31 October 2016

Dear Minister,

We are pleased to submit the Annual Report of Destination NSW for the financial year ended 30 June 2016 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,

John Hartigan
Chairman

Sandra Chipchase
CEO
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Chairman’s Foreword

Shaping the future has been a key focus for the Destination NSW Board over the past year.

During the year I was proud to work with my Board of Directors to undertake a Review of Regional Tourism to coincide with the final year of the NSW Government’s record funding of $21.6 million to Destination NSW to support the Regional Visitor Economy Fund. This initiative enabled the Board to interact with industry stakeholders to shape a framework that will support growth and attract more visitors to rural and Regional NSW. The new Destination Networks will be implemented over the coming months.

The NSW Government continues to recognise the importance of tourism and events as a key economic driver to the State’s economy. This is demonstrated by its commitment of $127.6 million in additional funding over four years from 2015-2016 to secure more major events and expand marketing activities to further enable NSW to remain competitive in the face of increased spend by other States.

This commitment has secured a number of world class events to Sydney and Regional NSW including L’Etape Australia by Le Tour de France in the Snowy Mountains, Australian première musicals, Egyptian Mummies: Discovering Ancient Lives and College Football Sydney Cup. The remarkable success of Vivid Sydney is worthy recognition of Destination NSW’s ability to manage and produce major events. In 2016, this event attracted more than 2.31 million visitors and delivered more than $110 million to the State’s economy.

I thank the Hon Stuart Ayres MP, Minister for Trade, Tourism and Major Events for his unwavering support of the organisation and the NSW visitor economy more broadly over the past year.

I acknowledge the contribution of the Board of Directors whose enthusiasm and commitment towards furthering the development of the NSW visitor economy is second to none.

Our CEO, Sandra Chipchase, continues to drive the organisation forward with her innovation, passion for excellence and strong desire to ensure that NSW maintains its position as the leading tourism State with Australia’s best calendar of events.

I look forward to continuing to work with the industry across NSW as we move closer to achieving the goal of doubling overnight visitor expenditure to NSW by 2020 and implement the new Destination Network framework.

John Hartigan
Chairman
Destination NSW
Organisation

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About Destination NSW

Established under the Destination NSW Act 2011 as the lead Government agency for the NSW tourism and major events sector, Destination NSW’s charter is to achieve economic and social benefits for the people of NSW 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 NSW, Events NSW, 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 Minister for Trade, Tourism and Major Events. It is principally funded by the NSW Government and is part of a cluster of agencies under the responsibility of the Secretary of the Department of Premier and Cabinet.

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 of securing more international conventions, incentive travel reward programs, corporate events and exhibitions for Sydney and Regional NSW.

Vision

To make Sydney and NSW 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 NSW.

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/cooperative 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
About Destination NSW CONTINUED

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 $31.5 billion to the State’s economy and supports 171,900 direct jobs. In the year ended June 2016, New South Wales welcomed 90 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
- Cooperative marketing and publicity programs
- Major event investment, acquisition and evaluations
- Event leveraging activities
- Visitor resources and information
- Visual resources – footage and photography
- Funding for regional events and tourism activities.
Board Members (2015-2016)

John Hartigan (Chairman)
Russell Balding AO (Deputy Chairman)
David Baffsky AO

Leslie Cassar AM, MOM, KSJ
Sandra Chipchase (CEO)
The Hon. Patricia Forsythe

Margaret Jack
Wendy Machin
Rod McGeoch AO
Board Members CONTINUED

John Hartigan [Chairman]

John Hartigan was appointed as Chairman of Destination NSW in March 2014. He is also Chairman of the Prime Media Group.

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 advisor to the Australian Government, sat on the Independent Steering Committee for the Australia 2020 Summit and co-chaired 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. Mr Hartigan has recently been appointed a Director of the Australian Paralympic Committee.

Among his external board and community responsibilities Mr Hartigan is a Trustee of the Sydney Cricket and Sports Ground Trust and is a former Director and Lifetime Member of The Bradman Foundation. Mr Hartigan is also an Ambassador of the Indigenous Marathon Project and the Australian Indigenous Education Foundation.

Russell Balding AO, B Bus, DipTech [Comm], FCPA, MAICD [Deputy Chairman]

Russell Balding previously chaired the Visitor Economy Taskforce (2011-2012), established by the NSW Government to develop a tourism and events strategy to double overnight visitor expenditure to NSW. Mr Balding is currently Chairman of Cabcharge Australia Limited, Deputy Chairman of Racing NSW, a Board Director of the Trust Company (Sydney Airport) Limited, a Board Director of CityFleet Networks Ltd [UK] and a Board Director of ComfortDelgro Cabcharge Pty Ltd.

Mr Balding is a former Chief Executive Officer of the Sydney Airport Corporation, a former Managing Director of the Australian Broadcasting Corporation (ABC) and was its Director, Funding, Finance and Support Services. Prior to joining the ABC, he was Director of Finance at the NSW Roads and Traffic Authority and Financial Controller at the NSW Department of Housing.

David Baffsky AO

David Baffsky is Honorary Chairman (formerly Executive Chairman between 1993 and 2008) of Accor Asia Pacific, which is the largest hotel management company in the Asia Pacific region. He is Chairman of Ariadne Australia Ltd; a life member of the Tourism Task Force; and a director of SATS Limited (Singapore). Mr Baffsky is Chairman of Investa Wholesale Funds Management Limited, Chairman of Food & Allied Support Services Corporation Ltd, Director of FASSCO International (Australia) Pty Ltd, Director of Executive Health Solutions, Board Director of the Australian Brandenburg Orchestra, and an external member of Sydney Modern Development Committee of the Art Gallery of NSW.

Mr Baffsky was formerly a director of the Sydney Olympic Park Authority, Indigenous Land Corporation and Chairman of Voyages Indigenous Tourism Limited.

In 2004, Mr Baffsky was appointed to the Federal Government’s National Tourism Infrastructure Investment Consultative Group and the Business–Government Advisory Group on National Security. In 2007, he was appointed to the Federal Government’s Northern Australia Land and Water Taskforce and the Prime Minister’s Community–Business Partnership.

In June 2001, he was made an officer in the General Division of the Order of Australia. Mr Baffsky was awarded the Centenary Medal in 2003 and was the 2004 Asia Pacific Hotelier of the Year. In 2012 he was awarded the Chevalier in the Order of the National Legion of Honour.

Leslie Cassar AM, MOM, KSJ

Leslie Cassar is a former Chairman of both Tourism NSW and the Tourism & Transport Forum (TTF). He is Chairman and Managing Director of World Aviation Group (Malta), Chairman of Cassar Aviation Services Pty Ltd and an advisor to the Chairman and CEO of Air Malta (Malta).

Mr Cassar began his career in travel and tourism with Qantas and has now accrued over 40 years’ experience in the tourism sector, both in Australia and internationally. In 1979, he became CEO and partner of The Concorde Group of Companies, where he oversaw the expansion of the company, the establishment of World Aviation Systems and final sale of the company to ABN AMRO in 2002.

The Australian and Maltese Governments have recognised Mr Cassar’s long service to both countries with prestigious accolades including the Member of The Order of Australia (AM) and the Knight of the Order for St John of Jerusalem. More recently, Mr Cassar was awarded the National Award of Merit by the Maltese Government for his contribution to the country’s aviation industry.
Board Members CONTINUED

Sandra Chipchase

Sandra Chipchase is the Chief Executive Officer of Destination NSW and Executive Producer of Vivid Sydney. Ms Chipchase has had an outstanding career in international and domestic tourism and business events marketing, major events acquisition and management, sponsorship, business and asset management. Her current roles include: Board Member - Visitor Economy Taskforce, Board Member - Business Events Sydney, and Steering Committee Member for the Sydney International Convention, Exhibition and Entertainment Centre Precinct and a member of the NSW Australia Day Committee.

Ms Chipchase was previously the Chief Executive Officer of the Melbourne Convention and Visitors Bureau, President - Australian Association of Convention Bureaux (AACB), President – Best Cities Global Alliance, Member – Tourism and Transport Forum Advisory Board, Board Member - Business Events Council of Australia (BECA), Member - Federal Government’s Business Events Strategy Implementation Group, Member – Federal Government’s Brand Australia Advisory Board and Member of the NSW Crown Holiday Parks Trust.

Her previous roles include: Executive Director - Australia Pavilion - World EXPO 2000, Executive Director - Sydney Harbour Foreshore Authority, GM Marketing – Sydney Convention and Visitors Bureau and she held senior management roles with Australian Tourist Commission/ Tourism Australia in Frankfurt, Chicago and New York.

The Hon. Patricia Forsythe

Patricia Forsythe is the Executive Director of the Sydney Business Chamber, a position she has held since September 2006. Patricia represents the Chamber on a number of NSW Government committees and also represents the Chamber on the City of Sydney Retail Advisory Panel and the Sydney Airport Planning Coordination Forum.

Ms Forsythe serves on a number of boards in the Government and Not-For-Profit sector including the Council of Macquarie University, Port Authority of NSW, Board of Studies Teaching & Educational Standards NSW and Cricket NSW. Ms Forsythe represents Destination NSW on the Board of Business Events Sydney. Ms Forsythe was a Member of the NSW Legislative Council from 1991 to 2006 where she served in a variety of shadow portfolios.

Margaret Jack

Margaret Jack is an advisor to the Adecco Group and a director of the Adecco joint venture in China. Adecco is a Fortune 500 listed human resource company with over 5,100 branches in more than 60 countries. Margaret is fluent in Mandarin and Cantonese, having worked as a Senior Partner at Price Waterhouse China and Hong Kong. She was the Executive Director for Shell China & Hong Kong Group of Companies and was a board member of the Hong Kong General Chamber of Commerce, the only woman to have been appointed Chairman of the China Committee of the Chamber.

Since 2002, Ms Jack has remained occupied in the energy sector advising Australian and US companies on technology cooperation with China and Chinese companies on investments in Australia. She is currently also the Executive Director of Kinox Ltd. She was a member of the NSW International Education and Research Industry Action Plan Taskforce and a member of the NSW Export and Investment Panel.

Wendy Machin

Wendy Machin is a non-executive Director and has served on several Boards over the past 15 years in the government, not-for-profit and private sector. She is currently a Director of the NRMA, and was a former President. She was recently appointed as Chair of ANCAP (Australasian New Car Assessment Program), Independent Chair of COBA (Customer Owned Banking Association) and Chair of the NSW Government’s Crown Holiday Parks Trust.

Ms Machin was the first woman National Party MP in the NSW Legislative Assembly. Between 1985 and 1996 she served as a Cabinet Minister, Shadow Minister and as Deputy Speaker of the House. She has run her own consulting business and has also worked in-house in a range of companies and industry associations.

Ms Machin was the Deputy Chair of the Australian Republican Movement from 1998 to 2000 and a delegate to the 1999 Constitutional Convention.

Ms Machin owns and operates beef cattle properties in the Manning Valley. She has a strong interest in disability services, and is married with three adult children.

Rod McGeoch

Rod McGeoch was the leader of Sydney’s successful Olympics 2000 bid. He is a past-President of the Law Society of New South Wales and an Officer of the Order of Australia. He is also Chairman of BGP Holdings Plc, Chairman BGP Investments S.a.r.l., Director of Ramsay Health Care Limited, Chairman of Vantage Private Equity Growth Limited, a member of the advisory board of Salvation Army Eastern Territories and a Trustee of the Sydney Cricket & Sports Ground Trust. Mr McGeoch is a former Chairman of the Committee for Sydney and plays a leading role in a variety of cultural, community and welfare organisations. He has published two best-selling books: McGeoch and The Bid.
Organisation Chart 2015-2016

CHAIRMAN & BOARD

CHIEF EXECUTIVE OFFICER
([Is a Government appointed member of the Destination NSW Board])

Event Development
- Event Acquisition
- Event Development & Management
- Event Industry Engagement
- Business Operations
- Stakeholder Management
- Hospitality Management
- Motor Sport Industry Engagement & Event Delivery

Marketing
- Digital Strategy
- Digital Campaigns
- Social Media
- Consumer Websites
- Advertising Campaigns
- Design Studio

Industry Partnerships & Government Policy
- International and Domestic Partnerships
- Government Policy, Programs and Missions
- Industry Development
- Trade Events & Famils
- Regional Funding, Partnerships, Services
- Regional Event Development
- Visitor Services
- Sector Development: Aboriginal Tourism, Cruise, Food & Wine, Youth

Communications
- Ministerial Communications
- Corporate Communications
- Media Management
- Public Relations
- Media Famils
- Destination Publicity
- Editorial & Content Services
- Corporate Website and Social Media

Corporate Services
- Finance
- Human Resources
- Strategic Planning
- Program Performance
- Business Performance
- Database Administration & CRM
- Learning & Development
- Building & Facilities
- Records Management
- Procurement & Legal
CEO's Report: The Year in Review

Sandra Chipchase
Chief Executive Officer
Destination NSW

2015-2016 saw Destination NSW achieve another set of outstanding results for international and domestic visitation. Maintaining its dominance, NSW again achieved the highest volumes of international visitors, nights and expenditure since 2005 and is now edging closer to 4 million international visitors. NSW also achieved its highest level of domestic overnight visitors since the National Visitor Survey began in 1998 as well as its highest visitors and expenditure on record for the year ending June.

Key Growth Statistics
In the year ending June 2016:

• $31.5 billion total visitor expenditure (29% international, 71% domestic)
• $25.5 billion overnight expenditure (36% international, 64% domestic)
• $6.1 billion day trip expenditure
• 179.9 million total NSW visitor nights
• 90 million total visitors
• 32.5 million overnight visitors (11% international, 89% domestic)
• 57.5 million day trip visitors
• Half of the international visitors to Australia came to destinations within NSW
• 93,630 businesses in NSW are involved in tourism
• 171,900 directly employed in tourism and travel (1 in every 21 jobs)
• NSW has 75,687 rooms (hotels and serviced apartments with 10+ rooms).

NSW is number one in Australia for:

• Expenditure – $31.5 billion, 30% of total visitor expenditure in Australia
• Visitors – 90 million, 32% of total visitors to Australian States
• Nights – 179.9 million, 31% of total visitor nights spent in Australia
• Sydney is number one capital city for visitors, nights and expenditure
• Youth Visitors – NSW received 1.2 million international youth visitors, 56.2% of all international youth visitors to Australia. These visitors spent $5.3 billion in NSW, representing 37.8% of total expenditure by international youth visitors to Australia
• Conventions – Sydney is ranked No. 1 convention city in Australia for international conventions.

Highlights

• Completing 85% of the actions to be delivered in the Visitor Economy Industry Action Plan
• Completing a Review of Regional Tourism which has resulted in the NSW Government investing $43 million over four years to support the creation of six new Destination Networks throughout NSW to help regional and rural areas attract visitors
• Extending Vivid Sydney from 18 to 23 nights and achieving visitor spend in excess of $110 million, a 75% increase on 2015. Vivid Sydney was also named Australia’s Best Tourism Event for the third consecutive year at the 2015 Australian Event Awards.

Acquiring or retaining 462 events for Sydney and Regional NSW since March 2011 that are estimated to deliver almost $2.8 billion of visitor expenditure in NSW. Highlights include:

• Destination NSW also continued to work with local and international producers to secure a pipeline of world-class first run musicals. Notable wins included the Australian premiere of Beautiful: The Carole King Musical and the World Premiere of Muriel’s Wedding, reinforcing Sydney’s position as the preferred Australian destination by producers of major first run musicals
• In 2016, Handa Opera on Sydney Harbour presented Turandot, an artistically and technically daring contemporary re-imagining of the Ancient Chinese fable. The production, which for the first time was subtitled in simplified Chinese as well as English, attracted an audience of over 50,000 people, including a record number of international attendees. Set against the stunning backdrop of the Sydney Opera House and Sydney Harbour this annual event has now firmly cemented its place on Sydney’s cultural calendar as an iconic signature event since it was first presented in 2012
• Major sporting events secured include the international football friendly Socceroos v Greece, the 2018 FIFA World Cup Qualifier Socceroos v Jordan; Volleyfest, the biggest beach volleyball event in Australia since the Sydney Olympics; the Sydney College Football Cup; and the Wayne Gretzky Ice Hockey Classic
• Regional NSW continues to cement its status as the home of major events, having so far secured the FIM Asia Supermoto Championships for Newcastle, the World Junior Surfing Championships for Kiama and the Indoor Cricket Australian Junior Championships for Dubbo
• Securing a pipeline of events through Business Events Sydney that are worth more than $430 million in direct expenditure to the NSW economy from 2016 to the end of 2023. This includes over 40 events which have already been secured by Business Events Sydney for the International Convention Centre Sydney, expected to generate more than $200 million in direct expenditure to the NSW economy
CEO’s Report: The Year in Review CONTINUED

• Continued growth of NSW as a major international cruise destination, welcoming 322 cruise ship visits to Sydney and the regional ports of Newcastle and Eden in 2015-2016 (compared to 285 in 2014-2015)
• Hosting celebrated photographer Mario Testino in Sydney in December 2015 to shoot exclusive content for the April edition of Vogue Australia which has a readership of 374,000 in Australia
• In 2015-2016, Destination NSW achieved significant results across all communications activities. The development of integrated working practices allowed the Communications Division to promote greater synergies and better leverage outputs around tourism and event related activities undertaken by Destination NSW
• Destination NSW’s tourism websites are now ranked as Australia’s 8th largest tourism website and events destination and accommodation websites and are now in the league of global travel websites such as tripadvisor.com.au, booking.com and hotels.com.

International marketing

Destination NSW continues to focus its international marketing activities in priority markets identified by the Visitor Economy Taskforce.

Key focus areas for 2015-2016 included developing additional opportunities to incorporate ‘export ready’ Regional NSW destinations and experiences in partnership activities, securing partnerships with new airline carriers to Sydney and further developing opportunities to package and promote visitation to NSW events and increasing distribution partnerships such as Vivid Sydney.

In August 2015, Destination NSW announced an exclusive two-year partnership agreement with Ctrip, one of the largest online travel agencies in China which provides flights, hotels and package tours and this exciting agreement enables the NSW tourism industry to reach a staggering 250 million prospective visitors.

In partnership with Sydney Airport Corporation five new airline services to Sydney were secured increasing air capacity from priority international markets: XiamenAir from Xiamen and Fuzhou and China Southern from Shenzhen (China); All Nippon Airways (Japan), American Airlines (USA) and Qatar (Doha with connecting flights to Shenzhen (China); All Nippon Airways (Japan), American Airlines (USA) and Qatar (Doha with connecting flights to Shenzhen (China).

International media coverage grew by over 650 per cent to reach 48,382,197,485 people delivering an advertising value equivalent of more than $200 million. Publicity activities to promote Sydney and Regional NSW in international markets included a partnership with marie claire magazine to develop a Mandarin-language Wechat shopping guide to Sydney for Chinese travellers; four hour-long live broadcasts by British TV channel ITV from Sydney Harbour; a 13 page feature in US Food & Wine on Byron Bay and coverage of Sydney and Regional NSW in prestigious Monocle Magazine’s Australia issue and a subsequent Sydney Supplement.

Domestic marketing

In 2015-2016, the proven ‘It’s ON! in Sydney’ events-led campaign platform was refreshed after being in market for five years and an extension was created to specifically support regional events via the new ‘It’s ON! In NSW’ campaign template. Both campaigns have continued to achieve strong year-on-year growth, creating solid momentum and return on investment from advertising expenditure, resulting in record levels of ticket sales, attendance at free events and sales leads to the NSW tourism industry.

Vivid Sydney delivered record breaking attendance, with 2.31 million visitors attending the Light, Music and Ideas programs, a 35.4 per cent year on year increase. Marketing activities included a dedicated digital campaign focused on ticket sales for Vivid Music and Vivid Ideas events; out of home advertising; targeted print activity; retail and business activation in precincts; a comprehensive digital and social media schedule (including an improved user experience and functionality for the Vivid Sydney website); and a dynamic Vivid Sydney mobile app.

Two broadcasts of Channel Nine’s Today Show were secured in Regional NSW. The entire 3.5 hour show was broadcast live on location in Broken Hill and the Hunter Valley featuring a number of local tourism product and experiences, promoting these destinations to a national audience of two million people with an advertising equivalent value of $1,465,715.

26 campaigns (a 73 per cent year on year increase) were delivered including whole of state campaigns led by Destination NSW and co-operative destination campaigns with partners to drive tourism growth for Regional NSW.

Events

Maintaining NSW’s status as the events capital of Australia is a key focus that demands the commitment of all stakeholders. 2015-2016 once again saw the Sydney and NSW Events Calendar deliver a plethora of world class events through partnerships with the events industry in Australia and around the world.

Since 2011, Destination NSW has secured or retained a total of 462 events for Sydney and Regional NSW. It is estimated that these events will deliver more than $2.8 billion of visitor expenditure in NSW.
Innovation
Destination NSW once again maintained its number one position as having the top performing state tourism website in Australia, with an annual 41 per cent average share of the total Government tourism industry website traffic market. The combined Destination NSW consumer facing websites were also ranked in the Top 10 largest destination and accommodation websites in Australia (against global operators such as Trip Advisor, Airbnb, booking.com and hotels.com).

During 2015-2016, Destination NSW’s consumer ‘owned and earned’ social media channels were used extensively to promote Sydney and Regional NSW to global audiences reaching a combined fan and follower community of over 10.7 million people with 80 per cent of this audience located in our priority international markets of India, Indonesia, Malaysia, USA, NZ, UK, Singapore, Hong Kong and Germany.

To achieve better reach in our number one international market a dedicated sydney.cn website was launched in China along with the substantial upgrade of five international websites in the USA, UK, NZ, India, Malaysia and Singapore.

In 2015-2016 new technology such as Movi, Tero and Drone were commissioned to offer new visual perspectives on the expanded Vivid Sydney festival and support activities in the Tourism Australia Aquatic and Coastal campaign.

Making a Difference
The table below compares performance prior to versus post the formation of Destination NSW. It underscores that working in new partnerships with industry has delivered significant benefits to NSW.

<table>
<thead>
<tr>
<th></th>
<th>1 April 2008 - 30 June 2011 (pre DNSW)</th>
<th>1 April 2011 - 30 June 2016 (post DNSW)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Growth per annum</td>
<td>Period Total Growth</td>
</tr>
<tr>
<td>Overnight Visitor Numbers</td>
<td>-1.0%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Visitor Nights</td>
<td>1.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Overnight Visitor Expenditure</td>
<td>1.4%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

The Year Ahead
We are entering an exciting time for tourism in NSW with 2016-2017 seeing regional tourism re-energised through innovative reforms aimed at attracting more visitors to experience destinations in rural and regional areas across NSW. The establishment of the six new Destination Networks will deliver improved effectiveness, increase professionalism and introduce new structure, governance and accountability arrangements.

I would like to acknowledge the Destination NSW Board for their commitment to ensuring that NSW remains at the forefront of tourism in Australia. My thanks also go to my outstanding Executive Team and the staff of Destination NSW both here and around the world.

We know we have the best of everything in NSW and by working together we can continue to drive tourism and major events to achieve even greater success for the NSW Visitor Economy.

Sandra Chipchase
Chief Executive Officer
Financial Overview 2015-2016

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.

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

Destination NSW falls within the Department of Premier and Cabinet cluster of the NSW Public Service.

This summary represents the consolidated financial performance for the year ended 30 June 2016.

Sources of Funds ($156.6 million)
Total revenue for Destination NSW for the year ending 30 June 2016 was $156.6 million.

The main sources of revenue were Government grants from NSW Treasury ($147.2 million), contributions received from industry and other parties ($8.8 million) to participate in marketing activities, and other income ($0.6 million).

This includes in-kind support which increased by 48 per cent to $3 million.

In addition, indirect contributions from industry partners increased by nine per cent in 2015-2016 to $18.1 million.
Destination NSW Performance 2015-2016

Strategic Objective 1:
Position Sydney & New South Wales as world-leading tourism and events destinations

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Target 2015-2016</th>
<th>Actual 2015-2016</th>
<th>% Achieved</th>
<th>Actual 2014-2015</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in total NSW visitor nights [million]*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>176.2</td>
<td>179.9</td>
<td>102%</td>
<td>169.4</td>
<td>Note 1</td>
</tr>
<tr>
<td>Domestic</td>
<td>89.9</td>
<td>93.0</td>
<td>103%</td>
<td>89.7</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>86.3</td>
<td>86.9</td>
<td>101%</td>
<td>79.7</td>
<td></td>
</tr>
<tr>
<td>Growth in total NSW overnight expenditure ($billion)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27.8</td>
<td>25.5</td>
<td>92%</td>
<td>23.6</td>
<td>Note 2</td>
</tr>
<tr>
<td>Domestic</td>
<td>16.8</td>
<td>16.4</td>
<td>98%</td>
<td>15.9</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>10.7</td>
<td>9.1</td>
<td>85%</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>Media Exposure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of media articles</td>
<td>17,568</td>
<td>19,220</td>
<td>109%</td>
<td>17,568</td>
<td>Exceeded</td>
</tr>
<tr>
<td>Equivalent Advertising Value</td>
<td>$150,051,830</td>
<td>$245,552,045</td>
<td>164%</td>
<td>$150,051,830</td>
<td>Exceeded</td>
</tr>
<tr>
<td>No. of co-sponsored media visits to Sydney and regional destinations</td>
<td>342</td>
<td>326</td>
<td>95%</td>
<td>342</td>
<td>Achieved</td>
</tr>
<tr>
<td>No. of media participants (domestic and international media families)</td>
<td>812</td>
<td>816</td>
<td>101%</td>
<td>816</td>
<td>Achieved</td>
</tr>
<tr>
<td>No. of pitch and servicing engagements with media</td>
<td>754</td>
<td>1,814</td>
<td>240%</td>
<td>754</td>
<td>Exceeded</td>
</tr>
</tbody>
</table>

Note 1: Growth in total visitor nights: Achieved highest volume of visitor nights on record in 2015-2016 for both the international and domestic markets and exceeded target.

Note 2: Growth in total overnight expenditure: Achieved highest volume of visitor expenditure on record in 2015-2016 for both the international and domestic markets but fell short of the target primarily for Korea, Japan, United Kingdom, USA, New Zealand and India.

Awards

The 2015 South Coast ‘unspoilt’ campaign was awarded the Gold Award for Best Destination Marketing campaign at 2015 NSW Tourism Awards, was a finalist at the Australian Tourism Awards and winner of the 2016 PATA (Pacific Asia Travel Association) Gold Award (Secondary Government Destination category).

Sydney named as a World Festival and Event City by the International Festivals and Events Association for the seventh year in a row. Newcastle and Coffs Harbour were also recognised as World Festival and Event Cities by the International Festivals and Events Association.

Vivid Sydney, owned, managed and produced by Destination NSW, is an annual festival of Light, Music and Ideas which was named Best Tourism Event at the 2015 Australian Event Awards for the third consecutive year.

Destination NSW and Sydney Opera House awarded Best Contemporary Music Festival at the 2015 Helpmann Awards for Vivid LIVE.
**Destination NSW Performance 2015-2016**

**Strategic Objective 2:**

**Attract and secure high value major events**

<table>
<thead>
<tr>
<th>Festivals</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Surf Festival Coffs Harbour</td>
<td>(continued investment)</td>
</tr>
<tr>
<td>Bledisloe Cup Festival</td>
<td></td>
</tr>
<tr>
<td>Dungog Festival (continued investment)</td>
<td></td>
</tr>
<tr>
<td>Kidtopia Festival</td>
<td></td>
</tr>
<tr>
<td>Mercedes Benz Fashion Week Australia</td>
<td>(new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Parkes Elvis Festival</td>
<td>(new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Sydney Festival (continued investment)</td>
<td></td>
</tr>
<tr>
<td>Sydney Film Festival</td>
<td>(new two year agreement 2016-2017)</td>
</tr>
<tr>
<td>Blackmores Sydney Running Festival</td>
<td>(new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Tamworth Country Music Festival (continued investment)</td>
<td></td>
</tr>
<tr>
<td>Vivid Sydney (continued investment)</td>
<td></td>
</tr>
<tr>
<td>Yabun Festival (new three year agreement 2016-2017)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entertainment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Artlands Dubbo</td>
<td></td>
</tr>
<tr>
<td>Ballet Under the Stars</td>
<td></td>
</tr>
<tr>
<td>Collette Dinnigan: Unlaced</td>
<td></td>
</tr>
<tr>
<td>Culture Business</td>
<td></td>
</tr>
<tr>
<td>Disney’s Aladdin</td>
<td></td>
</tr>
<tr>
<td>Dream Lover – the Bobby Darin Musical</td>
<td></td>
</tr>
<tr>
<td>Egyptian Mummies: Discovering Ancient Lives</td>
<td></td>
</tr>
<tr>
<td>Electronic Music Conference</td>
<td></td>
</tr>
<tr>
<td>Exhibitionism – The Rolling Stones</td>
<td></td>
</tr>
<tr>
<td>Good Design Festival</td>
<td></td>
</tr>
<tr>
<td>Isabella Blow: A Fashionable Life</td>
<td></td>
</tr>
<tr>
<td>Kaldor Public Art Project: Jonathan Jones - barrangal dyara [skin and bones]</td>
<td></td>
</tr>
<tr>
<td>Mario Testino – Vogue Australia Fashion Shoot</td>
<td></td>
</tr>
<tr>
<td>My Fair Lady [Australian Premiere]</td>
<td></td>
</tr>
<tr>
<td>Rare Birds Con</td>
<td></td>
</tr>
<tr>
<td>Remix Sydney</td>
<td></td>
</tr>
<tr>
<td>Sustainable Brands Sydney</td>
<td></td>
</tr>
<tr>
<td>Sydney Film Festival (new two year agreement 2016-2017)</td>
<td></td>
</tr>
<tr>
<td>Sydney International Art Series: Nude: Arts from the Tate Collection</td>
<td></td>
</tr>
<tr>
<td>Sydney International Art Series: Tatsuo Miyajima</td>
<td></td>
</tr>
<tr>
<td>Sydney International Piano Competition of Australia</td>
<td></td>
</tr>
<tr>
<td>Sydney Opera House – The Opera</td>
<td></td>
</tr>
<tr>
<td>Trailblazers: Australia’s 50 Greatest Explorers</td>
<td></td>
</tr>
<tr>
<td>Vanfest</td>
<td></td>
</tr>
<tr>
<td>Continued investment into: Beautiful (the musical), Helpmann Awards, My Fair Lady, Rob Guest Endowment Concert, Handa Opera on Sydney Harbour, DC Comics: The Art of the Brick, AACTA Awards, ARIA Awards, Opera in the Paddock,</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sport</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AFL Draft and AFL Nines</td>
<td></td>
</tr>
<tr>
<td>APIA Sydney International and Fast Four [tennis] (new two year agreement 2016-2017)</td>
<td></td>
</tr>
<tr>
<td>Arsenal FC Games and Tourism Partnership</td>
<td></td>
</tr>
<tr>
<td>Athletics Championships 2016</td>
<td></td>
</tr>
<tr>
<td>Australian Open Golf (new eight year agreement 2016-2023)</td>
<td></td>
</tr>
<tr>
<td>Australian Open of Supercross</td>
<td></td>
</tr>
<tr>
<td>Bathurst 12 Hour 2016</td>
<td></td>
</tr>
<tr>
<td>Central Coast Sevens</td>
<td></td>
</tr>
<tr>
<td>College Football - American college football match featuring University of California Golden Bears and the University of Hawaii Rainbow Warriors.</td>
<td></td>
</tr>
<tr>
<td>FIM Asia Supermoto Championships</td>
<td></td>
</tr>
<tr>
<td>Hockey Events Package (National Tournaments &amp; International Events)</td>
<td></td>
</tr>
</tbody>
</table>
### Destination NSW Performance 2015-2016 CONTINUED

**Indoor Cricket**
- Australian Junior Championships 2016

**Liverpool Legends FC v Australian Legends Football Match** 2016

**MotorWorld Sydney**

**NRL Events**
- Match Package
- NSW Open Championship [previously the NSW Open of Golf]
- Orange Challenge

**Socceroos v Greece**
- International Friendly 2016

**Sydney International Rowing Regatta**
- (new two year agreement 2018-2019)

**Wayne Gretzky Ice Hockey Classic**
- exhibition match

**World Baseball Classic Qualifier** 2016

<table>
<thead>
<tr>
<th>World Polo Championship 2017</th>
</tr>
</thead>
</table>

**World Time Attack Challenge**

- Continued investment into: Socceroos International Match Package, NRL Grand Final Week & Grand Final, NRL State of Origin, Australian Open of Supercross, Bledisloe Cup, Rally Australia (World Rally Championships), Sydney 500 (V8 Supercars)

### Lifestyle

<table>
<thead>
<tr>
<th>9th FAI Junior World Gliding Championships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albury Gold Cup Carnival (new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>American Quarter Horse Association Youth World Cup</td>
</tr>
<tr>
<td>Atmosphere Nepean Triathlon 2015</td>
</tr>
<tr>
<td>Australia Day (new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Australian Boardriders Battle - NSW Qualifiers &amp; Final</td>
</tr>
<tr>
<td>Australian Deaf Games</td>
</tr>
<tr>
<td>Australian Open of Surfing (new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Australian Surfing Awards (new two year agreement 2016-2017)</td>
</tr>
<tr>
<td>BMX Australia National Championships Bathurst Thunder Down Under 2016</td>
</tr>
<tr>
<td>Bravo Challenge</td>
</tr>
<tr>
<td>Deni Ute Muster (new three year agreement 2016-2018)</td>
</tr>
<tr>
<td>Evocities MTB Series</td>
</tr>
<tr>
<td>Harley Days</td>
</tr>
<tr>
<td>ISA World Kneeboarding Championships</td>
</tr>
<tr>
<td>Jack Newton Celebrity Classic 2015</td>
</tr>
<tr>
<td>MTV Beats and Eats</td>
</tr>
<tr>
<td>National Budgerigar Championships</td>
</tr>
<tr>
<td>NSW Pro Surf Series</td>
</tr>
<tr>
<td>Offshore Superboat Championships - Round 3</td>
</tr>
<tr>
<td>Snowy Mountains Cross ITU World Triathlon Championships 2016</td>
</tr>
<tr>
<td>Southern 80</td>
</tr>
<tr>
<td>Sydney Harbour Challenge</td>
</tr>
<tr>
<td>True Grit</td>
</tr>
<tr>
<td>Volleyfest</td>
</tr>
<tr>
<td>WSL Junior Championships, Kiama, Australia.</td>
</tr>
<tr>
<td>XPD Adventure World Racing Championships</td>
</tr>
</tbody>
</table>

- Continued investment into: Australian Badminton Open, Australian Bowl-riding Championships, Bowl-A-Rama Bondi, Ironman Australia Port Macquarie, IRONMAN 70.3 Port Macquarie, IRONMAN 70.3 Western Sydney, L’Etape Australia by Le Tour de France, Port to Port (mountain biking), Surfest Newcastle, Sydney Gay and Lesbian Mardi Gras, Sydney Royal Easter Show, XTerra Asia Pacific Championships
Strategic Objective 3:

Build a sustainable events calendar for New South Wales

### Key Performance Indicators for events supported by Destination NSW

<table>
<thead>
<tr>
<th></th>
<th>Intrastate Unique visitors</th>
<th>Interstate Unique visitors</th>
<th>International Unique visitors</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney events</td>
<td>118,918</td>
<td>144,811</td>
<td>24,313</td>
<td></td>
</tr>
<tr>
<td>Regional events</td>
<td>41,931</td>
<td>31,300</td>
<td>3,861</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>160,849</td>
<td>176,111</td>
<td>28,174</td>
<td></td>
</tr>
</tbody>
</table>

### EVENT ATTENDANCE July 2014–June 2015

<table>
<thead>
<tr>
<th></th>
<th>No of events evaluated</th>
<th>Visitor Expenditure</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney events</td>
<td>37</td>
<td>$203,140,498</td>
<td></td>
</tr>
<tr>
<td>Regional events</td>
<td>28</td>
<td>$47,138,711</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>$250,279,209</td>
<td></td>
</tr>
</tbody>
</table>

### INTERNATIONAL SPORTS, CULTURAL, CREATIVE AND ARTS EVENTS HELD IN NSW July 2015–June 2016

<table>
<thead>
<tr>
<th></th>
<th>Sydney Metro</th>
<th>Western Sydney</th>
<th>Regional NSW</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events won or retained</td>
<td>16</td>
<td>17</td>
<td>25</td>
<td>58</td>
</tr>
<tr>
<td>Events assisted or grown</td>
<td>24</td>
<td>8</td>
<td>21</td>
<td>53</td>
</tr>
<tr>
<td>Events on calendar (not directly assisted)</td>
<td>8</td>
<td>0</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Total no. of events held</td>
<td>48</td>
<td>25</td>
<td>47</td>
<td>120</td>
</tr>
</tbody>
</table>

### BUSINESS EVENTS SYDNEY PERFORMANCE July 2015–June 2016

<table>
<thead>
<tr>
<th></th>
<th>Target 2015–2016</th>
<th>Actual 2015–2016</th>
<th>% Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events Secured:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bids Won</td>
<td>74</td>
<td>88</td>
<td>119%</td>
<td></td>
</tr>
<tr>
<td>Delegate Days</td>
<td>224,861</td>
<td>282,499</td>
<td>126%</td>
<td></td>
</tr>
<tr>
<td>Estimated Direct Expenditure</td>
<td>$163.0m</td>
<td>$212.2m</td>
<td>130%</td>
<td>Note 3</td>
</tr>
<tr>
<td>Events Delivered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events Held</td>
<td>69</td>
<td></td>
<td></td>
<td>Note 3</td>
</tr>
<tr>
<td>Delegate Days</td>
<td>143,121</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Direct Expenditure</td>
<td>$122.5m</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: Event visitation 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 event/s for the 2015-2016 period. Reporting excludes Regional Flagship events.

Note 2: 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. Reporting excludes Regional Flagship events.

Note 3: Business Events Sydney report on Calendar Year, an indicative 2015-2016 financial year target has been constructed based on half of last year’s and half of this year’s target.
## Destination NSW Performance 2015-2016 CONTINUED

### Strategic Objective 4:
**Increase industry stakeholder and customer engagement**

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Target 2015-2016</th>
<th>Actual 2015-2016</th>
<th>% Target Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of media articles</td>
<td>17,568</td>
<td>19,220</td>
<td>109%</td>
<td>Exceeded</td>
</tr>
<tr>
<td>Equivalent Advertising Value</td>
<td>$150,051,830</td>
<td>$245,552,045</td>
<td>164%</td>
<td>Exceeded</td>
</tr>
<tr>
<td>No. of co-sponsored media visits to Sydney and regional destinations</td>
<td>342</td>
<td>326</td>
<td>95%</td>
<td>Achieved</td>
</tr>
<tr>
<td>No. of media participants (domestic and international media famils)</td>
<td>812</td>
<td>816</td>
<td>101%</td>
<td>Achieved</td>
</tr>
<tr>
<td>No. of pitch and servicing engagements with media</td>
<td>754</td>
<td>1,814</td>
<td>240%</td>
<td>Exceeded</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Target 2015-2016</th>
<th>Actual 2015-2016</th>
<th>% Target Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of trade missions</td>
<td>11</td>
<td>10</td>
<td>91%</td>
<td>Note 1</td>
</tr>
<tr>
<td>No. of New South Wales businesses attending trade missions</td>
<td>158</td>
<td>141</td>
<td>89%</td>
<td>Note 1</td>
</tr>
<tr>
<td>No. of travel buyer familiarisations</td>
<td>50</td>
<td>64</td>
<td>128%</td>
<td>Exceeded</td>
</tr>
<tr>
<td>No. of trade familiarisation participants</td>
<td>550</td>
<td>635</td>
<td>115%</td>
<td>Exceeded</td>
</tr>
<tr>
<td>No. of workshops delivered</td>
<td>14</td>
<td>13</td>
<td>93%</td>
<td>Note 2</td>
</tr>
<tr>
<td>No. of tourism businesses assisted*</td>
<td>800</td>
<td>1089</td>
<td>136%</td>
<td>Exceeded</td>
</tr>
</tbody>
</table>

**Note 1:** Destination NSW scheduled a Greater China Online Travel Agent Workshop which was rescheduled to a later date.

**Note 2:** Destination NSW delivered workshops and webinars to build industry capacity and knowledge in a range of areas including: trade event preparation, export readiness (introductory), inbound strategy, ATDW Online user interface and optimising Get Connected listings. An extended calendar of workshops has been scheduled throughout 2016. A Canberra region workshop was rescheduled to the next financial year.

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Actual 2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Destination and Business Development</strong></td>
<td></td>
</tr>
<tr>
<td>No. of approved TASAC applications</td>
<td>34</td>
</tr>
<tr>
<td>No. of research insight fact sheets published</td>
<td>517</td>
</tr>
<tr>
<td>Visits to corporate website</td>
<td>264,380</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grants – No. of applications approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Visitor Economy Fund</td>
</tr>
<tr>
<td>Regional Flagship Events Program</td>
</tr>
</tbody>
</table>
### Destination NSW Performance 2015-2016

**Strategic Objective 5:**

**Deliver value in partnership/co-operative programs**

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Results 2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing &amp; Communications</strong></td>
<td></td>
</tr>
<tr>
<td>No. of advertising/creative pieces developed (television ads,</td>
<td>5,634</td>
</tr>
<tr>
<td>magazines, radio, outdoor and press ads)</td>
<td></td>
</tr>
<tr>
<td>No. of campaigns Sydney</td>
<td>49</td>
</tr>
<tr>
<td>No. of campaigns Regional</td>
<td>54</td>
</tr>
<tr>
<td>Equivalent Advertising Value (EAV) of publicity generated</td>
<td>$245,552,045</td>
</tr>
<tr>
<td><strong>Consumer Response to Marketing Activity</strong></td>
<td></td>
</tr>
<tr>
<td>Visits to tourism &amp; events consumer websites</td>
<td></td>
</tr>
<tr>
<td>(sydney.com &amp; visitnsw.com)</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>22,396,144</td>
</tr>
<tr>
<td>% Target Achieved</td>
<td>102%</td>
</tr>
<tr>
<td>Comment</td>
<td>Achieved</td>
</tr>
<tr>
<td>Visits to vividnsydney.com consumer website</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>2,538,027</td>
</tr>
<tr>
<td>% Target Achieved</td>
<td>127%</td>
</tr>
<tr>
<td>Comment</td>
<td>Exceeded</td>
</tr>
<tr>
<td>Business leads to industry generated by digital and campaign</td>
<td>6,000,000</td>
</tr>
<tr>
<td>activity</td>
<td>6,368,212</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>6,368,212</td>
</tr>
<tr>
<td>% Target Achieved</td>
<td>106%</td>
</tr>
<tr>
<td>Comment</td>
<td>Exceeded</td>
</tr>
<tr>
<td><strong>Partnership Programs</strong></td>
<td></td>
</tr>
<tr>
<td>No. of campaigns Domestic</td>
<td>30</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>32</td>
</tr>
<tr>
<td>% Target Achieved</td>
<td>107%</td>
</tr>
<tr>
<td>Comment</td>
<td>Exceeded</td>
</tr>
<tr>
<td>No. of campaigns International</td>
<td>106</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>151</td>
</tr>
<tr>
<td>% Target Achieved</td>
<td>142%</td>
</tr>
<tr>
<td>Comment</td>
<td>Exceeded</td>
</tr>
<tr>
<td>Total no. of airline partnerships secured and or renewed</td>
<td>21</td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td>23</td>
</tr>
<tr>
<td>Value of Domestic and International airline partnerships</td>
<td></td>
</tr>
<tr>
<td>(including VIK)</td>
<td></td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td></td>
</tr>
<tr>
<td>% Target Achieved</td>
<td></td>
</tr>
<tr>
<td>Comment</td>
<td></td>
</tr>
<tr>
<td>Value of Domestic and International airline partnerships</td>
<td></td>
</tr>
<tr>
<td>(including VIK)</td>
<td></td>
</tr>
<tr>
<td>Results 2015-2016</td>
<td></td>
</tr>
<tr>
<td>% Target Achieved</td>
<td></td>
</tr>
<tr>
<td>Comment</td>
<td></td>
</tr>
</tbody>
</table>
## Destination NSW Performance 2015-2016 CONTINUED

### Strategic Objective 6:

Create and sustain a high performance organisation

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Targeted Outcomes</th>
<th>Achieved</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation Governance</td>
<td>Key People Management Strategies</td>
<td>Multicultural Plan implemented</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disability Inclusion Plan - implemented</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior Executive GSE Implementation Plan</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Code of Conduct</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance Review Process – Revised</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Learning and Development Process – Revised</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate Services Change Plan</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Work Health and Safety Plan</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zero workers compensation cases and zero lost time injuries were reported in the FY2015-2016</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diversity and Inclusion Survey completed</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aboriginal Traineeship Program</td>
<td>To be reviewed in FY2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wages Policy Outcome</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No industrial matters in the FY2015-2016</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Full implementation of TRIM Electronic Document Records System across the Destination NSW business</td>
<td>Achieved</td>
</tr>
<tr>
<td>Refurbishment</td>
<td>Improved provision of Operations Support</td>
<td>Taleo recruitment portal implementation FY2015-2016</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Improved provision of Marketing Services</td>
<td>Refurbishment and update of office space for the Marketing area</td>
<td>Achieved</td>
</tr>
</tbody>
</table>
NSW Tourism Performance 2015-2016

NSW has the greatest share of the Australian visitor economy and continues to lead in both domestic and international visitor numbers, nights and expenditure. The total visitor overnight and day trip expenditure amounted to more than $31.5 billion, up 6.9 per cent from the previous year. Overnight visitors spent $25.5 billion in NSW. Domestic overnight visitors contributed 64 per cent of the total overnight spend while international overnight visitors contributed 36 per cent. Domestic day trip visitors spent $6.1 billion in NSW.

NSW received more than 90 million overnight and day trip visitors, up 8.2 per cent from year ended June 2015. This was mainly due to growth in international and domestic overnight visitors (up 5.7 per cent). Visitors stayed 179.9 million nights in the State, up 6.2 per cent.

International performance

NSW has continued its dominant position with the greatest share of the Australian visitor economy for international visitors for the year. NSW accounted for 50.3 per cent of all visitors, 35.0 per cent of all nights and 35.8 per cent of all expenditure of international visitors to Australia.

NSW has again achieved its highest volumes of international visitors, nights and expenditure on record. NSW received 3.6 million visitors (+10.3 per cent) who stayed 86.9 million nights (+9.0 per cent). For the first time, NSW passed the $9 billion mark with visitor expenditure of $9.1 billion, (+18.4 per cent).

The key drivers of the NSW international visitor expenditure growth were Education (up $422 million, +25.6 per cent), China (up $579 million, +29.1 per cent), Holiday (up $384 million, +14.3 per cent), Visiting Friends and Relatives (up $221 million, +21.6 per cent) and Korea (up $167 million, +37.3 per cent).

For the first time, Holiday expenditure to NSW surpassed the $3 billion mark with visitor spending $3.07 billion (+14.3 per cent). NSW received 2.1 million Holiday visitors (+12.8 per cent) who stayed 26.2 million nights (+6.9 nights per cent).

During 2015-2016, Education expenditure to NSW exceeded the $3 billion mark for the first time ($3.05 billion, +25.6 per cent). The Education sector is now the second biggest visitor expenditure source for NSW, narrowly behind the Holiday sector. NSW received 187,800 Education visitors (+13.9 per cent) who stayed 23.0 million nights (+10.6 per cent).

NSW achieved the highest Visiting Friends and Relatives expenditure on record at $1.2 billion. There were 982,500 Visiting Friends and Relatives visitors to NSW (+9.4 per cent) who stayed 21.8 million nights (+11.1 per cent) and spent $1.2 billion (+21.6 per cent).

NSW leads Australia in the Youth market for all three metrics and continues to grow: visitors (56.2 per cent share), nights (36.5 per cent share) and expenditure (37.8 per cent share). NSW received the highest number of Youth visitors and expenditure on record. NSW received 1.2 million youth visitors (+7.6 per cent) who stayed 49.8 million nights (+8.1 per cent) and spent $5.3 billion (+18.8 per cent).

NSW is the top destination for the year in 11 of the top 15 source markets for Australia: China, United Kingdom, United States, South Korea, Germany, India, Hong Kong, Canada, France, Taiwan and Indonesia.

China visitor expenditure in NSW exceeded $2.0 billion for the year ($2.6 billion), continuing a strong pattern of growth. NSW achieved significant growth in Chinese visitors, nights and expenditure (+21.4 per cent, +15.1 per cent and +29.1 per cent), respectively. NSW accounted for 60.3 per cent of Chinese visitor nights to Australia, 39.5 per cent of Chinese visitor nights in Australia and 39.4 per cent of Chinese visitor expenditure.

NSW also achieved significant growth in visitors, nights and expenditure from USA (+15.9 per cent, +16.0 per cent and 28.6 per cent, respectively) and South Korea (+15.7 per cent, +26.5 per cent and 37.3 per cent, respectively). NSW also recorded significant visitor increases from United Kingdom (+6.6 per cent), Singapore (+12.9 per cent), Hong Kong (+13.1 per cent), India (+14.7 per cent) and Taiwan (+35.4 per cent). In terms of visitor expenditure, NSW also received strong increase from Germany (+28.3 per cent).

Sydney continues to lead all Australian capital cities and has achieved its highest volumes of international visitors and expenditure on record. Sydney received 3.4 million international visitors (+10.2 per cent) who stayed 73.1 million nights (+8.6 per cent). Sydney exceeded the $8 billion mark in visitor expenditure ($8.2 billion, +19.3 per cent) and achieved significant growth in international visitors, nights and expenditure for the year.

Regional NSW received 718,200 international visitors (+6.6 per cent) who stayed 13.7 million nights (+10.7 per cent) and spent $868 million (+10.4 per cent). Regional NSW achieved significant growth in visitors and nights for the year. These strong Regional NSW results show the successful combination of digital and traditional Destination NSW campaigns undertaken in international markets during the year that included showcasing the Blue Mountains, Central Coast, Port Stephens, Hunter Valley, Byron Bay, South Coast, Jervis Bay, Wollongong, the Legendary Pacific Coast and Lord Howe Island.
Domestic performance

NSW achieved its highest domestic overnight visitors on record in 2015-2016. NSW received 28.9 million domestic visitors who stayed 93.0 million nights and spent $16.4 billion and has continued its national leadership in terms of domestic visitors, nights and expenditure for the year ending June 2016.

NSW accounted for 32.5 per cent of all visitors, 28.3 per cent of all nights and 27.8 per cent of all visitor expenditure to Australia.

The key drivers of NSW expenditure growth were the Interstate market (up $572 million, +9.0 per cent), expenditure in Sydney (up $307 million, +4.8 per cent) and the Business segment (up $259 million, +8.6 per cent).

NSW achieved significant growth in Holiday visitors and nights. The State received 11.7 million Holiday visitors (+8.5 per cent) who stayed 41.7 million nights (+7.7 per cent) and spent $7.4 billion (+2.2 per cent).

NSW received its highest Business expenditure on record ($3.3 billion). NSW posted significant growth in Business visitors. The State received 5.4 million Business visitors (+7.7 per cent) who stayed 13.9 million nights (+1.0 per cent).

Sydney accounted for 27.6 per cent of all visitors, 23.3 per cent of all nights and 26.5 per cent of all visitor expenditure in Australian capital cities. Sydney leads all Australian capital cities in domestic visitors and nights.

Sydney received 9.2 million domestic visitors (+2.3 per cent) who stayed 23.8 million nights (-4.6 per cent) and spent $6.7 billion (+4.8 per cent) for the year.

Regional NSW accounted for 34.4 per cent of all visitors, 30.6 per cent of all nights and 28.7 per cent of all visitor expenditure to Regional Australia. Regional NSW leads Regional Australia in domestic visitors and nights.

Regional NSW achieved its highest number of domestic overnight visitors and expenditure on record and posted significant growth in visitors and nights. Regional NSW received 20.4 million visitors (+6.4 per cent) who stayed 69.2 million nights (+6.9 per cent) and spent $9.65 billion (+1.5 per cent) for the year.

Four of the top 10 destinations in Australia for domestic overnight visitors are NSW regions: Sydney, North Coast, South Coast and Hunter. The North Coast is the highest ranked regional destination after Sydney, Melbourne and Brisbane.

Factors affecting performance

- **Global economy**
  The International Monetary Fund (IMF) forecasts the global economy to grow by 3.2 per cent in 2016 before strengthening to 3.5 per cent in 2017. The overall picture of the world economy remains mixed.
  The outlook for advanced economies is modest with growth forecast at 1.9 per cent for 2016 and 2.0 per cent for 2017. Growth in the advanced economies continues to be supported by lower fuel prices and lower interest rates. Emerging economies are expected to grow faster than advanced economies over the next two years. Asian economies are performing relatively well. In net terms, emerging economies are expected to grow 4.1 per cent in 2016 and 4.6 per cent in 2017.
  The latest Australian Bureau of Statistics data suggests that the Australian economy has gained more momentum over the first quarters of 2015-2016, and is likely to deliver annualised growth of 3.1 per cent through the year. The services industry, including the tourism-related sectors, has grown at a faster rate than other sectors. In 2014-2015, real direct tourism GDP increased 2.8 per cent compared with real GDP growth of 2.3 per cent.

- **Australian dollar**
  In 2015-2016, the Australian dollar continued to be a comparatively cheaper destination for international visitors than prior to May 2013 when the dollar traded above parity with the US dollar.
  The Australian dollar has fallen against the US dollar, from US $0.94 in June 2014 to a low of US $0.77 in June 2015 and US $0.74 in June 2016.
  The Australian dollar has also dropped significantly against the Japanese Yen (18 per cent) in June 2016 compared to June 2015, and declined slightly against currencies of New Zealand (down 4.7 per cent), Germany and France (down 4.2 per cent), Hong Kong (down 3.9 per cent), Indonesia (down 3.7 per cent) and Singapore (down 3.4 per cent). In contrast, the Australian dollar gained against the Chinese Yuan (up 3.5 per cent).

- **World oil prices**
  Following four years of record high prices, the average annual Brent crude oil price declined 47 per cent during 2015 to just over US $52 a barrel. While average Brent crude oil prices have been increasing month-on-month during early 2016, the average price for the first four months is still down by around one-third over the same period 2015, and at US $36 per barrel is the lowest monthly average price since 2004. Growing global oil supply disruptions, rising oil demand, and falling US crude oil production have contributed to the month-on-month price increases.
  The US Energy Information Administration forecasts crude oil prices to average US $43 per barrel over the year, increasing to a monthly average forecast price of US $52 per barrel for 2017 (still the lowest price since 2004).
NSW Tourism Performance 2015-2016 CONTINUED

- **Aviation** (Source: Bureau of Infrastructure, Transport and Regional Economics, 2015-2016)

  Domestic seat capacity to Australia increased by 2 per cent for the year. NSW accounted for 48 per cent of domestic seat capacity in Australian competitive routes which grew by 3 per cent in the year ending June 2016. International seat capacity to Australia increased by 6 per cent for the year. International seat capacity to NSW accounted for 40 per cent of international seat capacity in Australia and increased by 8 per cent for the year.

  New international services to Sydney included Qatar Airways daily services from Doha (March 2016), China Southern Airlines thrice weekly services from Shenzhen (January 2016), Air Nippon Airways daily services from Haneda (December 2015), Hainan Airlines twice weekly services from Xi’an (December 2015 to March 2016), Xiamen Airlines three weekly services from Fuzhou (November 2015) and twice weekly from Xiamen (December 2015), American Airlines daily services from Los Angeles (December 2015), Qantas six days a week service from San Francisco (December 2015) and Indonesia Air Asia X five times weekly from Denpasar (October 2015; the airline ceased flights on 1 September 2016).

- **Accommodation** (Source: STR Global 2015-2016)

  There were 1,370 establishments and more than 75,680 rooms in NSW as at 30 June 2016. There was a slight increase in the number of NSW accommodation establishments (up 24 establishments) and in the number of rooms (up 1,739 rooms or 2.4 per cent).

  Occupancy rates in NSW grew from 72.6 per cent in 2014-2015 to 73.4 per cent in 2015-2016 with occupancy rates in Sydney region increasing from 84.5 per cent to 84.9 per cent for the year.

- **Infrastructure investment**

  Tourism Research Australia’s Tourism Investment Monitor 2016 reported that the value of the Australian tourism investment pipeline in 2015 was $59.8 billion, up $6.5 billion or 12 per cent growth. The aviation sector accounted for the majority of the pipeline [63 per cent], followed by arts, recreation and business services [24 per cent] and accommodation [13 per cent]. Investment activity increased in all sectors except in the accommodation sector which declined by $0.6 billion. However, there has been a shift in investor focus to pursue mixed-use developments rather than standalone hotels.

  NSW had the greatest share of the tourism investment pipeline in 2015 at $9.3 billion or a 29 per cent share. By sector, the State captured 35 per cent of the accommodation investment, 30 per cent of the aviation infrastructure and 26 per cent of the arts, recreation and business.

  A recent Tourism Australia study about business delegates revealed that conferences which successfully manage to integrate the program of events with the destination are the most appealing. This places Sydney in a strong position to capitalise on the $1.5 billion International Convention Centre development which opens for business in late 2016.
Visitor Snapshot: NSW Year Ending June 2016
Total excludes domestic daytrips

<table>
<thead>
<tr>
<th>TOTAL VISITORS AND VISITOR NIGHTS (INTERNATIONAL AND DOMESTIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL VISITOR ARRIVALS</strong></td>
</tr>
<tr>
<td>Australia 96.1 million</td>
</tr>
<tr>
<td>NSW 32.5 million</td>
</tr>
<tr>
<td>Growth of Previous Year: Australia 7.1%</td>
</tr>
<tr>
<td>Growth of Previous Year: NSW 5.7%</td>
</tr>
<tr>
<td>NSW Market Share Visitors 33.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL VISITOR NIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia 576.4 million</td>
</tr>
<tr>
<td>NSW 179.9 million</td>
</tr>
<tr>
<td>Growth on Previous Year: Australia 5.0%</td>
</tr>
<tr>
<td>Growth on Previous Year: NSW 6.2%</td>
</tr>
<tr>
<td>NSW Market Share Visitor Nights 31.2%</td>
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</tbody>
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<table>
<thead>
<tr>
<th>AVERAGE LENGTH OF STAY</th>
</tr>
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<tbody>
<tr>
<td>Australia 6.0 nights</td>
</tr>
<tr>
<td>NSW 5.5 nights</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
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<tbody>
<tr>
<td>Australia $84.3 billion</td>
</tr>
<tr>
<td>NSW $25.5 billion</td>
</tr>
<tr>
<td>Growth on Previous Year: Australia 8.7%</td>
</tr>
<tr>
<td>Growth on Previous Year: NSW 7.9%</td>
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</tbody>
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<table>
<thead>
<tr>
<th>STATE VISITOR DISPERSAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitation to Sydney and Regional NSW 9.4%</td>
</tr>
<tr>
<td>Sydney 39%</td>
</tr>
<tr>
<td>Regional 65%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>TOTAL VISITORS AND VISITOR NIGHTS (INTERNATIONAL AND DOMESTIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PURPOSE OF VISIT</td>
</tr>
<tr>
<td>Visitors % change</td>
</tr>
<tr>
<td>Visitors Visitor Nights % change</td>
</tr>
<tr>
<td>Holiday 43%</td>
</tr>
<tr>
<td>38%</td>
</tr>
<tr>
<td>Visiting Friends &amp; Relatives 35%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>Business 18%</td>
</tr>
<tr>
<td>10%</td>
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<tr>
<td>Other 7%</td>
</tr>
<tr>
<td>23%</td>
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<tr>
<td>Total 100%</td>
</tr>
<tr>
<td>100%</td>
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<table>
<thead>
<tr>
<th>PURPOSE OF VISIT - CHANGES ON PREVIOUS YEAR (YE June 2016)</th>
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<tbody>
<tr>
<td>Visitors % change</td>
</tr>
<tr>
<td>Visitors Visitor nights % change</td>
</tr>
<tr>
<td>Holiday 13.9 million</td>
</tr>
<tr>
<td>9.1%</td>
</tr>
<tr>
<td>Visiting Friends &amp; Relatives 11.4 million</td>
</tr>
<tr>
<td>1.4%</td>
</tr>
<tr>
<td>Business 5.8 million</td>
</tr>
<tr>
<td>6.9%</td>
</tr>
<tr>
<td>Other 2.3 million</td>
</tr>
<tr>
<td>11.2%</td>
</tr>
<tr>
<td>Total 32.5 million</td>
</tr>
<tr>
<td>5.7%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Nights % change</th>
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<tbody>
<tr>
<td>Visitors Visitor nights % change</td>
</tr>
<tr>
<td>Holiday 67.9 million</td>
</tr>
<tr>
<td>7.4%</td>
</tr>
<tr>
<td>Visiting Friends &amp; Relatives 53.2 million</td>
</tr>
<tr>
<td>2.7%</td>
</tr>
<tr>
<td>Business 17.3 million</td>
</tr>
<tr>
<td>-2.8%</td>
</tr>
<tr>
<td>Other 41.5 million</td>
</tr>
<tr>
<td>13.4%</td>
</tr>
<tr>
<td>Total 179.9 million</td>
</tr>
<tr>
<td>6.2%</td>
</tr>
</tbody>
</table>

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.
Visitor Snapshot: NSW Year Ending June 2016

## TOTAL VISITORS AND VISITOR NIGHTS

<table>
<thead>
<tr>
<th></th>
<th>Visitors (millions)</th>
<th>Visi tors nights (millions)</th>
<th>Expenditure ($billion)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sydney</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>3.4</td>
<td>73.1</td>
<td>8.2</td>
<td>19.3%</td>
</tr>
<tr>
<td>Domestic</td>
<td>9.2</td>
<td>23.8</td>
<td>6.7</td>
<td>4.8%</td>
</tr>
<tr>
<td>Total</td>
<td>12.6</td>
<td>96.9</td>
<td>14.9</td>
<td>12.3%</td>
</tr>
<tr>
<td><strong>Regional NSW</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>0.7</td>
<td>13.7</td>
<td>0.9</td>
<td>10.4%</td>
</tr>
<tr>
<td>Domestic</td>
<td>20.4</td>
<td>69.2</td>
<td>9.6</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total</td>
<td>21.1</td>
<td>83.0</td>
<td>10.5</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>New South Wales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>3.6</td>
<td>86.9</td>
<td>9.1</td>
<td>18.4%</td>
</tr>
<tr>
<td>Domestic</td>
<td>28.9</td>
<td>93.0</td>
<td>16.4</td>
<td>2.8%</td>
</tr>
<tr>
<td>Total</td>
<td>32.5</td>
<td>179.9</td>
<td>25.5</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Visitors (millions)</th>
<th>Visitors nights (millions)</th>
<th>Expenditure ($million)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainland China</td>
<td>638.8</td>
<td>16.5</td>
<td>2,573</td>
<td>29.1%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>411.5</td>
<td>4.0</td>
<td>492</td>
<td>5.1%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>361.9</td>
<td>8.2</td>
<td>747</td>
<td>11.6%</td>
</tr>
<tr>
<td>USA</td>
<td>391.3</td>
<td>5.1</td>
<td>718</td>
<td>28.6%</td>
</tr>
<tr>
<td>South Korea</td>
<td>182.6</td>
<td>6.0</td>
<td>614</td>
<td>37.3%</td>
</tr>
</tbody>
</table>
Attracting visitors to the world’s largest festival of light, music and ideas, Vivid Sydney.

**VIVID SYDNEY 2016 RESULTS**

- 184,000 Overnight Visitors up 64%
- More than 2.31 million visitors attended Vivid Sydney up 35%
- 88,300 International & Domestic Travel Packages Sold up 104%
- Generated $110 million in Visitor Spend up 75%
- 621,000 Visitor Nights in NSW up 92%
Event Development

The Event Development team’s core focus is the continued development of a distinctive and compelling calendar of events for Sydney and Regional NSW, securing events that drive overnight visitation, showcase our city and regional destinations and position NSW as the premier events state of Australia.

This is achieved through applying global best practice to working with events on all scales to maximise economic, strategic and community benefits to NSW. In line with other functions within Destination NSW, this approach maximises the success of major and high profile events and delivers a strong return on event investment. In 2015-2016 Destination NSW worked with a broad cross-section of external agencies and key stakeholders in order to achieve this goal.

2015-2016 Achievements

Sydney’s annual events calendar is created through collaborative partnerships between the NSW Government, local and international event communities, business and industry which enables Destination NSW to achieve two key objectives:

1. Ensure that Sydney remains Australia’s leading events city by continually improving its expertise in staging world class events; and
2. Attract and retain events that drive strong overnight visitation to Regional NSW.

This strategic focus promotes the constant evolution of the Sydney & NSW Events Calendar to maintain its development as the most compelling in Australia. Destination NSW achieves this evolution by:

• Expanding existing large-scale ‘signature’ events;
• Implementing determined bid campaigns to win major international events, theatrical productions and cultural exhibitions; and
• Nurturing innovative new events that engage the community and achieve international profile for Sydney and Regional NSW.

The vibrant and comprehensive NSW Regional events calendar drives visitor expenditure by promoting the attractiveness of local communities and encouraging overnight stays before and after events.

Arts & Entertainment Portfolio

Major Australian and World Premiere first run musicals remained a major focus due to the significant economic benefits they deliver to Sydney and NSW, and their ability to attract ex-Sydney visitors. In 2015-2016, Destination NSW secured the Australian premiere of Broadway’s smash hit musical comedy, Disney’s Aladdin; the 60th Anniversary production of My Fair Lady, directed by Dame Julie Andrews; and the World Premiere of Dream Lover – The Bobby Darin Musical. The highly anticipated Australian Premiere of Matilda the Musical completed its stand out seven month run in Sydney, attracting a record thirteen Helpmann Awards and widespread acclaim.

Handa Opera on Sydney Harbour: Turandot

Destination NSW also secured two new outdoor events, Ballet Under the Stars which will be presented by the Australian Ballet exclusively in Western Sydney for the next three years; and Sydney Opera House: The Opera (The Eighth Wonder), a brand new event combining innovative technology and opera to be presented on the forecourt of the Sydney Opera House. Both events have been designed to introduce new audiences to ballet and the opera, and strengthen Sydney’s position as Australia’s live performance capital.

The Sydney International Art Series continued its success in 2015-2016 with The Art Gallery of New South Wales, the Museum of Contemporary Art Australia (MCA) and Destination NSW partnering for the sixth consecutive year to bring some of the world’s most outstanding exhibitions to Australia.

At the Art Gallery of NSW, THE GREATS: Masterpieces from the National Galleries of Scotland brought over 70 works from some of history’s greatest European masters including Botticelli, Cézanne, El Greco, Gauguin, Monet, Rembrandt, Sargent, Titian, Turner and Velázquez to Australia for the first time. At the MCA, Grayson Perry: My Pretty Little Art Career was the first major exhibition in the Southern Hemisphere by the acclaimed British artist. Grayson Perry travelled to Sydney to open the exhibition, which included the full spectrum of his practice across tapestry, print and pottery.

Destination NSW also secured Isabella Blow: A Fashionable Life, presented exclusively at the Powerhouse Museum under the MAAS Centre for Fashion strategy to position Sydney as an international hub for fashion. The exhibition celebrated the life and wardrobe of the late fashion muse, Isabella Blow, including collections by Alexander McQueen and millinery by Philip Treacy.
Event Development CONTINUED

**Vivid Sydney**

Vivid Sydney, owned, managed and produced by Destination NSW, is an annual festival of Light, Music and Ideas which was named Best Tourism Event at the 2015 Australian Event Awards.

Now in its eighth year, Vivid Sydney is the largest festival of its kind in the world. In 2016, the Vivid Sydney program was extended to 23 nights with a record 2.31 million visitors attending the event, including over 41,000 international visitors who purchased Vivid Sydney travel packages.

In 2016, **Vivid Light** featured more than 90 light installations and projections, with expanded programming in Darling Harbour, Pyrmont and Chatswood. Two new precincts became part of Vivid Light: the stunning Cathedral of Light installation at the Royal Botanic Garden celebrating its 200th birthday; and Ample Project’s light walk at Taronga Zoo, featuring larger-than-life multimedia sculptures of ten critically endangered species, to celebrate its 100th birthday.

Another standout was the lighting of the Sydney Opera House sails in Songlines, a collaboration involving six Australian Indigenous projection artists, which illustrated the rich connections between Indigenous astronomy and the natural world through time and distance, earth and sky.

Vivid Sydney also continued its commitment to sustainability through the use of 100 per cent GreenPower accredited renewable energy, with support from sustainability partner, Banksia Foundation.

**Vivid Music** expanded across 26 venues featuring over 227 performances by leading contemporary musicians, ground breaking pioneers, cross genre and experimental music collaborations and new forms of musical performance and audience experience. Highlights included Vivid Live’s New Order, Anohni and Bon Iver at the Sydney Opera House; the world premiere of Digital Björk at Carriageworks, Models Machinations & Reels at the Enmore Theatre, Boy George at Cafe Del Mar and Sound Gardens at the Conservatorium of Music.

Carriageworks further extended its program of curated food and art experiences across the festival, including the immersive Night Market and a sold out Sydney Table series, where high-profile chefs showcased the best of NSW produce.

**Vivid Ideas** offered a wide range of public programs that engaged and entertained through the ideas and expressions of major artists. More than 650 speakers participated in 180 events including specialist industry workshops, debates, conferences and exhibitions. Highlights included acclaimed director and producer Spike Jonze; House of Cards creator Beau Willimon; the creative force behind Orange is the New Black, Jenji Kohan; and one of Australia’s most influential new creative talents, stylist and photographer Margaret Zhang.
Event Development CONTINUED

HSBC Sydney 7s

Annual Sporting Events Program
By working with partners across the sporting landscape Destination NSW enjoyed a productive period in the 2015-2016 financial year. The commitment to grow existing events on the NSW sporting calendar achieved notable successes including:

• The 2015 NRL Grand Final at ANZ Stadium, where 82,758 spectators witnessed a golden point extra-time thriller which saw the Cowboys defeat the Broncos
• The NRL State of Origin Series also featured strongly on the NSW sporting calendar with ANZ Stadium hosting the first match of the 2016 series
• The inaugural HSBC Sydney 7s in February 2016 with Sydney hosting the fourth leg of the 2016 HSBC World Rugby Sevens Series. 16 nations competed over two days of competition at Allianz Stadium with New Zealand defeating Australia in the final
• Consolidation of the Bledisloe Cup Festival in Sydney, which culminated in the first 2015 Bledisloe Cup match between the Wallabies and All Blacks played at ANZ Stadium in front of 73,824 spectators
• Continued growth and increased profile of the Australian Open Golf, Australia’s premier professional golf tournament. In addition to the exclusive presence of World Number One, Jordan Spieth, the event also featured Australian great Adam Scott as part of an incredibly competitive field
• Continued reinvigoration of tennis in Sydney through the revamped APIA International Sydney at Sydney Olympic Park Tennis Centre, and amplified by the return of Fast Four tennis at Qudos Bank Arena, featuring Australian’s Lleyton Hewitt and Nick Kyrgios and international stars Rafael Nadal and Gaël Monfils.

One-off and blockbuster events
The successes in the annual sporting calendar were complemented by Sydney hosting exclusive one-off blockbuster sporting events including:

• 2015 Netball World Cup, which featured 16 of the world’s strongest netballing nations and was held exclusively in Sydney in August 2015. Australia defeated New Zealand in the final at Allphones Arena Sydney Olympic Park which was attended by 16,752, a world record attendance for a netball event
• Liverpool Legends v Australian Legends, where a squad of retired Liverpool FC greats, including Steven Gerrard, took on a team of Australian Legends at ANZ Stadium on 7 January 2016. The match attracted an attendance of 40,815
• 2018 FIFA World Cup Qualifier – the match between the Socceroos and Jordan was held at Allianz Stadium in March 2016, with the Socceroos winning 5-1 in front of 24,975 fans
• The annual NRL ANZAC Test was held at Newcastle’s Hunter Stadium on 6 May 2016. Australia defeated New Zealand 16 – 0 and the match attracted a cumulative attendance of 27,714.

V8 Supercars
The 2015 Coates Hire Sydney 500 event at Sydney Olympic Park in December 2015 was the second event delivered under the three year agreement with V8 Supercars Australia Pty Ltd (V8SC).

Under the Homebush Motor Racing (Sydney 400) Act 2008, Destination NSW is the delegated consent authority for the event and is responsible for issuing authorisations for the temporary works related to, and the conduct of, the event.

Destination NSW worked with the event proponent, NSW Government agencies and key stakeholders to develop coordinated transport, traffic and emergency management plans. The event was delivered safely and successfully.

In response to challenges raised during previous staging of V8 Supercars Australia events at Sydney Olympic Park, Destination NSW commenced discussions during 2015-2016 in relation to relocating the event to Regional NSW post the conclusion of the term of the current agreement in December 2016.
Event Development CONTINUED

**World Rally Championships**

Destination NSW continues to hold the responsibility for the administration of the Motor Sports (World Rally Championship) Act 2009 and management of the planning and consent processes for the staging of the Australian round of the World Rally Championship in the Coffs Coast region of NSW.

For the 2015 Rally Australia event, this included the preparation of the authorisations by the Minister for Trade, Tourism and Major Events and Minister for Sport, for the conduct of the rally event and the associated temporary works.

The 2015 Rally Australia event was held successfully in the Coffs Coast region and continued to deliver strong visitation to, and broadcast results for, the Coffs Coast.

**Lifestyle Portfolio**

A wide variety of Lifestyle events featured on the Sydney & NSW Events Calendar in 2015-2016.

Highlights included the Australian Open of Surfing at Manly Beach, the Blackmores Sydney Running Festival and The XiamenAir Australian Badminton Open which featured some of the world’s best athletes in their respective sports.

The 11th Bowl-A-Rama Bondi attracted thousands of attendees to Bondi Beach, Volleyfest was a celebration of beach volleyball at Manly Beach and the XTERRA Asia Pacific Championships at Jervis Bay saw almost 3,000 athletes, including numerous overseas professionals, test their skills in the NSW bush.

The Sydney Royal Easter Show attracted over 750,000 attendees, including 23,000 from overseas, while the Sydney Gay and Lesbian Mardi Gras, featuring Eurovision Song Contest winner Conchita, was attended by almost 400,000 attendees.

Other highlights included an evening concert on Australia Day at the Sydney Opera House, which was broadcast live on Network Ten, and Yabun, the annual festival held on the traditional lands of the Gadigal people at Victoria Park in Camperdown.

New events secured for the coming year include the world’s premier junior surfing event, the WSL World Junior Championships, in Kiama in January and a new family festival, Kidtopia, in Parramatta Park in October 2016.

**Business Activation Portfolio**

Destination NSW’s Business Activation portfolio works to identify suitable extension events to leverage the Sydney & NSW Events Calendar from a brand and visitation perspective. Particular focus is on positioning Sydney as an internationally recognised leader in innovation and the creative industries, in alignment with the NSW Government’s Creative Industries Action Plan, and aligning business extension events to major events (e.g. Vivid Sydney) to increase visitation. As well as event stakeholders, this portfolio frequently liaises with Government departments and Business Events Sydney to achieve these objectives.

Highlights this year included the 5th Australian Academy of Cinema and Television Awards (AACTA Awards) and Screen Week; the Australian Recording Industry Awards (ARIA Awards) and ARIA Week; Mercedes-Benz Fashion Week Australia, strategically repositioned in 2016 to become the world’s first Resort Wear focused Fashion Week, and also including the consumer-focused Mercedes-Benz Fashion Weekend Edition; Sydney Film Festival, the only Australian film festival whose official competition is internationally accredited; and hosting world-renowned fashion and portrait photographer, Mario Testino for an exclusive shoot in Sydney for Vogue Australia’s April 2016 Special Edition.

The Business Activation Portfolio also worked closely with Vivid Sydney to program creative industries events that drive profile and visitation as part of Vivid Ideas. Industry highlights for Vivid Sydney 2015 included: Semi Permanent, a world leading conference and online platform for design, art and media professionals; Remix Sydney, a two-day summit exploring the intersection between culture, entrepreneurship and technology; the Good Design Festival and prestigious Good Design Awards ceremony; and Rare Birds Con, a new conference on female entrepreneurship and innovation.

<table>
<thead>
<tr>
<th>Events Secured</th>
<th>Pre DNSW 26 March 2007 to 25 March 2011</th>
<th>Post DNSW 26 March 2011 to 30 June 2016</th>
<th>Increase in Events</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney Metro</td>
<td>85</td>
<td>157</td>
<td>72</td>
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<td>Western Sydney</td>
<td>19</td>
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<td>34</td>
<td>91</td>
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<td>Regional Flagship Events Program</td>
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<td>Total</td>
<td>210</td>
<td>462</td>
<td>252</td>
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</tbody>
</table>

Events secured in the period 26 March 2007 to 25 March 2011 compared to 26 March 2011 to 30 June 2016
Regional Portfolio

Regional events across the State increase visitation and provide unique destination appeal to attract interstate and intrastate visitors.

A number of new events for Regional NSW were secured in 2015-2016 including the NSW Pro Surf Series with events held at Cabarita Beach, Boomerang Beach and Avoca Beach; the Newcrest Orange Challenge cycling event in Orange and surrounds; the American Quarter Horse Association International Youth World Cup in Tamworth; Round 1 of the FIM Asia Supermoto Championships in Newcastle; the 2016 Adventure Racing World Championships in the Shoalhaven; and the 2015 World Junior Gliding Championship in Narromine.

Destination NSW was also proud to have re-secured a number of key events for Regional NSW for future years including the Central Coast Sevens in Wyong, the Deniliquin Ute Muster, the Parkes Elvis Festival, and the Liqui-Moly Bathurst 12 Hour.

In addition, a number of high-profile events took place in Regional NSW in 2015-2016 including Surfest, which attracted some of the biggest names in international surfing to compete in the Men’s and Women’s Pro events in Newcastle; the Vanfest music festival in Forbes; the Tamworth Country Music Festival; the Australian Cross Triathlon Championships in the Snowy Mountains which acted as a precursor to the World Championships to be held at Lake Crackenback in November 2016, and the BMX National Championships in Bathurst.

37 regional events also received Destination NSW funding in 2015-2016 under the Regional Flagship Events Program which aims to increase visitation to events held in Regional NSW by providing support for regional event marketing. See full list of Regional Flagship Events supported on page 77.

Business Events Sydney

Destination NSW works in partnership with Business Events Sydney to grow interstate and international visitation for conferences, exhibitions, incentive events and meetings held in NSW. Business Events Sydney is a not for profit organisation with a membership base that includes venues, attractions, events suppliers and conference organisers.

Destination NSW holds 2 seats on the Business Events Sydney Board, is a principal investor and supports the organisation’s promotional activities in domestic and international markets. Destination NSW’s Event Development team meets regularly with the Business Events Sydney team to discuss and review business opportunities to acquire and grow events which will extend visitation to Sydney and NSW, including events which will align with Vivid Sydney and other major events.

Marketing for Tourism and Events

Destination NSW continues to build momentum and grow its leadership position against significant competitive pressure from other Australian State Tourism Organisations and the hundreds of international destination marketing organisations that are all trying to secure a larger share of the visitor economy. The proven tourism-led and events-led DNSW campaign platforms continued to produce record visits to the Destination NSW consumer-facing websites [24.9 million visits, 11 per cent year on year growth], and qualified leads to industry (6.3 million leads, 14 per cent year on year growth). Destination NSW was ranked the number one State Tourism Organisation with an average of more than 41 per cent share of all domestic website traffic. This was supported by the strong growth and very high levels of engagement via the 10.7 million fans and followers in our social media community.

Independent research continues to validate the strategic marketing plans, supporting directly influencing the target audience perceptions of Sydney and NSW as being the best destinations to travel to or attend an event. The evaluation focuses on advertising awareness, consideration to visit NSW and it also measures ‘intention to visit’ (or likelihood to attend events) and action taken by the target audience to plan and book. This is demonstrated by the stronger conversion ratios for visits to the Destination NSW consumer-facing websites, and the sales leads to industry to drive travel bookings and event ticket sales.

Destination NSW increased the volume of advertising activity to deliver a substantial program of more than 111 integrated and collaborative marketing campaigns with tourism industry partners such as airlines and travel trade. During the past year the following activities were implemented:

- • A dedicated sydney.cn website in China
- • Detailed evaluation of Destination NSW’s domestic and international marketing programs, working closely with our international offices to leverage and optimise the extensive industry partner co-operative programs in each key source market, to further develop initiatives with major airlines, online tourism agencies, commercial industry partners, Government organisations and other relevant stakeholders
- • A ‘Brand Health Study’ to identify the key drivers and areas that influence behavioural change for the core target audiences, to better align campaigns and drive incremental overnight visitation and expenditure for specific Sydney / NSW destinations and events
- • Travel packaging for high profile international events such as Vivid Sydney, HSBC Sydney 7s and first run musicals to drive substantial increases in overnight visitation and expenditure from intrastate, domestic and overseas target audiences
- • Several successful Regional NSW co-operative campaigns with Regional Tourism Organisations, including the award winning South Coast ‘unsplotted’ program, Central Coast, Tamworth, The Murray and Hunter regions, to grow visitation from Sydney and the dispersal of inbound visitors to Regional NSW. This included identifying specific sectors for development and alignment with Tourism Australia’s new Aquatic and Coastal program.

Campaign achievements

Destination NSW continues to closely monitor the effectiveness and results generated by its successful ‘Love Every Second in Sydney’ seasonal campaign platform. After four years, the consolidated 2015-2016 summer and winter campaigns generated more than 8.1 million website visits and 2.47 million leads to industry. A refresh of the campaign framework and template has now been completed.

In 2015-2016, the proven ‘It’s ON! in Sydney’ events-led campaign platform was refreshed after being in market for five years and an extension was created to specifically support regional events via the new ‘It’s ON! In NSW’ campaign template. Both campaigns have continued to achieve strong year on year growth, creating strong momentum and return on investment from its advertising expenditure, resulting in record levels of ticket sales, attendance at free events and leads to industry to event owners and the NSW tourism industry.

Independent research of Destination NSW’s campaign platforms has confirmed their strength in delivering the key message that there is ‘always something to see and do in Sydney / NSW’ and shown that the campaigns consistently drive increases in ‘intention to visit’ Sydney / NSW and ‘likelihood to attend’ events, and importantly continue to drive high levels of ‘action taken’ by key target audiences.1

These campaigns also provide a platform for industry partners to leverage travel packaging and tactical retail offers for dedicated sales campaigns.

The ‘Summer and Winter’ seasonal campaigns

Using the ‘Love Every Second’ campaign platform, the two seasonal-based campaigns promote Sydney and Regional NSW experiences and events unique to the Summer and Winter periods.

Summer 2015-2016 campaign delivered:2
- • 5.9 million visits to sydney.com, a 16% increase year on year
- • 1.8 million leads to the NSW tourism industry, a 40% increase year on year
- • Independent research results indicated that the Summer campaign boosted awareness and interest in attending featured events, drove significant increases in intention to visit Sydney, and drove direct action with more than half of those who saw the campaign having taken action to find out more.

2Source: DNSW Program Insights & Reporting, Campaign Evaluation - March 2016, Google Analytics
3Leads 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
Marketing for Tourism and Events CONTINUED

Sydney & NSW In Summer – insert magazine

Regional NSW Guide – insert magazine

Winter ‘Vivid Sydney’ campaign – tram wrap in Melbourne
Marketing for Tourism and Events CONTINUED

Integrated campaign delivers Vivid Sydney 2016 record visitation

Vivid Sydney marketing activities included a dedicated digital campaign focused on ticket sales for Vivid Music and Vivid Ideas events; out of home advertising; targeted print activity; retail and business activation in precincts; a comprehensive digital and social media schedule (including an improved user experience and functionality for the Vivid Sydney website); and a dynamic Vivid Sydney mobile app.

Analysis of Vivid Sydney 2016 indicates:

- An extended dedicated 28-page newspaper lift out [up from 20 pages in 2015] with a 2.7 million distribution run in Australia and New Zealand, detailed new precinct content, travel packages, trip planning tools and a special Sydney in Winter and NSW section travel planning
- More than 2.26 million visits to vividsydney.com representing a 15% year on year increase, with over 5.8 million pages viewed and more than 153,000 leads delivered to industry
- 404,500 Vivid Sydney Facebook fans, a 32% year on year increase, with more than 42 million people reached from Vivid Sydney Facebook with the 360° Facebook videos generating 2.2 million total video views
- 90,000 downloads of the Vivid Sydney app, a 14% year on year increase
- 245,000 mentions of #vividsydney mentioned across Instagram and Twitter

- Secured an increased number of sponsors including global brands such as Huawei, Google and Jaguar resulting in a 146% increase in partner contributions (including cash, value-in-kind and marketing-in-kind) compared to 2015
- The collateral and signage program for Vivid Sydney included over 700 city banners, 100 light boxes, 15 projection tower hoardings, 3 information booths, 1,000 retail activation kits, 150,000 consumer maps and 3,000 access and inclusion maps.

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. Destination NSW worked closely with more than 150 event owners, to deliver record breaking crowds and ticket/travel package sales across musicals and opera, sport, lifestyle, regional events and key Vivid Sydney stakeholders to implement high quality integrated marketing programs, all of which had a major impact on driving incremental overnight visitor expenditure.

*Source: DNSW Research, Google, Facebook, Twitter and Instagram Analytics
Marketing for Tourism and Events CONTINUED

‘It’s ON!’ Event campaigns

‘It’s ON! in Sydney’ is Destination NSW’s proven campaign platform that leverages the master calendar of events that are exclusive to Sydney and NSW as a ‘call to action’, which provides prospective visitors more reasons to book and travel now. The ‘It’s ON!’ campaign platform is now well established via target audiences in key source markets. Independent research indicates the campaign platform consistently drives increases in ‘likelihood to attend’ events, resulting in significant year-on-year growth in leads to event owners and the NSW tourism industry.

The ‘It’s ON!’ campaign platform continues to be integrated with more than 110 event owner-controlled marketing activities, significantly extending the reach of the campaign message. Industry partners are also using the ‘It’s ON!’ marque to sell travel packages, make special ticket sales offers to encourage participation in event programs for both Sydney and Regional NSW.

‘It’s ON! in NSW’

The success of ‘It’s ON! In Sydney’ in driving increased ticket sales and attendance at events has led to the campaign platform being extended to Regional NSW.

The inaugural ‘It’s ON! in NSW’ campaign launched in 2015-2016 focused on expanding the domestic marketing platform to promoting events and visitor experiences in Regional NSW to drive incremental growth in visitation and spend.

The ‘It’s ON! in NSW’ 2015-2016 campaign provided continual market presence to promote a calendar of 46 events such as the Parkes Elvis Festival, Tamworth Country Music Festival, Bathurst 12 Hour, Surfest, Australian Bowl-riding Championships, Orange Food Week, Xterra, and Sail Port Stephens, across all regions of NSW throughout the year and delivered:

• More than 172,000 visits to event listings on visitnsw.com
• More than 22,000 leads to the NSW tourism industry
• Independent campaign research indicated that those who saw the campaign were significantly more likely to visit Regional NSW for a short break or holiday and 38% took further action after seeing the ‘It’s ON! in NSW’ advertising.

In addition, Destination NSW implemented dedicated campaigns for four regions that provided additional matched funding, including ‘It’s ON! in Wollongong’, ‘It’s ON! in Newcastle and Port Stephens’, ‘It’s ON! in Orange’ and ‘It’s ON! in the Hunter Valley’ which combined featured more than 29 events across these regions and delivered more than 381,000 visits to visitnsw.com and more than 62,000 leads to the tourism industry in Regional NSW.6

5Source: Google Analytics, DNSW Program Insights & Reporting, Campaign Evaluation - April 2016
6Source: DNSW Research, Google Analytics
Setting new benchmarks for Regional NSW marketing

During 2015-2016, Destination NSW delivered 26 Regional NSW campaigns (a 73 per cent increase year on year) including, whole of state campaigns and co-operative destination campaigns with partners to drive tourism growth for Regional NSW.

Partner activity included campaigns with the South Coast Regional Tourism Organisation, Central Coast Tourism, Hunter Valley Wine & Tourism Association, Destination Port Stephens, Lake Macquarie Council, Lord Howe Island Tourism, Tourism Snowy Mountains, Murray Regional Tourism, Destination Tamworth, and the Caravan and Camping Industry Association NSW. In addition, Destination NSW conducted seven film and photography shoots in Regional NSW to provide compelling content for consumer campaigns.

The Regional NSW campaign highlights include:

**South Coast**
Destination NSW and the South Coast Regional Tourism Organisation continued to work collaboratively to implement the successful ‘unspoilt’ campaign.

The 2015 campaign delivered:
- Spring (July – Sept 2014) campaign delivered:
  - More than 1,799,000 website visits to visitnsw.com, a 24% year on year increase
  - More than 531,000 leads to the NSW Tourism industry, a 32% year on year increase
  - According to the National Visitor Survey, for the year end December 2015 the region recorded a 2.7% increase in overnight visitors and a 10.2% increase in visitor nights.7

The 2015 South Coast ‘unspoilt’ campaign was awarded the Gold Award for Best Destination Marketing campaign at 2015 NSW Tourism Awards, was a finalist at the Australian Tourism Awards and winner of the 2016 PATA (Pacific Asia Travel Association) Gold Award (Secondary Government Destination category).

Destination NSW will continue to implement the ‘unspoilt’ campaign which to June 2016 has delivered:8
- More than 214,000 visits to visitnsw.com
- More than 62,000 leads to the local tourism industry.

**Central Coast**
Destination NSW worked with Central Coast Tourism to implement several phases of the ‘Stay 3 Pay 2′ campaigns.

Winter 2015 campaign delivered:9
- More than 55,000 visits to visitnsw.com, a 64% year on year increase
- More than 15,000 leads to the local tourism industry, a 45% year on year increase

**Hunter Valley**
Following the success of last year, in collaboration with the Hunter Valley Wine & Tourism Association (HVWTA), Destination NSW implemented a Winter 2015 campaign.

The campaign delivered:10
- More than 126,000 visits to visitnsw.com, a 65% increase year on year
- More than 48,000 leads to the NSW tourism industry, a 54% increase year on year.

**Port Stephens**
Destination NSW and Destination Port Stephens collaborated on a campaign to build on the ‘Love Port Stephens’ creative platform.

The campaign delivered:11
- More than 97,000 visits to visitnsw.com
- More than 11,000 leads to the NSW tourism industry.

**Storm Recovery**
In response to the April 2015 storms and impact on the Hunter, Central Coast and surrounding areas, Destination NSW worked with Regional Tourism Organisations and key stakeholders to implement an integrated program of marketing, communications, PR and industry partnerships including tactical ‘Storm Recovery’ campaigns to assist the affected areas.
Marketing for Tourism and Events CONTINUED

Programs included:

• **Natural Disaster Recovery - Hunter Valley Winter** - Destination NSW completed an extension of the Hunter Valley Winter campaign which delivered:
  - More than 126,000 visits to visitnsw.com, a 65% increase year on year
  - More than 48,000 leads to the NSW tourism industry, a 54% increase year on year

• **Lake Macquarie Storm Recovery** in co-operation with Lake Macquarie Council, the campaign delivered:
  - More than 49,000 visits to visitnsw.com
  - More than 9,800 leads to the local tourism industry

• **Port Stephens Storm Recovery** in co-operation with Destination Port Stephens, the campaign delivered:
  - More than 81,000 visits to visitnsw.com
  - More than 19,000 leads to the local tourism industry

• **Central Coast Storm Recovery** in co-operation with Central Coast Tourism, the campaign delivered:
  - More than 115,000 visits to visitnsw.com, a 98% year on year increase
  - More than 32,000 leads to the local tourism industry, a 73% year on year increase

• **It’s ON! in Newcastle & Port Stephens** campaign delivered:
  - More than 60,000 visits to visitnsw.com
  - More than 11,700 leads to the local tourism industry

• **Co-operative industry partnership campaigns** were completed with Expedia (Hunter Valley), Wotif (Newcastle, Port Stephens, Hunter Valley & Lake Macquarie), and Virgin Australia (Port Stephens, Newcastle) which delivered a boost to bookings and rooms nights for local regions.

According to the National Visitor Survey, following the implementation of these programs, the Hunter and Central Coast regions experienced positive year on year growth. As at year ended December 2015:

• Domestic overnight visitors expenditure for the Hunter increased by 9.3%, and average visitor spend increased by 9.5% compared to year ended December 2014
• Domestic visitor nights to the Central Coast increased by 15.5% and overnight visitor expenditure increased by 28.1% compared to year ended December 2014.

**Lord Howe Island**

In collaboration with Lord Howe Island Tourism Association Destination NSW continued to build on the success of the ‘Just Paradise’ integrated campaign and media platform delivering strong increases in visitation during the low season. A film and photo shoot around the island captured extensive high quality content for a diverse range of dining, soft adventure, water activities and unique nature experiences for use in domestic and international campaigns.

The 2016 Winter campaign delivered:

• More than 33,000 visits to visitnsw.com
• More than 6,500 leads to the local tourism operators
• Destination NSW also included virtual reality and drone footage of Lord Howe Island in Tourism Australia’s ‘Aquatic and Coastal’ international campaign.

**Snowy Mountains**

In partnership with Tourism Snowy Mountains, the 2015 ‘Go Snowhere Else’ campaign delivered:

• More than 220,000 visits to visitnsw.com, a 26% increase year on year
• More than 59,000 leads to the NSW tourism industry, a 56% increase year on year.
Marketing for Tourism and Events CONTINUED

Murray

Destination NSW and Murray Regional Tourism collaborated on a campaign to build on the Murray’s creative platform ‘Legendary Murray River’.

The 2015 Autumn/Winter campaign delivered:21

• More than 32,000 visits to visitthemurray.com.au
• Destination NSW also included video and drone footage of the region in the Tourism Australia ‘Aquatic and Coastal’ international campaign.

Tamworth

Destination NSW and Destination Tamworth implemented the new ‘Tamworth Capital of Country’ campaign.

The campaign delivered:22

• More than 91,000 visits to visitnsw.com
• More than 9,100 leads to the NSW tourism industry
• A film and photo shoot in the region also captured quality content for a diverse range of self-drive, dining, soft adventure, water activities and nature experiences for use in the domestic and international campaigns.

Caravan and Camping Industry Association (CCIA) campaign

In partnership with the Caravan and Camping Industry Association, the 2016 campaign generated:23

• More than 362,000 visits to related pages on visitnsw.com, a 29% increase year on year
• More than 193,000 leads to the caravan and camping industry representing an 18% increase year on year
• According to the National Visitor Survey, for the year end March 2016, 3.8 million caravan and camping trips were taken in NSW (up +11%) and visitors stayed 15.7 million visitor nights (up +16%).24

Regional NSW – Short Breaks

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

• A 40-page full colour Regional NSW Travel Supplement titled ‘Your Guide to Regional NSW’ was distributed via major metro and regional newspapers to more than 2.5 million people in Australia and New Zealand. The custom publication featured many of NSW’s key events, attractions and experiences, including a diverse range of quality food and wine, attractions, events, national parks and soft-adventure experiences.

In addition to campaign delivery, Destination NSW supported Regional NSW through its extensive digital and social media assets including:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Measurement Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get Connected Listings</td>
<td>16,959</td>
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<tr>
<td>Social Fan and Followers (Visitnsw on Facebook, Twitter, Instagram, Google+, YouTube)</td>
<td>2.47M fans and followers (+18% increase for Regional NSW accounts year on year)</td>
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<tr>
<td>Organic Social Posts</td>
<td>262 – generating more than 328,000 engagements with the Destination NSW Regional social channels and an engagement rate of over 10% compared to industry averages of 2-4%</td>
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<tr>
<td>Escapes articles</td>
<td>22 – each with an average reach of over 275,000 subscribers (+5.8% year on year)</td>
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<td>Visits to Visitnsw.com</td>
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<tr>
<td>Leads to Industry</td>
<td>3.46M [+20% year on year]</td>
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</tbody>
</table>

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21Source: DNSW research, Google Analytics
22Source: DNSW research, Google Analytics
23 Source: DNSW research, Google Analytics
24 Source: National Visitor Survey (NVS) YE March 2016
Marketing for Tourism and Events CONTINUED

Youth Campaign

Destination NSW continues to develop and implement a highly targeted content-led youth strategy utilising the organisation’s ‘Work, Study, Play’ digital assets. Building on the successful collaboration with MTV Travel via #MTVTrippers and STA Travel via the #60DayAdventure program, customised content was targeted to youth travellers aged 18-30 years in United States, United Kingdom, Singapore and Germany.

The Youth Campaign delivered:25

- More than 92,000 visits to sydney.com, a 9% increase on the previous campaign
- More than 36,000 leads to the NSW tourism industry, a 1,851% increase on the previous campaign
- More than 672,00 potential youth travellers engaged with the campaign content and media, a 34% increase on the previous campaign
- More than 1,458,000 views of youth related video content, a 229% increase on the previous campaign
- More than 38,000 new fans/followers were added to Destination NSW’s youth social communities
- According to the International Visitor Survey, for the year end March 2016, NSW received the highest number of youth visitors (8.8% increase year on year), nights (10.5% increase year-on-year) and expenditure (22.8% increase year on year) on record.26

During 2015-2016, Destination NSW implemented a total of 286 campaigns across its key business units, in key source markets, with multiple event and industry partners to drive overnight visitor expenditure for the NSW economy.

<table>
<thead>
<tr>
<th>Campaign Activities</th>
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<tbody>
<tr>
<td>Regional NSW</td>
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<tr>
<td>Sydney</td>
<td>8</td>
</tr>
<tr>
<td>Event campaigns</td>
<td>68</td>
</tr>
<tr>
<td>Co-operative campaigns</td>
<td>183</td>
</tr>
<tr>
<td>Total</td>
<td>286</td>
</tr>
</tbody>
</table>

Co-operative campaigns were undertaken in partnership with domestic airlines, domestic wholesale/retail travel agents, domestic online agents and with ticketing agents promote travel to Sydney, NSW and major events, up to 83 per cent of international partnership campaigns undertaken in 2015-2016 featured Regional NSW destinations and experiences.

25Source: DNSW research, Partner research, Google, Facebook, Twitter and Instagram Analytics
26Source: International Visitor Survey IVS YE March 2016
Marketing for Tourism and Events CONTINUED

Destination NSW websites and social media assets delivered record results

Destination NSW Consumer Websites

In 2015-2016, Destination NSW continued its market leading strategy and position as an innovator in the tourism and events marketing industries, by delivering one of the most progressive digital and social media consumer platforms within the Australian and Asia Pacific travel industry sector.

According to online intelligence agency Experian Hitwise, as at 30 June 2016, Destination NSW maintained its number one position as the top performing state tourism website in Australia, with an annual 41 per cent average share of the total Government tourism industry website traffic market. The combined Destination NSW consumer facing websites were also ranked in the Top 10 largest destination and accommodation websites in Australia (against global operators such as TripAdvisor, Airbnb, booking.com and hotels.com).27

Destination NSW has continued to invest and expand the reach of its top-performing domestic websites sydney.com, visitnsw.com and vividsydney.com to include six international versions of sydney.com (launched in the United States, United Kingdom, New Zealand, India, Malaysia and Singapore) as well as a custom designed website and content, hosted in mainland China (sydney.cn). The remaining five non-English versions of sydney.com are in the final stages of development for Germany, Japan, Korea, Taiwan and Hong Kong to be launched by December 2016.

During 2015-2016, Destination NSW’s consumer ‘owned and earned’ social media channels were used extensively to promote Sydney and Regional NSW to global audiences reaching a combined fan and follower community of over 10.7 million people. While 20 per cent of Destination NSW’s consumer audience comes from Australia, the remainder of the audience base is primarily from India, Indonesia, Malaysia, United States, United Kingdom, New Zealand, Singapore, Hong Kong and Germany. They are the largest consumer-focused social media channels within the NSW Government and continue to deliver strong reach and engagement to potential holidaymakers that are above the industry benchmark.

Highlights of our digital programs include:
- Exceeded the website visits and leads to NSW industry target with 24.9 million visits (11% year on year growth) and 6.3 million leads (14% year on year growth)
- Retained the number one STO website with an annual average 41% of the total traffic market share and was positioned in the Top 10 of the largest destination and accommodation websites in Australia
- More than 67% of consumers now visit the Destination NSW consumer websites via mobile devices (53% using smartphones and 14% using tablets)
- Search continues to be the primary website traffic source, contributing over 72% of all website visits (with 57% from Organic Search and 15% from Paid Search)
- Helped facilitate $3.9 million in online booking revenue to operators from 14,000+ individual booking transactions [at an average sale price of $274 per transaction on behalf of the travel industry]
- Consumer social media channels successfully achieved a 22% year on year growth rate for the community reaching 10.7 million fans and followers across Facebook, Twitter, Instagram, YouTube and Google+
- Independent analysis confirmed that the value of all the Destination NSW consumer owned and earned channels increased in equivalent commercial media value by 33%, contributing to more than 50% of the marketing in kind deliverables for events and programs that the organisation invests in annually
- Arrival and Holiday Guides for Sydney and NSW were viewed on average 219,000 times per month and 90,000 Vivid Sydney 2016 apps were downloaded in 2016.

Creative and Content Focus

During 2015-2016 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 7% from 5,250 in 2014-2015 to 5,634 in the 2015-2016 financial year (not including the thousands of creative advertising items used in the Destination NSW paid search, DoubleClick, digital display, native and social media)
- The Digital Marketing Projects team worked on 120 production tasks a month; developed a website framework that supports more than 1,500 experience pages and over 16,400 product listings; delivered 2 large database development projects for the Sydney and NSW domestic websites; and created the infrastructure for the development of 12 international versions of the sydney.com website
- The Social Media team managed 28 social channels, 4,056 posts and 165 blogs per year to support campaigns, events and publicity activations. In addition, the Social Media team also managed 5,464 posts for Vivid Sydney and Vivid Ideas in 2016
- Destination NSW’s Get Connected team processed more than 6,234 new products, 11,700 enquiries and over 55,900 updates to products from the NSW tourism industry each year. The Get Connected team manage the largest collection of tourism product data in the Australian Tourism Data Warehouse (ATDW) with over 16,959 product listings for NSW (giving the State a 41% of the total number of tourism products in the national ATDW).

Industry Partnerships and Government Policy

Destination, product development and event funding programs

During 2015-2016 Destination NSW worked closely with regional destinations, local government, industry and event organisers throughout NSW, providing funding from two key programs: the Regional Visitor Economy Fund and the Regional Flagship Events Program.

Refer to the Event Development section for an overview of regional events secured by Destination NSW and regional events funded through the Regional Flagship Events Program.

Regional Visitor Economy Fund

2015-2016 was the final year of the Regional Visitor Economy Fund (RVEF) program, which began in July 2013 and was supported by record funding from the NSW Government of $21.6 million over three years. The RVEF provided funding for marketing and product development activities that directly and measurably contribute towards achieving the NSW Government’s goal of doubling overnight visitor expenditure in NSW by 2020.

Each year the RVEF offered a Contestable Fund of $3.5 million for industry to apply for on a competitive basis and a Quarantined Fund of $3.7 million for the 11 Regional Tourism Organisations in NSW, with all funding provided on a matched dollar-for-dollar basis commencing at $50,000.

In 2015-2016, a total of $3.7 million was invested into 22 product development and marketing projects in Regional NSW. Refer to the Regional Visitor Economy Fund table on page 78.

As part of enhancements to the 2015-2016 Regional Visitor Economy Fund, Destination NSW’s Zone Management and RVEF teams offered one-on-one advice and support to more than 180 Regional NSW stakeholders over the three Contestable Fund application rounds in 2015-2016, as well as RTOs in relation to their Quarantined Fund applications.

Zone Management

The Zone Management team worked with a wide range of stakeholders to drive tourism across the State and help the NSW Government meet its goal of doubling overnight visitor expenditure by 2020. In 2015-2016 these stakeholders included Regional Tourism Organisations, Local Tourism Organisations, local government, industry associations and individual industry operators.

The Zone Management team acts as a conduit, providing a direct link between Destination NSW and its key stakeholders by facilitating information exchange and providing guidance and advice on Destination NSW’s services in the five administrative Zones:

1. Greater Sydney
2. Sydney Surrounds
3. North Coast (incl. Lord Howe Island)
4. South Coast
5. Inland.

In 2015-2016 the Zone Managers spent more than 150 days travelling in Regional NSW to attend and facilitate more than 380 meetings with stakeholders. In addition to these meetings, the Zone Managers also conducted presentations in region and attended various industry events, conferences and workshops. Through this engagement the Zone Managers assisted stakeholders with better access to Destination NSW’s programs and services. This included providing assistance on how to access regional funding programs, such as the Regional Flagship Event Program and Regional Visitor Economy Fund, and providing guidance and advice on how to complete applications.

Regional Tourism Organisation (RTO) and Regional Tourism Review

In July 2015, the Tourism Sub-committee of the Destination NSW Board was asked to undertake a review into the structure of regional tourism in NSW (the Review).

The terms of reference for the Review were:

• Review the current RTO structure in NSW including: issues associated with their operations, marketing programs, funding sources, and Destination NSW’s RTO servicing requirements and activity
• Discuss and create options for an enhanced RTO system in NSW
• Undertake a Review of Destination NSW’s regional tourism funding program; the Regional Visitor Economy Fund (RVEF), including issues, constraints, successes, and opportunities.

Consultation was conducted with stakeholders including local Government, the tourism division of the NSW Business Chamber Advisory Council, key tourism industry associations, the NSW Office of Local Government and the RTOs themselves.

The Review resulted in the establishment of a new framework for tourism in Regional NSW which will see the establishment of six new Destination Networks in the 2016-2017 financial year.

Regional Visitor Destination Zones

- Greater Sydney
- Sydney Surrounds
- North Coast (incl. Lord Howe Island)
- South Coast
- Inland

NSW. Refer to the Regional Visitor Economy Fund table on page 78.

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Industry Partnerships and Government Policy CONTINUED

Visitor Services
The Visitor Services team works with a variety of Government and industry stakeholders to deliver projects that will improve visitor servicing and wayfinding. In 2015-2016 the Visitor Services team worked with:

- The City of Sydney, Property NSW and the Port Authority of NSW to look at ways to improve meet and greet facilities for visitors at the Overseas Passenger Terminal, White Bay Terminal and the Sydney CBD. This initiative resulted in improved visitor servicing facilities including updated signage and welcome desks located inside the cruise ship terminals.
- The City of Sydney and Transport for NSW, providing advice on their new Wayfinding and Signage strategies, and Roads and Maritime Services to improve visitor signage at rest areas on the upgraded Pacific Highway in Northern NSW.
- Visitor Services also manage:
  - The Sydney Tourist Information Program (STIP), a collaborative marketing group that includes Destination NSW, Property NSW and the City of Sydney. An initiative under the STIP is delivery of the Official Sydney Guide which is printed twice a year in English, Chinese, Japanese and Korean. The yearly print run is over one million copies and they are available at a variety of locations including Sydney Airport, the Overseas Passenger Terminal, CBD hotels and Visitor Information Centres. A review of the Guide’s overall design commenced in 2015-2016 with a refreshed layout to be applied from the Spring 2016/Summer 2017 edition.
  - NSW Accredited Visitor Information Centre (AVIC) program. In 2015-2016, Destination NSW oversaw the outsourced management of the accreditation of Visitor Information Centres by Aurora Research. The accreditation process is designed to establish and continually improve industry standards within Visitor Information Centres to meet the increasing demands of domestic and international visitors and stakeholders. The total number of accredited Visitor Information Centres in NSW in 2015-2016 was 165, and 45 Visitor Information Centres were successfully audited for re-accreditation.
  - The Tourist Attractions Signposting Assessment Committee (TASAC) is a joint initiative between Destination NSW and Roads and Maritime Services. TASAC’s primary role is to assess applications for tourist signposting on the state road network. In 2015-2016, TASAC held 12 meetings in Regional NSW to discuss and evaluate signposting applications. 45 applications were received, 34 of which were approved, TASAC also managed 104 enquiries.

Destination NSW conducted research into consumer expectations of tourist signposting. The research has confirmed that in most cases the current TASAC signposting criteria for attractions is in line with consumer expectations. However stakeholder feedback highlighted that flexibility in relation to the implementation of these criteria could be further considered. TASAC is reviewing the current Tourist Signposting Policy to improve flexibility where appropriate. The research was conducted in response to Action 22D of the NSW State Government’s Visitor Economy Industry Action Plan.

In June 2016, Destination NSW and Tourism Research Australia released the NSW Visitor Information Servicing Visitor Study Executive Summary. The purpose of the study was to better understand how visitors access information for their trip and the role and importance that Visitor Information Centres play in delivering information services. The research was conducted at representative accredited Visitor Information Centre (VIC) locations and major tourism attractions across the State, and included interviews with 1,041 NSW VIC users and non-users as well as with 55 NSW VIC owners, managers and industry stakeholders. The research found that:

- While the internet was the top information source for VIC users and non-users pre-visit (48%), VICs continue to be the leading information source during their visit (42%)
- The overall satisfaction level with the surveyed VICs was very high at 97%, and almost 95% would recommend the VIC to their friends or relatives.
- VICs influenced travel plans and activities of users, with 27% visiting more attractions and events than they had intended, and 24% making a day trip to surrounding areas.
- Around 91% of VIC users agreed that the VIC was an important part of their visitor experience. There was high level satisfaction with the range of available information (96%) and VIC facilities (95%).

Destination NSW will use the research findings to assist the provision of more effective and efficient visitor information services by the accredited VIC network in NSW.

Regional Flagship Events Program
The Regional Flagship Events Program (RFEP) aims to increase visitation to events held in Regional NSW by providing support for regional event marketing. A total of 37 events received funding in 2015-2016. Refer to the Regional Flagship Events Program 2015-2016 table on page 77.

Sector Development
The role of the Sector Development team is to focus on specific growth and high-yield sectors including Aboriginal Tourism, Cruise, Food and Wine and Youth Tourism as identified in the NSW Government’s Visitor Economy Industry Action Plan.
Aboriginal Tourism

In the year ending June 2016, Aboriginal tourism contributed over $1.0 billion in international and domestic overnight visitor expenditure to the NSW economy, up 26 per cent on year ending June 2015, with visitors spending 8 million nights in the State. Research shows that international visitors who engage in an Aboriginal tourism experience stay an average of 35 nights longer than the average for all visitors to the State (24 nights).

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 that have been implemented over a three-year period: in the third year 23 out of 26 actions had been completed or were ongoing with the remaining to be completed by December 2016. Of the remaining three actions, one is in progress and two more are in planning under consultation with NSW Aboriginal Tourism Operators and key stakeholders to ensure they are delivered in a culturally-acceptable manner.

As part of the Action Plan, Destination NSW has facilitated bi-annual NSW Aboriginal Tourism Workshops since 2013 providing a valuable platform to support the ongoing development of the State’s Aboriginal tourism products and experiences. The most recent workshop, held in Coffs Harbour in November 2015, was the most successful to date. Approximately 80 participants from across the State attended the two-day workshop with partnerships being developed with Aboriginal operators and a range of tourism industry sectors.

The National Indigenous Tourism Champions Program has undergone significant change with Commonwealth funding for the business development component of the Program concluding at the end of the 2015–2016 financial year. Tourism Australia and the State Tourism Organisations will continue with Indigenous Tourism Champions international marketing initiatives into the 2016–2017 financial year as the Program is now well recognised with the travel trade.

NSW has 14 Aboriginal tourism experiences listed as Indigenous Tourism Champions and nine new experiences now established and market ready. Destination NSW will continue to work with these experiences to progress them towards export ready status and inclusion in future Indigenous Tourism Champions international marketing activity.

The 2015 Spring/Summer Edition of the Official Sydney Guide included, for the first time, an Indigenous Sydney section to promote Aboriginal experiences and events in Sydney and its surrounds. New content was added to the Indigenous Sydney section in the 2016 Autumn/Winter Edition and this section is expected to expand in future editions as additional experiences become available.

In July 2015, Destination NSW celebrated and promoted Aboriginal tourism experiences during the National Aborigines and Islanders Day Observance Committee (NAIDOC) week to build awareness of NSW’s urban Aboriginal experiences. Results include media/PR activity across radio, TV, print and online news and lifestyle media. Print, online and radio promotion reaching circulation of nearly 550,000 including international media outlets such as the BBC, China Daily and the Guardian. Significant social media activity was also undertaken resulting in over 700 views of the NAIDOC Week in Sydney Blog, 2,427 likes, 175 shares and a reach of 58,000 for related Facebook posts and multiple engagements across Twitter.

Capturing the growing interest for Aboriginal culture and experiences within the youth sector, Destination NSW promoted Aboriginal tourism operators at the World Youth Student Educational (WYSE) Exchange Australia held in Sydney in April 2016. The promotion of Aboriginal product and experiences enabled local operators to meet and trade directly with international buyers in the inbound youth and backpacker travel market, some of whom have now been contracted into youth travel packages.

As part of the 2016 Vivid Sydney Program, the sails of the Sydney Opera House became a canvas honouring Indigenous art. The projection, titled Songlines brought together six Indigenous artists whose work illustrated the connections between Indigenous astronomy and the natural world. The project was directed by the Sydney Opera House’s head of Indigenous programming, Rhoda Roberts, also a member of the Bundjalung nation of NSW. The Bangarra Dance Theatre was also incorporated into the 2016 Vivid Sydney Program, with performance pieces projected onto the Southern Pylon of the Sydney Harbour Bridge.
Cruise Ship Tourism

NSW continued to grow as a major international cruise destination, welcoming 322 cruise ship visits to Sydney and the regional ports of Newcastle and Eden in 2015-2016 (compared with 285 in 2014-2015). Sydney also continued to lead the way in growing visitation by hosting 304* cruise ships (273 in 2014-2015), once again demonstrating the city’s strength, popularity and pre-eminence as a cruise destination. (*figure supplied by Port Authority of NSW).

Destination NSW actively promotes NSW as a cruise destination. As the State’s capital and the gateway to cruising in NSW, Sydney also feeds its sister ports of Newcastle and Eden, whose wide range of features and attractions complement each other and appeal to different segments of the cruise market.

In 2015-2016 this State-wide positioning was enhanced with all cruise marketing and development activity highlighting the diversity of the State’s city and regional-based attractions and experiences. Destination NSW has developed a range of new trade focused print and digital resources and included industry and shore excursion handlers in trade activity and familiarisations. In March 2016, business development opportunities and pre and post-cruise stays were promoted at the world’s largest cruise conference, Seatrade Cruise Global, and during an associated travel agent sales and training mission in the United States.

Destination NSW has actively engaged and assisted a range of NSW Government agencies, ports, cruise lines, ground handlers, regional tourism bodies and the broader tourism industry throughout 2015-2016 through the provision of regional sector development and advocacy. This assistance included the development of new destination focused imagery, content and regional messaging for use by stakeholders and industry, and regional industry workshops, developed in partnership with key stakeholders the Port Authority of NSW, Sapphire Coast Tourism Ltd - Cruise Eden and the Port of Newcastle. These workshops provided regional industry with information on how to move towards being export-ready, and how they can engage and work with the cruise industry.

Delivery of the 10-year Cruise Development Plan for NSW was transferred to the Department of Premier and Cabinet (DPC) in October 2015. The Plan’s new Steering Committee, which includes Destination NSW, is evaluating the longer term requirements, trends and market opportunities in the development of a strategic plan for the cruise sector.

Destination NSW also supported the successful Government-funded regional cruise-related infrastructure applications in Newcastle and Eden leading to almost $30 million in local investment.

For the 2015-2016 cruise season Destination NSW has again assisted the City of Sydney to provide a meet and greet service for cruise passengers focusing on international cruises. The service, staffed by volunteers, was provided to 34 cruises with more than 4,500 individual passengers receiving information and assistance.

Destination NSW will continue to support a multi-agency approach for cruise visitor services. The organisation is working in partnership with the City of Sydney, Inner West Council, the Port Authority of NSW, TAFE NSW and StudyNSW on the development of a broader Destination Ambassador program to better staff and deliver appropriate and timely visitor information services for international cruise passengers in future seasons.
Industry Partnerships and Government Policy CONTINUED

Food and Wine Tourism

Worth $2 billion to the NSW visitor economy in the year ending June 2016, food and wine visitors are high yield, playing an important role in supporting local communities and generating employment. Research shows that visitors are becoming increasingly knowledgeable about, and engaged in, local food and wine, seeking 'authentic' ciders and boutique beer experiences and products wherever they travel.

Throughout 2015-2016, Destination NSW has continued to work with, and provide strategic guidance to, key stakeholders, media and trade partners to develop and raise awareness of NSW’s ‘authentic’ food and wine experiences and products, along with the associated visitor experiences. Destination NSW featured food and wine as a theme in a number of international trade missions including cooking demonstrations by one of Sydney’s leading chefs, during Destination NSW Trade Mission events in Singapore and Malaysia. Destination NSW also featured food and wine experiences in the itineraries promoted in many of the 150 co-operative marketing campaigns undertaken across its priority international markets.

2015-2016 also saw Destination NSW, in partnership with the Sydney Harbour Foreshore Authority and the City of Sydney, undertake a content project further highlighting Sydney’s position as a world-class dining and entertainment capital – both its glamorous waterfront dining and award-winning restaurants, contrasted against the city’s cool and vibrant new dining precincts and small bars. This position is also reflected in new content developed for the Official Sydney Guide.

Food and wine tourism presentations were held across the State in the first half of 2016 as part of Destination NSW’s industry development focused NSW First Workshop Program. Undertaken in partnership with key regional stakeholders and tourism bodies, these workshops help to build the industry’s food and wine tourism offering and move more of the industry towards being market or export-ready. The Program will continue into the 2016-2017 financial year allowing for further industry development across Regional NSW. Destination NSW has also continued to work with individual wineries, tour operators, restaurants and the wider industry to encourage the further development and embedding of NSW wine product into the tourism offering.

In 2015-2016, Destination NSW supported an extensive media visits program targeting key global travel, food, wine, and lifestyle writers. Throughout the year 48 international media visits were hosted in wine regions across NSW including the Hunter Valley, Mudgee, Southern Highlands and Shoalhaven Coast. Of the 19 domestic media visits hosted, the additional regions of the Hastings River, Orange, Riverina, Hilltops, Canberra District and Tumbarumba were also profiled. NSW food and wine was also showcased to international media at the Australian Tourism Exchange 2016 including 50 international media sampling award-winning NSW wines and craft beers. 

May 2016 saw the promotion of premium NSW food and drink products and experiences to leading domestic and international fashion and media audiences at Destination NSW’s ‘Taste of NSW’ stand at Australia’s Mercedes Benz Fashion Week in Sydney. Destination NSW has also supported the profiling of key NSW food and wine destinations through partnerships with 2GB’s ‘Good Tucker’ promotion and with lastminute.com and STA Travel.

Destination NSW continued its promotion of NSW’s regional food, wine and events through lift outs in the Sunday Telegraph, Monocle and Luxury Travel magazine. In addition, Destination NSW has over 200 active NSW winery listings on the visitnsw.com website, a site which receives approximately 24 million visits a year.

Youth Tourism

Youth visitors (15 to 29 year olds) to NSW account for 1.2 million (33 per cent) of all international visitors annually. More international youth visitors visit NSW than any other state in Australia.

Recognised for their high yield, due to their long length of stay, international youth visitors are also important for their dispersal through Regional NSW. Just under one in four (24 per cent) international youth visitors to NSW disperses to Regional NSW compared to 18 per cent of non-youth visitors to NSW.

Marketing to the youth market and its segments - whether a backpacker, leisure visitor, student or young person on a working visa - requires rich and experiential content. In 2015-2016 Destination NSW continued to work on two major partnerships targeting the youth sector – MTV and STA Travel. Both partnerships target the priority international markets of UK, Germany, USA, Singapore, Japan and New Zealand as well as activities covering domestic audiences.

Building on the successful relationship forged over the last five years, Destination NSW entered into a new partnership with MTV for the production and promotion of an interactive web series ‘MTV Trippers’. Going live in October 2015, the web series featured global influencers Natasha Oakley, Tyson Mayr, Mimi Elashiry,
Industry Partnerships and Government Policy CONTINUED

Susie Lau (Bubble) and Pietro Boselli, selected for their strong social media audience and reach. Showcased via Instagram, Facebook and online content channels, their journeys highlighted a range of experiences across Sydney and Regional NSW, including the South Coast, Blue Mountains and the Central Coast.

The MTV Trippers campaign provided exceptional results with total engagements (likes, comments and shares) amounting to more than 1.1 million, and a total of nearly 2 million video views on MTV’s Channels. On Destination NSW’s channels, a further reach of over 900,000 video views of MTV Trippers and youth related video content was achieved. Additionally, the footage was run on the MTV Channel, with a total media value of more than $1.1 million. The MTV Trippers won the ‘Most Outstanding Advertising Campaign’ category in the 2016 ASTRA Awards.

Under a two year agreement with STA Travel, Destination NSW is continuing to promote Sydney and Regional NSW to youth and student travellers across the UK, US, Germany, Japan, Singapore and New Zealand through to November 2016. The campaign comprised a competition in the UK and German markets, whereby the winner won a 60 day adventure in NSW. Each winner travelled extensively around Sydney and Regional NSW uploading content which will continue to be featured on STA channels globally. In addition, in June 2016, 17 STA employees from the UK, Europe and South Africa were hosted on a famil taking in key activities in Sydney, the Blue Mountains, Coffs Harbour and Byron Bay.

Additional social media and digital activity included joint promotions with YHA Australia co-hosting two Chinese Instagrammers for 10 days profiling Sydney, the Blue Mountains and their travels north to Byron Bay. To date 350,000 engagements have been recorded. Similarly, eight Instagrammers were co-hosted with JUCY Campervans on a trip from Sydney to Port Stephens and the Barrington Tops. Instagrammers posted imagery on both Instagram and Facebook channels, highlighting the trip’s destinations with compelling imagery. To date an audience of over 320,000 has been reached with over 116,526 engagements recorded.

In April 2016, Destination NSW hosted the inaugural World Youth Student Educational (WYSE) Exchange, Australia. The WYSE Travel Confederation is the world’s largest network of youth, student and educational travel operators worldwide. Destination NSW worked with key stakeholders and industry partners to maximise the promotion of Sydney and NSW for this event, hosting 31 buyers from 11 international markets. These buyers were introduced to 76 suppliers specialising in youth products in NSW and Australia and results have already seen new and expanded NSW touring programs being developed by the buyers hosted.

Destination NSW partnered with StudyNSW to update video content and still imagery for use in domestic and international youth and student promotions. Destination NSW has also participated in the consultation process for the development of StudyNSW’s new international facing brand as well as supporting its International Student Welcome Desk at Sydney International Airport. This initiative was extended through the active promotion of the Volunteer Program for Vivid Sydney 2016 to StudyNSW’s Airport Welcome Desk volunteers and their wider student audience. Destination NSW will continue to work with StudyNSW to identify and develop additional volunteer opportunities for international students ensuring a positive and enriching visitor and study experience.

Business support programs

Product Development

During the year, Industry Development staff assisted 1089 tourism businesses (378 Sydney businesses and 653 regional businesses) in addition to 58 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, introductions to Destination NSW key programs and opportunities and the NSW First Workshop Program.

A new suite of Export Ready 101 and Inbound Strategy resources were created to complement NSW First workshop content being delivered in regional NSW.

A suite of 23 export ready product fact sheets for the travel trade were created for the Australian Tourism Exchange (ATE) 2016, five of which were translated into Simplified Chinese.

Product Showcases and Presentation Skills Training

The Trade and Industry Development team continued to deliver Product Showcases for industry in 2015-2016. Product Showcases are events which offer NSW 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 sales skills and learn about the wide range of opportunities available with different teams across Destination NSW that may be of benefit to their business. Nine Product Showcases, featuring 51 tourism businesses or organisations, were held during 2015-2016.

In March and April 2016, Destination NSW’s Industry Development team held three half-day Presentation Skills Training sessions in Sydney for tourism businesses registered to attend upcoming trade events. The targeted group sessions were 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. A session for Destination NSW New Product Workshop registrants was held on 8 March with 13 operators in attendance. Two sessions for ATE 2016 registrants were held on 31 March and 5 April, with nine operators in attendance across the two events.
Industry Partnerships and Government Policy

**NSW First - Industry Development Workshop Program**

In 2016, Destination NSW continued the NSW First Workshop program for NSW tourism businesses, with a schedule of 30 workshops in 21 locations around NSW and online, including new Digital Webinars. The program commenced on 24 February 2016 and continues through the calendar year to November 2016. The 2016 program, divided into market-ready and export-ready stream content, was delivered to NSW tourism business operators and destination marketers by Destination NSW staff. The content for each workshop was tailored to the needs and interests of the tourism industry in each location.

The workshop types delivered were:

- **Market Ready Stream**
  - Industry Development workshops
  - Digital Webinars.

- **Export Ready Stream**
  - Export Ready 101 seminars
  - Inbound Strategy workshops
  - Seller Training.

A total of 474 participants attended the 13 workshops and webinars run in the 2015-2016 financial year, with 17 workshops scheduled to run in the remainder of 2016. Digital webinars were offered for the first time in 2015-2016 and a total of 347 participants attended online. The webinar format has proved to be popular, evidenced by the number of attendees choosing to participate online.

**New Product Workshop**

Destination NSW again held a full-day New Product Workshop for 14 new export ready NSW tourism businesses to meet with 40 Inbound Tour Operators (ITOs) and inbound industry representatives in Sydney in April 2016. This event remains popular, as evidenced by the growth in attendees. The workshop format included trade-show style appointments to introduce the businesses to the inbound market. The workshop appointments were followed by an ITO site visit of the Primus Hotel Sydney and a networking lunch. The tourism businesses then attended a series of presentations from industry speakers, including an inbound tour operator, an online travel agent and a case study from an export ready NSW product.

**Industry Sponsorships and Events**

Destination NSW works in partnership with a range of industry associations. In 2015-2016 partnerships included:

**Caravan and Camping Industry Association and Consumer Shows**

*The Caravan and Camping Industry Association (CCIA)* Awards of Excellence were held in Sydney on 13 October 2015. Destination NSW sponsored the awards for Excellence and Best of the Best Award for Parks.

Destination NSW also 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 2016 Caravan and Camping Shows* were held in Melbourne from 24-29 February, Sydney from 9-17 April and Brisbane 8-13 June.
Industry Partnerships and Government Policy CONTINUED

Local Government NSW

The Local Government NSW Tourism Conference was held in Byron Bay from 9-11 March 2016 with 204 delegates attending themed sessions relating to the theme of “Embracing a Changing Tourism Landscape”. Destination NSW was the major sponsor for the conference which was managed by Local Government NSW. Destination NSW’s CEO provided the keynote address.

Minister’s Student Achiever Awards 2015

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. Thirteen awards in total were presented by the Minister for Trade, Tourism and Major Events, The Hon. Stuart Ayres during a function at Parliament House on 23 September 2015.

NSW Tourism Awards

The 2015 NSW Tourism Awards were held on 26 November at The Dockside Pavilion, Darling Harbour. 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. A revised format suggested by Destination NSW was well received by Industry. The awards ceremony was followed by a networking cocktail function. Destination NSW was the major sponsor of these awards which were managed by the NSW Business Chamber.

Tourism Accommodation Australia

The Tourism Accommodation Australia (NSW) Awards for Excellence were held on 29 July 2015 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. Destination NSW sponsored the award for Sydney Deluxe Hotel and Accommodation of the year.
The International Business Development Program and International Trade Missions

The International Business Development Program (IBDP) is designed to encourage NSW 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.

In 2015-2016 Destination NSW conducted five international trade events in South Korea, South East Asia (Singapore and Malaysia), USA (Miami, Boston, New York, Philadelphia, San Antonio, Houston, Seattle, San Francisco and Los Angeles), China (Beijing and Xiamen) United Kingdom and Europe (London, Manchester, Glasgow, Dusseldorf, Berlin, Frankfurt and Paris). The Destination NSW International Business Development Program (IBDP) supported industry to attend the international Destination NSW trade missions, in addition to four Tourism Australia trade events.

Destination NSW also conducted a product workshop in Sydney for the Indian market, with 32 NSW tourism suppliers and 27 key Indian trade partners participating. The workshop included one-on-one appointments followed by a networking event and a post Regional NSW familiarisation program.

The largest mission was the joint China Mission led by Destination NSW and Tourism and Events Queensland. The Greater China Mission was held in Beijing and Xiamen in March 2016. Thirty-five NSW tourism suppliers attended the workshops and presentations. All participants received assistance from the IBDP to attend the Mission. NSW operators met with up to 150 key trade partners from China. Post Mission, 100 per cent of NSW operators advised they had secured business as a result of attending the Mission.

Australian Tourism Exchange 2016 Gold Coast

The Australian Tourism Exchange (ATE) is Australia’s largest annual travel and tourism business-to-business event. The event was held on the Gold Coast from 15-19 May 2016. Over 700 key international buyers and 1,200 Australian sellers participated in the event.

Destination NSW assisted 54 NSW operators with their applications and coordinated all booth and exhibition requirements for the NSW exhibition area to deliver a cohesive and prominent presence at the event. Destination NSW also designed and delivered a NSW café and networking area which hosted additional events such as daily breakfast and afternoon tea catering to both Eastern and Western markets as well as a Happy Hour at the café to attract buyers to the NSW area for additional networking opportunities for NSW Sellers.

During 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 sellers and invited international buyers and media. The function, showcasing NSW talent, food, wine and produce, was well received by all attendees. This is a highly sought after event which has grown in popularity and was attended by approximately 450 ATE delegates.

International Trade Familiarisation Visits

2015-2016 was another busy year for hosting travel trade agents and buyers. Destination NSW conducted 64 trade familiarisations, hosting more than 635 travel trade. Trade familiarisations help agents to gain the latest knowledge about Sydney and Regional NSW and increase their support, advocacy and selling of the State as a tourism and events destination.

Destination NSW hosts familiarisation tours around Sydney and Regional events, taking travel trade buyers from retail, wholesale and inbound sectors, along with product managers who are able to package events with accommodation, travel and tours.

In the past 12 months, highlights for our clients have included famils around events such as the Blackmores Sydney Running Festival, Royal Easter Show, Handa Opera on Sydney Harbour and Vivid Sydney. Food and Wine, Aquatic and Coastal and self-drive famils were also key topics for the year.

The Destination NSW famils program continues to focus its efforts on priority international markets identified in the Visitor Economy Industry Action Plan. The familiarisation program is an integrated component of Destination NSW’s International Marketing campaigns.
Industry Partnerships and Government Policy CONTINUED

Partnership Programs
Destination NSW works with a wide range of industry partners to maximise opportunities to grow visitation for Sydney and NSW. These include airline partners, wholesale and retail travel partners, tour operators, hotel groups, online travel agencies and Tourism Australia.

In 2015-2016 Destination NSW secured a series of strategic partnerships totalling $33.2 million, with 20 airlines and 121 other travel trade partners. This represented a joint investment domestically of $8.2 million and a joint investment internationally of $25 million in co-operative marketing investment, inclusive of value-in-kind. Destination NSW invested and assisted in the development and implementation of 151 campaigns in international markets and 32 campaigns domestically.

Key focus areas for 2015-2016 included developing international markets. Marketing activities were carried out both domestically and across agreed priority international markets.

Key Qantas Airways MOU Partnership Successes:
- In the USA four successful partnership campaigns were undertaken, as well as additional ‘Always On’ digital activity. The first two campaigns delivered an estimated $6.4 million in incremental visitor expenditure for NSW. Activity included a campaign which leveraged a promotion with the National Broadcasting Company’s (NBC) newest prime time show Best Time Ever; variety show hosted by celebrity Neil Patrick Harris and featured a consumer competition, activation across NBC digital channels, a national digital media buy and the development and promotion of travel packages
- In addition, Destination NSW partnered with Qantas to promote direct flights between San Francisco and Sydney as well as flights from Los Angeles, New York and Dallas in January 2016. This national campaign leveraged a visit by KRON TV San Francisco and the subsequent broadcast in the US market and the recent broadcast competition with Best Time Ever with Neil Patrick Harris
- Co-operative campaign activity was undertaken in China, which involved 15 key trade partners who developed Sydney and NSW packages inclusive of a Qantas airfare in Tier 1 and 2 cities including greater Shanghai, Zhejiang, Jiangsu, Beijing and Guangdong regions. Campaign activity was undertaken across two phases to promote travel to Sydney and Regional NSW, as well as travel packages for Vivid Sydney
- In Japan, Destination NSW partnered with Qantas to promote the new Haneda to Sydney direct service. The campaign featured advertising on trains (posters, billboards, window stickers) on major subway lines, Marunouchi and Ginza, operated by Tokyo Metro which reaches 1.8 million passengers daily. In addition, a billboard on the Sony building located on one of the world’s busiest pedestrian crossings at the Sukiyabashi crossroads in Ginza reached approximately 2.5 million. The activity ran over three months and featured Sydney and Regional NSW destinations as well as Sydney events
- Joint activity in New Zealand leveraged both the ‘Love Every Second in Winter’ and ‘Love Every Second in Summer’ campaigns, with activity in Auckland, Wellington and Christchurch. The campaign featured consumer competitions to key Sydney events, and tactical advertising on national television, press and radio, as well as digital media. The campaign was extended by key travel trade partners who reported significant incremental increase in travel packages featuring Sydney and Regional NSW inclusions
- In the United Kingdom, Destination NSW partnered with Qantas in a campaign that targeted consumers during the peak booking period in January 2015. The campaign delivered an estimated incremental visitor expenditure of almost $4.2 million to NSW. The campaign was extended in partnership with Travelbag who promoted six new NSW itineraries featuring Sydney, Lord Howe Island, Blue Mountains, and the Legendary Pacific Coast
- In Hong Kong, Qantas and Destination NSW undertook an outdoor media campaign promoting Sydney and NSW across metro trams as well as on radio and in magazine advertising. The campaign was extended through four key travel trade partners who promoted travel packages for both group and FIT travellers
- A new three year [2016–2019] $28 million Memorandum of Understanding was signed between Destination NSW and Qantas Airways for 2016–2019. This partnership will drive further visitor growth to NSW by showcasing Sydney and Regional NSW through joint co-operative campaigns, social media, database marketing, trade partner campaigns as well as trade and media opportunities over the next three years.
2015-2016 Successes – International

In addition to the Qantas partnership activity, in 2015-2016 Destination NSW undertook Partnership Programs in 13 source markets. Activity included continuing to develop and expand relationships and networks with key trade partners, airlines, online travel agents and Tourism Australia as well as with the NSW tourism industry to deliver on Destination NSW’s strategic goals.

Key Highlights:

- In all 13 source markets Destination NSW worked in partnership with travel trade, airlines and with online travel companies to promote travel to Sydney and NSW. Partnerships with online agencies were extended including the signing of a new two year agreement with Ctrip and a new partnership with Alitrip in China as well as a partnership with online travel agency Expedia in the United Kingdom, USA, Japan and India
- Worked in partnership with Sydney Airport Corporation to secure five new airline services to Sydney increasing air capacity from priority international markets: XiamenAir from Xiamen and Fuzhou and China Southern from Shenzhen (China); All Nippon Airways (Japan), American Airlines (USA) and Qatar (Doha with connecting flights to the United Kingdom and Germany)
- In 2015-2016, Destination NSW entered into new partnerships with: Air Asia X, Air China; Air New Zealand; All Nippon Airways; China Southern Shenzhen; Qatar Airways; Scoot, Sichuan Airlines and XiamenAir
- Increased resources in China appointing a new Business Development Manager Northern China based in Beijing. This role is in addition to the existing Regional Manager China, Business Development Manager Eastern China and Marketing Executive based in Shanghai and the Business Development Manager Western China based in Chengdu
- In China, Destination NSW developed several major co-operative partnership campaigns with airlines including China Southern, Qantas, Air China, XiamenAir, Sichuan Air and Silk Air which were extended by working in partnership with more than 25 travel trade partners to develop and promote new packages to Sydney and NSW
- In August 2015, Destination NSW announced an exclusive two-year partnership agreement with Ctrip, one of the largest online travel agencies in China. Ctrip provides flights, hotels and package tours and this exciting agreement enables the NSW tourism industry to reach a staggering 250 million prospective visitors
- Destination NSW signed a two year strategic partnership with Air New Zealand in August 2015. Three successful campaigns were undertaken in 2015-2016 to promote travel to Sydney across national television and digital advertising. Each campaign was extended by a travel trade partner and included the promotion of travel packages to both Sydney and Regional NSW. The campaigns resulted in more than $15 million in incremental overnight visitor expenditure to the State.

2015-2016 Successes – Domestic

Destination NSW worked with multiple partners to promote Sydney, Regional NSW and key events to primary interstate markets of Brisbane, Gold Coast and Melbourne. Partners included Accor Hotels, Qantas Airways, QantasLink, Qantas Holidays, Hellworld, Tiger Airways, lastminute.com.au, wotif.com, Expedia Inc., Virgin Australia Airlines, Virgin Australia Holidays, Flight Centre, Webjet, Ticketek, Ticketmaster and HotelClub.

Key Highlights:

- Destination NSW continued the partnership with online travel agent partner Expedia Inc. to promote Vivid Sydney and the Hunter Valley to key domestic markets. The campaign saw the development of campaign microsites on the Expedia AU site as well as discounted hotel, flight and package deals
- A co-operative marketing campaign with Webjet promoting Sydney in Summer achieved significant year-on-year growth in bookings to Sydney resulting in an ROI of 77:1 and incremental overnight visitor expenditure estimated at $5.81 million. The campaign targeted domestic consumers looking to purchase a package to travel in NSW in the next 12 months. Key markets included South East Queensland, Victoria, Australian Capital Territory and Regional NSW. Activity promoted travel to Sydney during the Summer period and encouraged consumers to attend events in Sydney over the Summer months. Campaign activity included digital display, a dedicated microsite, email marketing and retargeting
- Campaign in partnership with Ticketek promoted travel to Sydney to attend key sporting and cultural events taking place between November 2015 and February 2016 including the Australia Open of Golf, Sydney 500 Supercars, APIA Fast Four, HSBC Sydney 7s, State of Origin, ARIA, AACTA Awards and Art of Brick. The campaign resulted in an estimated incremental overnight visitor expenditure of $1.2 million
- Destination NSW partnered with Qantas Airways in a campaign to promote travel to Sydney during Summer. The campaign resulted in an estimated incremental overnight visitor expenditure of almost $9.4 million
- Destination NSW worked in partnership with Accor Hotels in a co-operative marketing campaign to promote travel to Sydney during the Summer period. The campaign promoted key events held during the Summer months such as Sydney Festival, Australia Day and Handa Opera on Sydney Harbour. The campaign resulted in an estimated incremental overnight visitor expenditure of $2.85 million.
Industry Partnerships and Government Policy

2015-2016 – Vivid Sydney
Destination NSW worked with key partners to promote and package Vivid Sydney in key domestic and international markets. As an iconic event in the overall NSW events calendar, Vivid Sydney is a key driver for visitation to Sydney and NSW and has seen significant year on year growth in visitor numbers into Sydney.

International Partnership Activity
Destination NSW promoted Vivid Sydney across all 13 source markets with strong results reported across all markets. More than 41,000 Vivid Sydney travel packages to Sydney were sold in international markets as a result of Destination NSW joint partnership campaigns. This included 17,827 visitors from China with overall package growth across all markets increasing by more than 68 per cent year on year.

Key Highlights:
- Vivid Sydney was promoted by 185 travel trade partners internationally. Destination NSW provided training and assets to travel trade partners as well as investing in partnership marketing programs with key partners to promote travel packages. Activity included international consumer and trade promotion across a range of media including outdoor billboards, on-train video and bus advertising, national television and print advertising, digital advertising, retail in-store activation and marketing collateral produced in a number of languages.
- Destination NSW continued to focus on increasing awareness and sales of travel packages in China with more than 1,316 agents receiving sales training in the lead up to the 2016 event; this included a key focus on tier two and three cities.
- Package sales from the USA increased by almost 126% and the UK achieved substantial growth with 1,450 packages sold to Vivid Sydney 2016.

Domestic Partnership Activity
Key Highlights:
- Destination NSW partnered with Qantas Airways to promote Vivid Sydney to key interstate and Regional NSW markets. The campaign resulted in an estimated incremental overnight visitor expenditure of $2.84 million.
- Destination NSW partnered with Virgin Australia in a digital campaign to promote Vivid Sydney by offering special festival sale fares and packages. The campaign resulted in an estimated incremental overnight visitor expenditure of $4.4 million.
- Destination NSW partnered with distribution partners to sell packages and tickets to Vivid Music and Vivid Ideas. These partners included Ticketmaster, Ticketek, Qantas Holidays and Virgin Australia Holidays. Package and tickets sales through these partnerships contributed over 35,000 passengers travelling from interstate to Sydney for Vivid Sydney.

2015-2016 – Regional NSW Partnership Activity
In 2015-2016 a key focus was to increase the inclusion of Regional NSW destinations promoted by travel trade partners across both domestic and international partnership activity.

International Partnership Activity
Internationally, Destination NSW activity focused on increasing the inclusion of “export ready” Regional NSW products and experiences and to develop quality itineraries and packages with the aim to increase international visitors to Regional NSW and increase the length of stay in the State. This has included Destination NSW facilitating trade education and sales training on Regional NSW ‘export ready’ offerings, hosting familiarisation visits, developing new itineraries and packages, and undertaking co-operative partnership activity.

Key Highlights:
- Of the 151 co-operative campaigns with partners in the international markets, 83% included the promotion of Regional NSW destinations and experiences.
- In China, a campaign with three agents promoted packages to Sydney and Regional NSW including the Blue Mountains, Central Coast, Hunter Valley, Grand Pacific Drive, Port Stephens, Newcastle, Port Macquarie, Byron Bay, Wollongong, Jervis Bay and Kiama. The campaign achieved an incremental overnight visitor expenditure of $6.8 million for NSW.
- In Singapore, Destination NSW partnered with Scoot to promote Sydney and NSW travel packages. The campaign was undertaken over two phases and promoted a Scoot tactical airfare to Sydney which was packaged and promoted by travel trade partners featuring Sydney, Blue Mountains, Central Coast, Hunter Valley, Port Stephens and Grand Pacific Drive achieving an incremental visitor expenditure to NSW of more than $13.1 million.
- Destination NSW partnered with Travelbag in the United Kingdom to promote Sydney and NSW only packages targeting luxury travellers from the United Kingdom. The campaign featured Vivid Sydney as well as the Blue Mountains, Port Stephens, Port Macquarie, Coffs Harbour, Byron Bay, Jervis Bay and Lord Howe Island. The campaign delivered an incremental visitor expenditure of more than $1.1 million to NSW.
Industry Partnerships and Government Policy

Domestic Partnership Activity

To increase the benefit to Regional NSW destinations, domestic campaign activity integrated food and wine product and experiences in Sydney and Regional NSW as an additional driver of overnight visitation and length of stay.

Key Highlights:

- Co-operative campaign with lastminute.com.au to promote travel to key Food and Wine regions featured in the campaign including Sydney, South Coast, the Hunter Valley and the Southern Highlands. The campaign featured content generated from five famil organised by Destination NSW and lastminute.com.au which was uploaded to the website’s blog. The campaign delivered over 4 million impressions across the Lastminute.com site. The campaign overall generated 34.3% year on year growth for bookings to the participating tourism products and an estimated incremental overnight visitor expenditure of $449,757
- Destination NSW partnered with Flight Centre which included promotion in 700+ Flight Centre stores nationally to promote travel packages over summer to Regional NSW including Byron Bay, Kingscliff, Coffs Harbour, Hunter Valley, Blue Mountains and Wollongong. Activity included TV, radio and outdoor advertising as well as digital and instore merchandising resulting in almost $1 million in incremental visitor expenditure to NSW
- Destination NSW developed a partnership campaign with Tiger Air and Coffs Harbour City Council to assist in promoting the new Melbourne to Coffs Harbour route which commenced services on December 9, 2015. The campaign featured radio and digital content along with a competition to promote key experiences in Coffs Harbour. The campaign resulted in an incremental overnight visitor expenditure of $1.07 million.

Selling Events through Partnerships

In 2015-2016 the Destination NSW Partnership Programs team worked with over 40 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, Sydney 7s, Arsenal FC vs Sydney FC and Western Sydney Wanderers, Sydney International Art Series, Aladdin the Musical, 5th AACTA Awards, ARIA Awards and ARIA Week, Handa Opera on Sydney Harbour, My Fair Lady, Dream Lover - the Bobby Darin Musical, Australia Day Concert Series, Sydney Mardi Gras and Blackmores Sydney Running Festival.

Key Highlights:

- Destination NSW developed a strategic partnership with both Ticketek and Ticketmaster to promote events in targeted interstate and intrastate markets
- Destination NSW partnered with 11 trade partners in key international markets and three domestic partners to sell tickets and packages to Handa Opera on Sydney Harbour. These partnership campaigns resulted in over 13,350 interstate and international passengers travelling to Sydney for this event
- The inaugural HSBC Sydney 7s held in February 2016 was promoted in Japan, the United Kingdom, USA and NZ as well as the domestic market which will be expanded to increase visitation to the event in 2017
- Destination NSW worked with NSW Department of Premier and Cabinet to promote the Australia Day Concert Series to the domestic market. Four partners: Qantas Airways, NRMA Travel, Accor Hotels and Qantas Holidays promoted packages to The Wiggles Concert and the Australia Artist Evening Concert at the forecourt of the Sydney Opera House. A total of 1,000 tickets were sold via the four partner distribution channels.
Communications

The Communications Division comprises a multi-disciplined team working across the three key areas of Ministerial and Corporate, Publicity, and Editorial and Content. Communications’ activity supports and leverages campaigns and major events with the objective of promoting NSW as the number one visitor destination in Australia.

In 2015-2016, the Communications Division developed integrated working practices to promote greater synergies across the division’s three key areas. This coordinated approach is helping to drive better results in terms of media coverage and awareness of Sydney and Regional NSW destinations, experiences and events, which will contribute to achieving the goal of doubling overnight visitor expenditure in NSW by 2020.

2015-2016 Achievements

Destination NSW achieved significant results across all areas of Communications.

In the Publicity function, there were 1,141 media enquiries which were serviced, an increase of 155 per cent on the previous year; 1,814 proactive pitches; 326 media visits for 816 domestic and international participants; 178 consumer media releases; and 14 media launches. As a result, 19,220 articles were generated, delivering an equivalent advertising value in excess of $245 million and a PR value of $736 million.

The Ministerial and Corporate Communications function comprises a highly specialised team that delivers a wide range of outputs with very quick turnaround times. In 2015-2016, there were 421 media releases drafted for the NSW Government in relation to tourism and major events; 568 briefing notes; 165 Parliamentary briefing notes; and 184 items of correspondence. This function also provided regular updates to Government reports and input to inquiries, policy advice and information in order to support Ministerial visits and trade missions. Fifty one editions of the industry newsletter Insights were produced, featuring more than 500 stories on tourism-related activities and events in Sydney and Regional NSW as well as Destination NSW’s strategic marketing and industry partnerships, trade development opportunities, visitor research publications and events secured by Destination NSW.

The Editorial and Content function serviced a markedly increased number of requests for images and footage of Sydney and NSW, and commissioned photo and video shoots with the aim of building a strong inventory of photography and filming assets for use in marketing, publicity and partnership campaigns. A total of 2,709 images were uploaded to the Destination NSW image library and 2,500 image library requests serviced, involving the download of more than 19,000 images.

Overall footage edits requested by external partners numbered 461 in 2015-2016 (272 for Regional NSW and 189 for Sydney). Internal footage edit requests were 73 (43 Sydney, 26 Regional NSW), allowing Destination NSW to showcase events, destinations and experiences to a wide audience; an additional 135 requests were made in-house for footage compiles which were used by key Destination NSW partners.

The Destination NSW corporate website managed by Editorial and Content had more than 264,000 visits, with key searches relating to tourism statistics, facts and figures, employment and events.
Communications CONTINUED

Regional

The Communications Division delivers media and PR activities to raise awareness of and increase visitation to destinations, experiences and events across Regional NSW. These activities include facilitating outside broadcasts and media familiarisations.

In 2015-2016, Destination NSW secured two broadcasts in regional NSW on Channel Nine’s Today Show. Karl Stefanovic, Lisa Wilkinson, Sylvia Jefferies, Ross Greenwood, Richard Wilkins and Tim Gilbert hosted the entire 3.5-hour show live on location in Broken Hill and the Hunter Valley, with a number of local tourism products and experiences featured. These destinations were promoted to a national audience of two million people, with an advertising equivalent value of $1,465,715. The broadcast also generated multiple posts shared via the Today Show social media channels to an audience of 1,940,100 Facebook and Instagram followers. Destination NSW also secured local media coverage on NBN News, in The Cessnock Daily Advertiser, The Monaro Post and on the front cover of The Barrier Daily Truth.

Destination NSW partnered with travel service provider Helloworld on a world-first Instagram relay to celebrate the United Nations’ World Tourism Day on 27 September 2015. Five influential Instagrammers with a combined following of 272,600 photographed Sydney, Byron Bay and Lord Howe Island, sharing this imagery through their networks. The destinations profiled in the #helloworldRELAY received significant exposure through Helloworld’s channels, including Channel 9 integrated advertising, an Instagram Marquee ad, and amplification through their social media channels. The images captured were linked to Helloworld packages which resulted in 402 bookings for a NSW package and 7,828 bookings for airfares to NSW only. To date, these activities have generated 18 media articles with an audience reach of 1,639,655.

Destination NSW secured 12 domestic media familiarisations to the South Coast as part of its ongoing South Coast Unspoilt campaign. They included Australian Gourmet Traveller Magazine, Voyeur (Virgin Inflight Magazine), Channel 7’s Sydney Weekender, Channel 9’s Today Show, Concrete Playground, The Sydney Morning Herald Good Food, and The Daily Telegraph – Sydney Taste. These visits resulted in 12 pieces of coverage with an audience reach of 3,225,470.

Supporting major events

All major events secured by Destination NSW receive support via Ministerial and Corporate, Publicity, and Editorial and Content activities relating to the portfolios of arts and entertainment, business activation, sport and lifestyle, Vivid Sydney and Regional NSW destinations.

Arts and Entertainment

The pipeline of musical theatre productions, exhibitions and cultural events was leveraged in order to gain extensive media coverage for Sydney and drive visitation.

Highlights in 2015-2016 included support for the announcement of the 60th anniversary production of My Fair Lady, directed by Dame Julie Andrews. Seventeen strong news and travel trade news pieces were generated on 2GB (including an interview with Minister Ayres), The Daily Telegraph, The Guardian, Yahoo7, The Australian and Travel Daily.

An exclusive story on Nine News showcased the number of jobs in costume production which have been created in Sydney as a result of securing the production of Disney’s Aladdin The Musical. The two-minute story was syndicated nationally and throughout Regional NSW.


The announcement of the Australian première of Beautiful: The Carole King Musical in May generated coverage on Ten News and in The Sydney Morning Herald and throughout Regional NSW via AAP syndication. Based on PR Newswire reporting, the announcement achieved more than 75 news pieces across priority international markets, including Singapore, New Zealand and South Korea.

Dame Julie Andrews at the My Fair Lady media call.

Business Activation

Destination NSW’s role in the strategic shift to showcasing Resort Collections at Mercedes-Benz Fashion Week Australia was promoted through coordinated photo shoots, spokesperson quotes and an industry Q & A. More than 33 pieces of earned traditional and social media coverage were generated with highlight pieces published in The Australian, The Sydney Morning Herald and Vogue Australia.

In December 2015 and January 2016, Destination NSW partnered with Vogue Australia to bring celebrated photographer Mario Testino to Sydney for an exclusive content shoot for the magazine’s April 2016 edition. The partnership generated extensive media coverage with articles appearing in The Sunday Telegraph and The Daily Telegraph as well as social media coverage across Vogue Australia’s and Testino’s own channels.

College Football media call

Sport and Lifestyle

This portfolio of world-class sporting events featured in the Sydney & NSW Events Calendar gained extensive media coverage. Highlights in 2015-2016 included the inaugural HSBC Sydney 7s in February with Destination NSW leading the official ‘captain’s shot’ press call which featured the 16 team captains against the backdrop of Sydney Harbour. More than 30 print, broadcast and online media outlets attended, ensuring the image reached a global audience.

In June, Destination NSW secured an exclusive visit to Sydney by the world-renowned ice hockey player Wayne Gretzky for the annual Ice Hockey Challenge event. To mark his first visit to Sydney, Destination NSW worked with the event owner to stage a press call attended by Gretzky, NSW Premier Mike Baird, and Minister Stuart Ayres. The event involved a pop-up ice rink located at Mrs Macquarie’s Chair to capitalise on iconic Sydney Harbour views. Approximately 45 domestic and international media attended, generating 52 pieces of coverage. Gretzky also engaged in several Sydney-specific experiences coordinated by Destination NSW. These included a visit to Taronga Zoo and a guided tour of the Sydney Opera House, which he shared via three posts to his social media channels, reaching more than four million fans globally.

Every year the Sydney Gay and Lesbian Mardi Gras Parade attracts thousands of international visitors to Sydney, delivering a significant economic benefit to the State. In 2016, Destination NSW hosted multiple international media visits to the event which included five Chinese bloggers with prominent profiles on the Chinese social media platforms Weibo and WeChat, and two journalists from the San Francisco-based 7x7 Magazine. As well as attending the Sydney Gay and Lesbian Mardi Gras Parade, these groups travelled to destinations including the Hunter Valley and Byron Bay. As a result, 19 pieces of coverage and social media publicity promoted NSW as a ‘destination worth travelling for’. This coverage achieved an estimated international audience reach of 22.7 million.
Communications CONTINUED

Vivid Sydney

The success of Vivid Sydney is underpinned by a coordinated media strategy comprising activities at strategically significant dates leading up to and throughout the festival. These activities commenced in February when a media call announced that Taronga Zoo had become a new Vivid Sydney precinct. Extensive media coverage was generated across broadcast, print, online and radio; the Nine News package was a highlight along with 105 pieces of Australia-wide news coverage. In March, the Vivid Sydney program launch produced more than 400 domestic news coverage clips alone.

In total, the Communications team coordinated nine media calls for Vivid Sydney 2016 to announce key elements of the festival, including new precincts, the launch of the program, media preview nights, and transport management. The opening night media call was attended by Minister Stuart Ayres and featured the Aboriginal artists who created Songlines for the festival. Another highlight was the media call with the Premier and Minister Ayres on opening night to promote Vivid Sydney to Chinese media. Each of these activities contributed 15,880 pieces of earned media coverage in domestic and international markets.

Major film and photo shoots completed in 2015-2016 include Vivid Sydney, comprising 49 individual video shoots across the 23-night event. New technology such as Movi, Tero and Drone were commissioned to offer new visual perspectives on the festival. Seventy hours of Vivid Sydney footage were created and used by media outlets around the world, as well as Destination NSW’s in-house teams, international offices and PR agencies. Eighty still photo shoots and 14 media calls produced more than 8,000 images, which were used to promote the Destination NSW-owned event around the globe. Overall results show that 92 per cent of coverage of the festival included Destination NSW-developed footage, images and bespoke video edits.

International Publicity

Destination NSW continued its focus on achieving media coverage in its key international markets. A highlight was Vivid Sydney which received 203 per cent more international media coverage than in 2014-2015, and saw a 20 per cent increase in visiting media with a record-breaking 119 journalists hosted. A 242 per cent increase was reported in visiting media to Vivid Sydney from China alone.

International media coverage

<table>
<thead>
<tr>
<th>MEDIA COVERAGE SECURED</th>
<th>2015-2016</th>
<th>2014-2015</th>
<th>% increase</th>
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<tbody>
<tr>
<td>North Asia, including China</td>
<td>2,555</td>
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<td>SE Asia</td>
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<tr>
<td>New Zealand</td>
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<td>58%</td>
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</tbody>
</table>

International circulation grew by 655 per cent to 48,382,197,485. AVE increased by almost 183 per cent to $202,494,205.

Media coverage highlights included:

A partnership with marie claire to develop a Mandarin-language WeChat shopping guide to Sydney for Chinese travellers
- Four, hour-long live broadcasts from Sydney Harbour by British TV channel, ITV
- A television and magazine feature on NSW road trips by Indian motoring program, Overdrive
- Chinese streaming service, LeTV, live broadcast from Vivid Sydney for four nights
- A partnership with popular Chinese dating show, If You Are the One, was filmed in Sydney
- A 13-page feature on Byron Bay in USA magazine, Food & Wine
- Coverage of Sydney and Regional NSW in the Australian edition of the prestigious Monocle Magazine plus a subsequent Sydney supplement.
Communications CONTINUED

Editorial and Content

Major Sydney film and photo shoots and video edits included a signature food and wine shoot, two hero shoots for Sydney in Summer which created imagery featured in Destination NSW’s Summer in Sydney campaign (including magazine inserts and OOH advertising), New Year’s Eve timelapse, and Sydney coastal drone aerials to promote NSW as part of Tourism Australia’s Aquatic and Coastal campaign.

Significant regional content generation was also undertaken by the Editorial and Content team, meeting business aims to increase visitor dispersal across the State. Regional video and photo shoots, content acquisition and video edits covered areas including but not limited to: Blue Mountains, Newcastle, Mudgee, Armidale, Byron Bay, Dubbo, Mutawintji National Park, Parkes, Broken Hill, Port Macquarie, Junee, Tumut, Wagga Wagga, Bungendore, Hall and Murrumbateman, Berrima, Bowral and Mittagong.

In addition to imagery, more than 460 pieces of editorial were researched, written and edited by the team, ranging from annual event calendars and seasonal consumer magazines for Sydney and Regional NSW to campaign-focussed trade and media fact sheets. Major projects included Your Guide to Regional NSW, Your Guide to Sydney & NSW in Summer and Vivid Sydney magazine inserts.
Corporate Services

The Corporate Services Division brings together specialist support services including finance, strategic workforce planning, human resource management, workplace health and safety, 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 manages the relationship with the Department of Industry, Shared Services function (which includes Payroll and ICT) and the cluster agency NSW Department of Premier & Cabinet.

Achievements

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

**Senior Executive Reform**

Destination NSW is currently completing a series of activities required for Senior Executive GSE transition and implementation, which is a major requirement of Government Sector Employment legislation. Many of these activities are either completed or in progress. The transition is expected to be completed in early 2017.

**Other GSE Activities**

A review and update of all role descriptions was completed during 2015-2016 as a major requirement of the Government Sector Employment legislation to adopt the new capability framework.

**Machinery of Government changes**

From 1 July 2015 Destination NSW fell within the NSW Department of Premier and Cabinet cluster of the NSW Public Service.

**Restructure of Corporate Services**

During the year Corporate Services undertook a restructure as part of a change management plan.

**Work Health and Safety**

Destination NSW continues to promote and educate staff in the identification and management of workplace health and safety. To date, there are no workers compensation cases or lost time injuries recorded for 2015-2016.

**Aboriginal Employment Strategies**

As part of the 2013-2016 Destination NSW Aboriginal Action plan, an Aboriginal traineeship program was undertaken at Destination NSW in 2015. Work is currently underway for the next plan covering the period 2016-2018 and this will incorporate further Aboriginal employment strategies such as the potential for joint programs with other major tourism providers.

**Diversity and Inclusion**

An Inclusion Survey has been given to staff to gather information on the inclusion and diversity characteristics of the Destination NSW workforce. The Survey provided an opportunity for Destination NSW to gather diversity statistics for reporting purposes and to feed into future strategies. The results of the survey will guide activity in the next reporting period.

**Wages Policy Outcome**

A 2.5 per cent increase to salaries was approved by the NSW Wages Policy Taskforce and will be paid to Destination NSW employees, commencing 1 July 2016. This is aligned with the NSW Public Sector Wages Policy. International based and Senior Executive salaries are managed through other mechanisms.

**Performance Review and Learning and Development**

A review to the Performance Review process was undertaken to ensure compliance with the requirements of the Government Sector Employment Act. A revised process will be rolled out in early 2017. In addition a review was completed in regards to Learning and Development opportunities and this will form a key part of the Performance Review process to further support capability development and workforce planning. In 2015-2016, 115 training activities were provided to Destination NSW people.

**Record Keeping**

All employees have access to an Electronic Document Records Management System (RM8). A major focus in 2015-2016 was to increase the take up by other Destination NSW divisions in the management of their information via the provision of support and expertise for RM8. This support will continue to be provided in 2016-2017 as well as the facilitation and delivery of training in the use and application of RM8.
Appendices

63  Destination NSW Senior Executive
64  Human Resources
66  Corporate Governance
72  Operations
75  Management Activities
77  Grants
79  Financial Management

171,900 PEOPLE DIRECTLY EMPLOYED IN TOURISM
1 IN EVERY 21 JOBS IN NSW
Destination NSW Senior Executive

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

Simonne Shepherd, B. Bus [Marketing & International Business]
General Manager, Industry Partnerships and Government Policy

Anthony Laver, B. Com [Marketing]
General Manager, Marketing

Ross Pearson, BA [Accounting], FCPA and MAICD
Chief Operating Officer

Raechelle Inman, Bachelor of Economics [Social Sciences] [Appointed May 2016]
General Manager, Communications

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

Julie Bishop, BA Arts, Grad Dip Arts
Group Director Destination Development

Neville D’Costa, B. Com, LL.B. [Hons]
Director, Procurement and Legal

Caroline Miller, CPA
Director, Finance and Administration

Sue Doyle, BA Tourism Management
Director, Partnership Programs

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

Rhys Haynes
Acting Director, Ministerial and Executive Communications

Holly Hearne BA Communication [Journalism] [maternity leave]
Director, Ministerial and Executive Communications

Diana Kahui, B. Com
Director, Digital Strategy

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

Allison Lee, Bachelor of Arts Honours, FPRIA
Director, Media & Public Relations.

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

Kylie-Jane Menzies, AdvDip Travel and Tourism Marketing
Director Trade and Industry Development

Michelle Rowe
Director, Editorial and Content

Tanya Bowes, BA [Hons] Business Studies [Resigned January 2016]
General Manager, Communications
Human Resources

Destination NSW Staff Profile (as at 30 June 2016)

The following tables cover staff of Destination NSW (rounding applied).

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

<table>
<thead>
<tr>
<th>Total staff on 30 June</th>
<th>2015-2016</th>
<th>Men</th>
<th>Women</th>
<th>Total %</th>
<th>% Men</th>
<th>% Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainee, Internship</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Grade 1–2 $58,687-$63,801</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Grade 3–4 $65,608-$71,839</td>
<td></td>
<td>10</td>
<td>1</td>
<td>5.1</td>
<td>0.5</td>
<td>4.6</td>
</tr>
<tr>
<td>Grade 5–6 $77,448-$85,455</td>
<td></td>
<td>18</td>
<td>2</td>
<td>9.2</td>
<td>1.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Grade 7–8 $88,015-$97,426</td>
<td></td>
<td>40</td>
<td>15</td>
<td>20.4</td>
<td>7.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Grade 9–10 $100,330-$110,560</td>
<td></td>
<td>29</td>
<td>7</td>
<td>14.8</td>
<td>3.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Grade 11–12 $116,042 - $134,202</td>
<td></td>
<td>14</td>
<td>6</td>
<td>7.1</td>
<td>3.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Senior Executives Band 1-3</td>
<td></td>
<td>20</td>
<td>4</td>
<td>10.2</td>
<td>2.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Overseas Contractors</td>
<td></td>
<td>19</td>
<td>5</td>
<td>9.7</td>
<td>2.6</td>
<td>7.1</td>
</tr>
<tr>
<td>Contingent</td>
<td></td>
<td>46</td>
<td>12</td>
<td>23.5</td>
<td>6.1</td>
<td>17.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>196</td>
<td>52</td>
<td>100</td>
<td>26.5</td>
<td>73.5</td>
</tr>
</tbody>
</table>

### STAFF PROFILE BY EMPLOYMENT BASIS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Full-time (includes international staff)</td>
<td>98</td>
<td>82</td>
<td>86</td>
<td>87</td>
</tr>
<tr>
<td>Permanent Part-time</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Temporary Full-time</td>
<td>21</td>
<td>26</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Temporary Part-time</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Executives</td>
<td>20</td>
<td>20</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Contingent</td>
<td>46</td>
<td>44</td>
<td>33</td>
<td>2</td>
</tr>
<tr>
<td>Transition/Non-Permanent</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>Training Positions</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total staff on 30 June</td>
<td>196</td>
<td>188</td>
<td>166</td>
<td>152</td>
</tr>
</tbody>
</table>
**Human Resources**

**Senior Executive Profile**

23.67 per cent of Destination NSW’s employee-related expenditure in 2015-2016 was related to Senior Executives. This is compared with 22.36 per cent in 2014-2015.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Band 3 (Chief Executive Officer)</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Band 2 (General Manager)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Band 1 (Director)</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Totals</td>
<td>15</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 3 (Chief Executive Officer)</td>
<td>313,051 - 441,200</td>
<td>430,450</td>
<td>441,200</td>
</tr>
<tr>
<td>Band 2 (General Manager)</td>
<td>248,851 - 313,050</td>
<td>289,638</td>
<td>300,300</td>
</tr>
<tr>
<td>Band 1 (Director)</td>
<td>174,500 – 248,850</td>
<td>192,919</td>
<td>197,777</td>
</tr>
</tbody>
</table>

**Exceptional movements in remuneration**

A salary increase of 2.5 per cent effective from the first full pay period after 1 July 2015 was paid to clerical officers and senior officers in accordance with the Crown Employees (Public Sector – Salaries) Award.

The Statutory and Other Offices Remuneration Tribunal determined a performance-based increase of 2.5 per cent for Senior Executive officers, effective from 1 July 2015.

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

These statements apply to all head office-based Destination NSW staff. Various international based staff received cost of living increases in accordance with their individual contracts.

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29 Does not include allowances.
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 responsible Minister is the Minister for Trade, Tourism and Major Events, The Hon. Stuart Ayres, MP.

The Board consists of a Chairperson (also appointed by the Minister), individuals with relevant skills and experience and the Chief Executive Officer. 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 Hartigan [Chairman]
Russell Balding AO, B Bus, DipTech [Comm], FCPA, MAICD [Deputy Chairman]
David Baffsky AO
Leslie Cassar AM, KSJ, MOM
Sandra Chipchase B Bus Comm, GAICD [CEO, Destination NSW]
The Hon. Patricia Forsythe BA, DipEd, GAICD
Margaret Jack
Rod McGeoch AM, LLB
Wendy Machin BA [Comms], M [Comm]

Board Meetings

Destination NSW Board met on seven occasions during 2015-2016. The attendance record of the members was John Hartigan (7/7), Russell Balding (7/7), Leslie Cassar (7/7), The Hon. Patricia Forsythe (7/7), Wendy Machin (7/7), Rod McGeoch (6/7), Margaret Jack (6/7), David Baffsky AO (5/7) and Sandra Chipchase (7/7).

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. The Destination NSW Board Audit and Risk Committee met on six occasions during 2015-2016.

Members on the Audit and Risk Committee at 30 June 2016 were Russell Balding [Committee Chairman] (5/5), John Hartigan (5/5), Wendy Machin (5/5) and Sandra Chipchase (5/5).

Business Events Sydney

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

Consultants

Consultants equal to or more than $50,000:

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Number</th>
<th>Funding $</th>
<th>Title/Nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ernst &amp; Young</td>
<td>1</td>
<td>64,369.56</td>
<td>Study - Event competitive analysis</td>
</tr>
<tr>
<td>Stafford and Associates</td>
<td>1</td>
<td>72,250</td>
<td>Destination Planning</td>
</tr>
<tr>
<td>Deloitte Access Economics</td>
<td>1</td>
<td>72,000</td>
<td>Regional Planning</td>
</tr>
<tr>
<td>Newgate Communications</td>
<td>3</td>
<td>237,785.81</td>
<td>Stakeholder communications and marketing</td>
</tr>
</tbody>
</table>

Consultants less than $50,000:

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Number</th>
<th>Cost $</th>
<th>Title/Nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte Access Economics</td>
<td>1</td>
<td>31,343</td>
<td>Cruise Planning</td>
</tr>
</tbody>
</table>
Corporate Governance CONTINUED

Disclosure of Controlled Entities

Destination NSW has the following controlled entities:

Destination NSW Staff Agency

The Destination NSW Staff Agency is classified as an Executive Agency pursuant to Part 2 of Schedule 1 of the Government Sector Employment Act 2013 and falls within the Department of Premier and Cabinet of the public service. The head of the agency is the Chief Executive Officer of Destination NSW. The Chief Executive Officer of Destination NSW is responsible for general and employer functions.

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.

Disclosure of subsidiaries

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

Government Information (Public Access) Act 2009

In 2015-2016, Destination NSW received three valid access applications under the Government Information (Public Access) Act 2009.

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
6. Conduct Workshops with industry.

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 2015 to 30 June 2016) including withdrawn applications but not including invalid applications.

<table>
<thead>
<tr>
<th>Valid Formal Applications</th>
<th>Invalid Formal Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

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

Destination NSW has one application from 2014-2015 which is still being assessed.

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, Sydney, 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.
Corporate Governance CONTINUED

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 2015 to 30 June 2016.

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 2016 – (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 conducted an internal audit program during the year. The program was undertaken by Deloitte. Five audits were completed in the reporting year:

- Event Funding - Arts and Entertainment Portfolio
- Overseas Offices
- Contract Management
- Visitor Economy Industry Action Plan Review
- Regional Flagship Event Funding.

Destination NSW is implementing the agreed recommendations for these audits.

Risk Management

Destination NSW has developed 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 include:

- Assessing corporate risk and conducting internal 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.
Corporate Governance CONTINUED

NSW Digital Information Security Policy

Compliance Attestation Statement 2015-2016 Financial Year for Destination NSW

I, John Hartigan, am of the opinion that the security controls in place to mitigate risks to the digital information of the NSW Department of Industry as part of its Shared Service delivery to Destination NSW are adequate. There has been a concerted effort and targeted investment in Digital Information Security and significant progress has occurred over the past 12 months.

Given the scale and complexity of the NSW Department of Industry’s systems, risks to the digital information have been assessed with an independent Information Security Management system being developed in accordance with the NSW Digital information Security Policy and ISO 27001 Standard.

Effort and investment will be ongoing as the NSW Department of Industry continues to manage evolving threats and improve its security posture.

Specific work to address these areas is to be led by the NSW Department of Industry Chief Information Officer and the Digital Information Security Manager.

John Hartigan
Chairman
Dated: 16 September 2016
## Corporate Governance CONTINUED

### Internal Audit and Risk Management Attestation Statement for the 2015-2016 Financial Year for Destination NSW

The Board of Destination NSW are of the opinion that Destination NSW has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

<table>
<thead>
<tr>
<th>Core Requirements</th>
<th>For each requirement, please specify whether compliant, non-compliant, or in transition</th>
<th>Description of Practicable Alternative Measures Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Management Framework</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 The agency head is ultimately responsible and accountable for risk management in the agency</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td>1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td><strong>Internal Audit Function</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 An internal audit function has been established and maintained</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td>2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td>2.3 The agency has an Internal Audit Charter that is consistent with the content of the ‘model charter’</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td><strong>Audit and Risk Committee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 An independent and Audit and Risk Committee with appropriate expertise has been established</td>
<td>Compliant (with Minister’s Exception)</td>
<td></td>
</tr>
<tr>
<td>3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td>3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the ‘model charter’</td>
<td>Compliant</td>
<td></td>
</tr>
</tbody>
</table>

### Membership

The chair and members of the Audit and Risk Committee are:

- [Independent] Chair, Mr. Russell Balding AO, (Appointment to August 2017)
- [Independent] Member 1, Ms. Wendy Machin, (Appointment to August 2019)
- [Independent] Member 2, Mr. John Hartigan, (Appointment to March 2018)

### Departures from Core Requirements

The Board of Destination NSW advise that the internal audit and risk management processes for Destination NSW depart from the following core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector:

1. The circumstances giving rise to these departures have been determined by the Portfolio Minister and Destination NSW has implemented the following practicable alternative measures to meet the core requirements:
<table>
<thead>
<tr>
<th>Departure</th>
<th>Reason for departure and description of practicable alternative measures implemented/being implemented</th>
</tr>
</thead>
</table>
| • Core Requirement 3.1.4 – Independent members from Prequalification Scheme | • 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 TPP 15-03 criteria prohibiting conflicts of interest.  
  • Loss of industry knowledge, adequate skills of current members and administrative burden |

The determination by the Portfolio Minister for Destination NSW in respect of this departure, is dated 12 September 2016. These processes, including the practicable alternative measures being implemented, demonstrate that the Destination NSW has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the agency.

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

John Hartigan
Chairman
Dated: 16 September 2016
<table>
<thead>
<tr>
<th>Name of Officer</th>
<th>Purpose of Visit</th>
<th>Country Visited</th>
<th>Date From</th>
<th>Date To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eileen Gilliland</td>
<td>To assist with the co-ordination and delivery of DNSW and NSW Premier visit and meet with key travel trade partners.</td>
<td>New Zealand</td>
<td>16/08/2015</td>
<td>19/08/2015</td>
</tr>
<tr>
<td>Sue Doyle</td>
<td>To attend Tourism Australia’s India Travel Mission in Bangalore from 27-28 August. Hold meetings with key airlines, wholesalers and retail agents to develop business relationships and partnership opportunities.</td>
<td>India</td>
<td>19/08/2015</td>
<td>29/08/2015</td>
</tr>
<tr>
<td>Thomas Urban</td>
<td>To attend the Lord Howe Island Tourism Association Annual General Meeting, liaise with key industry representatives and tourism operators.</td>
<td>Lord Howe Island</td>
<td>14/09/2015</td>
<td>17/09/2015</td>
</tr>
<tr>
<td>Anna McInerney</td>
<td>Represent and promote Sydney and NSW as a global, major events destination to undertake co-operative marketing campaigns to promote Sydney and NSW.</td>
<td>United Kingdom and France</td>
<td>24/09/2015</td>
<td>6/10/2015</td>
</tr>
<tr>
<td>Anthony Laver</td>
<td>To project lead a photo shoot on Lord Howe Island including a team of production and talent.</td>
<td>Lord Howe Island</td>
<td>3/10/2015</td>
<td>11/10/2015</td>
</tr>
<tr>
<td>Duncan Garrett</td>
<td>To provide project support for a photo shoot on Lord Howe Island including a team of production and talent.</td>
<td>Lord Howe Island</td>
<td>3/10/2015</td>
<td>11/10/2015</td>
</tr>
<tr>
<td>Sandra Chipchase</td>
<td>To meet with key industry partners and stakeholders including airlines and wholesalers to develop opportunities to promote Sydney and NSW.</td>
<td>China</td>
<td>10/10/2015</td>
<td>17/10/2015</td>
</tr>
<tr>
<td>Sue Doyle</td>
<td>To hold meetings with key airlines, wholesalers and retail agents to develop business relationships and partnership opportunities to undertake co-operative marketing campaigns to promote Sydney and NSW.</td>
<td>China and Hong Kong</td>
<td>10/10/2015</td>
<td>18/10/2015</td>
</tr>
<tr>
<td>Lilu Fu</td>
<td>To attend the DNSW South East Asia Trade Mission 2015. The Mission is designed to showcase Sydney and NSW products and destinations to key trade partners.</td>
<td>Singapore, Malaysia</td>
<td>26/10/2015</td>
<td>1/11/2015</td>
</tr>
<tr>
<td>Samantha Cameron</td>
<td>To host 10 corporate travel agents from around New Zealand to Sydney and NSW to promote business events and incentive travel. Two days in the DNSW Head Office for corporate updates and meetings.</td>
<td>Australia</td>
<td>30/10/2015</td>
<td>3/11/2015</td>
</tr>
<tr>
<td>Siobhan Burke</td>
<td>To lead a famil group for Tourism Australia’s Aussie Specialist Program (ASP) Relaunch Famil. Spend two days (19-20 November inclusive) in the Destination NSW office in Sydney to meet with key team members.</td>
<td>Australia</td>
<td>13/11/2015</td>
<td>22/11/2015</td>
</tr>
<tr>
<td>Paul Hawes</td>
<td>To attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>26/11/2015</td>
<td>7/12/2015</td>
</tr>
<tr>
<td>Irene Morgan</td>
<td>To attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>27/11/2015</td>
<td>7/12/2015</td>
</tr>
<tr>
<td>Oton Wu</td>
<td>To attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>28/11/2015</td>
<td>7/12/2015</td>
</tr>
<tr>
<td>Haruhiko Niihori</td>
<td>To attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>28/11/2015</td>
<td>7/12/2015</td>
</tr>
<tr>
<td>Jennifer Tung</td>
<td>To attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; host a media famil from Hong Kong.</td>
<td>Australia</td>
<td>29/11/2015</td>
<td>8/12/2015</td>
</tr>
<tr>
<td>Name</td>
<td>Activity Description</td>
<td>Location</td>
<td>Dates</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>Paramjit Bawa</td>
<td>Attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>29/11/2015-8/12/2015</td>
<td></td>
</tr>
<tr>
<td>Siew Hoon Tan</td>
<td>Attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>29/11/2015-6/12/2015</td>
<td></td>
</tr>
<tr>
<td>Samantha Cameron</td>
<td>Attend Head Office bi-annual meeting to review business plans, marketing and business development activities, conduct staff reviews and provide market updates; attend a famil in regional NSW.</td>
<td>Australia</td>
<td>29/11/2015-6/12/2015</td>
<td></td>
</tr>
<tr>
<td>Jinko Narita</td>
<td>Attend Host a trade familiarisation (famili) in conjunction with All Nippon Airways (ANA) for Japanese travel retailers from Tokyo and regional Japanese cities.</td>
<td>Australia</td>
<td>17/01/2016-23/01/2016</td>
<td></td>
</tr>
<tr>
<td>Simonne Shepherd</td>
<td>Attend two industry events for the outgoing Regional Manager China and attend working meetings with China office staff.</td>
<td>China</td>
<td>17/01/2016-21/01/2016</td>
<td></td>
</tr>
<tr>
<td>Paramjit Bawa</td>
<td>Attend the Focus on India (FOI) trade event and escort the hosted Indian travel buyers familiarisation from 22-29 February 2016.</td>
<td>Australia</td>
<td>22/02/2016-29/02/2016</td>
<td></td>
</tr>
<tr>
<td>Pooja Razdan</td>
<td>Attend the Focus on India (FOI) trade event and escort the hosted Indian travel buyers familiarisation from 22-29 February 2016.</td>
<td>Australia</td>
<td>22/02/2016-29/02/2016</td>
<td></td>
</tr>
<tr>
<td>Simonne Shepherd</td>
<td>Hold meetings with key airlines, wholesalers and retail agents to develop business relationships and partnerships opportunities to undertake co-operative marketing campaigns to promote Sydney and NSW.</td>
<td>Singapore and Malaysia</td>
<td>28/02/2016-5/03/2016</td>
<td></td>
</tr>
<tr>
<td>Sue Doyle</td>
<td>Hold meetings with key airlines, wholesalers and retail agents to develop business relationships and partnerships opportunities to undertake co-operative marketing campaigns to promote Sydney and NSW.</td>
<td>Singapore and Malaysia</td>
<td>28/02/2016-5/03/2016</td>
<td></td>
</tr>
<tr>
<td>Lilu Fu</td>
<td>Attend and assist with the management of the Destination NSW Greater China Mission 2016 to reinforce the importance of the China market to the tourism industry.</td>
<td>China</td>
<td>13/03/2016-19/03/2016</td>
<td></td>
</tr>
<tr>
<td>Simonne Shepherd</td>
<td>Attend the Destination NSW Greater China Mission 2016 to reinforce the importance of the China market to the tourism industry.</td>
<td>China</td>
<td>13/03/2016-20/03/2016</td>
<td></td>
</tr>
<tr>
<td>Angel Zhang</td>
<td>Host XiamenAir Trade famil to Sydney and NSW from 24-31 March 2016.</td>
<td>Australia</td>
<td>24/03/2016-31/03/2016</td>
<td></td>
</tr>
<tr>
<td>Nerissa Li</td>
<td>Orientation trip to Sydney office.</td>
<td>Australia</td>
<td>11/04/2016-16/04/2016</td>
<td></td>
</tr>
<tr>
<td>Haruhiko Niihori</td>
<td>Attend head office meetings for business planning and participate in a North Coast famil (12-15 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>30/04/2016-21/05/2016</td>
<td></td>
</tr>
<tr>
<td>Irene Morgan</td>
<td>Attend Head Office meetings for business planning and participate in a North Coast famil (12-15 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>5/05/2016-20/05/2016</td>
<td></td>
</tr>
<tr>
<td>Paul Hawes</td>
<td>Attend Head Office meetings for business planning and participate in a North Coast famil (12-15 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>5/05/2016-20/05/2016</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Activity Description</td>
<td>Location</td>
<td>Start Date</td>
<td>End Date</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Jennifer Tung</td>
<td>To attend Head Office meetings for business planning and participate in a North Coast famil (12-15 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>7/05/2016</td>
<td>20/05/2016</td>
</tr>
<tr>
<td>Samantha Cameron</td>
<td>To attend Head Office meetings for business planning and participate in a North Coast famil (12-15 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>7/05/2016</td>
<td>20/05/2016</td>
</tr>
<tr>
<td>Tan Siew Hoon</td>
<td>To visit Head Office for business planning &amp; participate in a North Coast famil (12-14 May). In addition to attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>7/05/2016</td>
<td>20/05/2016</td>
</tr>
<tr>
<td>Paramjit Bawa</td>
<td>To attend Manager’s meetings in Head Office for review of 2016-17 Business Planning and other updates.</td>
<td>Australia</td>
<td>9/05/2016</td>
<td>12/05/2016</td>
</tr>
<tr>
<td>Pooja Razdan</td>
<td>To attend North Coast Manager’s famil program and to attend ATE 2016 in Gold Coast representing DNSW India office.</td>
<td>Australia</td>
<td>11/05/2016</td>
<td>19/05/2016</td>
</tr>
<tr>
<td>Angel Zhang</td>
<td>To attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers. In addition to host a famil of key travel trade agents from China from 20-24 May.</td>
<td>Australia</td>
<td>13/05/2016</td>
<td>25/05/2016</td>
</tr>
<tr>
<td>Nerissa Li</td>
<td>To attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers.</td>
<td>Australia</td>
<td>14/05/2016</td>
<td>20/05/2016</td>
</tr>
<tr>
<td>Jenny Kim</td>
<td>To attend ATE (15-19 May) to meet with NSW product suppliers to convey market intelligence, receive product updates and make introductions to key wholesalers. In addition to host a famil of key travel trade agents from South Korea from 20-24 May.</td>
<td>Australia</td>
<td>15/05/2016</td>
<td>24/05/2016</td>
</tr>
<tr>
<td>Jinko Narita</td>
<td>To lead a trade famil for Vivid Sydney in conjunction with Qantas for key Japanese trade partners from 2-8 June 2016.</td>
<td>Australia</td>
<td>2/06/2016</td>
<td>8/06/2016</td>
</tr>
<tr>
<td>Siobhan Burke</td>
<td>To lead a group of Vivid and LPC famil - includes costs from trade budget.</td>
<td>Australia</td>
<td>2/06/2016</td>
<td>12/06/2016</td>
</tr>
<tr>
<td>Penny La Belle</td>
<td>To lead a group of Flight Centre top seller travel agent famil to experience Vivid Sydney 3-6 June 2016.</td>
<td>Australia</td>
<td>3/06/2016</td>
<td>6/06/2016</td>
</tr>
<tr>
<td>Samantha Cameron</td>
<td>To lead a group of Air New Zealand top seller travel agent famil to experience Vivid Sydney 7-9 June 2016.</td>
<td>Australia</td>
<td>7/06/2016</td>
<td>9/06/2016</td>
</tr>
<tr>
<td>Jennifer Tung</td>
<td>To lead a group of Vivid trade famil (participants from HK &amp; Southern China) under the QF MOU - total of 17 pax.</td>
<td>Australia</td>
<td>12/06/2016</td>
<td>18/06/2016</td>
</tr>
<tr>
<td>Rita Kwan</td>
<td>To lead a group Vivid trade famil (participants from HK &amp; Southern China) under the QF MOU - total of 17 pax.</td>
<td>Australia</td>
<td>12/06/2016</td>
<td>18/06/2016</td>
</tr>
</tbody>
</table>
Management Activities

Integrated marketing activities

The Destination NSW Marketing Business Unit has developed a team of high calibre professionals, providing quality marketing services across campaigns, digital media and developers, social media, Get Connected industry services and a design studio.

The team continues to work closely with the other Destination NSW business units to provide advice and support for regional organisations, cooperative industry partners, event owners, collaborative Government agency programs and other key stakeholders, to ensure the organisation optimises funding and resources to deliver incremental overnight visitor expenditure.

The campaigns and digital marketing teams continue to deliver innovative, high quality, measureable and integrated multi-channel programs that are designed to reach the potential target audience and secure increased travel bookings and event ticket sales. The market insights and intelligence gained from working with 150+ event owners, 111+ campaigns and many stakeholders has provided the marketing team with the experience and skills to make a material impact on the ROI and agreed results for all the key activities. This knowledge has also been used to fine tune research programs and develop reliable ‘Brand Health’ metrics using all the information gathered to inform the decision making process with a much higher degree of certainty.

The two proven campaign platforms continue to be refreshed and updated, ensuring they remain relevant in the high impact media environments, including digital and social media, out of home (digital and static) as well as custom print publications and television. Content created by the Destination NSW Marketing Business Unit is repurposed across all media channels and by working closely with the Industry Partnerships and Communications team, we aim to change the consideration set and target audience behaviour to take action and visit Sydney and increase dispersal to NSW.

The focus for the Marketing team will be to take all these learnings and fast track the development of the 11 new international websites, and digital assets and social media for China, India and other fast growing key source markets across the Asia pacific region.

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 International Visitor Survey is conducted in the exit lounges of airports around Australia, sampling 40,000 departing visitors each year. The National Visitor Survey, a computer-assisted landline survey of 120,000 Australian residents surveys those who have travelled in the previous two months.

Destination NSW uses the results of these two surveys internally to inform campaign activities as well as externally to share insights with industry. In 2015-2016, Destination NSW published 517 visitor snapshots and time series and research reports for use by industry and other stakeholders.

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.

Aviation

• Growing international and domestic aviation capacity and access from key markets have a direct impact on tourism growth
• After four years of record high oil prices, prices declined during 2015 which should translate to lower fares
• 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.
Management Activities CONTINUED

International market

• According to the International Monetary Fund, the global economic outlook for 2016-2017 has worsened with the outcome of the United Kingdom vote in favour of leaving the European Union, despite the better than expected performance in early 2016. This deterioration reflects the expected macroeconomic consequences of a sizeable increase in uncertainty which is projected to take a toll on confidence and investment. The downward revisions in IMF economic forecasts impacts advanced European economies, less so for the United States and China.

• For most traditional markets, Australia is seen as a ‘long-haul’ destination, however with oil prices the lowest since 2004, lower interest rates, the lower Australian dollar, and perception of safety, Australia may become a more desirable destination.

• The NSW Visiting Friends and Relatives (VFR) sector continues to grow with over 9 per cent increase in international VFR visitors and a record $1.2 billion in VFR expenditure in 2015-2016 (+ 22%). Recent Destination NSW research on NSW VFR Hosts highlighted opportunities for the State. International VFR Hosts spent as much as the international visitors they hosted. This implies a total estimated international VFR sector contribution to the NSW economy of $2.4 billion. The research also confirmed that NSW hosts are well-placed to be NSW tourism ambassadors.

Domestic market

There is growing optimism among Australians about the future economy of Australia. Consumer confidence is well above the low levels recorded during the Global Financial Crisis. Consumer sentiment is on the rise in the June quarter 2016 compared to the March quarter 2016 (up 2 index points). A high consumer confidence level combined with the increased competitiveness of domestic travel may encourage domestic tourism.

• Australia’s isolation from the rest of the world is diminishing in the age of social media, and there is a growing sense of unease as global politics plays a bigger role in Australia’s future, particularly regarding terrorism and immigration policies. The recent terrorist attacks in Europe may also encourage more Australians to travel domestically or at least closer to home. Domestic holidays can offer a safety net to Australians.

• The fall in the Australian dollar is positive for the Australian economy as a whole and for the inbound and domestic travel in particular. Many Australians are expected to switch from longer haul international travel to short-haul international and domestic destinations.

• Research confirmed that while international travel continues to be aspirational for Australians, domestic travel provides the opportunity to relax and rejuvenate from stress, as well as reconnect with family and friends. Escapism and short breaks have become the new norm as Australians look to break free from the frenetic pace of everyday life.

• 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. Australian travel products (e.g. accommodation) are still perceived as lacking value in comparison to overseas.

Growth in Australians travelling overseas

With the downward trend in the Australian dollar against other major currencies, the growth of outbound short term Australian resident travel has slowed since its peak in the year ending June 2010 when it reached growth of 15.9 per cent. The growth rate for year ending June 2016 was 4.5 per cent, mainly due to sluggish growth from the Business and Holiday travel markets, together with the weakened Australian dollar.
Grants

Regional Flagship Events Program 2015-2016

The program supports regional events that have the potential to become tourism flagships for their region, building its image and boosting visitation from outside the region. All grants are provided for under the Destination NSW – Regional Flagship Events Program.

<table>
<thead>
<tr>
<th>Event</th>
<th>Organisation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Longboard Surfing Championships (Kingscliff)</td>
<td>Island Style Productions</td>
<td>$20,000</td>
</tr>
<tr>
<td>Bathurst Motor Festival (Bathurst)</td>
<td>Yeehah Events</td>
<td>$10,000</td>
</tr>
<tr>
<td>Bathlow Cider Fest (Bathlow)</td>
<td>Bathlow Development League</td>
<td>$10,000</td>
</tr>
<tr>
<td>Boggabri Drovers Campfire Weekend (Boggabri)</td>
<td>Boggabri Lions Club</td>
<td>$10,000</td>
</tr>
<tr>
<td>Byron Spirit Festival (Byron Bay)</td>
<td>Spirit Festival Pty Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>Canowindra Balloon Challenge (Canowindra)</td>
<td>Canowindra Challenge Inc</td>
<td>$20,000</td>
</tr>
<tr>
<td>Carcoar Cup Running Festival (Carcoar)</td>
<td>EnviroMio Pty Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>Chromefest (The Entrance)</td>
<td>The Entrance Town Centre Management Corporation Inc</td>
<td>$20,000</td>
</tr>
<tr>
<td>Cobargo Folk Festival (Cobargo)</td>
<td>Yuin Folk Club Inc.</td>
<td>$10,000</td>
</tr>
<tr>
<td>Coffs Harbour Running Festival (Coffs Harbour)</td>
<td>Village Sport Coffs Harbour Pty Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>Crookwell Potato Festival (Crookwell)</td>
<td>Upper Lachlan Shire Council</td>
<td>$10,000</td>
</tr>
<tr>
<td>Curryfest (Woolgoolga)</td>
<td>Woolgoolga &amp; Northern Beaches Chamber of Commerce</td>
<td>$10,000</td>
</tr>
<tr>
<td>Deniliquin Fishing Classic (Deniliquin)</td>
<td>Deniliquin RSL Club Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>Dubbo Stampede (Dubbo)</td>
<td>Dubbo Stampede Committee</td>
<td>$10,000</td>
</tr>
<tr>
<td>Eden Whale Festival (Eden)</td>
<td>Eden Whale Festival Inc</td>
<td>$20,000</td>
</tr>
<tr>
<td>Eurobodalla River of Art Festival (Durras Lakes to Tilba Tilba)</td>
<td>Eurobodalla River of Art Inc</td>
<td>$10,000</td>
</tr>
<tr>
<td>Huskisson Long Course Triathlon Festival (Huskisson)</td>
<td>Elite Energy Pty Ltd</td>
<td>$20,000</td>
</tr>
<tr>
<td>Kidgeridge Music Festival (Milton)</td>
<td>Kidgeridge Music Festival</td>
<td>$10,000</td>
</tr>
<tr>
<td>Lambing Flat Chinese Festival (Young)</td>
<td>Shire of Young</td>
<td>$10,000</td>
</tr>
<tr>
<td>Murrumbateman Moving Feast (Yass Valley)</td>
<td>Makers of Murrumbateman</td>
<td>$10,000</td>
</tr>
<tr>
<td>Orange F.O.O.D Week (Orange)</td>
<td>Food of Orange District Week Inc</td>
<td>$20,000</td>
</tr>
<tr>
<td>Orange Wine Festival (Orange)</td>
<td>Orange Region Vignerons Association</td>
<td>$20,000</td>
</tr>
<tr>
<td>Peak Festival (Perisher)</td>
<td>Perisher Resorts Chamber of Commerce</td>
<td>$20,000</td>
</tr>
<tr>
<td>Real Juice Company Citrus Sculptures (Griffith)</td>
<td>Griffith City Council</td>
<td>$10,000</td>
</tr>
<tr>
<td>Sample Food Festival (Bangalow)</td>
<td>Tancred Holdings Pty Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>Sculptures in the Vineyards (Wollombil)</td>
<td>Sculptures in the Vineyards Inc</td>
<td>$20,000</td>
</tr>
<tr>
<td>Sculpture at Scenic World (Katoomba)</td>
<td>Katoomba Scenic Railway Pty Ltd</td>
<td>$20,000</td>
</tr>
<tr>
<td>Snowtime in the Garden (Pokoibin)</td>
<td>Hunter Valley Gardens</td>
<td>$10,000</td>
</tr>
<tr>
<td>Taste Riverina (Wagga Wagga, Griffith, Leeton etc.)</td>
<td>Riverina Regional Tourism Inc</td>
<td>$10,000</td>
</tr>
<tr>
<td>Tastings on the Hastings (Port Macquarie)</td>
<td>Port Macquarie Hastings Council</td>
<td>$10,000</td>
</tr>
<tr>
<td>The Mullum Music Festival (Mullumbimby)</td>
<td>Red Square Music Pty Ltd</td>
<td>$10,000</td>
</tr>
<tr>
<td>The Riverboats of Music Festival (Echuca-Moama)</td>
<td>Echuca-Moama District Tourism Association Incorporated</td>
<td>$20,000</td>
</tr>
<tr>
<td>The Roaring 20s Festival &amp; All That Jazz (Blue Mountains)</td>
<td>Blue Mountains Accommodation &amp; Tourism Association</td>
<td>$10,000</td>
</tr>
<tr>
<td>Warbirds Downunder Airshow (Temora)</td>
<td>Temora Aviation Museum Inc.</td>
<td>$10,000</td>
</tr>
<tr>
<td>Wollongong Triathlon (Wollongong)</td>
<td>Elite Energy</td>
<td>$10,000</td>
</tr>
<tr>
<td>Wingham Akoostik Music Festival (Wingham)</td>
<td>Manning Valley Neighbourhood Services Inc</td>
<td>$10,000</td>
</tr>
<tr>
<td>Ultra Trail Australia (Katoomba)</td>
<td>AROC Sport Pty Ltd</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Total (All Amounts are GST Exclusive) $480,000
## Grants

### REGIONAL VISITOR ECONOMY FUND 2015-2016

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contestable Round One</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murray Regional Tourism Board</td>
<td>Murray Region Destination Appeal Marketing Program [Phase Two]</td>
<td>$350,000</td>
</tr>
<tr>
<td>Destination Wollongong</td>
<td>The Grand Pacific Drive Digital Revitalisation Project</td>
<td>$75,000</td>
</tr>
<tr>
<td>Destination Port Stephens</td>
<td>Destination Appeal Program - Newcastle, Port Stephens and Hunter Valley Wine Country</td>
<td>$70,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$495,000</strong></td>
</tr>
<tr>
<td><strong>Contestable Round Two</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parkes Shire Council</td>
<td>Peak Hill Gold Mine Visitor Experience Improvement Program</td>
<td>$120,000</td>
</tr>
<tr>
<td>Mudgee Region Tourism</td>
<td>Destination Appeal Marketing Campaign: ‘Reset Your Senses’ in Mudgee Region</td>
<td>$120,000</td>
</tr>
<tr>
<td>Destination Port Stephens</td>
<td>The Port Stephens Destination Marketing Program</td>
<td>$197,000</td>
</tr>
<tr>
<td>Hunter Valley Resort</td>
<td>Hunter Valley Adventure Centre Project</td>
<td>$175,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$612,000</strong></td>
</tr>
<tr>
<td><strong>Contestable Round Three</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tindarra Pty Ltd</td>
<td>Expansion of Tindarra Resort by Eight One Bedroom Apartments</td>
<td>$150,000</td>
</tr>
<tr>
<td>Deniliquin Council</td>
<td>Deniliquin Destination Appeal Campaign</td>
<td>$120,500</td>
</tr>
<tr>
<td>Byron Shire Council</td>
<td>Conferencing Byron – Phase One Attraction Accelerator</td>
<td>$120,000</td>
</tr>
<tr>
<td>Moss Vale and Rural Chamber of Commerce Inc.</td>
<td>Southern Highlands Food and Wine Clusters Launch &amp; Accommodation Packages</td>
<td>$60,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$450,500</strong></td>
</tr>
<tr>
<td><strong>Quarantined Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Coast Destination Network</td>
<td>Manning Valley Naturally Campaign</td>
<td>$45,500</td>
</tr>
<tr>
<td>North Coast Destination Network</td>
<td>The Legendary Pacific Coast International Marketing Program 2015-2016</td>
<td>$208,990</td>
</tr>
<tr>
<td>Murray Regional Tourism Board</td>
<td>Operational</td>
<td>$90,000</td>
</tr>
<tr>
<td>Central NSW Tourism</td>
<td>Unearth Central NSW’s Natural and Cultural Heritage</td>
<td>$178,500</td>
</tr>
<tr>
<td>South Coast Regional Tourism Organisaion</td>
<td>South Coast 2016 Unspoilt Marketing Campaign</td>
<td>$340,000</td>
</tr>
<tr>
<td>Tourism Snowy Mountains</td>
<td>The Snowy Mountains - There’s More to It Thank You Think</td>
<td>$175,000</td>
</tr>
<tr>
<td>Riverina Regional Tourism</td>
<td>Riverina Agritourism Phase 3</td>
<td>$170,500</td>
</tr>
<tr>
<td>Central Coast Tourism</td>
<td>Central Coast Short Breaks Campaign</td>
<td>$279,875</td>
</tr>
<tr>
<td>Lord Howe Island</td>
<td>Operational and Marketing</td>
<td>$145,000</td>
</tr>
<tr>
<td>North Coast Destination Network</td>
<td>The Legendary Pacific Coast Fly/Drive Campaign</td>
<td>$418,510</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$2,071,875</strong></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newcastle Airport Pty Ltd</td>
<td>Newcastle Port Stephens Destination Appeal and Route Development Project</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$3,709,375</strong></td>
</tr>
</tbody>
</table>

Note: The following project was successful through the RVEF Quarantined Fund. Due to dormancy status for the applicant the project was funded through the Contestable Fund directly with a project partner.
## Financial Management

### PAYMENT OF ACCOUNTS

| Quarter       | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business | All Suppliers | Small Business |
|---------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
|               | 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 |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| September 2015| 31,649,215 | 829,815 | 12,529 | 57,965 | 7,512 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| December 2015 | 32,681,074 | 901,240 | 15,833 | 154 | 17,637 | 34,911 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| March 2016    | 37,625,013 | 447,373 | 11,874 | 77,393 | 33,648 | 285 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| June 2016     | 48,888,407 | 648,661 | 224,614 | 104,025 | 33,000 | 30,467 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total All Suppliers | 150,843,709 | 2,827,089 | 264,850 | 239,537 | 91,797 | 65,663 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

**Note:** Small business must be registered to be able to be reported on for the payment of account statistics.
Financial Management CONTINUED

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 18.

Liability Management Performance
Destination NSW has no debt greater than $20 million.

Financial Management
In FY16 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 16.

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.

Ross Pearson
Chief Operating Officer & Chief Financial Officer

Additional Matters:

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

83 Destination NSW Financial Statements
112 Destination NSW Staff Agency Financial Statements

1.9 BILLION MORE SPENT BY OVER NIGHT VISITORS IN 2015-2016 FINANCIAL YEAR
Destination NSW Financial Statements

Contents

83 Statement in accordance with Section 41C (1C) of the Public Finance and Audit Act 1983
84 Auditor's Report – Destination NSW
86 Destination NSW: Financial Statements for the year ended 30 June 2016
91 Notes to the Financial Statements
  1. Summary of significant accounting policies
  2. Expenses excluding losses
  3. Revenue
  4. Gain/(loss) on disposal
  5. Other gains/(losses)
  6. Service groups of Destination NSW
100 7. Current assets – cash and cash equivalents
100 8. Current assets – receivables
100 9. Non-current assets – property plant and equipment
101 10. Non-current assets – intangibles
102 11. Fair value measurement of non-financial assets
104 12. Current liabilities – payables
104 13. Current/non-current liabilities – provisions
105 14. Commitments for expenditure
105 15. Contingent liabilities and contingent assets
106 16. Budget review
106 17. Reconciliation of cash flows from operating activities to Net result
106 18. Financial instruments
111 19. Equity transfer
111 20. 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 2015, 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 2016;

[c] At the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.

Date: 16th September 2016

John Hartigan
Chairman

Date: 16th September 2016

Sandra Chipchase
Chief Executive Officer
Auditor's Report – Destination NSW

INDEPENDENT AUDITOR'S REPORT
Destination New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Destination New South Wales (DNSW), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, 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 entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

• give a true and fair view of the financial position of DNSW and the consolidated entity as at 30 June 2016, 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 (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report.

I am independent of DNSW and the consolidated entity in accordance with the auditor independence requirements of:

• Australian Auditing Standards

• ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
The Board's Responsibility for the Financial Statements

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

In preparing the financial statements, the members of the Board must assess the ability of DNSW and the consolidated entity to continue as a going concern unless operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

- that DNSW or the consolidated entity carried out their activities effectively, efficiently and economically
- 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.

Quinlivan

C J Quinlivan

Director, Financial Audit Services

20 September 2016

SYDNEY
### Destination NSW: Financial Statements for the year ended 30 June 2016

#### Beginning of the audited Financial Statements

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

**Expenses excluding losses**

- **Operating expenses**
  - Employee related: 2(a) 19,040 18,990 17,493 - -
  - Personnel services: 2(b) - - - 19,040 17,493
  - Other operating expenses: 2(c) 140,059 140,421 111,461 140,059 111,461
  - Depreciation and amortisation: 2(d) 2,029 1,759 1,702 2,029 1,702
  - Grants and subsidies: 2(e) 4,437 14,900 4,591 4,437 4,591

**Total Expenses excluding losses**: 165,565 176,070 135,247 165,565 135,247

**Revenue**

- **Sale of goods and services**: 3(a) 412 - 322 412 322
- **Investment revenue**: 3(b) 2 750 1,189 2 1,189
- **Grants and contributions**: 3(c) 156,036 165,145 135,153 156,036 135,153
- **Other revenue**: 3(d) 165 - 49 165 49
- **Acceptance by the Crown Entity of employee benefits and other liabilities**: 3(e) 40 325 75 40 75

**Total Revenue**: 156,655 166,220 136,788 156,655 136,788

**Gain / (loss) on disposal**: 4 (79) - (5) (79) (5)

**Other Gains / (losses)**: 5 (124) - (1,125) (124) (1,125)

**Net result**: 17 (9,113) (9,850) 411 (9,113) 411

**Other comprehensive income**

- **Other comprehensive income**: - - - - -

**Total other comprehensive income**: - - - - -

**TOTAL COMPREHENSIVE INCOME**: (9,113) (9,850) 411 (9,113) 411

The accompanying notes form part of these financial statements.
### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

#### ASSETS

**Current Assets**
- Cash and cash equivalents
  - 7: 28,315, 13,765, 28,459, 28,315, 28,459
- Receivables
  - 8: 4,603, 4,317, 5,650, 4,603, 5,650

**Total Current Assets**: 32,918, 18,082, 34,109, 32,918, 34,109

#### Non-Current Assets

- Property, plant and equipment
  - 9: 1,924, 2,142, 2,796, 1,924, 2,796
  - Infrastructure systems
    - 28,315, 4,603, 13,765, 4,603, 5,650

**Total property, plant and equipment**: 4,600, 4,499, 6,543, 4,600, 6,543

- Intangible assets
  - 10: 97, - , 111, 97, 111

**Total Non-Current Assets**: 4,697, 4,499, 6,654, 4,697, 6,654

**Total Assets**: 37,615, 22,581, 40,763, 37,615, 40,763

#### LIABILITIES

**Current Liabilities**
- Payables
  - 12: 27,315, 12,768, 21,273, 27,315, 21,273
- Provisions
  - 13: 2,851, 3,009, 2,805, 2,851, 2,805

**Total Current Liabilities**: 30,166, 15,777, 24,078, 30,166, 24,078

#### Non-Current Liabilities

- Provisions
  - 13: 796, 892, 919, 796, 919

**Total Non-Current Liabilities**: 796, 892, 919, 796, 919

**Total Liabilities**: 30,962, 16,669, 24,997, 30,962, 24,997

#### Net Assets

6,653, 5,912, 15,766, 6,653, 15,766

#### EQUITY

- Accumulated funds
  - 6,653, 5,912, 15,766, 6,653, 15,766

**Total Equity**: 6,653, 5,912, 15,766, 6,653, 15,766

The accompanying notes form part of these financial statements.
### Statement of Changes in Equity for the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th>Consolidated Entity</th>
<th>Notes</th>
<th>Accumulated Funds</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Balance at 1 July 2015</td>
<td></td>
<td>15,766</td>
<td>15,766</td>
</tr>
<tr>
<td>Net result for the year</td>
<td></td>
<td>(9,113)</td>
<td>(9,113)</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>(9,113)</td>
<td>(9,113)</td>
</tr>
<tr>
<td>Balance at 30 June 2016</td>
<td></td>
<td>6,653</td>
<td>6,653</td>
</tr>
</tbody>
</table>

| Balance at 1 July 2014 |       | 15,355            | 15,355       |
| Net result for the year |       | 411               | 411          |
| Total comprehensive income for the year |       | 411               | 411          |
| Balance at 30 June 2015 |       | 15,766            | 15,766       |

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity for the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th>Parent Entity</th>
<th>Accumulated Funds</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>$000</td>
</tr>
<tr>
<td>Balance at 1 July 2015</td>
<td></td>
<td>15,766</td>
</tr>
<tr>
<td>Net result for the year</td>
<td>(9,113)</td>
<td>(9,113)</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>(9,113)</td>
<td>(9,113)</td>
</tr>
<tr>
<td>Balance at 30 June 2016</td>
<td></td>
<td>6,653</td>
</tr>
<tr>
<td>Balance at 1 July 2014</td>
<td></td>
<td>9,545</td>
</tr>
<tr>
<td>Net result for the year</td>
<td>411</td>
<td>411</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>411</td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in net assets from equity transfers</td>
<td>19</td>
<td>5,810</td>
</tr>
<tr>
<td>Total transactions with owners in their capacity as owners</td>
<td></td>
<td>5,810</td>
</tr>
<tr>
<td>Balance at 30 June 2015</td>
<td></td>
<td>15,766</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

<table>
<thead>
<tr>
<th>Notes</th>
<th>Consolidated Actual $000</th>
<th>Consolidated Budget $000</th>
<th>Parent Actual $000</th>
<th>Parent Actual $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee related</td>
<td>(19,354)</td>
<td>(18,665)</td>
<td>(17,849)</td>
<td>-</td>
</tr>
<tr>
<td>Personnel services expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19,354)</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>(4,437)</td>
<td>(14,000)</td>
<td>(4,661)</td>
<td>(4,437)</td>
</tr>
<tr>
<td>Other</td>
<td>(143,709)</td>
<td>(145,921)</td>
<td>(129,833)</td>
<td>(143,709)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(167,500)</td>
<td>(179,486)</td>
<td>(152,343)</td>
<td>(167,500)</td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>415</td>
<td>-</td>
<td>322</td>
<td>415</td>
</tr>
<tr>
<td>Interest received</td>
<td>282</td>
<td>750</td>
<td>909</td>
<td>282</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>154,229</td>
<td>160,145</td>
<td>133,006</td>
<td>154,229</td>
</tr>
<tr>
<td>Other</td>
<td>12,581</td>
<td>10,670</td>
<td>11,056</td>
<td>12,581</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>167,507</td>
<td>171,565</td>
<td>145,293</td>
<td>167,507</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>17</td>
<td>7</td>
<td>(7,921)</td>
<td>(7,050)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of land and buildings, plant and equipment and infrastructure systems</td>
<td>(151)</td>
<td>(60)</td>
<td>(623)</td>
<td>(151)</td>
</tr>
<tr>
<td>Purchases of intangibles</td>
<td>-</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td>(151)</td>
<td>(160)</td>
<td>(623)</td>
<td>(151)</td>
</tr>
<tr>
<td><strong>NET INCREASE/(DECREASE) IN CASH</strong></td>
<td>(144)</td>
<td>(8,081)</td>
<td>(7,673)</td>
<td>(144)</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>28,459</td>
<td>21,846</td>
<td>36,132</td>
<td>28,459</td>
</tr>
<tr>
<td><strong>CLOSING CASH AND CASH EQUIVALENTS</strong></td>
<td>28,315</td>
<td>13,765</td>
<td>28,459</td>
<td>28,315</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Notes to the Financial Statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Destination NSW is a NSW statutory body, established pursuant to the Destination NSW Act 2011. The Destination NSW Group (the Group) comprises Destination NSW and the entity under its control namely the Destination NSW Staff Agency (the Agency).

The Group is a body corporate with a board of management that has a statutory position of Chief Executive Officer (CEO) who is responsible for the day to day management of the Group in accordance with the directions of the Board. The Group is a not-for-profit entity (as profit is not its principal objective).

The Group is consolidated as part of the NSW Total Sector Accounts and after 1 July 2015, falls within the Department of Premier and Cabinet (DPC) cluster of the NSW Public Service.

The Group’s 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. The Agency provides personnel services to Destination NSW.

The Agency has as its head the CEO of Destination NSW and all staff reporting to the CEO.

Where reference in these notes is made to ‘Group’ it refers to the total activities of Destination NSW 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 2016 have been authorised for issue by the Chair and Chief Executive Officer on the date the accompanying Statement by the Chair and Chief Executive Officer was signed.

(b) Basis of preparation

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 & Audit Regulation 2015 and

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at ‘fair value through profit or loss’ and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key report 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

The Group’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 are recoverable from, or payble to, the Australian Tax Office are classified as operating cash flows.
Notes to the Financial Statements CONTINUED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Grants or contributions

Grants or contributions from government and other bodies are generally recognised as income when the Group obtains control or the right to receive the contributions. Control over a grant or contribution is normally obtained upon the receipt of cash. In other cases recognition may be based on the achievement of milestones which would allow the control of the funds to pass to the Group.

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(ii) Sale of goods and services

Revenue from the sale of goods is recognised as revenue when the Group transfers the significant risks and rewards of ownership of the assets and the amount of revenue is reliably measurable.

(iii) Rendering of services

Revenue for the rendering of services is recognised when the service is provided or by reference to the stage of completion.

(iv) Investment revenue

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

Rental revenue from operating leases is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

(g) Assets

(i) Acquisition of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised. All amounts below $5,000 are expensed to profit and loss as incurred.

(iii) Revaluation of property, 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.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants’ perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable 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 11 for further information regarding fair value.

The Group re-values each class of property, plant and equipment 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 the Groups formation.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 property, 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 property, 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.

Each class of asset has a default life which may be varied as a result of management review either at acquisition or at any time during the asset life.

Default asset class lives are:

- Plant and equipment 1 - 8 years
- Infrastructure 8 - 10 years

Depreciation rates are reviewed and determined on an annual basis.

(vi) Restoration costs

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

(vii) Maintenance

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

(viii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of 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 building, vehicles and equipment.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

The 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 entity 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. However, reversals of impairment losses on an investment in an equity instrument classified as ‘available for sale’ must be made through the revaluation surplus. 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) Derecognition 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.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
(ii) Employee benefits and other provisions
(a) Salaries and wages, recreational 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.
Recreational 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).
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. This is based on the application of certain factors (specified in NSWTC 15/09) 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 Group’s liability for defined benefit superannuation is assumed by the Crown Entity. The Group 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 obligation.
Any provision for restructuring is recognised only when the Group has a detailed formal plan and the Group 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) Fair value hierarchy
A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:
- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).
The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Refer to Note 11 and Note 18 for further disclosure regarding fair value measurements of financial and non-financial assets.
(j) 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 the Group’s policy on the revaluation of property, plant and equipment as discussed in note 1(g)(iii).
(ii) Accumulated Funds
The category ‘accumulated funds’ includes all current and prior period retained funds.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Budgeted amounts
The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 16.

(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) 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 had significant influence over Parramasala, it does not control the entity. On 15 September 2015, Destination NSW resigned its membership from Parramasala.

During the year ended 30 June 2016, Destination NSW provided event funding to Parramasala to the amount of $0 (2015: $330,000).

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 a note.

(n) New Australian Accounting Standards issued and effective for the first time at 30 June 2016
The following new Australian Accounting Standards have been issued and are now effective for the first time at 30 June 2016:

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality

(o) New Australian Accounting Standards issued but not effective
The following new Australian Accounting Standards have been issued but are not yet effective. The Group has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the Group, unless otherwise detailed below:

- AASB 9 and AASB 2014-7 regarding financial instruments
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-6 Amendment to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard is expected to apply to the Group for financial periods beginning 1 July 2018. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

In addition, the AASB issued ED 260 Income of Not-for-profit Entities in April 2015. ED 260 proposes additional implementation guidance on applying the principles in AASB 15 to not-for-profit entities as well as replacing the requirements in AASB 1004 Contributions.

The application of AASB 15 may have a material impact on the Group's revenue recognition policies. However, until the AASB finalises its deliberations on ED 260, management has not been able to reasonably estimate the possible future impacts of this standard.

AASB 9 Financial Instruments

AASB 9 will apply to the Group for financial periods beginning 1 July 2018. The Standard includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 also improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

As this Standard will be first applied to the Group's 30 June 2019 financial statements, management is unable to reliably estimate the potential future impacts of this new standard at this time.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and is expected to apply to the Group for financial years beginning 1 July 2019.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with terms of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset and a lease liability. For lessors, the Standard provides accounting requirements that a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The application of AASB 16 may have a material effect on the Group's financial statements (refer note 14 for current operating lease commitments of $3,940m). As the Standard will be first applied to the Group's 30 June 2020 financial statements, management is unable to reliably estimate the potential future impacts of this new standard at this time.
### Expenses Excluding Losses

#### (a) Employee related expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages (including recreation leave)</td>
<td>15,606</td>
<td>14,842</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation – defined benefit plans</td>
<td>38</td>
<td>71</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation – defined contribution plans</td>
<td>1,284</td>
<td>1,081</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long service leave</td>
<td>521</td>
<td>(28)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Workers compensation insurance</td>
<td>45</td>
<td>38</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payroll tax and fringe benefits tax</td>
<td>1,098</td>
<td>991</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redundancy payments</td>
<td>148</td>
<td>267</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other - miscellaneous</td>
<td>300</td>
<td>231</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,040</td>
<td>17,493</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### (b) Personnel Services

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel services</td>
<td>-</td>
<td>-</td>
<td>19,040</td>
<td>17,493</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>19,040</td>
<td>17,493</td>
</tr>
</tbody>
</table>

#### (c) Other operating expenses include the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation expenses</td>
<td>146</td>
<td>119</td>
<td>146</td>
<td>119</td>
</tr>
<tr>
<td>Administration fees</td>
<td>100</td>
<td>63</td>
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<td>63</td>
</tr>
<tr>
<td>Advertising</td>
<td>30,738</td>
<td>30,260</td>
<td>30,738</td>
<td>30,260</td>
</tr>
<tr>
<td>Auditor’s remuneration – audit of financial reports</td>
<td>96</td>
<td>92</td>
<td>96</td>
<td>92</td>
</tr>
<tr>
<td>Auditor’s remuneration – other services</td>
<td>158</td>
<td>160</td>
<td>158</td>
<td>160</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consultancy</td>
<td>478</td>
<td>15</td>
<td>478</td>
<td>15</td>
</tr>
<tr>
<td>Contractors</td>
<td>4,287</td>
<td>7,178</td>
<td>4,287</td>
<td>7,178</td>
</tr>
<tr>
<td>Fees - events</td>
<td>415</td>
<td>233</td>
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<td>233</td>
</tr>
<tr>
<td>Fees - other</td>
<td>4,356</td>
<td>4,421</td>
<td>4,356</td>
<td>4,421</td>
</tr>
<tr>
<td>Maintenance*</td>
<td>47</td>
<td>122</td>
<td>47</td>
<td>122</td>
</tr>
<tr>
<td>Motor vehicle expenses</td>
<td>89</td>
<td>82</td>
<td>89</td>
<td>82</td>
</tr>
<tr>
<td>Operating lease rental expense – minimum lease payments</td>
<td>2,341</td>
<td>2,107</td>
<td>2,341</td>
<td>2,107</td>
</tr>
<tr>
<td>Other operating</td>
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<td>651</td>
<td>3,244</td>
<td>651</td>
</tr>
<tr>
<td>Printing and publication</td>
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<td>254</td>
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</tr>
<tr>
<td>Promotion</td>
<td>89,519</td>
<td>62,610</td>
<td>89,519</td>
<td>62,610</td>
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<tr>
<td>Purchases</td>
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<td>264</td>
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<tr>
<td>Telecommunication</td>
<td>236</td>
<td>251</td>
<td>236</td>
<td>251</td>
</tr>
<tr>
<td>Travel</td>
<td>1,318</td>
<td>1,395</td>
<td>1,318</td>
<td>1,395</td>
</tr>
<tr>
<td>Visiting journalist accommodation and expenses</td>
<td>1,919</td>
<td>1,184</td>
<td>1,919</td>
<td>1,184</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>140,059</td>
<td>111,461</td>
<td>140,059</td>
<td>111,461</td>
</tr>
</tbody>
</table>

**Maintenance Reconciliation**

* Maintenance expense - contracted labour and other (non-employee related), as above
  | 2016  | 2015  |
|-----------------------------------------|-------|-------|
| 47                                       | 122   |

**Employee related maintenance expense included in Note 2(a)**

**Total Maintenance expenses included in Note 2(a) + 2(b)**

| 2016  | 2015  |
|-----------------------------------------|-------|-------|
| 47                                          | 122   |

#### (d) Depreciation and amortisation expense

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>1,071</td>
<td>938</td>
<td>1,071</td>
<td>938</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>944</td>
<td>750</td>
<td>944</td>
<td>750</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,029</td>
<td>1,702</td>
<td>2,029</td>
<td>1,702</td>
</tr>
</tbody>
</table>

#### (e) Grants and subsidies

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant to other non-government bodies</td>
<td>4,437</td>
<td>4,591</td>
<td>4,437</td>
<td>4,591</td>
</tr>
</tbody>
</table>
### 3. Revenues

<table>
<thead>
<tr>
<th></th>
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<th>Parent</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 $000</td>
<td>2015 $000</td>
<td>2016 $000</td>
</tr>
<tr>
<td><strong>(a) Sale of goods and services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rendering of services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other services</td>
<td>412</td>
<td>322</td>
<td>412</td>
</tr>
<tr>
<td></td>
<td><strong>412</strong></td>
<td><strong>322</strong></td>
<td><strong>412</strong></td>
</tr>
<tr>
<td><strong>(b) Investment revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>2</td>
<td>1,189</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>2</strong></td>
<td><strong>1,189</strong></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td><strong>(c) Grants and contributions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants – NSW Budget Sector Agencies</td>
<td>775</td>
<td>4,843</td>
<td>775</td>
</tr>
<tr>
<td>Grant and contributions - Industry / Private Bodies</td>
<td>4,977</td>
<td>4,296</td>
<td>4,977</td>
</tr>
<tr>
<td>Transfer payments Recurrent - Department of Industry, Skills and Regional Development (NSW Department of Industry)</td>
<td>-</td>
<td>123,803</td>
<td>-</td>
</tr>
<tr>
<td>Transfer payment Capital - NSW Department of Industry</td>
<td>-</td>
<td>160</td>
<td>-</td>
</tr>
<tr>
<td>Recurrent Grant - Department of Premier and Cabinet</td>
<td>147,085</td>
<td>-</td>
<td>147,085</td>
</tr>
<tr>
<td>Capital Grant - Department of Premier and Cabinet</td>
<td>160</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>In kind sponsorship</td>
<td>3,039</td>
<td>2,051</td>
<td>3,039</td>
</tr>
<tr>
<td></td>
<td><strong>156,036</strong></td>
<td><strong>135,153</strong></td>
<td><strong>156,036</strong></td>
</tr>
<tr>
<td><strong>(d) Other revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>165</td>
<td>49</td>
<td>165</td>
</tr>
<tr>
<td></td>
<td><strong>165</strong></td>
<td><strong>49</strong></td>
<td><strong>165</strong></td>
</tr>
<tr>
<td><strong>(e) Acceptance by the Crown Entity of employee benefits and other liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superannuation</td>
<td>38</td>
<td>71</td>
<td>38</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>40</strong></td>
<td><strong>75</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

### 4. Gain / (Loss) on Disposal

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 $000</td>
<td>2015 $000</td>
<td>2016 $000</td>
</tr>
<tr>
<td><strong>Gain / (loss) on disposal of property, plant and equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Written down value of assets disposed</td>
<td>(79)</td>
<td>(5)</td>
<td>(79)</td>
</tr>
<tr>
<td>Net gain / (loss) on disposal of property, plant and equipment</td>
<td>(79)</td>
<td>(5)</td>
<td>(79)</td>
</tr>
<tr>
<td><strong>Gain / (loss) on disposal of assets held for sale</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gain / (loss) on disposal of assets held for sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gain / (loss) on disposal</td>
<td>(79)</td>
<td>(5)</td>
<td>(79)</td>
</tr>
</tbody>
</table>

### 5. Other Gains / (Losses)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 $000</td>
<td>2015 $000</td>
<td>2016 $000</td>
</tr>
<tr>
<td><strong>Other gains / (losses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of Receivables</td>
<td>(124)</td>
<td>-</td>
<td>(124)</td>
</tr>
<tr>
<td>Devaluation of infrastructure</td>
<td>-</td>
<td>(1,125)</td>
<td>-</td>
</tr>
<tr>
<td>Net gain / (loss) on disposal of infrastructure</td>
<td>(124)</td>
<td>(1,125)</td>
<td>(124)</td>
</tr>
</tbody>
</table>

### 6. Service Groups of Destination NSW

Destination NSW has 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

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>28,315</td>
<td>28,459</td>
<td>28,315</td>
<td>28,459</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,315</td>
<td>28,459</td>
<td>28,315</td>
<td>28,459</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (per statement of financial position)</td>
<td>28,315</td>
<td>28,459</td>
<td>28,315</td>
<td>28,459</td>
</tr>
<tr>
<td><strong>Closing cash and cash equivalents (per statement of cash flows)</strong></td>
<td>28,315</td>
<td>28,459</td>
<td>28,315</td>
<td>28,459</td>
</tr>
</tbody>
</table>

Refer Note 18 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 8. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>1,416</td>
<td>1,775</td>
<td>1,416</td>
<td>1,775</td>
</tr>
<tr>
<td>Less: Allowance for impairment</td>
<td>(124)</td>
<td>-</td>
<td>(124)</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments</td>
<td>29</td>
<td>58</td>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>280</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>Net GST</td>
<td>3,136</td>
<td>2,915</td>
<td>3,136</td>
<td>2,915</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>146</td>
<td>622</td>
<td>146</td>
<td>622</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,603</td>
<td>5,650</td>
<td>4,603</td>
<td>5,650</td>
</tr>
</tbody>
</table>

**Movement in the allowance for impairment**

- Balance at 1 July: -
- Increase / (decrease) in allowance recognised in profit and loss: 124
- Balance at 30 June: 124

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 18.

#### 9. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Infrastructure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Parent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
<tr>
<td>At 1 July 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>4,390</td>
<td>4,390</td>
<td>14,215</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(1,594)</td>
<td>(1,594)</td>
<td>(7,672)</td>
</tr>
<tr>
<td><strong>Net carrying amount</strong></td>
<td>2,796</td>
<td>2,796</td>
<td>6,543</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>4,329</td>
<td>4,329</td>
<td>14,154</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(2,405)</td>
<td>(2,405)</td>
<td>(9,554)</td>
</tr>
<tr>
<td><strong>Net carrying amount</strong></td>
<td>1,924</td>
<td>1,924</td>
<td>4,600</td>
</tr>
</tbody>
</table>

**Reconciliation**

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

**Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>2,796</td>
<td>2,796</td>
<td>6,543</td>
</tr>
<tr>
<td>Additions</td>
<td>151</td>
<td>151</td>
<td>151</td>
</tr>
<tr>
<td>Disposals</td>
<td>(212)</td>
<td>(212)</td>
<td>(212)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(944)</td>
<td>(944)</td>
<td>(2,015)</td>
</tr>
<tr>
<td>Write back on disposal</td>
<td>133</td>
<td>133</td>
<td>133</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of period</strong></td>
<td>1,924</td>
<td>1,924</td>
<td>4,600</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

#### 9. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)

<table>
<thead>
<tr>
<th>Year ended 30 June 2015</th>
<th>Plant and Equipment</th>
<th>Infrastructure Systems</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated $000</td>
<td>Parent $000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>2,928</td>
<td>2,928</td>
<td>5,850</td>
</tr>
<tr>
<td>At fair value</td>
<td>3,804</td>
<td>3,804</td>
<td>7,608</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>(876)</td>
<td>(876)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(962)</td>
<td>(962)</td>
<td>6,840</td>
</tr>
<tr>
<td>At 30 June 2014</td>
<td>2,928</td>
<td>2,928</td>
<td>5,850</td>
</tr>
<tr>
<td></td>
<td>(1,125)</td>
<td>(1,125)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>14,215</td>
<td>14,215</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(7,672)</td>
<td>(7,672)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3,793)</td>
<td>(3,793)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12,531</td>
<td>12,531</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3,793)</td>
<td>(3,793)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,738</td>
<td>8,738</td>
<td></td>
</tr>
</tbody>
</table>

**Reconciliation**

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

<table>
<thead>
<tr>
<th>Year ended 30 June 2015</th>
<th>Plant and Equipment</th>
<th>Infrastructure Systems</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated $000</td>
<td>Parent $000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>2,928</td>
<td>2,928</td>
<td>5,850</td>
</tr>
<tr>
<td>Additions</td>
<td>623</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>(5)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Acquisitions through administrative restructures</td>
<td>-</td>
<td>-</td>
<td>5,810</td>
</tr>
<tr>
<td>Revaluation decrement recognised in profit and loss</td>
<td>-</td>
<td>-</td>
<td>1,125</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(750)</td>
<td>(750)</td>
<td>(938)</td>
</tr>
<tr>
<td></td>
<td>(750)</td>
<td>(750)</td>
<td>1,125</td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td>(1,688)</td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td>(1,688)</td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
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<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,543</td>
<td>6,543</td>
<td></td>
</tr>
</tbody>
</table>

Further details regarding fair value measurement are shown in Note 11.

#### 10. INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th>Year ended 30 June 2015</th>
<th>Software</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated $000</td>
<td>Parent $000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(29)</td>
<td>(29)</td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(43)</td>
<td>(43)</td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td>At 1 July 2014</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(15)</td>
<td>(15)</td>
</tr>
<tr>
<td>Net Carrying amount</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>At 30 June 2015</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(29)</td>
<td>(29)</td>
</tr>
<tr>
<td>Net Carrying amount</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Year ended 30 June 2015</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td>111</td>
<td>111</td>
</tr>
</tbody>
</table>

Further details regarding fair value measurement are shown in Note 11.
11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The fair value of non-financial assets have been measured in accordance with AASB 13 *Fair Value Measurement*. Under AASB 13, fair value is defined as ‘the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date’.

To increase consistency and comparability in fair value measurements and related disclosures, AASB 13 establishes a fair value hierarchy that categorises into three levels aligned to the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 inputs are unobservable inputs for assets or liabilities. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for assets or liabilities at the measurement date. Where level 3 is adopted a sensitivity analysis shall be included in the assessment of value.

(a) Fair value hierarchy

At 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment (Note 9)</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Infrastructure systems</td>
<td>-</td>
<td>-</td>
<td>2,676</td>
<td>2,676</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>2,676</td>
<td>2,676</td>
</tr>
</tbody>
</table>

At 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment (Note 9)</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Infrastructure systems</td>
<td>-</td>
<td>-</td>
<td>3,747</td>
<td>3,747</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>3,747</td>
<td>3,747</td>
</tr>
</tbody>
</table>

Infrastructure systems have been classified as level 3.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(b) Reconciliation of recurring Level 3 fair value measurements

<table>
<thead>
<tr>
<th>Recurring Level 3 fair value measurements</th>
<th>Consolidated Infrastructure Systems</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Fair value as at 1 July 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,747</td>
<td>3,747</td>
</tr>
<tr>
<td>Fair value as at 30 June 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,071)</td>
<td></td>
<td>(1,071)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value as at 1 July 2014</td>
<td>5,810</td>
<td>5,810</td>
</tr>
<tr>
<td>Revaluation decrement</td>
<td>(1,125)</td>
<td>(1,125)</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value as at 30 June 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(938)</td>
<td></td>
<td>(938)</td>
</tr>
</tbody>
</table>

(c) Valuation techniques, inputs and processes

(i) Recurring and non-recurring level 3 fair value measurement - valuation processes

The V8 Supercars Sydney 500 Infrastructure is a combination of assets (such as tyre stacks, debris fences, concrete barriers, pedestrian bridges, overtrack signs, etc) required to host the Sydney 500 Supercar race. Individually the assets have a relatively low value, however together the assets form an infrastructure support service for such events.

NSW Public Works - Government Architects Office (NSWPW) were engaged to value the infrastructure systems as at 30 June 2015.

Valuation of V8 Supercars Sydney 500 Infrastructure Systems

The asset was valued with a maximum, nine year, total useful life value for the majority of the assets as at 30 June 2015.

NSWPW established rates to be applied to the asset quantities. The unit rates were derived from a combination of the NSWPW database of recent tender prices, other relevant cost database, industry research and their knowledge of current industry trends.

Utilising the aforementioned quantities and rates, NSWPW determined the current replacement cost of each examined asset. This was then escalated to the required valuation date of 30 June 2015 using the Building Price Index. The valuation is adjusted only if the expected increase since 30 June 2015 is material.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

12. CURRENT LIABILITIES - PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016  $000</td>
<td>2015  $000</td>
<td>2016  $000</td>
<td>2015  $000</td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued salaries, wages and on-costs</td>
<td>269</td>
<td>496</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned income</td>
<td>240</td>
<td>383</td>
<td>240</td>
<td>383</td>
</tr>
<tr>
<td>Personnel services</td>
<td>-</td>
<td>-</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>Creditors</td>
<td>26,806</td>
<td>20,394</td>
<td>26,806</td>
<td>20,394</td>
</tr>
<tr>
<td></td>
<td>27,315</td>
<td></td>
<td>27,315</td>
<td></td>
</tr>
<tr>
<td>NON-CURRENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate employee benefits and related on-costs</td>
<td>1,318</td>
<td>1,296</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreation leave</td>
<td>1,533</td>
<td>1,509</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Personnel services provision</td>
<td>-</td>
<td>-</td>
<td>2,851</td>
<td>2,805</td>
</tr>
<tr>
<td>Total current provisions</td>
<td>2,851</td>
<td>2,805</td>
<td>2,851</td>
<td>2,805</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 18.

13. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016  $000</td>
<td>2015  $000</td>
<td>2016  $000</td>
<td>2015  $000</td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>322</td>
<td>453</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td>Personnel services payable (Note 12)</td>
<td>-</td>
<td>-</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>Total current provisions</td>
<td>796</td>
<td>919</td>
<td>796</td>
<td>919</td>
</tr>
</tbody>
</table>

Note:
1) Provision for Make Good: - 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.

Aggregate employee benefits and related on-costs

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016  $000</td>
<td>2015  $000</td>
<td>2016  $000</td>
<td>2015  $000</td>
</tr>
<tr>
<td>Provisions – current</td>
<td>2,851</td>
<td>2,805</td>
<td>2,851</td>
<td>2,805</td>
</tr>
<tr>
<td>Provisions – non-current</td>
<td>322</td>
<td>453</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td>Personnel services payable (Note 12)</td>
<td>-</td>
<td>-</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>Accrued salaries, wages and on-costs (Note 12)</td>
<td>269</td>
<td>496</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,442</td>
<td>3,754</td>
<td>3,442</td>
<td>3,754</td>
</tr>
</tbody>
</table>

Movements in provisions (other than employee benefits)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016  $000</td>
<td>2015  $000</td>
<td>2016  $000</td>
<td>2015  $000</td>
</tr>
<tr>
<td>Restoration costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at beginning of financial year</td>
<td>466</td>
<td>432</td>
<td>466</td>
<td>432</td>
</tr>
<tr>
<td>Additional provisions recognised</td>
<td>8</td>
<td>22</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Unused amounts reversed</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Carrying amount at end of financial year</td>
<td>474</td>
<td>466</td>
<td>474</td>
<td>466</td>
</tr>
</tbody>
</table>

Recreation leave

The liability at 30 June 2016 was $1,318,000 (2015: $1,296,000). This is based on leave entitlements at 30 June 2016. The value of recreational leave expected to be taken within 12 months is $396,000 (2015: $389,000) and $922,000 (2015: $907,000) after 12 months.

Long service leave

The liability at 30 June 2016 was $1,855,000 (2015: $1,962,000). This is based on leave entitlements at 30 June 2016.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

14. COMMITMENTS FOR EXPENDITURE

(a) Capital commitments
As at 30 June 2016 Destination NSW had no capital commitments (2015: Nil).

(b) Operating lease commitments
Future non-cancellable operating lease rentals not provided for and payable:
Not later than one year 2,051 2,212 2,051 2,212
Later than one year and not later than five years 1,889 3,941 1,889 3,941
Later than five years - - - -
Total (including GST) 3,940 6,153 3,940 6,153

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

(c) Finance Lease Commitments
As at 30 June 2016 Destination NSW had no finance lease commitments (2015: Nil).

(d) Partnership Agreement with NSW Department of Industry
Not later than one year 437 437 437 437
Later than one year and not later than five years - - - -
Later than five years - - - -
Total (including GST) 437 437 437 437

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

(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 49,083 37,741 49,083 37,741
Later than one year and not later than five years 73,948 78,761 73,948 78,761
Later than five years 13,876 6,298 13,876 6,298
Total (including GST) 136,907 122,800 136,907 122,800

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

(f) Tourism funding commitments
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:
Not later than one year 10,759 7,631 10,759 7,631
Later than one year and not later than five years 7,651 998 7,651 998
Later than five years - - - -
Total (including GST) 18,410 8,629 18,410 8,629

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

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS
The Board is unaware of the existence of any contingent liabilities or contingent assets as at balance date (2015: $0).
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. 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 2016 was $0.7m higher than budget. This was primarily due to approved NSW Treasury adjustments.

The net deficit result of $9.1m was primarily due to the approved carry forward of current year funding to later years. Recent reforms to cash management in the NSW Public Sector resulted in the Group not receiving in the current year the recurrent grant in respect of this carry forward.

Assets and liabilities

The net assets are $0.7m higher than budget. Current assets are higher than budget ($14.8m) predominately due to higher cash and cash equivalents ($28.3m). 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 ($14.5m higher than budget).

Cash flows

The net increase in cash of $7.9m is higher than budget. This is primarily due to total payments being under budget by $13.5m and total receipts being under budget by ($5.6m).

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 $000</td>
<td>2015 $000</td>
</tr>
<tr>
<td>Net Cash used on operating activities</td>
<td>7 (7,050)</td>
<td>7 (7,050)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(2,029)</td>
<td>(1,702)</td>
</tr>
<tr>
<td>Decrease / (increase) in provisions</td>
<td>77</td>
<td>258</td>
</tr>
<tr>
<td>Increase / (decrease) in receivables</td>
<td>(1,047)</td>
<td>993</td>
</tr>
<tr>
<td>Decrease / (increase) in creditors</td>
<td>(6,042)</td>
<td>9,042</td>
</tr>
<tr>
<td>Net gain / (loss) in sale of plant and equipment</td>
<td>(79)</td>
<td>(5)</td>
</tr>
<tr>
<td>Other gain / (loss)</td>
<td>- (1,125)</td>
<td>- (1,125)</td>
</tr>
<tr>
<td>Net Result</td>
<td>(9,113)</td>
<td>411</td>
</tr>
</tbody>
</table>

18. 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 audit committee on a continuous basis.
## Notes to the Financial Statements CONTINUED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

### 18. FINANCIAL INSTRUMENTS (continued)

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Note</th>
<th>Category</th>
<th>Consolidated Carrying</th>
<th>Parent Carrying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Cash and cash</td>
<td>7</td>
<td>N/A</td>
<td>28,315</td>
<td>28,459</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables¹</td>
<td>8</td>
<td>Loans and receivables (at amortised cost)</td>
<td>1,438</td>
<td>2,677</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>29,753</td>
<td>31,136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Note</th>
<th>Category</th>
<th>Consolidated Carrying</th>
<th>Parent Carrying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Payables²</td>
<td>12</td>
<td>Financial liabilities measured at amortised cost</td>
<td>27,075</td>
<td>20,890</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>27,075</td>
<td>20,890</td>
</tr>
</tbody>
</table>

**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, authority deposits and advances receivable. 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 NSW Treasury Banking System. No interest is earned by Destination NSW on bank balances.

No interest is earned on the overseas Advance Accounts.

**Receivables - trade debtors**

All trade debtors are recognised as receivable amounts at balance date. The policy is to review collectability of trade debtors on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand where necessary. Debts which are known to be uncollectable 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. Sales are made on 30 day terms.

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 $776,000 (2015: $237,000) and past due $640,000 (2015: $1,538,000) are not considered impaired. Together these represent 100% (2015: 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 AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18. FINANCIAL INSTRUMENTS (continued)

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>Total(^1) Past due but not impaired(^1)</th>
<th>Considered impaired(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;3 months overdue</td>
<td>634</td>
<td>510</td>
</tr>
<tr>
<td>3 months - 6 months overdue</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;3 months overdue</td>
<td>1,509</td>
<td>1,509</td>
</tr>
<tr>
<td>3 months - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>29</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parent</th>
<th>Total(^1) Past due but not impaired(^1)</th>
<th>Considered impaired(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;3 months overdue</td>
<td>634</td>
<td>510</td>
</tr>
<tr>
<td>3 months - 6 months overdue</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;3 months overdue</td>
<td>1,509</td>
<td>1,509</td>
</tr>
<tr>
<td>3 months - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>29</td>
<td>29</td>
</tr>
</tbody>
</table>

Notes
1. Each Column in the table reports ‘gross receivables’.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the ‘total’ does not reconcile to the receivables 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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>MasterCard Limit</td>
<td>950</td>
<td>950</td>
</tr>
</tbody>
</table>
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 current year and prior year, 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 prior periods' data and 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 no 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 the 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 Board may automatically pay the supplier simple interest. The rate of interest applied during the year was 0% (2015: 0%).

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

<table>
<thead>
<tr>
<th>Maturity Dates</th>
<th>&lt; 1 yr</th>
<th>1 - 5 yrs</th>
<th>&gt; 5 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>27,075</td>
<td>27,075</td>
<td>27,075</td>
</tr>
<tr>
<td>2015</td>
<td>20,890</td>
<td>20,890</td>
<td>20,890</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Maturity Dates</th>
<th>&lt; 1 yr</th>
<th>1 - 5 yrs</th>
<th>&gt; 5 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>27,075</td>
<td>27,075</td>
<td>27,075</td>
</tr>
<tr>
<td>2015</td>
<td>20,890</td>
<td>20,890</td>
<td>20,890</td>
</tr>
</tbody>
</table>

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.
18. FINANCIAL INSTRUMENTS (continued)

(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 financial position date. The analysis is performed on the same basis as for 2015. 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. The Group does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>Carrying Amount $000</th>
<th>Result $000</th>
<th>Equity $000</th>
<th>Result $000</th>
<th>Equity $000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-1%</td>
<td></td>
<td>+1%</td>
<td></td>
</tr>
<tr>
<td>2016 Financial Assets</td>
<td>Cash and cash equivalents</td>
<td>28,315</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>1,438</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Financial Liabilities</td>
<td>Payables</td>
<td>27,075</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>2,677</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Financial Liabilities</td>
<td>Payables</td>
<td>20,890</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parent</th>
<th>Carrying Amount $000</th>
<th>Result $000</th>
<th>Equity $000</th>
<th>Result $000</th>
<th>Equity $000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-1%</td>
<td></td>
<td>+1%</td>
<td></td>
</tr>
<tr>
<td>2016 Financial Assets</td>
<td>Cash and cash equivalents</td>
<td>28,315</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>1,438</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Financial Liabilities</td>
<td>Payables</td>
<td>27,075</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>2,677</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Financial Liabilities</td>
<td>Payables</td>
<td>20,890</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Other price risk - TCorp Hour Glass Investment facilities

The Group holds no units in Hour-Glass investment trusts.

(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.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

19. EQUITY TRANSFER

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

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

The table below details the assets transferred to Destination NSW

<table>
<thead>
<tr>
<th>Plant and Equipment - Infrastructure systems</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td>5,810</td>
</tr>
</tbody>
</table>

20. EVENTS AFTER THE REPORTING PERIOD

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

End of the audited Financial Statements
Destination NSW Staff Agency Financial Statements

Contents

113  Statement by the Chief Executive Officer
114  Auditor’s Report – Destination NSW Staff Agency
116  Destination NSW Staff Agency: Financial Statements for the Year ended 30 June 2016
120  Notes to the Financial Statements
120   1. Summary of significant accounting policies
123   2. Expenses excluding losses
123   3. Revenue
123   4. Current/non-current assets – receivables
123   5. Current liabilities – payables
124   6. Current/non-current liabilities – provisions
124   7. Contingent liabilities and contingent assets
124   8. Audit fees
124   9. Reconciliation of cash flows from operating activities to the Net result
125  10. Financial instruments
126  11. Equity transfer
126  12. Events after the reporting period
Destiny 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 Destiny NSW, I 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 and the applicable clauses of the Public Finance and Audit Regulation 2015;

(b) The accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Destiny NSW Staff Agency for the year ended 30 June 2016;

(c) At the date of signing I am not aware of any circumstances that would render the financial statements misleading or inaccurate.

Date: 16th September 2016

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

Opinion

I have audited the accompanying financial statements of Destination New South Wales Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2016, 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.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Staff Agency as at 30 June 2016, 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 (PF&A Act) and the Public Finance and Audit Regulation 2013.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report.

I am independent of the Staff Agency in accordance with the auditor independence requirements of:

• Australian Auditing Standards
• ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
The Board’s Responsibility for the Financial Statements

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

In preparing the financial statements, the members of the Board must assess the Staff Agency’s ability to continue as a going concern unless the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor’s Responsibility for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Staff Agency carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.

C J Giurello
Director, Financial Audit Services

20 September 2016

SYDNEY
# Statement of Comprehensive Income for the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016 $000</th>
<th>2015 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses excluding losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee related</td>
<td>2(a)</td>
<td>19,040</td>
<td>17,493</td>
</tr>
<tr>
<td>Total Expenses excluding losses</td>
<td></td>
<td>19,040</td>
<td>17,493</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel services</td>
<td>3(a)</td>
<td>19,000</td>
<td>17,418</td>
</tr>
<tr>
<td>Acceptance by Crown Entity of employee benefits and other liabilities</td>
<td>3(b)</td>
<td>40</td>
<td>75</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>19,040</td>
<td>17,493</td>
</tr>
<tr>
<td>Net result</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Current Assets</td>
<td>4</td>
<td>3,120</td>
<td>3,301</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>4</td>
<td>3,120</td>
<td>3,301</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>4</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td></td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>3,442</td>
<td>3,754</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>5</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>Payables</td>
<td>6</td>
<td>2,851</td>
<td>2,805</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>6</td>
<td>3,120</td>
<td>3,301</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>6</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>6</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>3,442</td>
<td>3,754</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Equity</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Accumulated Funds $000</th>
<th>Total Equity $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2015</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net result for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total transactions with owners in their capacity as owners</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30 June 2016</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Balance at 1 July 2014 | 5,810 | 5,810 |
| Net result for the year | - | - |
| Total comprehensive income for the year | - | - |
| Transactions with owners in their capacity as owners | - | - |
| Increase / (decrease) in net assets from equity transfers 11 | (5,810) | (5,810) |
| Total transactions with owners in their capacity as owners | (5,810) | (5,810) |
| Balance at 30 June 2015 | - | - |

The accompanying notes form part of these financial statements.
### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

- **Payments**
  - Employee related
  - Other
  - **Total Payments**

- **Receipts**
  - Personnel services
  - Other
  - **Total Receipts**

- **NET CASH FLOWS FROM OPERATING ACTIVITIES**

**NET INCREASE/(DECREASE) IN CASH**

- Opening cash and cash equivalents
- Cash transferred in / (out) as a result of administrative restructuring

**CLOSING CASH AND CASH EQUIVALENTS**

The accompanying notes form part of these 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 Department of Premier and Cabinet 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.

The Agency has as its head the CEO of Destination NSW and all staff reporting to the CEO.

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Chief Executive Officer on the date the accompanying Statement by the Chief Executive Officer was signed.

(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 requirements of the Public Finance and Audit Act 1983 and Public Finance & Audit Regulation 2015

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at ‘fair value through profit and loss’ and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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).

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

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.

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 are recoverable from, or payable to, the Australian Tax 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) 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.

The Agency does not operate its own bank account. Employee related payments are processed through the Destination NSW bank account, therefore nil balances in the statement of financial position and no cash movements in the statement of cash flows.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
   
   (g) 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.

   (h) Liabilities
   (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.

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

   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% 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.

   (b) Long service leave
   Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 15/09) 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.

   (i) Equity and reserves
   (i) Accumulated Funds
   The category 'accumulated funds' includes all current and prior period retained funds.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

(l) New Australian Accounting Standards issued and effective for the first time at 30 June 2016
The following new Australian Accounting Standards have been issued and are now effective for the first time at 30 June 2016.

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality

(m) New Australian Accounting Standards issued but not effective
The following new Australian Accounting Standards have been issued but are not yet effective. The Agency has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the Agency, unless otherwise detailed below:

- AASB 9 and AASB 2014-7 regarding financial instruments
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-7 Amendment to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. EXPENSES EXCLUDING LOSSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Employee related expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages (including recreation leave)</td>
<td>15,606</td>
<td>14,842</td>
</tr>
<tr>
<td>Superannuation – defined benefit plans</td>
<td>38</td>
<td>71</td>
</tr>
<tr>
<td>Superannuation – defined contribution plans</td>
<td>1,284</td>
<td>1,081</td>
</tr>
<tr>
<td>Long service leave</td>
<td>521</td>
<td>(28)</td>
</tr>
<tr>
<td>Workers compensation insurance</td>
<td>45</td>
<td>38</td>
</tr>
<tr>
<td>Payroll tax and fringe benefits tax</td>
<td>1,098</td>
<td>991</td>
</tr>
<tr>
<td>Redundancy payments</td>
<td>148</td>
<td>267</td>
</tr>
<tr>
<td>Other - miscellaneous</td>
<td>300</td>
<td>231</td>
</tr>
<tr>
<td>Total Expense</td>
<td>19,040</td>
<td>17,493</td>
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</table>

3. REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Personnel services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel services</td>
<td>19,000</td>
<td>17,418</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>19,000</td>
<td>17,418</td>
</tr>
</tbody>
</table>

(b) Acceptance by Crown Entity of employee benefits and other liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation</td>
<td>38</td>
<td>71</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>40</td>
<td>75</td>
</tr>
</tbody>
</table>

4. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel services</td>
<td>3,120</td>
<td>3,301</td>
</tr>
<tr>
<td>Total Current Receivables</td>
<td>3,120</td>
<td>3,301</td>
</tr>
<tr>
<td>NON-CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel services</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td>Total Non-Current Receivables</td>
<td>322</td>
<td>453</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 10.

5. CURRENT LIABILITIES - PAYABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued salaries, wages and on-costs</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>Total Current Payables</td>
<td>269</td>
<td>496</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 10.
6. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>2016 $000</th>
<th>2015 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits and related on-costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation leave</td>
<td>1,318</td>
<td>1,296</td>
</tr>
<tr>
<td>Long service leave</td>
<td>1,533</td>
<td>1,509</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,851</td>
<td>2,805</td>
</tr>
<tr>
<td><strong>NON-CURRENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits and related on-costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>322</td>
<td>453</td>
</tr>
<tr>
<td><strong>Aggregate employee benefits and related on-costs</strong></td>
<td>2,851</td>
<td>2,805</td>
</tr>
<tr>
<td><strong>Provisions – current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provisions – non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accrued salaries, wages and on-costs (Note 5)</strong></td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,442</td>
<td>3,754</td>
</tr>
</tbody>
</table>

**Recreation leave**
The liability at 30 June 2016 was $1,318,000 (2015: $1,296,000). This is based on leave entitlements at 30 June 2016. The value of recreational leave expected to be taken within 12 months is $396,000 (2015: $389,000) and $922,000 (2015: $907,000) after 12 months.

**Long service leave**
The liability at 30 June 2016 was $1,855,000 (2015: $1,962,000). This is based on leave entitlements at 30 June 2016.

7. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Board is unaware of the existence of any contingent liabilities or contingent assets as at balance date (2015: Nil).

8. AUDIT FEES

All audit fees are met directly by Destination NSW.

9. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

<table>
<thead>
<tr>
<th></th>
<th>2016 $000</th>
<th>2015 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used on operating activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease / (increase) in provisions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase / (decrease) in receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease / (increase) in creditors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10. FINANCIAL INSTRUMENTS

The Agency's principal financial instruments are outlined below. 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 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 audit committee on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Note</th>
<th>Category</th>
<th>Carrying Amount 2016</th>
<th>Carrying Amount 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Receivables¹</td>
<td>4</td>
<td>Loans and receivables (at amortised cost)</td>
<td>3,442</td>
<td>3,754</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,442</td>
<td>3,754</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Note</th>
<th>Category</th>
<th>Carrying Amount 2016</th>
<th>Carrying Amount 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Payables²</td>
<td>5</td>
<td>Financial liabilities measured at amortised cost</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>269</td>
<td>496</td>
</tr>
</tbody>
</table>

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 $3,442,000 (2015: $3,754,000) 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 $3,442,000 (2015: $3,754,000) are payables, accruals and provisions relating to the provision of personnel services to Destination NSW Staff Agency up to 30 June 2016.

<table>
<thead>
<tr>
<th>Weighted Average Effective Int. Rate</th>
<th>Nominal Amount¹</th>
<th>Fixed Int. Rate</th>
<th>Variable Int. Rate</th>
<th>Non-interest Bearing</th>
<th>&lt; 1 yr</th>
<th>1 - 5 yrs</th>
<th>&gt; 5 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>269</td>
<td>-</td>
<td>-</td>
<td>269</td>
<td>269</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| 2015 Payables | 0.0% | 496 | - | - | 496 | 496 | - | - |

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 Agency 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

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

(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.
11. **EQUITY TRANSFER**

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

The transfer is treated as contribution by the owners. The transfer of the assets and liabilities were recognised at their carrying amount immediately prior to the restructure.

The table below details the assets transferred to Destination NSW

<table>
<thead>
<tr>
<th>2015</th>
<th>$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment - Infrastructure</td>
<td>5,810</td>
</tr>
</tbody>
</table>

12. **EVENTS AFTER THE REPORTING DATE**

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

End of the audited Financial Statements
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<td>Destination NSW</td>
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<td>Business Events</td>
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<td>75</td>
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<td>Credit Card Certification</td>
<td>80</td>
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<tr>
<td>Cruise Ship Tourism</td>
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<table>
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<tr>
<td>Destination NSW Staff Agency</td>
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<td>Destination NSW Performance KPIs</td>
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<td>Equivalent Advertising Value</td>
<td>16, 21</td>
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<tr>
<td>Event Development</td>
<td>29</td>
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<td>Events Funding Commitments</td>
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<td>77</td>
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<td>Exceptional Movements in Remuneration</td>
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<td>Food and Wine Tourism</td>
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<td>Funds Granted to Non-Government Community Organisations See Grants</td>
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<td>Funds Sources</td>
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<table>
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<td>Regional Visitor Economy Fund</td>
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</thead>
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<td></td>
<td>Destination NSW Staff Agency</td>
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<td></td>
<td>Industry Partnerships and Government Policy</td>
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<td>Insurance</td>
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<td>Internal Audit and Risk Management Policy Attestation</td>
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<td><strong>R</strong> Regional Flagship Events Program</td>
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<tr>
<td></td>
<td>Regional Visitor Economy Fund</td>
</tr>
<tr>
<td></td>
<td>Research and Development</td>
</tr>
<tr>
<td></td>
<td>Review</td>
</tr>
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<td>Risk Management</td>
</tr>
<tr>
<td></td>
<td>Risk Management Attestation Statement</td>
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<td></td>
<td><strong>S</strong> Senior Executive</td>
</tr>
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<td>Staff Profile</td>
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<td>Strategic Objectives</td>
</tr>
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<td>Subsidiaries</td>
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<td><strong>T</strong> Tourism Performance</td>
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<td>Visitor Economy Industry Action Plan</td>
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<td>Visitor Services</td>
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<td>Visitor Snapshot</td>
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<td></td>
<td>Vivid</td>
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<td><strong>W</strong> Websites</td>
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<td></td>
<td>Workers Compensation</td>
</tr>
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<td><strong>Y</strong> Youth Tourism</td>
</tr>
<tr>
<td></td>
<td><strong>Z</strong> Zone Management</td>
</tr>
</tbody>
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**L** Letter of Submission

**M** Management Activities

Management and Structure See

- Board of Management
- Senior Executives
- Organisation Chart

Marketing

**N** NSW Tourism Performance

**O** Organisation

- Organisation Chart
- Operations

**P** Partnership Programs

- Payment of Accounts
- Privacy and Personal Information Protection Act
- Promotion

**Vivid** 13, 16, 30, 36, 45, 54, 59
Access

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vividsydney.com

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