Operating grant for Homebush Motor Racing Authority	-	7
	460	83

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 12

5. Non-current assets – plant and equipment

	Infrastructure systems \$'000	Total \$'000
At 1 July 2013 – fair value		
Gross carrying amount	8,727	8,727
Accumulated depreciation	(1,979)	(1,979)
Net Carrying Amount	6,748	6,748
At 30 June 2014 – fair value		
Gross carrying amount	8,727	8,727
Accumulated depreciation	(2,917)	(2,917)
Net Carrying Amount	5,810	5,810

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 systems \$'000	Total \$'000
Period ended 30 June 2014		
Net carrying amount at start of year	6,748	6,748
Additions	-	-
Disposals	-	-
Net revaluation increment less revaluation decrements	-	-
Depreciation expenses	(938)	(938)
Net carrying amount at end of year	5,810	5,810

	Infrastructure systems \$'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 prior reporting period is set out below.

	Infrastructure systems \$'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)
Net carrying amount at end of year	6,748	6,748

Notes to the Financial Statements CONTINUED

6. Current liabilities – payables

	2014 \$'000	2013 \$'000
CURRENT		
Accrued salaries, wages and on-costs	560	438
Creditors	10	18
Unearned revenue	-	528
	570	984

7. Current / non-current liabilities – provisions

	2014 \$'000	2013 \$'000
CURRENT		
Employee benefits and related on-costs		
Recreation Leave	1,281	1,197
Long Service Leave	1,809	1,590
	3,090	2,787
NON-CURRENT		
Employee benefits and related on-costs		
Long Service Leave	460	84
	460	84
Total Provisions	3,550	2,871
Aggregate employee benefits and related on-costs		
Provisions – current	3,090	2,787
Provisions – non-current	460	84
Accrued salaries, wages and on-costs (Note 6)	560	438
	4,110	3,309

8. Commitments

	2014 \$'000	2013 \$'000
--	----------------	----------------

(a) Capital Commitments

As at 30 June 2014 Destination NSW Staff Agency had no capital commitments (2013: Nil).

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	356	199
Later than one year and not later than five years	182	-
Later than five years	-	-
Total (including GST)	538	199
The total of 'Operating Lease Commitments' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	48	18

HMRA occupies a portion of 88 Cumberland Street which is leased from GP NSW by Destination NSW.

From 1 July 2014, as per *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014*, the commitments of HMRA have been transferred to Destination NSW.

(c) Finance Lease Commitments

As at 30 June 2014 Destination NSW Staff Agency had no finance lease commitments. (2013: 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	3,793	646
Later than one year and not later than five years	5,961	-
Later than five years	-	-
Total (including GST)	9,754	646
The total of 'Events Funding' above includes input tax credits that are expected to be recoverable from the Australian Taxation Office.	886	59

9. Contingent liabilities and contingent assets

The Agency is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2013: Nil).

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

	2014 \$'000	2013 \$'000
Net cash used on operating activities	-	-
Depreciation	(938)	(938)
Increase / (decrease) in Receivables	265	(2,045)
(Increase) / decrease in Receivables	414	306
(Increase) / decrease in Provisions	(679)	1,739
Net result	(938)	(938)

11. Audit fees

All audit fees are met directly by Destination NSW.

Notes to the Financial Statements CONTINUED

12. Financial instruments

(a) Financial Instrument categories

The Agency'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 Agency does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Agency's main risks arising from financial instruments are outlined below, together with the Agency'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 Agency, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors.

Financial assets	Note	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
------------------	------	----------	-----------------------------------	-----------------------------------

Class:

Receivables ⁽¹⁾	4	Loans and receivables (at amortised cost)	4,120	3,855
----------------------------	---	--	-------	-------

Financial assets	Note	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
------------------	------	----------	-----------------------------------	-----------------------------------

Class:

Payables ⁽²⁾	6	Financial liabilities measured at amortised costs	570	984
-------------------------	---	--	-----	-----

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

The Agency has no cash and cash equivalents and all receivables (2014: \$4,120,000 2013: \$3,855,000) relate to a single debtor, Destination NSW. No receivables are past due or impaired.

No collateral is held by the agency. The agency has not granted any financial guarantees.

(c) Liquidity Risk

All liabilities (2014: \$4,120,000; 2013: \$3,855,000) are payables, accruals and provisions relating to the provision of personnel services to Destination NSW and the operations of HMRA.

Division	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non- Interest bearing \$'000	< 1 yr	1 - 5 yrs	> 5 yrs
2014								
Payables	-	570	-	-	570	570	-	-
		570	-	-	570	570	-	-
2013								
Payables	-	984	-	-	984	984	-	-
		984	-	-	984	984	-	-

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

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

(d) Market Risk

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

(e) Fair Value Measurement

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.

13. Events after the reporting period

From 1 July 2014, pursuant to the *Trade and Investment Cluster Governance (Amendment and Repeal) Act 2014* the function, assets and liabilities of HMRA are being transferred to Destination NSW.

The transfer is treated as a contribution by owners of the assets and liabilities were recognised by the transfer or immediately prior to the restructure.

The table below details the assets transferred to Destination NSW.

	30 June 2014 \$'000
Plant and Equipment Infrastructure	5,810
	<hr/> 5,810

End of the audited financial statements.

Index

A

Aboriginal Tourism	42
About Destination NSW	6
Access	124
Annual Report Costs	73
Airline Partnerships	47
Appendices	53
Arts and Entertainment Portfolio	27
Audit and Risk Committee	59
Auditor's Reports	
Destination NSW	77
Destination NSW Staff Agency	105

B

Board Committees	59
Board of Management	59
Board Members	8, 59
Budget Structure	15
Business Events	18, 30
Business Support Programs	43

C

Campaign Achievements	31
CEO's Report: The Year In Review	12
CEO's Statement	104
Chairman's Foreword	4
Charter Aims & Objectives	6
Communications	49
Consultants	59
Consumer Response	68
Corporate Governance	59
Corporate Operations	52
Credit Card Certification	73
Cruise Ship Tourism	41

D

Department of Trade and Investment Regional Infrastructure and Services	60
Destination NSW Staff Agency	60
Destination NSW Performance KPIs	16
Digital Information Security Attestation Statement	62
Disability Plan	57
Disclosure of Controlled Entities	60
Disclosure of Subsidiaries	60

E

Equivalent Advertising Value	16
Event Development	27
Events Funding Commitments	97, 119
Events Grants	69
Exceptional Movements in Remuneration	56

F

Financial Management	72
Financial Overview	15
Financial Statements	
Destination NSW	75
Destination NSW Staff Agency	103
Food and Wine Tourism	43
Funds Granted to Non-Government Community Organisations <i>See Grants</i>	
Funds Sources	15

G

Government Information (Public Access) Act	60
Grants	
Regional Flagship Events Program	69
Regional Visitor Economy Fund	70
Visitor Information Centre	71

H

Homebush Motor Racing Authority	51
Human Resources	55

I

Independent Auditor's Report	
Destination NSW	77
Destination NSW Staff Agency	105
Industry Partnerships and Government Policy	40
Insurance	61
Internal Audit and Risk Management Policy Attestation	63
Internal Management Audits	61

L

Legal Change and Legislation	59
Letter of Submission	2

M

Management Activities	67
Management and Structure <i>See</i>	
Board of Management	
Senior Executives	
Organisation Chart	
Marketing	31
Multicultural Policy	58

N

NSW Tourism Performance	22
-------------------------	----

O

Occupational Health & Safety	58
Organisation	5
Organisation Chart	11
Overseas Visits	64

P

Partnership Programs	47
Payment of Accounts	72
Policies and Programs	57
Privacy and Personal Information Protection Act	61

R

Regional Flagship Events Program	40
Regional Visitor Economy Fund	40
Research and Development	67
Review	26
Risk Management	61
Risk Management Attestation Statement	63

S

Senior Executive	54
Staff Profile	55
Strategic Objectives	16
Subsidiaries	60
Superannuation	87

T

Tourism Industry Performance	22
Tourism Snapshots	24
Trade Missions	46

V

Visitor Arrivals	24
Visitor Economy Industry Action Plan	7
Visitor Information Centre Support	71
Visitor Snapshot	24

W

Waste Policy	58
Websites	124
Workers Compensation	89, 115
Workforce Diversity	57

Y

Youth Program	41
---------------	----

Access

Sydney Office

Level 2, 88 Cumberland Street,
The Rocks, NSW 2000

Tel: +61 2 9931 1111

Fax: + 61 2 9931 1490

Business hours 8:30am-5:00pm 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

vividsydney.com

International Offices

United Kingdom & Europe Office

Level 6, Australia Centre Strand,
London, WC2B 4LG,
UNITED KINGDOM

Tel: +44 20 7438 4644 or 4643

Fax: +44 20 7240 6690

North America Office

2029 Century Park East,
Suite 3150, Los Angeles, CA 90067
UNITED STATES OF AMERICA

Tel: +1 310 695 3235

Fax: +1 310 641 1655

New Zealand Office

Level 3, 125 The Strand,
Parnell, Auckland 1010
NEW ZEALAND

Tel: +64 9 307 7040

Fax: +64 9 366 6173

International Offices continued

NORTH ASIA – Mainland China, Hong Kong, Taiwan, Korea:

Shanghai Office

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

Chengdu Office

Destination NSW

Unit 17-29, Level 17, Raffles City Tower 2,
No.3 Section 4, South Renmin Road,
Wuhou District
Chengdu 610041
P. R. CHINA

Tel: 86 28 6511 2838 / 6511 2839

Fax: 86 28 6511 8199

Hong Kong Office

Suite 2203, 22/F,
Central Plaza 18 Harbour Road, Wanchai,
HONG KONG

Tel: +852 2411 2955

Fax: +852 2877 0387

DNSW Representative Office – South Korea

Good PR & Marketing, DNSW Representative Office,
#604, Sina Bldg, 50, Seosomun-ro, 11-gil,
Jung-gu, Seoul, 100-752,
KOREA

Tel: +82 2 752 4131

Fax: +82 2 752 5049

Japan Office

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

SOUTH AND SOUTH-EAST ASIA

Singapore, Malaysia, Indonesia Office

#08-01A United Square 101 Thomson Rd,
Singapore 307591
SINGAPORE

Tel: +65 6253 3888

Fax: +65 6352 4888

India

No 85, 3 North Avenue (Building 3),
Maker Maxity, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
INDIA

Tel: +91 22 6749 3034

PBX: +91 22 6749 3030