Annual Report 2002-2003

Tourism New South Wales

Letter of Transmission

The Hon S C Nori, MP
Minister for Tourism and Sport and Recreation, Minister for Women
Level 34, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

It is my pleasure to submit to you, for presentation to Parliament, the
Tourism New South Wales Annual Report for the year ended 30 June 2003.

Yours sincerely

Tony Thirlwell

Tony Thirlwell
Chief Executive and General Manager

Statement of Compliance

The Annual Report of Tourism New South Wales, in my opinion, has been
prepared in full compliance with the requirements of the *Annual Reports
(Departments) Act 1985* and the *Annual Reports (Departments)
Regulations 2000*.

Tony Thirlwell

Tony Thirlwell
Chief Executive and General Manager

▶ Contents

Who We Are

Tourism New South Wales is a State Government agency that operates under the *Tourism New South Wales Act 1984*. We compete for tourist market share with other Australian and international destinations. We seek to bring sustainable economic, social and environmental benefits to New South Wales through tourism. Our business is conducted in a way that recognises our Government responsibilities and the commercial nature of the tourism industry. We work in partnership with industry and Government to grow and manage the destination – New South Wales.

Our Vision

A tourism industry that has reached its potential to deliver sustainable economic, social and environmental benefits for the people of New South Wales.

Our Mission

To partner with industry and other Government agencies to grow and manage destination New South Wales.

Our Values

• Quality and improvement

• Creativity and innovation

• Mutual respect and trust

• Leadership and success

• Integrity

• Responsiveness

New England North West

"Effective partnerships among government, industry and the community have proven to be essential for realising opportunities and maximising outcomes from tourism."
Towards 2020 – New South Wales Tourism Masterplan

▶ **Overview**

What We Learnt This Year

As you read this report you will be able to share in our achievements as we rose to meet challenges that faced the tourism industry on several fronts in 2002/03. While we successfully met most of our objectives we also learnt some things along the way.

In the development of the 2003–2006 Marketing Strategy we learnt that:

• We need to promote to our key markets more consistently throughout the year;

• We need to continue to build the brand strength for New South Wales;

• We need to continue to strengthen our development of sustainable tourism products;

• We need to more effectively integrate our marketing activities with the regions;

• The roles of Tourism New South Wales, the regions, the local areas and the operators need to be more clearly defined;

"Congratulations on winning the award for 'Best Tourist Office – National' at the National Travel Industry Awards. Tourism New South Wales has made some major strides forward this year on a brand level and also in regards to relationships with the trade. In particular, our joint efforts this year have been very effective and also much appreciated. Once again, congratulations on your well deserved win."

Mark Cario
National Product & Marketing Manager
Harvey World Travel

• We need to expand our resources beyond supporting individual operator advertising to promote 'the best New South Wales has to offer' to the market;

• A clear, concise and simple marketing approach is required;

• Internationally, we need to reconsider our approach to marketing, aligning more closely with the Australian Tourist Commission (ATC).

We also learnt that:

• We need to continue to work to stimulate investment in tourism infrastructure throughout the State in new developments.

• By working with the other States and the Commonwealth on the National Crisis Plan greater efficiencies and a better result could be gained, with reduction in duplication of effort, greater clarity of roles and a consistent response across Australia (with some variation for local areas) when the tourism industry faces shocks such as it did this year with Severe Acute Respiratory Syndrome (SARS), terrorism and the Iraq conflict.

• By collaborating with other Government partners through Tourism Sydney and with the industry we can achieve more and do it more efficiently, particularly in relation to skills and resources, than we can by working separately.

• By working with New South Wales Treasury to clarify outputs and outcomes for our Service and Resource Allocation Agreement, Treasury now has a better understanding of our business. Through this collaboration a model has been developed which other agencies could use.

• By being responsive to demand for our web publishing initiative we have developed expertise that industry and other Government agencies are now able to leverage to mutual benefit.

• 75% of stakeholders surveyed were satisfied with the service they received from Tourism New South Wales compared with 63% in our 1999 survey. Of greater significance was that 81% of industry operators were satisfied with Tourism New South Wales compared with 57% in the previous survey.

• After one year's operation, efficiencies through process and system improvements can be achieved through collaboration with our partners in the Visitor Services Agencies (VSA) Shared Services.

• We won Best Tourist Office – National in the 2003 National Travel Industry Awards for Excellence.

The Challenges Ahead

The biggest issue facing the Australian and the international tourism industry this year is one of uncertainty:

• uncertainty over national and international economies;

• uncertainty over oil prices – reflected in aviation costs;

• uncertainty over personal safety and security in travel and at the destination;

• uncertainty over the state of the environment.

As we head into the new financial year, some of these uncertainties are still of prime concern. Our principal challenge for next year is to continue to grow business despite this uncertainty.

How We Will Meet Our Principal Challenge
We will focus on five key elements:

• to specifically target and increase visitor nights;

• to effect this increase primarily from interstate markets;

• to specifically target long-stay holidays;

• to continue to focus on key international markets; and

• to develop new and refreshed tourism product and infrastructure.

▶ # What is Tourism?

Tourism is a complex industry that can bring economic strength at a country, state, city and town level. According to the World Tourism Organisation, US$462.2 billion was generated in world tourism receipts in 2001 (the latest full year of data). Tourism consumption in Australia amounts to $70.8 billion, with direct employment in tourism totalling 549,000 people. Here in New South Wales, visitors consume a total of $17.1 billion of goods and services annually. Importantly, we have 183,600 people directly employed from tourism.

Tourism is a highly competitive industry, with small and large destinations vying for the same tourist dollar. It is not an industry for the faint-hearted – it can be easily impacted by global conditions (such as war and health epidemics), local events (severe drought, bushfires) and media coverage (positive and negative). Every opportunity must be taken to stay top of mind with the visitor in this industry, where word-of-mouth can make or break a destination.

Tourism rides on the back of small business. The latest Tourism Businesses in Australia profile shows small businesses, which comprise five to 19 people, and micro-businesses, with four or fewer people, make up 90% of our industry. Taxi drivers, cafe owners, food retailers, travel agents and tour operators – there are small businesses all over the State that are fully or partly connected to tourism.

"Reception is a lively and dynamic environment because we are often the first point of contact for the tourism industry and the general public with Tourism New South Wales. It involves teamwork and it is very important for us to be aware of what staff do and what initiatives are being conducted to promote Sydney and New South Wales. Knowing so much about people and what they do within the agency is very exciting and motivating. Working as a member of the big team is a great honour for us!"

Jocelyn Elphege and Christine Steven
Receptionists

Shocks to the Tourism Industry – 14 Year History	
Australian pilots' strike	1989
Gulf war	1991
Asian economic crisis	1997
Ansett Airlines collapse	2001
Terrorist attack on World Trade Center and Pentagon	2001
Bushfires	2001 / 2002
Drought	2002 / 2003
Public liability insurance	2002
Terrorist attack in Bali	2002
Iraq conflict	2003
Severe Acute Respiratory Syndrome	2003
Terrorist attacks on Western interests in Saudi Arabia and Morocco	2003

▶ Framework

Tourism Masterplan

Towards 2020 – New South Wales Tourism Masterplan sets the context for the Tourism New South Wales Strategic Plan 2002–2005. This Masterplan, coordinated by Tourism New South Wales, outlines a whole-of-Government approach to the development of the tourism industry in New South Wales over the next 20 years. It draws together all relevant Government agencies to enable an integrated, coordinated implementation.

TOWARDS 2020's OVERARCHING GOAL
To improve tourism's contribution to the sustainable development of New South Wales.

For this goal to be achieved, two competing drivers must be balanced: to stimulate growth and to manage that growth so the industry remains viable into the future, with communities sharing its benefits.

Strategic Plan 2002–2005

Implementation of the 2002–2005 Strategic Plan commenced on 1 July 2003 underpinned by Balanced Scorecard methodology to establish a corporate performance measurement system. Three strategic themes came into play: Marketing, Industry Development & Government Coordination.

Our focus over the next three years will be on Partnering for Progress – positioning ourselves so our partners see there are strong benefits for them.

"The South Coast Regional Tourism Organisation has a long and fruitful working relationship with Tourism New South Wales. We conduct all our major marketing programs in partnership with Tourism New South Wales and the close alliance is a strong part of the success that the South Coast enjoys today. It is through the hard work of both bodies that the South Coast was quoted by the Bureau of Tourism Research as the fifth most visited region in Australia behind Sydney, Melbourne, Brisbane and the Gold Coast."

Tom Phillips
Secretary/Treasurer
South Coast Regional
Tourism Organisation Inc

The Strategic Plan follows three themes to deliver tourism benefits:

To support our strategic themes we seek continuous improvement of our systems, processes and competencies (Organisational Development).
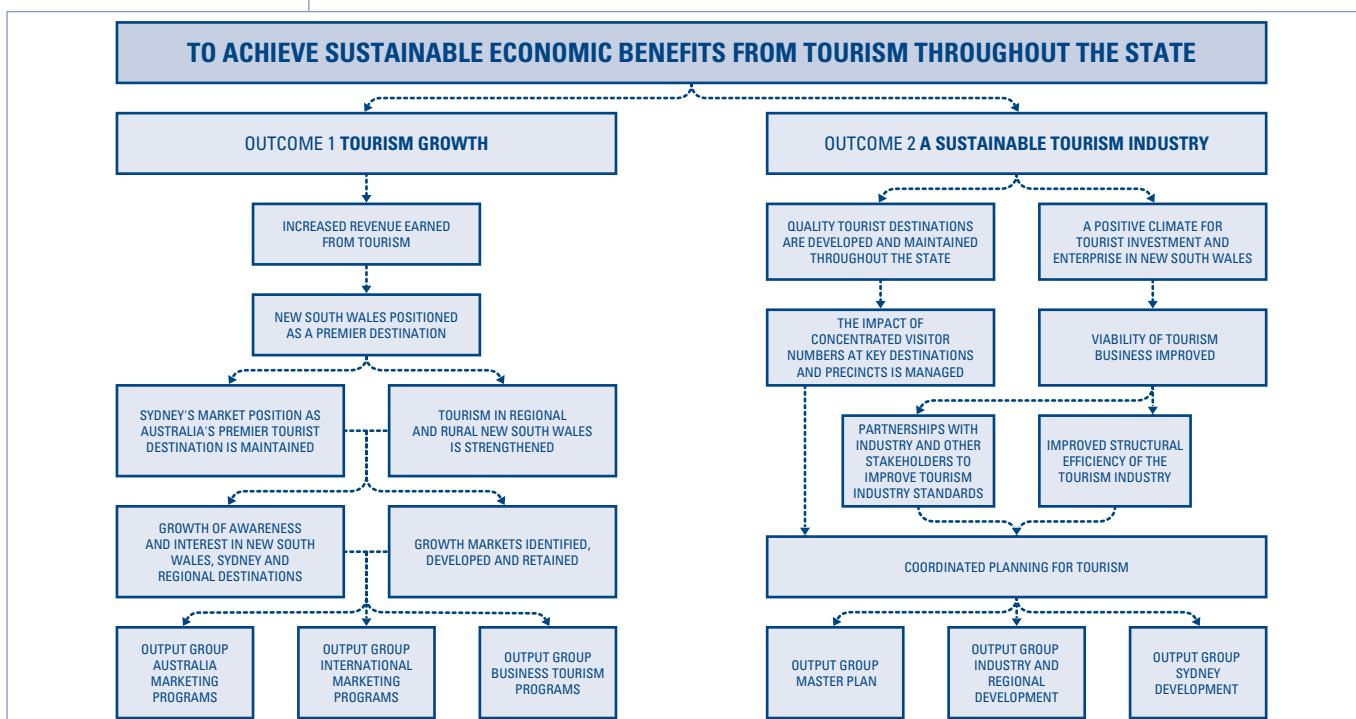
Driver	Strategic Theme
Stimulate Growth	**Marketing** Partnering with industry to attract more visitors who spend more money. Key Stakeholder: Visitors
Stimulate Growth & Manage Growth	**Industry Development** Partnering with industry to help improve its viability and service delivery. Key Stakeholder: Industry
Manage Growth	**Government Coordination** Partnering with Government organisations to help disperse the net benefits of tourism. Key Stakeholders: Government and Community

Service & Resource Allocation Agreement Financial Framework

Tourism New South Wales receives its funding under a Service and Resource Allocation Agreement (SRAA) signed off by the Treasurer, on behalf of the Budget Committee, and the Minister for Tourism and Sport and Recreation. For ease of reporting, the three strategic themes of the Strategic Plan have been incorporated into two Outcomes for the SRAA.

TO ACHIEVE SUSTAINABLE ECONOMIC BENEFITS FROM TOURISM THROUGHOUT THE STATE

OUTCOME 1 **TOURISM GROWTH**

INCREASED REVENUE EARNED FROM TOURISM

NEW SOUTH WALES POSITIONED AS A PREMIER DESTINATION

SYDNEY'S MARKET POSITION AS AUSTRALIA'S PREMIER TOURIST DESTINATION IS MAINTAINED

TOURISM IN REGIONAL AND RURAL NEW SOUTH WALES IS STRENGTHENED

GROWTH OF AWARENESS AND INTEREST IN NEW SOUTH WALES, SYDNEY AND REGIONAL DESTINATIONS

GROWTH MARKETS IDENTIFIED, DEVELOPED AND RETAINED

OUTPUT GROUP AUSTRALIA MARKETING PROGRAMS

OUTPUT GROUP INTERNATIONAL MARKETING PROGRAMS

OUTPUT GROUP BUSINESS TOURISM PROGRAMS

OUTCOME 2 **A SUSTAINABLE TOURISM INDUSTRY**

QUALITY TOURIST DESTINATIONS ARE DEVELOPED AND MAINTAINED THROUGHOUT THE STATE

A POSITIVE CLIMATE FOR TOURIST INVESTMENT AND ENTERPRISE IN NEW SOUTH WALES

THE IMPACT OF CONCENTRATED VISITOR NUMBERS AT KEY DESTINATIONS AND PRECINCTS IS MANAGED

VIABILITY OF TOURISM BUSINESS IMPROVED

PARTNERSHIPS WITH INDUSTRY AND OTHER STAKEHOLDERS TO IMPROVE TOURISM INDUSTRY STANDARDS

IMPROVED STRUCTURAL EFFICIENCY OF THE TOURISM INDUSTRY

COORDINATED PLANNING FOR TOURISM

OUTPUT GROUP MASTER PLAN

OUTPUT GROUP INDUSTRY AND REGIONAL DEVELOPMENT

OUTPUT GROUP SYDNEY DEVELOPMENT

Wollongong, Illawarra

Marketing Strategy 2003–06

We took a fresh look at all aspects of our marketing in 2002/03 to develop a stronger platform on which to build for the future. We are not seeking a revolution in the way we market New South Wales but we do seek advancement through evolution.

The marketing of New South Wales over the next three years will be integrated across three levels of communication:

BRAND – Continue the successful New South Wales brand campaign supporting *Feel free*, inspiring and motivating people to visit New South Wales.

SHOWCASING – Increase efforts directed toward showcasing the enormous breadth and depth of New South Wales experiences and destinations – providing the substance of the 'dream' for the consumer.

Showcasing is based on the top six key experiences which together differentiate New South Wales from its competitors:
• Sydney
• Nature
• Discovery/Drive (Touring)
• Food and Wine
• Beaches
• Sport and Events
Culture and Heritage, Arts and Entertainment will be incorporated as part of the key experiences.

PRODUCT – Our partners provide the retail product which fulfils the 'dream' of a holiday in New South Wales.

Integrated Vision for Tourism New South Wales and its Regions/Destinations

Motivate
(Create interest in New South Wales)

Brand Feel Free

Build the Dream
(Provide the reason to visit)

Showcasing
'the best of New South Wales'
Experiences/Destination

Fulfil the Dream
(Offer the product)

Retail Product Offer

Branding: *Feel free* New South Wales

Tourism New South Wales is an innovator in tourism marketing within Australia, and in developing its overarching brand – Brand New South Wales *Feel free*. Our brand successfully draws together and strengthens our consumer advertising campaigns in one consistent look and feel. *Feel free* is an idea big enough to encapsulate New South Wales, with its broad appeal and diversity, personal enough to appeal to an individual's holiday needs, and different enough to distinguish New South Wales from other States. Launched in late 2000/01, *Feel free* leads our consumer advertising.

This year the *Feel free* logo evolved, encapsulating the incredible diversity and liberation associated with New South Wales. The strong new visual execution is more integrated and it has the ability to be owned by every region of New South Wales. (Refer to the back cover for a colour version of the revamped logo.)

Performance Summary 2002/03

	Tourism New South Wales	Marketing
Strategic Objectives	Vision: A tourism industry that has reached its potential to deliver sustainable economic, social and environmental benefits for the people of New South Wales.	Partner with industry to attract more visitors who spend more money.
Significant Events	The New South Wales tourism industry faced one of its most challenging years ever in terms of negative impacts from world and local events. Effects on inbound tourism led to a subsequent downturn in visitation to Sydney and New South Wales. The Government provided additional resources and Tourism New South Wales reallocated internal resources as a response to the severe bushfires (Blue Mountains, Shoalhaven, Snowy Mountains and Capital Country) and drought.	Additional TV and print campaigns to counter impacts of bushfires on the tourism industry. Developed the Farmhand Farm Holidays initiative to help provide relief to those affected by the New South Wales drought. The relaunch of the *Feel free* brand through a new TV advertisement backed by John Farnham's song, 'That's Freedom'. The first year of operation of the Tourism Sydney joint initiative proved highly successful. Tourism New South Wales developed a new three-year Marketing Strategy. Implementation begins in 2003/04. 1.4 million copies of the *Drive New South Wales* magazine were distributed in Brisbane, Melbourne and Sydney.

Meeting our targets

✔ Achieved
✘ Not achieved
▲ Results not yet available
◊ Ongoing
* Targets are for three years
** Latest data available

Market Indicators

Tourism Forecasting Council/Tourism New South Wales forecasts met for the number of visitors to New South Wales:

✔ In 2002 there were 48.71 million international visitor nights spent in New South Wales against a target of 42.21 million.

✔ In 2002 there were 93.27 million Australian visitor nights spent in New South Wales against a target of 90.72 million.

✘ The number of international visitor nights spent in regional New South Wales in 2002 was 7.8 million against a target of 8.1 million.

✔ New South Wales' market share of international visitor nights was 41% against a target of 38% in 2002.

✔ New South Wales' market share of Australian visitor nights was 31.2% against a target of 31% in 2002.

✔ In 2000/01 the average trip expenditure was $22.8 billion.

Tourism New South Wales Indicators

✔ Preference to travel to New South Wales amongst Australian target markets was maintained at 62% for 2002/03.

✔ Recognition of brand New South Wales' values was maintained at an average level of 23.3% (to March 2003 **).

✘ New South Wales' content in key international wholesalers' brochures remained at 8% in 2002/03 against a target of 10%.

Business Tourism Indicators

✔ The number of conference bids won increased to 42 in 2002/03 over 32 in 2001/02.

The future – 2003/04

Amalgamate with the Department of Sport and Recreation.
Address the decline in inbound visitors to New South Wales caused by recent world events.
Prepare for and capitalise on the Rugby World Cup 2003.

Implement the 2003–2006 Marketing Strategy with greater emphasis on theme and destination showcasing.
Modify arrangements to provide a free *Get Connected* service to the industry.

Note: All targets are from the Tourism New South Wales Strategic Plan 2002–2005. All targets are based on Tourism Forecasting Council's forecasts from 2002.

Strategic Themes

Industry Development	Government Coordination	Organisational Development
Partner with industry to help improve its viability and service delivery.	Partner with other government agencies to help disperse the net benefits of tourism.	Continually increase our efficiency and effectiveness and enable our people's development.

Industry Development	Government Coordination	Organisational Development
Airline capacity was further reduced by the impact of the Iraq conflict and SARS on the tourism industry. Work commenced on the development of a Tourism Aviation Strategy. The Strategy will provide a framework for Tourism New South Wales to identify and pursue opportunities to leverage aviation benefits and returns for tourism.	Recent world and local events highlighted the need for a coordinated and coherent response to crises affecting the tourism industry. Tourism New South Wales participated in the development and implementation of the National Tourism Crisis Response Plan.	Tourism New South Wales adopted the Balanced Scorecard methodology for evaluating the agency's performance.
A Farm and Country Holiday Development Kit was prepared for operators who want to set up a farm or country holiday tourism business. An international Backpacker brochure was developed for distribution in North America, UK and Europe.	Implementation of *Towards 2020 – New South Wales Tourism Masterplan* commenced. Discussions were initiated through cluster groups (arts and culture, infrastructure and investment, transport and nature).	A new three-year Project Management Plan was developed.
		A strategic and operational risk assessment was undertaken.
	Tourism New South Wales coordinated the New South Wales Government's response to the 10-year National Tourism Plan (Green Paper).	Tourism Network LAN server was replaced with expanded disk, memory and redundancy capacity. A new tender was completed for the Helpdesk and Network Support Facilities.
TASAC designs for State border and regional boundary gateway signposting project approved and being erected around the State.		

Industry Development — Market Indicators

- ✔ In 2000/01 there were an estimated 183,600 direct tourism jobs in New South Wales. The previous figure in 1997/98 was 167,000.**
- ▲ Positive investor sentiment to opportunities in tourism.

Tourism New South Wales Indicators

- ✔ 61% of all stakeholders agreed that they were working in partnership with Tourism New South Wales.

Government Coordination — Market Indicators

- ✔ Community support for tourism increased to 96% in 2002/03. The 2001/02 level was 92% (ATC Survey).

Tourism New South Wales Indicators

- ▲ 10% increase in investment in tourism by local government.
- ✗ 5 out of 11 targeted regions have endorsed development plans so far.*
- ✔ In 2002 the New South Wales Cabinet endorsed *Towards 2020 – New South Wales Tourism Masterplan*.

Organisational Development — Tourism New South Wales Indicators

- ◊ In 2002/03 Tourism New South Wales raised over $8.7 million which was a $1.35 million increase over 2001/02. Target is a $10 million increase over 3 years.*
- ✔ 75% of stakeholders surveyed were satisfied with the service they received from Tourism New South Wales compared with 63% in our 1999 survey.
- ✔ Administrative costs were at 30.8% of the 2002/03 agency budget. The target was to get administrative costs below 33%.
- ✗ Corporate services expenditure registered at 11.5%, just above the target set of 11%.
- ▲ Customer satisfaction with Visitor Services Agencies Shared Services.

Industry Development	Government Coordination	Organisational Development
Implement the Tourism Aviation Strategy. Place greater emphasis on product development in line with the new Marketing Strategy. Complete State-wide Tourist Signposting review. Implement Investment and Infrastructure Strategy.	Facilitate the implementation of 2003/04 *Towards 2020 – Tourism Masterplan* initiatives.	Review performance monitoring systems, including Treasury reporting regime (SRAA), to ensure integration with the Balanced Scorecard. Implement new Project Management Plan. Implement new Learning and Development Plan.

Lord Howe Island

In most cases statistics used in this chapter are based on the latest full calendar year available (predominantly year ended December 2002).
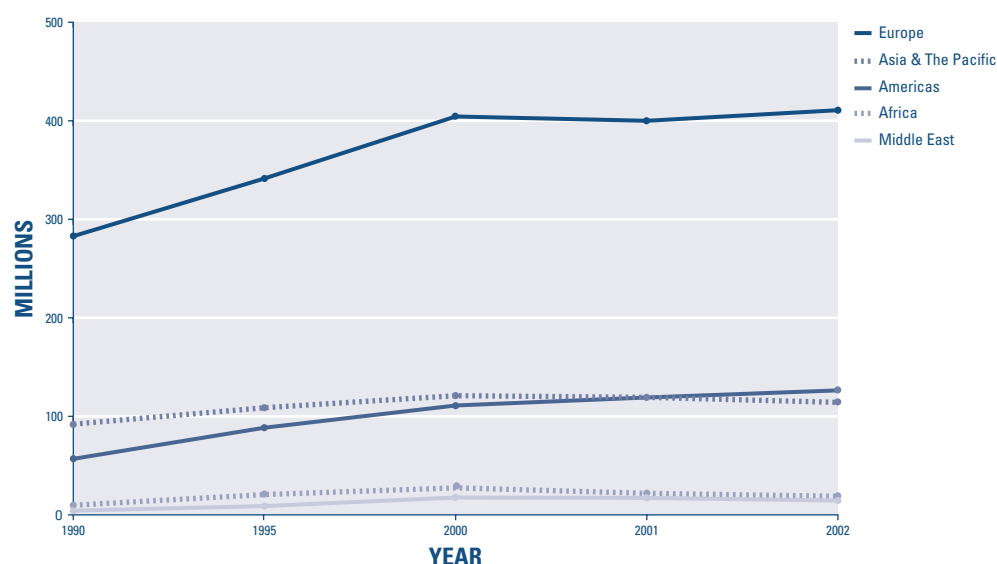
benefited. To a large extent this reflects shifts in societal values and therefore the shape of demand for tourism products.

Low-cost airlines continued to grow in North America and have developed rapidly in Europe. The Internet has strengthened its role not only as a means of information but also as a way of organising and booking trips. The preference for individual travel or as a Fully Independent Traveller (FIT) has increased.

The first part of 2003 has seen a continuation of these trends, with the long-awaited world economic recovery further delayed by uncertainty due to the Iraq conflict. The start of this conflict in March caused an immediate plunge in demand, in particular of air traffic, inter-regional travel and travel to destinations perceived to be close to the conflict zone. Tourism businesses and administrators were better prepared for these conditions by shifting or reducing capacity and cost control. The emergence of SARS was much more unexpected and disrupted the affected destinations and businesses far more severely.

Declines were recorded for the majority of European destinations in early 2003. The United States of America suffered declines due to economic conditions and fear of terrorism. The majority of destinations in the Asia and Pacific region, including Australia, suffered downturns in inbound business for the first part of 2003 due mainly to the emergence of SARS. However, Asia and the Pacific (Australia's region) continues to gain ground on the Americas after overhauling them as the second most significant world tourism region in 2001.

▶ The Global Picture

In 2001 and 2002 tourism growth was restrained by the combination of an overall weak world economy and a high level of uncertainty due to the struggle against terrorism and the looming Iraq conflict.

Conditions resulted not so much in a decrease in overall volume as a shift in demand towards trips to familiar destinations closer to home (domestic as opposed to outbound travel), by car, coach or train instead of plane. Consumers adopted a wait-and-see attitude resulting in late bookings.

Airlines and other sectors dependent on long-haul travel – including tour operators – faced difficult times. In contrast, accommodation other than hotels, special-interest trips with a high motivation factor related to culture, sports and entertainment, or travel for the purpose of visiting friends, family and relatives have all

Chart 1: International Visitor Arrivals by Region 1990-2002

Legend:
- Europe
- Asia & The Pacific
- Americas
- Africa
- Middle East

Y-axis: MILLIONS (0, 100, 200, 300, 400, 500)
X-axis: YEAR (1990, 1995, 2000, 2001, 2002)

Source: World Tourism Organisation

Based on a survey of tourism experts from around the world, the World Tourism Organisation anticipates a more optimistic outlook for the four months May–August 2003.

▶ International Tourism

To Australia

In 2002, 4.45 million visitors came to Australia, a decrease of 0.3% compared with the previous year. The Japanese market to Australia showed growth of 6.4% in 2002 compared with 2001. The United Kingdom market also increased by 3.7%. Other visitor markets to show growth to Australia included China (19.9% increase), Korea (7.5% increase), Malaysia (5.2% increase) and Thailand (4.5% increase).

In 2001/02 export earnings from tourism totalled $17.1 billion, representing 11% of Australia's export earnings. Inbound tourism accounted for $7.8 billion of total Gross Domestic Product (GDP) in 2001/02, an increase of $93 million.

To New South Wales

Victoria, Queensland and New South Wales experienced declines in holiday/leisure visitors and visitor nights in 2002. However, New South Wales experienced an increase in total visitor nights from 47.3 million to 48.7 million (3.1%). Increases were experienced in the following markets: Japan (7.5%), United Kingdom (6.6%) and Germany (16.1%). Our market share increased from 39.8% in 2001 to 41.0% in 2002.

These results represent an increase in international visitor expenditure of $123 million and support of an estimated 900 full-time and part-time jobs. During this same period, Victoria's share of total visitor nights remained steady and Queensland's declined. These results were reported prior to the impact of the Iraq conflict and SARS being experienced in 2003.

Forecasts – International Tourism to Australia

The Tourism Forecasting Council anticipates that international visitor arrivals to Australia will improve in the next 12 months after suffering downturns in 2001, 2002 and 2003. The number of visitor arrivals forecast for 2003 is 4.6 million, which is a forecast 2.7% increase on the previous year's results.

Total visitor arrivals are forecast to grow by an average annual growth rate of 4.6% per annum to reach 7.6 million in 2012.

Table 1: International Visitor Nights spent in New South Wales 1999–2002

Country of Residence	1999 ('000)	2000 ('000)	2001 ('000)	2002 ('000)	Change 2000/99 %	Change 2001/00 %	Change 2002/01 %
New Zealand	2,780	4,377	4,524	3,988	57.4	3.3	-11.8
Japan	2,990	2,123	2,296	2,469	-29.0	8.2	7.5
Hong Kong	1,555	1,445	1,806	1,975	-7.0	24.9	9.4
Singapore	782	914	837	1,396	16.9	-8.4	66.7
Malaysia	670	1,203	719	1,086	79.6	-40.3	51.1
Indonesia	699	1,583	1,101	1,317	126.6	-30.4	19.6
Taiwan	999	993	1,061	979	-0.5	6.8	-7.8
Thailand	726	828	1,510	1,185	14.1	82.4	-21.5
Korea	1,583	2,305	4,279	3,146	45.7	85.6	-26.5
China	1,951	2,580	2,624	3,889	32.3	1.7	48.2
Other Asia	1,508	2,110	2,713	1,810	40.0	28.6	-33.3
USA	2,581	3,813	3,709	5,221	47.7	-2.7	40.8
Canada	1,044	896	1,475	1,363	-14.2	64.6	-7.6
United Kingdom	6,395	9,338	7,960	8,485	46.0	-14.8	6.6
Germany	1,216	1,146	1,553	1,803	-5.8	35.6	16.1
Other Europe	4,997	7,035	6,164	5,729	40.8	-12.4	-7.1
Other Countries	2,347	3,039	2,935	2,870	29.5	-3.4	-2.2
Total	**34,820**	**45,729**	**47,266**	**48,711**	**31.3**	**3.4**	**3.1**

Source: Bureau of Tourism Research, International Visitor Survey
Base: All visitors aged 15 years and over

Ballina, Northern Rivers Tropical NSW

International visitor nights will grow at an average annual rate of 3.1% to reach 174 million nights in 2012. This follows a significant downturn of 13.1% for visitor nights to Australia predicted for 2003. This negative growth for 2003 is anticipated to turn around in 2004 with positive growth expected.

▶ Australian Tourism

Australia-wide

In 2002, 138.4 million holiday nights were taken in Australia, a decrease of 1.6% since 2001. This represents the lowest level achieved for holiday visitor nights in five years, with a peak in the Olympic year 2000.

Despite the slip in Australian holiday nights overall, New South Wales achieved growth in 2002 compared with the previous year, with holiday nights increasing by 2.4% to 42.5 million.

Both Victoria and Queensland experienced downturns in holiday nights in 2002 compared with the previous year (6.7% and 1% respectively). This was Victoria's lowest result in five years.

New South Wales remained the market leader for Australian holiday nights in 2002, achieving a 30.7% share, followed by Queensland (28.6%) and Victoria (18.4%).

In 2002, New South Wales continued to dominate intrastate holiday nights (34.3%), followed by Victoria and Queensland, both with a 22% market share. The interstate holiday nights market was led by Queensland with a strong 38% market share, New South Wales held 25.7% of this market followed by Victoria with a 13.2% market share.

At the time of publication latest quarterly figures available (12 months ended March quarter 2003) show that New South Wales' strong performance is set to continue. Our growth in holiday visitors and holiday nights 5.7% and 4.5% respectively easily outstripped that of our key competitors. This was also against a national trend which saw a year on year decline in total holiday visitors and visitor nights.

New South Wales Regions

In 2002 three-quarters of domestic visitor nights in New South Wales were spent in regional New South Wales (70 million), with the remaining quarter spent in the Sydney region (23.3 million). The North Coast had the largest share of visitor nights of any regional destination (12%) followed by the South Coast (11%). The Hunter and Northern Rivers – Tropical NSW regions had the next largest number of visitor nights, each with 9%.

New South Wales Holiday Target Markets

New South Wales competes with other (particularly eastern seaboard) States and overseas destinations for its share of the Australian holiday market. Furthermore, because holiday-taking is a discretionary activity, and especially in the case of longer stays it can be time and resource intensive, the decision to take a holiday is often weighed up against other types of purchases such as computers, home renovations, cars, furniture and the like.

Table 2: Australian Visitor Nights spent in Regions

Destination by Region	2000	2001	2002	Change 2001/00	Change 2002/01
	('000)	('000)	('000)	%	%
Big Sky Country	4,434	4,221	4,816	-5	14
Blue Mountains	1,928	1,596	1,596	-17	0
Capital Country	2,391	2,207	2,195	-8	-1
Central Coast	3,797	3,583	3,785	-6	6
Explorer Country	4,918	5,109	6,102	4	19
North Coast	9,916	9,597	10,952	-3	14
Hunter	7,606	7,380	8,550	-3	16
Illawarra	2,444	2,177	2,636	-11	21
Living Outback	1,282	1,278	1,393	0	9
The Murray	2,701	3,166	3,264	17	3
Northern Rivers – Tropical NSW	7,135	7,770	8,246	9	6
Riverina	2,687	2,953	2,829	10	-4
Snowy Mountains	2,383	1,759	2,437	-26	39
South Coast	10,438	10,051	10,180	-4	1
Sydney	27,638	25,735	23,295	-7	-9
Regional New South Wales	64,921	63,711	69,974	-2	10
Total	**92,559**	**89,447**	**93,269**	**-3**	**4**

Source: Bureau of Tourism Research, National Visitor Survey
Base: All visitors aged 15 years and over

Conversion of potential consumers to visitors generally follows a process that Tourism New South Wales tracks through a variety of measures. This process involves:

• creating awareness of New South Wales as a holiday destination;

• building aspiration for taking a holiday in New South Wales and creating a preference;

• engendering some certainty/immediacy in terms of taking a holiday in New South Wales measured through intention; and

• taking a holiday in New South Wales.

A strong combination of branded and tactical advertising is required to move people through this conversion process. We seek to understand our holiday markets' reactions to the full suite of our marketing activity in order to better target and influence them. For this purpose, we track awareness, intentions and preferences of our five Australian holiday target markets, with the assistance of regular surveys conducted by the Roy Morgan company.

Tracking results found that just over half of the Sydney target market and two-thirds of the family market had a preference for visiting New South Wales.

As a 'preferred holiday destination' among its target markets, New South Wales is performing well with 31% of the Touring by Car target market saying they would like to take a holiday (three or more nights) in this State. New South Wales is also a preferred destination for 84% of the Short Break market, 53% of the Sydney market and 66% of the Family market.

Forecasts – Australian Tourism

Australian visitor nights have shown minimal growth in recent years. The Tourism Forecasting Council expects the number of visitor nights will increase by 1.9% in 2003 to reach 304.3 million visitor nights.

Over the nine years to 2012, average annual growth in Australian travel is expected to increase at 0.5%.

Tourism's Value to the Australian Economy

Tourism consumption in Australia totalled $70.8 billion in 2001/02. Australian (domestic) tourism accounted for 75% or $53.7 billion of this while international tourism accounted for the remaining 25% or $17.8 billion.

International visitors to Australia consumed $17.1 billion worth of goods and services, representing 11% of export earnings during 2001/02.

The tourism industry's share of total Gross Domestic Product (GDP) was 4.5%, accounting for $31.8 billion in 2001/02, a small drop of 0.2% compared with the previous year.

The tourism industry share of total industry Gross Value Added (GVA) for 2001/02 was 4.1%. Air and water transport (14%), accommodation (11%), cafes, restaurants and takeaway food outlets (10%) and other retail trade (9%) contributed the largest share of tourism GVA.

Jobs Generated by Tourism in Australia

In 2001/02, 549,000 people were directly employed in tourism, with a further 397,000 jobs indirectly generated by tourism industry expenditure. Tourism New South Wales estimates that 319,000 people are directly or indirectly employed in New South Wales as a result of tourism (183,600 being directly employed from tourism). This means New South Wales employs approximately one-third of all people employed through tourism in Australia.

The tourism share of the total number of employed people has remained constant at 6% since 1997/98. By and large, tourism is a more labour-intensive industry than other forms of economic activity so the tourism share of total employment is higher than the tourism share of industry GVA.

More than half the employment generated by tourism is in the areas of retail trade, accommodation, and cafes and restaurants.

Chart 2: Tourism and the Economy
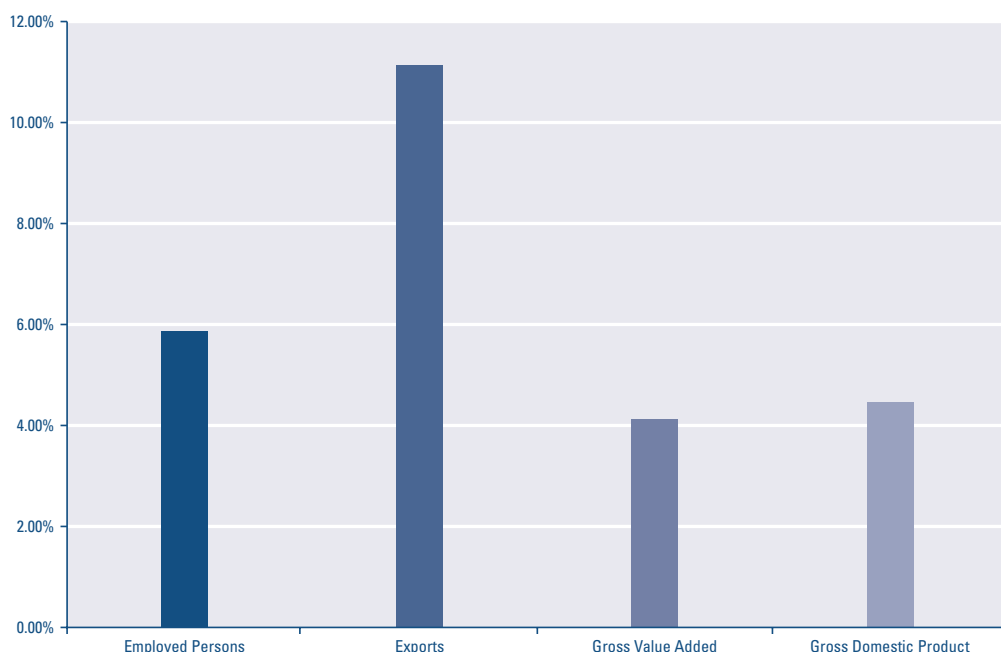
Source: Australian National Accounts: Tourism Satellite Account, 2001/02 (5249.0)

Table 3: The number of people directly employed in tourism compared to other industries in New South Wales

Industry Division	People Employed ('000)
Tourism (direct)	**183.6 **
Retail Trade	481.3
Property and Business Services	394.2
Manufacturing	344.2
Health and Community Services	312.8
Construction	247.1
Education	209.9
Accommodation, Cafes and Restaurants	164.3
Wholesale Trade	163.4
Transport and Storage	161.7
Finance and Insurance	150.4
Government Administration and Defence	126.8
Personal and Other Services	116.2
Agriculture, Forestry and Fishing	102.4
Cultural and Recreational Services	80.1
Communication Services	51.9
Electricity, Gas and Water Supply	30.5
Mining	14.9
Total	**3,152.1**

Sources:
Australian Bureau of Statistics: Labour Force, Australia May 2003 (Cat. No. 6291.0.55.001)
Employed persons by State and Industry
Australian National Accounts: Tourism Satellite Account, 2000/01 (Cat. No. 5249.0)

** *Tourism is not recorded as a separate industry division in the Australian Bureau of Statistics, rather tourism jobs flow into most of the other recognised industry divisions. Tourism New South Wales has estimated the number of people employed in tourism in New South Wales using a combination of source data.*

Circular Quay, Sydney

"In early 2003, the Snowy Mountains region encountered one of our biggest challenges to date – devastating bushfires that halted any tourist visitation for 2-3 months. It was critical that we went to market soon after to encourage tourists back for the April school holidays. We needed to show that the area was recovering and that most of the popular tourist attractions remained unaffected. Tourism Snowy Mountains congratulates Tourism New South Wales on their commitment to ensure a campaign was initiated – resources were pulled, overtime worked and in the end, and contrary to all previous expectations, the region had a great April!"

Lee Stockham
Executive Officer
Tourism Snowy Mountains

"Difficult and challenging times lie ahead but I am confident that the dedication and professionalism of the agency and the industry as a whole will see New South Wales continue to lead progress towards a strong, sustainable and broadly based tourism industry in New South Wales."

Sandra Nori, Minister for Tourism and Sport and Recreation, Minister for Women

▶ Minister's Message

An unprecedented combination of international events and natural disasters at home combined to make the last 12 months perhaps the most challenging environment ever for the New South Wales tourism industry.

For an industry just beginning to recover from the impact of the Ansett collapse and the September 11, 2001 terrorist attack, the Iraq conflict and, more significantly, the SARS outbreak decimated global tourism in early 2003.

Working closely with the Commonwealth Government and the industry, the Carr Government acted rapidly to develop a $900,000 campaign to help stimulate domestic travel to destinations most affected by the SARS-induced decline in international visitors.

These special initiatives combined to support the second phase of the Government's two-year $15 million Recovery Plan developed in the wake of September 11.

In 2002/03 natural disasters in the form of drought and bushfires also confronted the tourism industry.

In response to the State-wide impact of the drought Tourism New South Wales, in conjunction with the Farmhand Foundation, developed a $500,000 campaign to encourage city residents to take a farm holiday.

Immediately following the devastating bushfires in the Capital Country and Snowy Mountains regions the Government developed a $2.6 million recovery package which included targeted advertising campaigns to rebuild visitation to these regions.

Despite these natural emergencies, the New South Wales tourism industry continues to demonstrate its inherent strength and resilience.

In calendar year 2002 New South Wales was the only State to achieve growth in domestic tourism. Preliminary statistics for 2003 indicate that this growth trend has been maintained.

In the face of a tough and highly competitive operating environment this is a significant achievement.

The importance of the development and implementation of Towards 2020 – the whole-of-Government New South Wales Tourism Masterplan – has laid the foundations for this strong performance. For the first time key Government agencies have committed to specific tourism plans and initiatives to drive the long-term sustainability of the industry.

The latest evolution of the *Feel free* State brand advertising featuring the John Farnham song 'That's Freedom' has struck a chord with consumers in New South Wales and in key interstate target markets.

Tourism Sydney has also been outstandingly successful in generating industry support for a series of 'Sydney Uncovered' campaigns that have generated strong results.

In March 2003 the people of New South Wales re-elected the Carr Labor Government.

The policies the Government placed before the people of New South Wales included Welcoming the World – Labor's plan to develop tourism.

Welcoming the World is a comprehensive four-year program including the innovative Country At Heart program to promote tourism to inland New South Wales.

The Regional Flagship Events Program has worked well in stimulating local economies by attracting visitors to a wide range of events.

It represents the Government's strong and ongoing commitment to the tourism industry and the nearly 320,000 direct and indirect jobs it provides for the people of New South Wales.

On behalf of the Government I wish to express my appreciation for the outstanding work of the Board, management and staff of Tourism New South Wales over the past year.

Difficult and challenging times lie ahead but I am confident that the dedication and professionalism of the agency and the industry as a whole will see New South Wales continue to lead progress towards a strong, sustainable and broadly based tourism industry in New South Wales.

Sandra Nori

Sandra Nori MP

Minister for Tourism and Sport and Recreation Minister for Women

▶ Chairman's Message

Since becoming Chairman in May 2002, I have been impressed with the dynamism and professionalism of the tourism industry and with the quality and variety of product on offer to our visitors.

There is no doubt that it has been a difficult year and mention has been made of the impact of world and local events throughout this report. My Board and I have worked with Tourism New South Wales and the industry as they strived to limit the impact of these events on the tourism industry and to set the stage for growth in the coming years.

Sub-committees of the Board worked with management on two projects throughout the year. The first was to look at the feasibility of testing the market for a wholesaler to take New South Wales Holidays to the next stage of its commercial development. The second was the review of Tourism New South Wales' international operations so we can be more focused on where we can make the most impact. Challenges facing our international operations include the costs of marketing, competition from other States and markets, changing consumer attitudes, changing distribution systems and aviation capacity.

As a Board we have travelled to regional New South Wales to meet with local industry and government representatives. This year we met in Orange, Blue Mountains, Tamworth, Goulburn and Lismore. This first-hand experience of seeing the region and hearing about issues that impact on rural and regional areas is of great benefit in increasing our knowledge and understanding.

In my Board ambassadorial role I also travelled to Capital Country and was provided with a detailed inspection of a wonderful range of product in the region.

Throughout the year, I have hosted a series of small Boardroom functions with representatives of the tourism and broader corporate community. These functions have provided an important opportunity for industry leaders to meet with both myself and the Chief Executive and General Manager of Tourism New South Wales to build closer relationships and to stimulate discussion on areas of concern and on ways to enhance our working relationship.

I finish this year with a much richer understanding of our industry, our product and the fact that New South Wales has a diverse range of experiences on offer for our visitors.

Maurice Newman

Maurice L Newman AC
Chairman

Chief Executive's Report

The past year has been a very good one for New South Wales tourism, and a particularly satisfying one for all the staff of Tourism New South Wales. The year saw approval of *Towards 2020 – New South Wales Tourism Masterplan*, the extension of the *Feel free* advertising campaign via the 'That's Freedom' John Farnham television commercial, plus a range of other significant marketing and development activities. Overall, it led to an increase in Australian (domestic) tourism for tourism operators across the State. Internationally, of course, business was difficult, with the impact of terrorism, the Iraq conflict and more recently SARS, as well as the ongoing issues of drought and renewed bushfires in January. The industry and Tourism New South Wales (leading a whole-of Government approach) took on these challenges and met them successfully through good planning and communication.

There are still challenges present as we move through 2003, but I am confident that we will meet those challenges effectively and have some positive news by the end of the year on the back of Rugby World Cup 2003.

The results of our recent stakeholder survey found that 75% of stakeholders were satisfied with the service they received from Tourism New South Wales compared with 63% in our 1999 survey. Significantly, 81% of industry operators surveyed were satisfied with Tourism New South Wales compared with 57% in the previous survey.

Of course, this will be the last year of Tourism New South Wales in its current format and it is therefore particularly gratifying that at this time in our history we won the 2003 National Travel Industry Awards for Excellence: Best Tourist Office – National.

As the new department emerges the ethos and commercial edge that has been developed in Tourism New South Wales will continue well into the future to drive the success of tourism across this wonderful State.

Amalgamation

The Government has announced that Tourism New South Wales and the NSW Department of Sport and Recreation will amalgamate their operations into a new Department of Tourism, Sport and Recreation in 2003. The Department will be headed by a Director-General, assisted by two Executive Directors, one of whom will be responsible for tourism.

While I will assist the Minister in the process of amalgamation and continue to lead the leveraging of the tourism benefits of the Rugby World Cup until the conclusion of this event in November, I will not be continuing in the position of Chief Executive and General Manager of Tourism New South Wales.

With this decision comes a level of sadness but also pride in the achievements of the agency over the past 10 years. I would like to place on record at this time my sincere thanks to the Board of Tourism New South Wales and all of my staff over the years for the privilege and honour of leading them as they so professionally delivered services to the industry and to the Government.

This 10-year period saw:

- Australian visitor nights to New South Wales increase by 45%;

- International visitor nights to New South Wales increase by 100%;

- Economic benefit to New South Wales increase by $15 billion to $23 billion;

- The successful leveraging of the Sydney 2000 Olympic Games through the Tourism Olympic Forum and the Sydney Media Centre;

- Three Cabinet-endorsed Masterplans for the tourism industry in this State, the latest to 2020;

- The establishment and continued development of Regional Tourism Organisations (RTOs) across the State;

- The establishment of the highly successful joint initiative of Tourism Sydney;

- The establishment of the important consultative group, the Tourism Industry Forum;

- The successful implementation, with the industry, of a range of Australian and international marketing campaigns, from Seven Wonders to Sydney – All Day Long, All Night Long to the current *Feel free* campaigns;

Forster, North Coast NSW

"Thank you Tourism New South Wales for showing me the way!!

As a new operator in 2002, I thought I had a great facility to offer, and was bombarded by advertising media and Internet sites, all insisting their advertising would put me on the map!! However, I chose to participate in the Tourism New South Wales Short Breaks campaign through Central Coast Tourism.

The Short Breaks campaign was a winner. The phones ran hot and I was fully booked every weekend between September and January. Another Short Breaks advertising campaign and I broke into the mid-week market. My business is booming."

Leonie Lovell

The Acreage B&B

Avoca Beach, Central Coast

- The establishment and growth of New South Wales Holidays, leading to the current step to seek a partner to grow it even further;

- The rebounding of the industry, with the support of Tourism New South Wales, after the various crises of the Asian financial downturn, collapse of Ansett Airlines, September 11, drought, bushfires, Iraq conflict and SARS;

- The development of Visnet and now the State Tourism Data Warehouse to support the visitnsw.com.au and sydneyaustralia.com websites;

- Improved efficiencies, such as the shared services arrangements with Centennial Park and Moore Park Trust and Royal Botanic Gardens and Domain Trust; and

- Tourism New South Wales being recognised by the Council of the Cost and Quality of Government as the highest scoring agency they had reviewed in the New South Wales public sector.

Tony Thirlwell (signature)

Tony Thirlwell

Chief Executive and General Manager

▶ Management Analysis & Discussion

Financial Performance

Overview

This analysis should be read in conjunction with the accompanying financial statements (refer to page 70-88).

Tourism New South Wales delivered a deficit for the year from ordinary activities of $446,000. This deficit mainly arose from the expenditure of funds for bushfire relief in 2002/03 of $690,000 that were recorded as revenue in 2001/02. The net cost of services of $46.325 million was managed within a Government recurrent contribution of $42.998 million and, apart from the abovementioned bushfire relief expenditure, was comparable with the budget target of $45.102 million.

Total expenditure was $58.986 million including operational expenses of $39.219 million that were not employee related expenses.

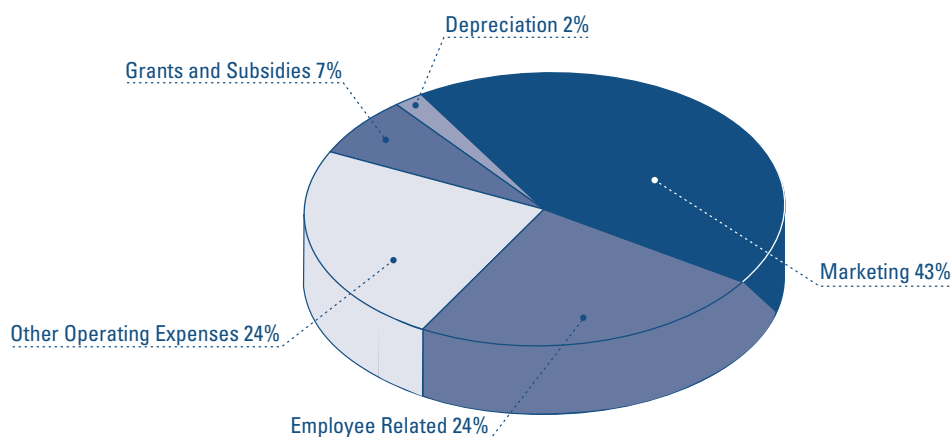Total revenue excluding Government contributions was $12.662 million.

Cashflow

There was a net decrease in cash at bank at year end of $1.550 million, however this was partly offset by an increase in receivables of $819,000 reflecting the seasonal nature of the marketing campaigns conducted in 2002/03. The decrease also arose from the cash held over from 2001/02 for bushfire relief ($690,000).

Revenue (Generated by Tourism New South Wales) [Excludes Government contributions of $45.879 million]

- Sales 7%
- Investments 1%
- Other Revenue 3%
- In Kind Contributions 21%
- Grants and Contributions 68%

Expenditure

Depreciation 2%

Grants and Subsidies 7%

Marketing 43%

Other Operating Expenses 24%

Employee Related 24%
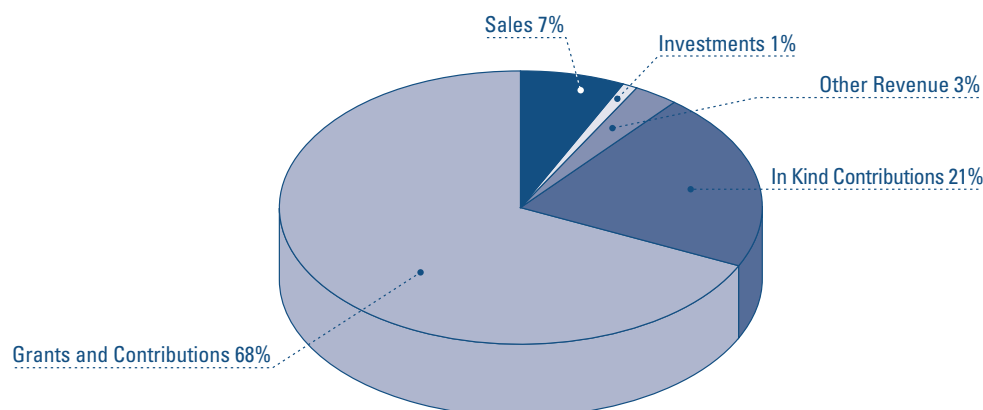
Statement of Financial Position

Tourism New South Wales continues to maintain a healthy financial position. Total current assets exceed current liabilities by $379,000. The net asset position was $3.389 million at year end.

Enhancement Funding Evaluation

Post-September 11 and Ansett Airlines Collapse – Recovery Program

In response to the September 11 terrorist attacks in the United States and the collapse of Ansett Airlines in Australia, the New South Wales Government developed a comprehensive package of assistance and support measures providing $15 million over two years (2001/02 and 2002/03) to aid the recovery of the tourism industry. Of the total package, this included $8 million allocated to Tourism New South Wales over 2001/02 and 2002/03 with $4 million allocated to 2002/03.

This funding was used to enhance marketing programs. In some cases this meant enhancing the scope of current programs such as the Australian *Feel free* re-launch using the John Farnham song 'That's Freedom' (refer below), or developing discrete programs such as the New Zealand *Feel free* program (refer below). Also included was $400,000 in enhancements

Australian *Feel free* campaign

$2,575 from the enhancement funding enabled the campaign to be broadened.	The campaign was designed to promote Brand New South Wales and its diversity of experiences, as well as encourage the 'Dream' for a holiday in and awareness of holidays in New South Wales by consumers. The *Feel free* brand was re-launched with a new television advertisement backed by John Farnham's song 'That's Freedom' and the refinement of the holiday logo in response to industry feedback in January 2003. It also involved themed collateral and rolling out the *Feel free* logo and template for industry's use in producing collateral.	Unprompted awareness of 18% for the Brand New South Wales television advertisement. The prompted awareness of 45% (visual only) goes up to 75% with visual or music, showing the positive impact of John Farnham's song on viewers. A further result of this increased awareness is the significant increase seen in web visitors – now regularly exceeding over 200,000 per month.

New Zealand *Feel free* campaign

Tourism New South Wales investment $375,000.	The campaign aimed to sustain the presence of *Feel free* from the previous year to appropriate exposure levels and ensure that a consistent and relevant brand positioning was maintained for the destination.	Increased New Zealand website visitation, with 25,419 hits in quarter one and 70,184 hits in quarter two. A total of 95,603 hits to the website over the two quarters in 2002/03, compared to the 67,820 hits over the four quarters in 2001/02. The campaign has resulted in 3,400 passengers generated for the 29 September to 18 October 2002 sales period and October 2002 to January 2003 travel period.

Cowra, Explorer Country

to the Sydney Convention & Visitors Bureau, reflected in exceptional results for 2003/04.

Market Share Results

The enhancements have enabled New South Wales to be more competitive with other States, particularly our main competitors, Victoria and Queensland. Overall results, especially for New South Wales and its success against the Australian trend domestically, suggest that the increased investment has influenced visitor behaviour.

Major differences in the Australian marketing program in 2001/02 and 2002/03 were a focus on brand advertising and increased television exposure.

Australia

Results for 2002 are very positive with increases in numbers of holiday/leisure visitors and holiday/leisure visitor nights as well as market share:

- 2.0% increase in visitor numbers;

- 2.4% increase in visitor nights; and

- market share increased from 33.9% in 2001 to 35.2% in 2002.

These results represent an increase in visitor expenditure of $96 million and support of an estimated 700 full-time and part-time jobs.

These results compare favourably with Victoria and Queensland over the same period:

- Victoria experienced a 4.7% decline in visitor numbers and a 6.7% decline in visitor nights;

- Queensland experienced an increase of only 0.8% in visitor numbers and a decline of 0.8% in visitor nights.

International

Victoria, Queensland and New South Wales experienced declines in holiday/leisure visitors and visitor nights in 2002. However, New South Wales experienced an increase in total visitor nights of 3.1%, with the market share increasing from 39.8% in 2001 to 41.0% in 2002. These results represent an increase in international visitor expenditure of $123 million and support of an estimated 900 full-time and part-time jobs. During this same period, Victoria's share of total visitor nights remained steady and Queensland's declined. These results were recorded prior to the impact of the Iraq conflict and SARS being experienced in 2003.

Hyams Beach, South Coast

"The principal object of Tourism New South Wales is to achieve economic and social benefits for the people of New South Wales through the development of tourism."
Tourism New South Wales Act 1984

▶ Corporate Governance

Through the *Tourism New South Wales Act 1984,* the Advisory Board is appointed by the Governor of New South Wales and is accountable to the Minister for Tourism and Sport and Recreation. The Executive and staff are appointed under the *Public Sector Employment and Management Act 2002*.

Advisory Board

Size, Terms and Composition of the Board
The Board is currently at its full complement of nine members – eight part-time members and one full-time member (Chief Executive and General Manager). Members bring to the Board their skills and experiences as individuals who contribute to the agency and to tourism. They are not appointed as representatives of particular organisations or industry sectors.

Members are appointed for a term not exceeding five years but are eligible for reappointment. Part-time remuneration is paid out of Tourism New South Wales funds and is set in accordance with the New South Wales

Government's Board and Committees Guidelines (1999). The Chief Executive and General Manager is not entitled to additional remuneration for being a Board member.

The names and details of the members are set out on pages 23 to 25.

Pecuniary Interests
Board members are required to declare their pecuniary interests. The register of members' disclosures is updated yearly or as a member makes a disclosure.

Interaction with Management
The Board makes recommendations on Tourism New South Wales policy and programs to the Minister for Tourism and Sport and Recreation. The Chief Executive and General Manager and Directors regularly brief the Board on aspects of the agency's activities and performance and seek guidance on policy and operational direction. Management prepares a report on revenue expenditure and debtors for each Board meeting. New Board members are offered an induction with senior staff of Tourism New South Wales and receive the agency's Board Member Handbook, designed to assist members perform their role. The Chief Executive and General Manager updates the Executive on Board decisions and holds a staff briefing following each Board meeting.

Audit Committee
The Audit Committee serves as a junction for communication between the Board, the external auditors, the internal auditors and management, as their duties relate to financial accounting, reporting, internal controls and compliance.

The committee is the Board's principal agent in assuring the independence of Tourism New South Wales' auditors, the integrity of management and the adequacy of disclosures to the public.

Deloitte Touche Tohmatsu (DTT), our internal auditors, conducted a review of the financial controls at Tourism New South Wales. DTT also undertook probity work for New South Wales Holidays and the New South Wales Tourism Awards for Business Excellence.

In addition, Tourism New South Wales carried out an internal Records Management Audit to assist the agency identify gaps and improve its record management procedures and compliance with the *State Records Act 1998*.

Members of the Audit Committee

Chairman	**Tony Thirlwell** (Chief Executive and General Manager, Board Member)
Members	**Charlotte Vidor** (Board Member)
	David Simmons (Board Member, alternate to Charlotte Vidor)
	Pauline Murphy (Director, Government Planning and Communications)
	Sheri Norton (Director, VSA Shared Services)
	Kim Smith (Manager, VSA Finance Services)
	Maria Spriggins and Anne Chung (Audit Office)
	Rory O'Connor and Denis Krallis (Deloitte Touche Tohmatsu)

Board Meetings

The number of Board meetings members were eligible to attend and the number of meetings attended by each member during 2002/03 are:

Board Member	Board Meetings	
	A	**B**
Maurice Newman AC	7	7
Ruth Fagan	7	7
Nick Papallo OAM	7	7
Denis Pierce	6	7
David Simmons OAM	6	7
John Thorpe	4	7
Tony Thirlwell	7	7
Charlotte Vidor	5	7
John Ward	7	7

A = number of meetings attended

B = number of meetings held during the time the member held office during the period

Statement of Responsibility

The Chief Executive and General Manager, senior management and other employees have effected a risk management and internal control process designed to provide reasonable assurance regarding the achievement of the agency's objectives. The Internal Audit function conducts a program of review to assess these controls.

While responsible for the overall internal control framework, I recognise, as Chief Executive and General Manager, that although careful planning, written policies,

organisational structures that provide an appropriate division of responsibilities and an internal audit assists internal control, they do not preclude all errors and irregularities from occurring. However, to the best of my knowledge, this system of risk management and internal control operated satisfactorily during the year.

Tony Thirlwell
Chief Executive and General Manager

Risk Management and Insurance Activities

In 2002/03, while implementing the remaining few actions of the 1998/99 Risk Management Plan, the agency recognised the need to further expand our approach to risk management, especially identifying processes and procedures that would fully integrate risk management with our overall planning processes, and developing an organisational culture that would understand and support risk management.

Tourism New South Wales engaged Marana Consulting Group to:

• review risk management initiatives over the past year;

• identify and record strategic and operational risks; and

• outline recommendations for future actions required to address gaps and new needs of Tourism New South Wales in managing risks.

On acceptance of the report we developed a new draft Risk Management Plan with specific actions for 2003–2005, based on three main strategies:

• develop a systematic approach to risk identification;

• develop a systematic approach to risk monitoring and risk management; and

• develop an organisational culture that understands and supports risk management.

Our insurance coverage is through being a member of the Treasury's/GIO Managed Fund.

Ethical Standards

The agency's *Code of Conduct: Ethical Behaviour* and *Our Culture Our Values Our Behaviour* documents provide the frameworks within which the agency's employees agree to work. The policies are made available to the Board, Executive and all staff. Management and staff are required to submit monthly returns outlining the receipt of any gifts, benefits, hospitality or travel received.

The Code had a minor review during the year and the following paragraphs were amended or added to the Code:

• Operational principles

I will maintain good record management practices, capturing records in the agency's record-keeping system and I will keep records in good condition and in the agency's approved storage facilities.

• Policy requirements

As a New South Wales Government employee, I must comply with the requirements of the *Public Sector Employment and Management Act,* the *Public Finance and Audit Act* (and amendments) and all operational policies issued in that regard.

I will comply with legislation or public sector wide and internal policies as required, eg in relation to equity, FOI, management practices,

purchasing, engaging consultants, records management, corporate credit card use, mobile phones, entertainment, CabCharge use and travel, and I will keep abreast of any changes to these policies. I understand that the Government organisation initiating the policy will inform Tourism New South Wales and that information regarding these policies will be distributed within the agency.

• Confidentiality

I recognise that although sensitive material may be located within the secure offices of Tourism New South Wales, it is only those staff members with a need to know who are allowed to have access to that information.

• Offers of gifts, benefits, hospitality and travel

Tourism New South Wales

When travelling on official business, I am able to avail myself of Government rates or other normal industry accommodation discounts. I understand that as a public official travelling for business I am not to seek or accept frequent flyer points from any airline in respect of official transport.

Planning and Evaluation Cycle

The 2002/03 strategies and activities of Tourism New South Wales were conducted within the following framework.

TREASURY SERVICE & RESOURCE ALLOCATION AGREEMENT (SRAA)

TOWARDS 2020 – NEW SOUTH WALES TOURISM MASTERPLAN

3 YEAR TOURISM NEW SOUTH WALES STRATEGIC PLAN 2002 - 2005

1 YEAR COMMERCIAL MARKETING PLAN

1 YEAR OPERATIONAL PLAN

TOURISM NEW SOUTH WALES GROUP PLANS

VSA SHARED SERVICES BUSINESS PLAN

1 YEAR INDIVIDUAL PERFORMANCE DEVELOPMENT PLANS

PROJECT WORK PLANS

EVALUATION

EVALUATED ANNUALLY FOR CABINET, REVIEWED EVERY 3 YEARS

KPI'S/BALANCED SCORECARD MONITORED MONTHLY BY EXECUTIVE

PROGRESS AGAINST GROUP PLAN REPORTED MONTHLY TO CHIEF EXECUTIVE

SELECTED CORE ORGANISATIONAL PROJECTS EVALUATED AND REPORTED TO CHIEF EXECUTIVE QUARTERLY

Board Members

Maurice Newman, AC, FSIA
Chairman
Regional Portfolio: Capital Country

Maurice Newman joined the Board as Chairman in 2002 and was appointed for a three-year term to 31 May 2005. He is currently Chairman of the Australian Stock Exchange, as well as Chairman of Sydney Convention & Visitors Bureau, the Federal Treasurer's Financial Sector Advisory Council, Sydney Legacy Citizen's Committee, the Australian Father's Day Council and the Council of Governors & Patrons of the Taronga Zoo Foundation. He is also a Director of the Australian Broadcasting Corporation, a Patron of the Committee for Economic Development of Australia (CEDA), an adviser to the Marsh Group of Companies, and a member of the New South Wales Premier's Major Events Board, the Advisory Committee of Australasian Medical Insurance Limited, the Advisory Council of the Asia Society AustralAsia Centre and the Business Council of Australia's Chairmen's Panel. In 2002, Maurice was appointed Chancellor of Macquarie University. He is a former Managing Director and Executive Chairman of the Deutsche Bank Group in Australia, Chairman of the Deutsche Bank Asia Pacific Advisory Board and Deutsche Asset Management (Australia) Limited.

Ruth Fagan
Regional Portfolio: Explorer Country, Blue Mountains

Appointed to the Board in 1998, Ruth was reappointed in 2001 for a three-year term to August 2004. Ruth is the owner/operator of a boutique motel in a vineyard at Cowra. She was Chairman of the Cowra Tourism Corporation for eight years and is presently Cowra's Tourism Manager. Ruth was the winner of the award for Outstanding Contribution to Regional Tourism by an Individual at the 2000 Explorer Country Tourism Awards. She is active on a number of local committees. Previously she was a journalist, research adviser to a New South Wales Government Minister, a newspaper editor and a Director of the New South Wales Arts Council Board.

Nicholas Papallo OAM, LLB
Regional Portfolio: Northern Rivers

Appointed to the Board in 2002 for a two-year term to 2004. Nicholas is a solicitor with a city practice, which he established in 1965. He has held a number of company directorships and presently is a Director of Mondo Pacific Pty Ltd and APC Socotherm Pty Ltd. He was Chairman of the Italian Chamber of Commerce for some years, with particular areas of interest in commerce and industry. Nicholas is the Honorary Trade and Investment Envoy for New South Wales to Italy.

Tourism Regions in New South Wales

Board Members – Front Row L to R: Ruth Fagan, Maurice Newman, David Simmons, Charlotte Vidor
Back Row L to R: John Ward, Tony Thirlwell, John Thorpe, Denis Pierce
Insert: Nicholas Papallo

Denis Pierce
Regional Portfolio: Outback

Appointed to the Board in 2000 for a three-year term to December 2003. Denis is the Managing Director of ATS Pacific Pty Ltd, Director of United Touring Company and Encore Business Tourism. He is a former General Manager Inbound Newmans Tours Australia, President Newmans South Pacific Tours, Vice President Continental-Newmans Vacations, Inbound Manager Newmans Tours, Manager Groups & VJP New Zealand Tourism Board and Sales & Travel Executive New Zealand Tourism Board. Denis is also a former Chairman of the Inbound Tourism Organisation of Australia and the recipient of the 2000 ITOA Award of Excellence for Outstanding Individual Contribution to the Australian inbound industry.

David Simmons OAM, BA, MEd(Hons)
Regional Portfolio: Murray, Hunter

Appointed to the Board in 1997, David was reappointed in 2000 for a further three-year term to December 2003. David is the former Chief Executive Officer Newcastle & Hunter Business Chamber, a previous Federal Minister for the Arts, Tourism & Territories; Federal Minister for Local Government; Federal Minister for Family Support and Federal Minister for Defence Science & Personnel.

Tony Thirlwell, BSc (Hons), MBA, FAICD, CPM, FAMI, AFCIA
Chief Executive and General Manager
Regional Portfolio: Snowy Mountains

Appointed to the Board in February 1993 and became Chief Executive and General Manager in November 1993. Tony is Chairman of the Tourism Industry Forum; Chairman of Tourism Sydney and Chairman of the Tourism Group Rugby World Cup 2003. He is a Director of the Sydney Convention & Visitors Bureau, Australian Tourism Data Warehouse Limited and See Australia Limited. His past positions include Director of Marketing Qantas Airways and Managing Director Australian Tourist Commission.

John Thorpe
Regional Portfolio: New England North West, Riverina

Appointed to the Board in 2002 for a two-year term to 2004. John is President of the Australian Hotels Association (NSW) and Senior Vice-President of the National Australian Hotels Association. He has had a long and proud tradition with the tourism industry commencing with the Hilton International chain in 1960. John bought his first hotel, Dick's Hotel, Balmain, in 1975. He purchased the Harbord Beach Hotel in 1978. John was awarded the 2003 Centenary medal in recognition of his support and service to the community.

Charlotte Vidor, PHC MPS, MUrbStud (Macq)
Regional Portfolio: Central Coast, North Coast

Appointed to the Board in 1996, Charlotte was reappointed in 2001 for a further three-year term to February 2004. Charlotte is Executive Director of Medina Serviced Apartments. She is a founding member of Randwick City Leisure and Tourism Association and of the Hawks Nest/Tea Gardens Tourism Association, and a member of the Sydney Convention & Visitors Bureau. Charlotte was also a member of Civic Reform 2000 Committee of the Lord Mayor of Sydney – Tourism Committee.

John Ward,
BSc, FACD, FAMI, FCIT, FAIM
Regional Portfolio: Illawarra, South Coast

John Ward was appointed to the Board in 1996 and reappointed in 2002 for a further three-year term to 30 September 2005. John is Chairman of Concorde International Travel Services Pty Ltd, a Director of Brisbane Airport Corporation Limited, Adelaide Airport Limited and Ventracor Limited. He is also Honorary Life Governor of the Research Foundation for Information Technology of the University of Sydney. John was previously General Manager – Commercial at News Corporation Limited, Managing Director and Chief Executive of Qantas Airways Limited, and a member of the Australian Tourist Commission Board from 1984 to 1996, serving as Deputy Chairman from 1987 to 1996.

Executive Group

Tony Thirlwell,
BSc (Hons), MBA, FAICD, CPM, FAMI, AFCIA
Appointed Chief Executive and General Manager in November 1993. Tony is Chairman of the Tourism Industry Forum, Chairman of Tourism Sydney and Chairman of Tourism Group Rugby World Cup 2003. He is a Director of the Sydney Convention & Visitors Bureau, Australian Tourism Data Warehouse Limited and See Australia Limited. His past positions include Director of Marketing Qantas Airways and Managing Director Australian Tourist Commission.

John Alwyn-Jones,
BEd, DipEd, FTS, MAICD
Appointed Director Industry Strategy and Development in July 2002. John was previously Managing Director of CelticaConsult Pty Ltd and Associate Director Tourism and Leisure with KPMG and also Cap Gemini Ernst & Young and Ernst & Young in Sydney. He is also a Board member of Central Coast Tourism and Murray River Tourism.

He possesses over 20 years of industry experience including in the UK where he was responsible for marketing and public affairs for The National Trust in Wales, in the USA as the founder of a new marketing operation for Wales in New York for the British Tourist Authority and Wales Tourist Board, and in Australia where he had responsibility for marketing Britain for the British Tourist Authority.

John is a Fellow of the Tourism Society in the UK, a Member of the Institute of Company Directors, a former President of Skal International in North Sydney, a former President of the Welsh Society of Sydney, a fluent Welsh speaker and a regular contributor to BBC Wales, TV and radio and other media in Wales. He has considerable experience as an accredited journalist and broadcaster in the UK, USA and Australia.

Felicia Mariani,
AD (BAdmin) (USA), CertDM, AMABT (USA)
Appointed General Manager, Tourism Sydney (a venture between Tourism New South Wales, Sydney Harbour Foreshore Authority and the Department of State and Regional Development) in February 2002.

Felicia has extensive marketing experience in the tourism, leisure and transport industries having been most recently the Director of Marketing for Connex. Prior to that she was Director of Marketing Communications Tourism New South Wales, Marketing Manager of Marriner Entertainment, and Senior Account Director for Ansett at George Patterson-Bates. Her tourism career in Australia commenced with Tourism Victoria in 1993, following her arrival from the United States of America where for several years she had been the Director of Marketing and Advertising for one of the USA's first riverboat gaming operations based in Pittsburgh.

Pauline Murphy,
PSM, BA, DipEd
Appointed Director Government Planning and Communications in July 2002 with responsibility for corporate affairs, project management and administrative services, tourism policy and planning, organisational planning and evaluation and services for the Minister and Board. Pauline joined Tourism New South Wales in 1982 and has worked in a range of executive and management positions. Her background is in information management, policy and planning at agency and ministerial office levels.

Sheri Norton,
BEcon, MLS(Comm Law)
Appointed Director, VSA
Shared Services in
February 2002 with
responsibility for the
operational management
of a joint corporate
services arrangement between Tourism New
South Wales, the Royal Botanic Gardens and
Domain Trust and Centennial Park and Moore
Park Trust. Functions managed by the VSA
Shared Services group include Finance, Human
Resources and Information Technology.

Sheri's background includes senior
management positions with both operational
and corporate roles in the property, banking
and retail industries for such organisations as
Westfield, Macquarie Bank, Advance Bank and
Coles Myer.

Ron Rosalky,
FAIM, MAICD
Appointed Director,
Commercial and
Marketing Operations in
July 2002. Ron was most
recently a senior
executive with Ansett
Australia. From 1994 to date he has held the
positions of Commercial Manager – Japan,
Airport Service Manager – New South Wales,
Director of Airport Operations, General
Manager Service Delivery, Executive General
Manager – Ground Services, Chief Executive –
Kendell Airlines, Vice-President Australian
Regional Airlines and Head of Regional Airlines
and Customer Service. Prior to his career with
Ansett Ron had a long career with Qantas
Airways including Manager – Greece, Egypt
and Cyprus, Manager – New South Wales,
Sales Director – Australia, Sydney Airport
Director, Director of Airport Services and
Director of Tour Operations.

Julie Webster,
BCom, MB (Marketing)
Appointed Director
Marketing Services and
Brand Management in
January 2000 with
responsibility for brand
management, advertising
development, destination promotion, e-business
strategy, development of collateral and
publications and information and research. In
2001, Julie also lectured in e-business part-time
to marketing undergraduate students at the
University of Technology, Sydney. Her past
positions include Director Marketing Services,
Citibank (Australia) and various brand
management positions at Unilever Australia.

Organisational Structure

```
                        ┌─────────────────┐
                        │   THE MINISTER  │
                        └─────────────────┘
                                 │
                                 │      ┌─────────────────┐
                                 ├──────│    THE BOARD    │
                                 │      └─────────────────┘
                                 │
                        ┌─────────────────┐
                        │ CHIEF EXECUTIVE &│
                        │ GENERAL MANAGER │
                        └─────────────────┘
```

VSA SHARED SERVICES**

VSA Information
Technology Strategy
VSA Finance Services
VSA Human Resource Services

COMMERCIAL & MARKETING OPERATIONS

Commercial Alliances
New South Wales Holidays
Visitor Services
International Sales & Operations
Regional Sales & Operations

MARKETING SERVICES & BRAND MANAGEMENT

Advertising
Production & Branding
Destination Promotion
E-business
Information & Research

**VSA Director Shared Services reports to a
Board of CEOs from Tourism New South Wales,
Centennial Park and Moore Park Trust and
Royal Botanic Gardens and Domain Trust.

INDUSTRY STRATEGY & DEVELOPMENT

Development
Strategic Events
Regional Area Managers

GOVERNMENT PLANNING & COMMUNICATIONS

Corporate Affairs
Board & Executive Services
Policy & Planning
Strategy & Evaluation
Project Management Specialist

TOURISM SYDNEY***

Partnership Marketing
Business Development
Media & Communications
Event Marketing

***Tourism Sydney General Manager reports to a
Management Committee of CEOs from
Tourism New South Wales,
Sydney Harbour Foreshore Authority and the
Department of State and Regional Development
Tourism New South Wales is Chair.

Department of Tourism, Sport and Recreation

The Department of Tourism, Sport and Recreation was created on 29 August, 2003. The Department is an amalgamation of Tourism New South Wales and the NSW Department of Sport and Recreation. The Executive team for the new Department is:

Bill Healey
Director-General

John O'Neill
Executive Director – Tourism

Lisbet Dean
Executive Director – Sport and Recreation

Fingal Head, Northern River Tropical NSW

"On behalf of 'THE GREAT OUTDOORS' travel program on Channel Seven, I want to highlight our appreciation and thanks to the Tourism New South Wales Destination Promotion team.

I, along with my colleagues, fully appreciate the time and effort the Destination team give to us as principal contact for New South Wales, responsible for sourcing and gaining support with new story ideas and filming.

They are always willing and able to supply good, new story ideas and support.

Bearing in mind there are other travel promotional programs within Australia it's incredibly important for us to be kept informed of new ideas that come through and develop these into stories. I feel confident that we are given this support from the team."

Catherine Quirke
Researcher
The Great Outdoors,
Channel 7

"The four stakeholder groups – business community (operators), visitors, host community and Government – are in partnership to achieve common outcomes … managed tourism growth, increased yield and job creation."
Towards 2020 – New South Wales Tourism Masterplan.

▶ ## Tourism Growth

Achieving the 2020 Vision

Destination Positioning and Promotion

The positioning and promotion of New South Wales are major components of our strategy to achieve the goal and outcomes of Towards 2020. We carefully targeted our positioning and promotional campaigns at special market segments and looked beyond traditional products to identify new opportunities to retain New South Wales' number one position as Australia's favourite holiday destination.

We used Brand New South Wales advertising to position New South Wales as 'the place to have

your kind of holiday'. This year we added a potent new song to bring the campaign to life. The John Farnham hit single 'That's Freedom' formed the centrepiece of a major *Feel free* New South Wales advertising campaign that screened on television stations in Sydney, Melbourne, Brisbane and regional New South Wales over October/November 2002.

Campaigns for Sydney were managed by Tourism Sydney – a joint initiative between Tourism New South Wales, Sydney Harbour Foreshore Authority and the Department of State and Regional Development. Tourism Sydney focuses on the branding and promotion of Sydney as a leisure tourism destination and operates under a three-year Strategic Plan 2002–2005.

Regional and rural campaigns were run by Tourism New South Wales in cooperation with New South Wales Regional Tourism Organisations and tourism operators. The campaigns supported our identified experiences and target markets.

Underpinning all our communications activities was a strong public relations campaign through mainstream and travel industry media and media familiarisations to generate positive media coverage for Sydney and New South Wales in Australian and international markets. Journalists were also targeted directly through the Australian Tourist Commission's Visiting Journalists Program and our own International Media Visits Program. The aim of the campaign was to present a favourable image of destination New South Wales to consumers and assist in encouraging consumers to take up the call to action and seek out further information.

Editorial coverage assisted in building credibility with consumers and providing an essential third party endorsement of the destination or experience. In addition, our consistent editorial coverage across the media spectrum built awareness of the State's brand and the State's diversity.

Outcomes	• Intention to travel to New South Wales in target markets increased.
	• Sales of New South Wales leisure holidays increased.
	• Private sector support of Tourism New South Wales' programs increased.
Outputs	• Australian marketing programs highlighting the broad range of tourism products and experiences available in New South Wales.
	• International marketing programs focused on the State's 10 major international markets and marketing activities through the travel trade.
	• Business tourism programs developing and achieving bids to hold national and international meetings, incentives, conventions and exhibitions in Sydney and regional New South Wales.

Overall, the value of destinational Australian publicity was $8.2 million while the value of international publicity totalled $42.8 million.

Media highlights included the *Today Show* (Channel 9) broadcasts along the Kidman Way, *Sunrise* (Channel 7) coverage of the Snowy Mountains, Capital Country, including Yass, in response to the bushfires, and many destinational feature articles in national and metropolitan newspapers and magazines.

Internationally, approximately 150 worldwide media representatives were hosted including the BBC's *Holiday* television show from the United Kingdom, the exclusive *Madame Figaro* from France researching a special Sydney supplement, *The Unbeatables* television drama series from Singapore, *Cosmopolitan* magazine from China, a group of key media from Japan focusing on gardens, and some of New Zealand's top freelancers.

International Marketing
Trade Activities

Our attendance at international trade events provided an effective avenue for Tourism New South Wales to gain industry feedback and market intelligence, and to increase coverage of New South Wales product in wholesale and retail travel programs. For the participating product operator, trade events offered an opportunity to effectively sell their product direct to a key wholesaler from a targeted key international destination. It also provided the opportunity to gain a further 'foot in the door' to continue profiling the product and obtaining the competitive edge.

International trade shows attended and sales missions conducted in 2002/03 were:

OZ Talk North America (Anaheim: August 2002); Australian Travel Safari (South Africa: August 2002); OZ Talk South Asia (Singapore, Malaysia: August 2002), OZ Talk Europe (UK/Germany: August 2002); Hong Kong Sales Mission and China Mission (Hong Kong/China: November 2002); World Travel Market (London: December 2002); Japan Australia Mission (Osaka, Tokyo, Nagoya: February 2003); International Tourism Exchange (ITB) (Berlin: March 2003); OZ Talk NZ (Auckland: April 2003); Arabian Travel Market (Middle East: April/May 2003); Australian Tourism Exchange (ATE) (Melbourne: June 2003).

International Travel Planner: The 2003/04 edition of the planner was launched and used extensively in helping international travel agents and wholesalers improve their knowledge of the tourism product located throughout our State and to increase sales of New South Wales product. The planner – available in print, CD and Internet formats – is all that is needed to plan and book holidays in Sydney and New South Wales.

Market Briefings: In April our international regional directors briefed industry operators at a seminar during their annual strategic planning visit to Sydney. The briefings provided an opportunity for the industry to receive an update on key buyers attending the 2003 ATE, including their product trends and intentions. The team also provides a monthly email newsletter to industry with the latest key market intelligence from our overseas offices.

Consumer Activities

The successful Sydney Citibank Campaign launched in Singapore produced over 1,150 passengers and generated over $1.6 million in sales. The *Feel free* brand campaign continued in Singapore and Hong Kong, positioning Sydney and New South Wales as a vibrant and energetic destination. It included a soft adventure focus for regions surrounding Sydney.

Our campaign in New Zealand pushed the *Feel free* brand and included TV and magazine media during September/October (television) and August to April (print). This resulted in an increased awareness, preference and intention to travel to New South Wales for a holiday among our key target market. Holiday visitor arrivals from New Zealand into Sydney increased by 11.7% on (monthly) average from August 2002 to May 2003 (New Zealand Migration statistics). The *Feel free* tactical promotion, in partnership with Air New Zealand, generated sales of 3,440 passengers.

Our partnership with Qantas in the More Wonders Down Under campaign in the USA generated 16,363 calls, 87,522 online responses, and 1,582 email responses. In Japan, our partnership with JAL in the JAL New Style campaign was highly successful with 133,700 passengers generated and growth of up to 5% over the previous year. In the United Kingdom our partnership with Austravel continued promoting the *Feel free* Sydney brand. Total value of bookings as a result of the campaign to date was over $1.7 million. The number of passengers increased by over 12% and room nights grew by a staggering 50%.

Familiarisation Programs
Our offices continue to run targeted trade familiarisation programs to educate and stimulate agents to sell more New South Wales tourism product. These familiarisation visits are a key component of our international marketing strategy across all markets.

New South Wales Holidays

New South Wales Holidays is our Australian wholesale operation. It connects the State's tourism operators with travel agents and their clients around Australia. A small participation fee is charged, and commission applies on each successful sale.

It has been a difficult year for all tourism wholesale operations and New South Wales Holidays did not escape, with ticket sales of $13.3 million in 2002/03 (compared to $15.9 million in 2001/02).

This year we focused on seasonal campaigns for Sydney and regional New South Wales, promotions and providing exclusive holiday deals to closed user groups including wine clubs, community clubs and seniors groups. A major farm and country holiday initiative was also launched and resulted in increased sales and higher awareness of regional and rural destinations throughout the State.

New South Wales Holidays has Business Development Managers in New South Wales, Queensland and Victoria. They regularly call on travel agencies to educate and motivate agents to book holidays in New South Wales. Preferred agreements have been established with Harvey World Travel, Flight Centre, Jetset/TravelWorld, Travelscene and STA Travel. Preferred agreements ensure all New South Wales Holidays brochures and seasonal flyers are racked in every agency of each chain. Preferred agreements also allow

access to marketing opportunities to increase sales that otherwise would not be available. These can include national window displays, inclusion in catalogues and direct marketing to the agency chain's database.

In 2003/04 we will test the market for a wholesaler to take New South Wales Holidays to the next stage of its commercial development through a tender process. The outcome of this market-testing initiative will allow us to make an informed decision on the additional benefits that can flow to operators from outsourcing the operation. The tender process will commence in July 2003.

Awards for Sydney

One of our overarching strategies is to position Sydney as a premier tourist destination. This year Sydney won a number of prestigious international tourism awards showcasing it as the current destination of choice for a wide range of travellers. The US *Conde Nast Traveler* crowned Sydney as the "Best Foreign City" in its Readers' Choice Awards, while readers of the UK *Conde Nast Traveller* voted Sydney as the number one city in the world. Sydney shared the honour with New York, but readers ranked Sydney higher for its food and restaurants, cleanliness and user-friendly nature. Sydney also took out second place behind Paris in the "Best Foreign City" category of the UK's *Telegraph Travel Awards* in an annual survey of the British travelling public conducted by London's *Telegraph* and *Sunday Telegraph* newspapers (in the previous year Sydney had taken out fourth place). In August 2002 Sydney was awarded "World's Best City" in the USA's *Travel & Leisure* magazine, returning to its winning slot after two years out of the number one position. Sydney also rated the number one city in Australia, New Zealand and the South Pacific in the awards. Other awards included "Best City" in the *Associated Newspapers'* British Travel Awards and "Favourite Overseas City" in *The Guardian/ Observer's* Travel Awards (UK). A strong Sydney tourism industry and business is vital to regional New South Wales.

Promoting Via the Web

The Internet is one of the key methods people are now using to explore their holiday options and to decide their accommodation, the places to visit and attractions to see. Our websites are receiving the highest number of monthly visits since figures were first compiled just over two years ago. Our two primary sites

"I like to be creative and I love a challenge so I'm very lucky to have a job which provides both of these. Working on the Australian Tourism Exchange (ATE) for the past two years has given me the opportunity to express the quality and diversity of New South Wales tourism product to an international audience. It's fun to grab someone's attention and show them something they weren't expecting and it's rewarding when they are impressed."

Carla Imbruglia
ATE Coordinator

(sydneyaustralia.com and visit.nsw.com.au) received 1.5 million visits, an increase of 39% over last year, with about a third of that total coming from international web addresses. We estimate that around 10% of these visits result in an online booking enquiry, an email direct to a tourist operator or directed to the tourism operator's own website for more information.

Research has also shown that an additional 25% telephoned a tourism operator as a result of their visit to a Tourism New South Wales website. Another 40% said they were likely to book a New South Wales holiday within six to eight weeks.

The increased visits to our websites are partly attributed to the effective use of Internet search engines that were optimised for our Short Breaks and Farmhand campaign websites, backed up by television and print advertising where the website addresses were well publicised.

A major achievement was the launch of our revamped consumer site www.visitnsw.com.au. The make-over included a complete redesign (with improved functionality), rewrite of content and the interface between the website and the State Tourism Data Warehouse (STDW), development of an online booking prototype in conjunction with Bookrite, completion of the Geo-coding of all towns and operators so they can be accurately displayed on a map and the addition of campaign websites. The revamp also included updating our media site that is specifically dedicated to supporting the media and travel trade.

Our eight international websites were redesigned and customised for each country allowing consumers to view the pages in their own language (www.sydneyaustralia.com).

External organisations have also opted to utilise our web-publishing software to develop their own website. These include:

• www.sydneyharbourcruising.com, created for a group of harbour operators in conjunction with the Department of State and Regional Development;

• www.events.nsw.gov.au, built on behalf of the Premier's Department to feature New South Wales events; and

• Regional sites for Cowra, Albury, Blue Mountains, Capital Country, Pacific Coast Touring Route and Maitland.

As a result of a review of policy direction, our *Get Connected* program will be offered free of charge to operators from 1 July 2003, providing more opportunities for smaller operators and regional operators to take their product to the global marketplace. Previously, members paid a fee to be included in the program. We estimate that our *Get Connected* members' information will be available to around 180,000 visitors to our sites each month. Members' information will also go on the ATC's site www.australia.com which receives around 400,000 visitors a month.

To qualify for a free listing operators must update their STDW listing at least once every six months. Existing *Get Connected* members will receive a refund cheque for the balance of their current membership.

Online Image Library

Our image library supports tourism by assisting operators and media to communicate the beauty and diversity of New South Wales through high quality images. The collection of tourism-related photographs can be searched and downloaded by the public, tourism sector or the media in high or low resolution format. They are generally available free of charge. The library has nearly 6,000 images and continues to grow in popularity.

Use of the site is increasing, with over 16,000 images being downloaded since the library went online in September 2002. Access to the library is through our corporate website.

$1 Million Partnership

In September 2002 Visa International signed a $1 million agreement with Tourism New South Wales to help promote the State as a destination to Australians and the global market. This significant agreement will make a strong contribution to visitor services during the 2003 Rugby World Cup and reaffirms Visa International's commitment to continue building tourism in New South Wales by providing jobs and investment opportunities.

It is the second time Visa International has signed with Tourism New South Wales following on from the partnership forged prior to the 2000 Sydney Olympic Games.

In return for its investment Visa International receives sponsorship rights to the Sydney Visitor Centre at Sydney Airport and the Sydney Ambassador Traineeship Program.

Visitor Services

Our visitor services network continued to grow with the inclusion of the Sydney Cruise Ship Season, working in close partnership with the Sydney Ports Authority. We also work closely with the Sydney Harbour Foreshore Authority, City of Sydney, Sydney Convention & Visitors Bureau and Sydney Airport Corporation to provide visitors to Sydney with quality information both prior to and during their stay in Sydney and New South Wales.

New initiatives to enhance our services to both Sydney and regional New South Wales through improved visitor services included the review of our Visitor Information Line operations, our print collateral and the operations at both The Rocks and Darling Harbour Sydney Visitor Centres.

Visitor Information Call Centre

The 13 20 77 line was initially set up as an easy consumer contact point for holiday information to New South Wales. This year over 280,000 (up from 200,000 in 2001/02) consumers availed themselves of the service.

A component of 13 20 77 was a menu via which consumers could be directed to local experts in a self-serve manner. To address a number of complaints from consumers advising that they wanted to speak to a "real" person, coupled with an increase in our telephone statistics demonstrating a high degree of "no interaction", we re-engineered the way we provide this service. 13 20 77 is accessible 24 hours a day, seven days a week, with operator assistance available Monday to Friday from 8am to 6pm. This year we added a booking line which is open from 6am to 10.30pm seven days a week.

Sydney Visitor Centre Operations

A review of the operations was carried out and this has seen a change in the way collateral is stored within the Centres and the way staff of the Sydney Harbour Foreshore Authority (SHFA) and Tourism New South Wales both handle enquiries for Sydney and regional and rural New South Wales. To increase and enhance knowledge of New South Wales

tourism product, a series of regional and rural workshops was held for our staff and trainees, SHFA staff and the Sydney Airport Gold Ambassadors. The Centres stock over 120 regional New South Wales brochures.

The Sydney Visitor Centre – Sydney Airport, in addition to its previous functions, takes bookings for consumers from our 13 20 77 line. Sales have remained solid this year despite a downturn in passenger numbers. Accommodation remains our main source of business along with income received from the Backpacker Board and other initiatives.

Trainee Program

We received over 350 applications for the 30 positions available on the Traineeship Program (VISA Meet and Greet and VISA City Host). The program is aimed at attracting school leavers to choose a career in the tourism industry. The on-the-job training and the Travel and Tourism Certificate III in information services provide the trainees with a balance of work life combined with study. Of the 30 trainees who completed the program in 2002, 95% have successfully obtained positions in the workforce, 85% remaining within the tourism industry.

To broaden the knowledge base of our trainees and to give first-hand knowledge and experience of regional New South Wales to 20 Sydney Airport Gold Ambassador volunteers, we provided the opportunity for them to visit the Blue Mountains, Southern Highlands, the Hunter Valley, Jervis Bay and Port Stephens as part of their familiarisation program.

Sydney Ambassador Program

We continue to be grateful for the services provided by our volunteer Sydney Ambassadors,

Visitor Services Trainees at Mt Selwyn

who now number 30. The Ambassadors, many of whom are retired from full-time work, give up their time to promote Sydney and New South Wales from our VISA Information Kiosks.

Cruise Ship Season
In partnership with the Sydney Ports Authority, our Sydney Ambassadors and trainees provided a friendly welcome and offered up-to-date tourist information to visitors arriving at both the Darling Harbour Terminal and the Overseas Passenger Terminal, Circular Quay.

Business Tourism

New South Wales has more than 42% of Australia's convention business and more than 35% of attendees – worth over $2.1 billion to the State. The Government, through Tourism New South Wales, continued to provide strong support for this vital part of the State's tourism industry. In 2001/02 and 2002/03, Tourism New South Wales' funding for the Sydney Convention & Visitors Bureau (SCVB) increased significantly in response to the events of September 11 and the collapse of Ansett Airlines. In line with the New South Wales Government's tourism recovery package, funding for the SCVB over two years now totals $5.7 million.

The SCVB has won 40 events for 2003, with 31,890 delegates and $130 million in delegate spending. Between 2000 and 2007, 198 conventions have been won and are set to come to Sydney, bringing an estimated $950 million into the New South Wales economy.

Sydney is currently ranked number eight in the world for international meetings, with 41 events. The Australian city that comes closest to this is Melbourne with 29 meetings, ranked at number 16. In the Asia Pacific, Sydney is ranked second behind Seoul with 51 meetings. Based on meetings held in 2002, Sydney was ranked number five in the world.

To deliver the Regional Conferencing Strategy for regional New South Wales, Tourism New South Wales continued its support of the SCVB with a further $150,000. Support for this initiative commenced in 1999/2000.

For the first time, the 2003 Regional New South Wales Facilities Guide merged with the Sydney Facilities Guide, a comprehensive guide to Sydney and regional New South Wales business tourism products and services. This product was developed through close cooperation between Tourism New South Wales, the SCVB and the Department of State and Regional Development. This Guide reaffirms the belief held in the meetings industry that regional New South Wales product maintains a high quality and complements Sydney services.

Information relating to the Sydney Convention & Visitors Bureau has been approved by that organisation. Further information on the SCVB's performance and activities can be found in its 2002/03 Annual Report (www.scvb.com.au).

"The highlight of the year for me was the implementation of the State Tourism Data Warehouse. Operators, along with Tourism New South Wales, can now communicate product information to a global audience in a cost effective way.
It's been a challenge and a labour of love but worth it, not only in terms of what we have achieved so far, but all the great things E-Business hopes to do in the future."

Dianne Paine
Database Coordinator –
E-Business Unit

Australian advertising campaigns that ran throughout the year were:

Campaign	Budget [1]	Campaign Objectives	Comment [2]
Brand New South Wales			
	$1.43 million	Ran from October to November 2002 – launched 'That's Freedom' *Feel free*. Comprised brand advertisements and specific retail offers. • Promote Brand New South Wales and its diversity of experiences. • Encourage 'dreaming' for a holiday and awareness of holidays in New South Wales by consumers.	Computer Aided Telephone Interviews (CATI) results showed an 18% unprompted awareness level for New South Wales and 75% in prompted awareness (of which 48% said the campaign had increased their interest in taking a holiday in New South Wales).
	$421,000	Ran from February to April 2003 in conjunction with Harvey World Travel, Accor and Qantas Holidays. Call to action was direct to Harvey World Travel on 13 27 57.	The first three weeks of the campaign saw a 73% growth in bookings over the same period last year and 67% growth in revenue. The fourth week was slower with a 44% increase in bookings recorded.
	$1,004,000	Ran from May to June 2003 as a means of addressing the impact of the Iraq conflict and SARS. • Raise awareness of New South Wales as a holiday destination. • Highlight three core destinations and their range of package products. • Stimulate direct response to product offer.	Part of the See Australia advertising campaign to help the tourism industry overcome the effects of the Iraq conflict and SARS. Campaign featured Sydney, Canberra and Coffs Harbour and was in association with Flight Centre and Qantas Holidays. Results to date have been outstanding with large increases in sales being reported across all areas.
Sydney			
Sydney Summer – Sydney Uncovered	$1 million	Ran from November 2002 to January 2003 in Melbourne and Brisbane. • Continue to shift existing perceptions of Sydney. • Place Sydney top of mind as the favoured holiday destination over the summer period.	For the first time, the Summer campaign promoted Sydney Festival travel packages interstate. Also a separate retail television campaign in association with Qantas Holidays promoted post-Christmas packages. 1.3 million copies of *Sydney Uncovered* magazine inserted into Melbourne *Sunday Herald-Sun* and Brisbane *Sunday Mail.*
Sydney Winter – Sydney Uncovered	$1.5 million	Commenced in mid-May 2003 to 31 August 2003 in Melbourne and Brisbane.	2002/03 campaign run with cooperative funding provided from Flight Centre, See Australia, Tourism New South Wales and Tourism Sydney. Included two prizes worth a total of $7,300. 1.3 million copies of *Sydney Uncovered* magazine inserted into Melbourne *Sunday Herald-Sun* and Brisbane *Sunday Mail.*
Sydney Continuity Program	$2.4 million [3]	Allows for year-round promotion of Sydney targeting key periods like school holidays and special events outside of campaign timings. (Focused on family market in Melbourne and Brisbane.)	Runs throughout the year and complements seasonal Sydney summer and winter campaigns. Presents a unique opportunity for Sydney tourism operators to find a low-cost way to capitalise on major publicity activities throughout the year.
Short Breaks			
Featured: Hunter, Blue Mountains, Southern Highlands, Port Stephens, Hawkesbury Valley, Central Coast, Illawarra, Shoalhaven	$1.33 million	Commenced March 2003. Focus was on Sydney market. • Generate bookings for promoted retail offers. • Increase visitation to promoted region. • Raise awareness of promoted region.	Specifically geared towards holidays that are all within two to three hours drive from Sydney. Print only. Campaigns generated 10,439 requests for accompanying brochures or specific retail offers. A unique IVR system was installed to promote greater accountability to regions and to provide medium effectiveness data.

1 Campaign Budget includes both Tourism New South Wales and Partner/s funds.

2 Results do not reflect bookings direct to operators.

3 Non-Tourism New South Wales cash and in-kind support for campaign.

Campaign	Budget [1]	Campaign Objectives	Comment [2]
Driving Holidays			
Featured: Drive New South Wales (magazine), Drive Snowy Mountains, Drive New South Wales (television), Drive South Coast, Drive Yourself Sane (North Coast of New South Wales), Drive Outback New South Wales, Classic Country Drive	$2.37 million	• Build preference and intention for a driving holiday. • Build preference and intention for a driving holiday to specific region, eg North Coast New South Wales. • Generate responses. • Increase in consumer association of New South Wales as a 'touring' state.	1.4 million copies of the *Drive New South Wales* magazine were distributed in the *Brisbane Courier Mail*, the *Sunday Herald Sun* in Melbourne and the *Sunday Telegraph* in Sydney over the weekend of November 30/December 1, with a collective readership of over four million. Featured nine touring routes. Resulted in 9,146 requests for further information, with 77% of those recalling seeing the insert saying they were likely to go on one of the touring routes. Drive New South Wales television campaign generated 44,338 requests for accompanying collateral. South Coast: resulted in 6,635 requests for the accompanying brochure. North Coast: resulted in 4,102 requests for the retail brochure. Snowy Mountains: resulted in 2,152 requests for the accompanying brochure. Outback: resulted in 6,674 requests for the accompanying brochure. Classic Country Drive: resulted in 7,752 requests for the accompanying brochure.
Crisis Response Campaigns			
Drive: Post-Bushfire Recovery – Shoalhaven and Blue Mountains	$750,266	Ran during September and October 2002. Shoalhaven also ran in May 2003. • Stimulate responses to call to action. • Arrest negative publicity. • Promote both regions as being open for business.	Blue Mountains: generated 7,139 requests for the accompanying brochure. Shoalhaven: generated 9,221 requests for the accompanying brochure.
Post-Bushfire Recovery – Snowy Mountains	$250,000	Ran in March 2003. • Build preference and intention for a family holiday to the Snowy Mountains at Easter. • Generate responses.	Generated 4,291 requests for the accompanying retail brochure.
Post-Bushfire Recovery – Capital Country	$100,000	Ran in April 2003. • Build preference and intention to visit Capital Country as part of the Classic Country Drive. • Generate responses.	Campaign response was affected by the impact of the Iraq conflict and SARS. Generated 524 calls for the accompanying brochure.
Multicultural			
Developed to meet the commitment required for multicultural advertising by New South Wales Government agencies.	$202,000	Ran in June 2003. • To create awareness of the various holiday destinations among target communities. • To motivate consumers to book a holiday in New South Wales.	Three target communities were identified: Chinese, Vietnamese and Korean. These were singled out in anticipation of better reach, response and conversion rate. All these communities have significant and expanding populations in Australia and have a high propensity to travel, well above the national average of 12%.
Farm Holidays			
Farmhand Farm Holidays featured television advertising, print advertising, extensive public relations, and dedicated web section.	$500,000	Commenced in February 2003. • To encourage families to take New South Wales farm stay holidays in Easter/May and June/July school holidays, and • To make a real contribution to rural communities affected by drought. Joint campaign between Tourism New South Wales and Farmhand Foundation. Featured country music star Lee Kernaghan.	The campaign achieved a 173% increase in New South Wales Holidays farm holiday bookings compared to the same period the previous year. Over $460,000 of public relations was generated for the initiative. Over 20,000 people visited the specially designed website section, completing over 500 booking enquiry forms.

Circular Quay, Sydney

"Towards 2020 seeks to promote a sustainable tourism industry by managing the so-called triple bottom line that embraces the environment, economy and society."
Towards 2020 – New South Wales Tourism Masterplan

▶ A Sustainable Tourism Industry

Achieving the 2020 Vision

Implementation Framework: Monitoring and Reporting

Towards 2020 – New South Wales Tourism Masterplan was endorsed by Cabinet on 28 October 2002. A Masterplan summary was released in December with the 83-page Masterplan released on 5 February 2003, followed by distribution of 1,000 copies to the industry, community and Government agencies. Both the Masterplan and a Masterplan summary are available free of charge for download on our corporate website (www.tourism.nsw.gov.au/masterplan).

Internal stakeholders were then briefed on roles, responsibilities and timing, with confirmation of group and unit commitments as well as identification of key contacts. At this

stage 14 key partner agencies within the New South Wales Government were contacted and 10 meetings held at CEO level.

To improve Masterplan implementation and information-sharing, key agencies have been arranged into three cluster groups – arts and culture, infrastructure and investment, transport and nature. The transport and nature and the arts and culture clusters held initial meetings this year. The purpose of the meetings is to ensure that all agencies and relevant people within the agencies are clear about their Masterplan action responsibilities, timetables, and how the implementation process will be handled across the agencies. Communication throughout regional New South Wales has been primarily by presentations to the various Premier's Department Regional Coordination Management Group meetings, but presentations have also been given to brief State and/or Local Government agencies through other forums and meetings. A copy of the Masterplan was mailed to all local council mayors and general managers in February 2003. LGov (formerly the Local Government & Shires Association of NSW) placed a Masterplan item in their weekly general circular. The LGov Finance & Economic Development Committee was also briefed.

To improve the reporting and implementation process, the Masterplan proposes twice-yearly Inter-Government Working Group meetings be held. The first of these meetings is scheduled for November 2003 and the second for April 2004.

In February we advised all tourism industry organisations of the release of the new Masterplan and invited their participation in the implementation of any actions in which they have an interest. CEO-level meetings were held with selected key industry organisations, Tourism Industry Forum members, to discuss the new plan and the role the industry could play in its implementation. To date meetings have been held with three industry organisations.

| Outcomes | • *Towards 2020 – New South Wales Tourism Masterplan's* strategies and actions implemented. |
| | • Regional marketing and development plans established. |

Outputs	• Monitoring of the whole-of-Government *Towards 2020 – New South Wales Tourism Masterplan* implementation and Tourism New South Wales' responsibilities.
	• Marketing of a selected range of events.
	• Preparation of Regional Development Plans.
	• Development and implementation of *Team New South Wales Agreements*.

State Policies and Planning

Tourism Aviation

The aviation sector of the tourism industry in Australia is in a state of ongoing and significant change, which will continue to affect the tourism industry and visitation both within Australia and internationally.

Tourism New South Wales is directly involved in the development and application of regional aviation policy through its participation on the New South Wales Air Transport Council. Regional airlines in New South Wales in 2000/01 carried approximately 1.4 million passengers between rural and regional centres and Sydney.

The global aviation sector has experienced a period of unprecedented change in the last few years, with many of the world's major carriers suffering substantial financial and operational problems. Some of the most significant effects have been caused by the Asian economic crisis, a major United States and world economic slowdown from early 2001, the devastating effects of the September 11 terrorist attacks in the United States in 2001, the Bali bombings in October 2002, the Iraq conflict, and most recently SARS.

The impact of these developments on international airlines has been substantial, including huge financial losses, the collapse of a number of airlines and the move in Chapter 11 bankruptcy of airlines such as United and Air Canada.

These dramatic effects have accelerated a number of trends in the aviation sector including a move to larger and fewer airlines, a stronger focus on financial returns and route profitability, the development of stronger alliances such as Star and Oneworld and the emergence of low-cost airlines such as Virgin Blue in Australia.

Also, closer to home, the collapse of Ansett and its regional subsidiaries in 2001 and the near collapse of Air New Zealand have resulted in major restructuring of the domestic aviation sector with a range of new challenges and opportunities for the tourism industry.

Work commenced on a Tourism Aviation Strategy to provide a strategic framework and direction on tourism aviation from which Tourism New South Wales can identify and pursue opportunities in the aviation sector, to leverage tourism benefits and returns.

In developing and applying the Strategy, we will look at international air capacity and obtaining a better understanding of the economics and viability of routes and associated market development issues that might influence the provision of air services to and within New South Wales to best benefit tourism.

Signposting

An operating procedures manual was developed to assist members of the Tourist Attraction Signposting Assessment Committee (TASAC) and regional sub-committee to understand their role and the process, and to help them in supporting operators.

TASAC is a group formed by the New South Wales Government to have overall responsibility for the planning and implementation of tourist signposting systems which:

• safely and efficiently guide motorists to their destination;

• inform visitors of the range of major attractions and services available within a destination.

TASAC is made up of representatives of Tourism New South Wales, the Roads and Traffic Authority (RTA), Regional Tourism Organisations (RTOs) and a Secretariat.

TASAC met with each of the six regional sub-committees this year to address regional tourist signposting projects and issues. Policy contained in the revised tourist signposting manual is being applied by TASAC through its assessment and approval procedures.

Designs for the State border and regional boundary gateway signposting project were developed jointly by Tourism New South Wales and the RTA. The signs will being erected around the State in 2003/04.

Communication of the Tourist Signposting Policy continues through the TASAC website, regional sub-committee meetings and individual contact with operators, tourism managers, RTOs and Local Government Areas. We provided input to the full technical signposting manual being developed by the RTA and to the National Tourist Signposting Working Party for the development of national standards for tourist signposting in Australia.

The TASAC website, online in August 2002, was further refined following feedback from industry. Additional feedback has highlighted the ease of navigation and appropriateness of the content.

The TASAC database was designed, developed and in use by April. It integrates with the STDW and records all tourist signposted product in the State. The data is being used for the State-wide tourist signposting review which is being undertaken jointly with the RTA through to 2003/04.

Regional Tourism Plans

Under the Regional Tourism Action Plan 2000–2003, an agreement exists between Tourism New South Wales and the RTOs to produce three-year Regional Tourism Plans for their individual regions. The plans guide the in-region development of tourism initiatives in the areas of new infrastructure development, transport access information and service, product development/enhancement and industry development. They also guide in-region and external marketing strategies and activities for the region. Regional Tourism Plans are a key delivery mechanism for the objectives of *Towards 2020 – New South Wales Tourism Masterplan*.

The South Coast NSW, Riverina and North Coast NSW regions' plans are complete. Capital Country and Explorer Country plans are nearing completion while initial scoping work is underway for the Hunter, Blue Mountains and Outback NSW.

A highlight of the overall project has been the increasing involvement of and integration with the actions and directions of other State Government agencies and the keen interest of individual representatives to be involved in implementation.

Completed plans are available through our corporate website for download free of charge (www.tourism.nsw.gov.au/corporate, selecting industry services, then regional development).

National Tourism Crisis Response Plan

The perception of risk associated with travel has increased since the September 11 terrorist attack on the World Trade Centre. In response, in September 2002, the Tourism Minister's Council asked the Commonwealth Department of Industry, Tourism and Resources to coordinate the development of a national tourism industry crisis response plan to deal with war and terrorism events.

Tourism New South Wales participated with the other tourism agencies in Australia to develop the National Tourism Crisis Response Plan. This plan sets out a response framework and actions for Commonwealth, State and Territory Governments to pursue in cooperation with industry.

In March, the plan was activated in reaction to the Iraq conflict. The SARS outbreak followed closely and became the plan's focus as the effects of the Iraq conflict abated.

Responses include research to determine the impact on tourism businesses, an ATC international marketing program, and in New South Wales, through $200,000 seed funding from the See Australia program, Tourism New South Wales conducted a $1.004 million domestic campaign. A business assistance directory was also created to guide businesses experiencing difficulties to Government programs.

An evaluation of the plan was undertaken in July. While some adjustments were recommended, such as expanding its scope to include a range of major threats, it was found to provide an effective mechanism for governments to work together.

National Tourism Plan – Green Paper Response

In May 2002 the Commonwealth Government released *The 10-Year Plan for Tourism: A Discussion Paper,* representing step one of a five-step process towards achieving that 10-year plan for tourism. The Green Paper, released in early June 2003, is another step along the path to a new National Tourism Plan which will articulate the Commonwealth's vision for Australian tourism.

The New South Wales response to the Green Paper focused on areas where we believed greater coverage was required, that were key areas of interest to New South Wales or provided opportunities for improved State/Commonwealth cooperation.

The response is consistent with direction and outcomes set down in *Towards 2020 – New South Wales Tourism Masterplan*.

Destination Management Tools

Tourism Industry Development
Investor Sentiments to Tourism

One of our corporate objectives is to partner with industry to improve its viability and service delivery, specifically in encouraging and driving investment in tourism.

During the year Tourism New South Wales conducted ongoing research to assess investor sentiments to tourism. The results will be used to help us assess, sustain and improve not only the profitability and investment potential of tourism businesses but also the manner in which we can facilitate increased investment in tourism in New South Wales. They will also allow insights into our facilitation of the sustainable development of the tourism industry; identification of infrastructure development opportunities and associated investors, and assistance in improving the structural efficiency and viability of the tourism industry.

We are also establishing a Tourism New South Wales Tourism Investment Reference Group under the leadership of the Chairman, Maurice Newman. Leaders in the investment community with a particular interest in tourism will be invited to join the Group. Among other things, the Group will advise on the development and implementation of the Tourism Investment Strategy, advise on how Tourism New South Wales can positively influence investment in tourism, review methodologies to secure significant additional investment in tourism and provide industry leadership and contacts.

Farm and Country Holiday Development Kit

As part of our collaboration with the Farmhand Foundation to support communities enduring long-term drought conditions, we produced the Farm and Country Holiday Development Kit.

The kit aims to help potential tourism operators to make informed decisions about setting up a farm or country holiday tourism business. It is useful in assisting people to identify and research tourism opportunities and to prepare business plans. Over 300 copies of the kit were distributed to each RTO, local Tourism Manager and Business Enterprise Centre, along with individual businesses outside the metropolitan area.

The kit is available through our website free of charge (www.tourism.nsw.gov.au/corporate, selecting industry services, then growing your business.)

Professional Development

We offer several different avenues for people involved in the tourism industry to increase their skills development and provide industry/operator links. This year we offered:

- **Regional Tourism Forums** – Together with industry partners, Tourism New South Wales has developed these Forums as an opportunity to link State industry representative bodies with regional tourism operators and associated organisations. They provide a working environment to exchange views, issues and opportunities to aid the development of tourism in New South Wales. Two were held in regional locations (Hunter and Snowy Mountains) this year. The Forums were then incorporated into the Growing Together seminars in 2003.

Mulwala, The Murray

- **Tourism Exchange and Regional Tourism Organisations' Chairs and Executive Officers** – Quarterly meetings are organised which feature guest speakers and updates of Tourism New South Wales initiatives and available opportunities.

- **Partnership Sydney** – A collaboration between the private sector and Government agencies. This initiative consolidates all Tourism New South Wales' and Tourism Sydney's industry sales activities in order to improve the Sydney tourism industry's access to information and sales opportunities. High-level guest speakers are also brought in to address Partnership Sydney and link Sydney operators with key partnership opportunities. On average, there are 200-250 attendees at each session.

- **Tourism Industry Forum (TIF)** – A consultative and planning group chaired by Tourism New South Wales that was established to facilitate tourism development in New South Wales. It consists of senior representatives of tourism industry associations and Government departments with specific tourism interests. The group comprises 36 industry associations and Government bodies and meets every two months in a round-table format or more regularly during crisis periods for the industry. This year the Forum met six times with an additional morning briefing held prior to the New South Wales Tourism Seminar.

- **Industry Scholarship Scheme, Southern Cross University** – Tourism New South Wales has supported this scheme since 2000. Ms Jalyn Paulett is the current recipient of the Tourism New South Wales Scholarship which includes a six-month internship with Tourism New South Wales.

- **Wendy O'Donohue Young Achiever in Tourism** – Each year we coordinate the State-wide search for an outstanding young (the nominee must be under 30) achiever from the New South Wales tourism industry who demonstrates initiative, dedication and commitment to the industry. The award is aimed at nurturing and encouraging young people to continue their outstanding work as ambassadors for tourism in New South Wales. This year's winner is Karina Groth, Tourism Manager, Tourism Hawkesbury Inc. Sydney.

- **Minister's Student Achiever Award in Tourism and Hospitality Studies** – Each year the Minister for Tourism and Sport and Recreation recognises the 12 top-marked first year or equivalent students in tourism or hospitality courses at TAFE and universities across the State. The award carries a cash prize of $1,500 for each of the top 12 students.

- **Sam Fiszman Award – Tourism New South Wales Trainee of the Year** – The Sam Fiszman Award is named after the former Chairman of Tourism New South Wales who died in March 2002 and who was a strong supporter of the traineeship program. Christina Whitaker was honoured with the inaugural Sam Fiszman Award for Tourism New South Wales Trainee of the Year. The award was presented to Christinia by the Hon Sandra Nori MP, Minister for Tourism and Sport and Recreation at a ceremony at Parliament House in March. Christina was selected on performance evaluations using TAFE results, work

Tilba Tilba, South Coast

performance, presentation, motivation, commitment and initiative. Christina received a certificate and $1,500 in recognition of her overall success in the trainee program.

- **Awards of Appreciation** were also given to six visitor services trainees: Laura Benjamin, Kathryn Carden, Mark Cosgrove, Mary-Ann Gavranic, Paul Tacconne and Christina Whitaker, who gave their time and knowledge in the Snowy Mountains area to provide visitor information during the 2003 bushfires.

- **Annual Tourism Seminar** – **Tourism Connections** – Around 300 tourism operators and industry representatives from New South Wales convened in Sydney on 3 September 2002 for a major annual tourism seminar that looked at what the future might hold for the industry, after a challenging year marked by September 11, the collapse of Ansett and the State's devastating bushfire season.

  Entitled Tourism Connections, the seminar was hosted by Tourism New South Wales and provided an industry forum for the exchange of information, research and ideas, and facilitated communication between Tourism New South Wales, regional tourism organisations and operators. Evaluation findings showed that delegates considered the knowledge gained at the seminar to be applicable to their businesses and were very positive about the networking opportunities.

- **Growing Together Seminars** – From 7 May to 5 June, 15 regions of New South Wales and Sydney were visited by Tourism New South Wales as we conducted our 2003 Growing Together Seminars. The seminars outlined current trends in the industry and plans for the future and held workshops on how to improve business. Advice and assistance on working with Tourism New South Wales on marketing campaigns and development opportunities also formed part of the seminars' content. Over 1,000 people attended (an increase of 41% over 2001/02) and satisfaction ratings by participants were high.

- **New South Wales Tourism Awards for Business Excellence** – The 2002 New South Wales Tourism Awards for Business Excellence, which recognise the best the State has to offer in everything from restaurants and wineries to accommodation and attractions, were announced at the Sydney Convention and Exhibition Centre at Darling Harbour on 11 December.

Bowral, Capital Country

From the 96 finalists, there were 28 category winners, plus five Awards of Distinction. They were decided by 21 judges from RTOs, key industry associations and Government agencies. The winners each received an individually crafted glass art trophy weighing two kilograms created by one of Australia's leading glass blowers, Sydney-based artist Robert Wynne. The winners advanced to the Australian Tourism Awards, where Bimbodgen Estate from Pokolbin in the Hunter Valley won the tourism winery category.

Tourism Research

Strategic research continues to drive the development of longer term strategies within Tourism New South Wales.

Our performance as a visitor destination is measured by the visitor data obtained from the National Visitors Survey (NVS) and International Visitors Survey (IVS). This allows us to track market share (how we perform in the competitive context) and overall volumes of visitors, nights and expenditure (important measures of yield).

The full scope of research undertaken is detailed later in this report (refer page 69). However, there are a number of exciting projects using relatively new methodologies

which we employed this year. Foremost among these was the application of market mix modelling in Project Geo-tourism. The results from this research quantified the critical importance of sensitive design in ensuring the long-term sustainability of coastal tourism destinations.

Similar work was undertaken to identify the key messages, products or experiences we need to use to get people to contemplate a holiday in Sydney and New South Wales and then to actually get them to take that holiday.

We continue to communicate research to the industry through our RTOs by way of the regional data package, and we monitor the results of individual projects through a program of evaluation and learning. The regional data package provides all 15 regions with a suite of information to assist with marketing and development programs including: interactive databases which profile visitor, needs, interests, values and media viewing; access to all Tourism New South Wales specially commissioned market research; Local Government Area estimates; alerts for new and topical releases, and facilitated workshops to use the information. Each RTO made a small financial contribution of $7,000 to the package while Lord Howe Island contributed $5,000.

Destination Experience

Sector Development

Backpackers
The primary objective of the Backpacker Industry Development Action Plan (developed in 2000) was to achieve wider visitation to regional New South Wales by the backpacker market which spends more than double the amount of other international visitors (10% of all visitors to Australia are backpackers), representing 20% of total visitor spend.

Activities put in place this year to continue to meet this objective include extending regional product range beyond the Blue Mountains, Hunter and Cowboy Country to include the Snowy Mountains and Capital Country. The launch of Backtracker New South Wales, a guide to travelling in regional New South Wales using the CountryLink network, contributed to a 150% increase in rail pass sales. This was an initiative of Tourism New South Wales, developed in partnership with CountryLink and using the expert insights and knowledge of Lonely Planet. A State-wide motivational

brochure was developed for offshore and interstate distribution. It covers all regions for which a backpacker product brochure exists, plus Sydney, South Coast and the Outback. The aim of the brochure is to motivate backpackers to research their trip to New South Wales before leaving home by accessing the backpacker mini-website which has also been developed.

Food and Wine
The inaugural two-day New South Wales Food and Wine Seminar, a joint initiative of Tourism New South Wales and the Department of State and Regional Development (DSRD), staged in February attracted 140 attendees including representatives from local government, food producers, tourism operators and people associated with the food and wine industry. The seminar aimed to enhance the delivery of quality food and wine tourism experiences in New South Wales, through a focused marketing program.

The Food and Wine Tourism Advisory Committee (FAWTAC) continued its valuable contribution to further developing food and wine tourism product in the State. The Committee met five times this year.

The second phase of our cellar door research project commenced in June and will conclude in July 2003. The research, conducted on wineries within the Hunter Valley and Mudgee areas, concentrated on consumers' needs and was undertaken with assistance from the New South Wales Wine Industry Association. The findings will help Tourism New South Wales to tailor our marketing efforts to this key market segment.

We were also a major sponsor and support of Wine Australia 2002, showcasing regional New South Wales through its wine products.

Staff from our Product Development Unit attended meetings with the Australian Wine Tourism Alliance in December, March and June. Our involvement in this national wine forum provides us with a platform to share information and marketing opportunities with other States and the ATC.

Aboriginal
This year we supported three Aboriginal businesses to attend the Australian Tourism Exchange held in Melbourne. In total, 137 appointments were conducted (Eastern – 64 appointments, Western – 73 appointments), more than double last year. Focus was also placed on the booth design. The new booth

projected a professional, export-quality image that reflected and positioned Aboriginal New South Wales as the Gateway to Aboriginal Australia.

Discussions have continued with DSRD regarding the joint business and product development plan for Aboriginal tourism businesses, with the first stage of the plan to begin in the latter half of 2003.

Both internationally and within Australia, we have continued our strategy to actively market and position Aboriginal cultural experiences into mainstream tourism, rather than the traditional positioning as a niche or special-interest product.

Nature

Guided by *Towards 2020 – New South Wales Tourism Masterplan,* released in February 2003, we have worked closely with Government agency partners and industry to develop and refine a Nature in Tourism Vision for New South Wales. The draft plan is being reviewed by relevant agencies and departments in preparation for full Government consideration. More information on nature-based tourism can be found on our website at www.tourism.nsw.gov.au/corporate.

Our staff delivered the key findings from our significant research into Geo-tourism at the Eco-tourism Conference held in Cairns during October. Our *Nature in Tourism* video, showcasing key nature destinations and experiences in the State, was also launched at the conference. Tourism New South Wales, along with tourism organisations from other States and the ATC, was a major sponsor of the International Year of Ecotourism in 2002.

Sydney Tourism Experience Development Program

Since the program's inception in 1997/98 we have committed to developing and promoting local areas, or precincts, in Sydney which have tourism appeal to the Australian and international market. Tourism precincts such as Leichhardt, Double Bay, Newtown, Parramatta and Hawkesbury Valley have been equipped with tourism photography and media fact sheets which help them promote their areas in conjunction with Tourism Sydney. In 2002/03, Manly received funding to create a series of media fact sheets and the Hawkesbury Gateway received funding for a workshop for tourism operators. Precincts are the focus of the consumer message in all Tourism Sydney promotions and marketing. (Refer page 65.)
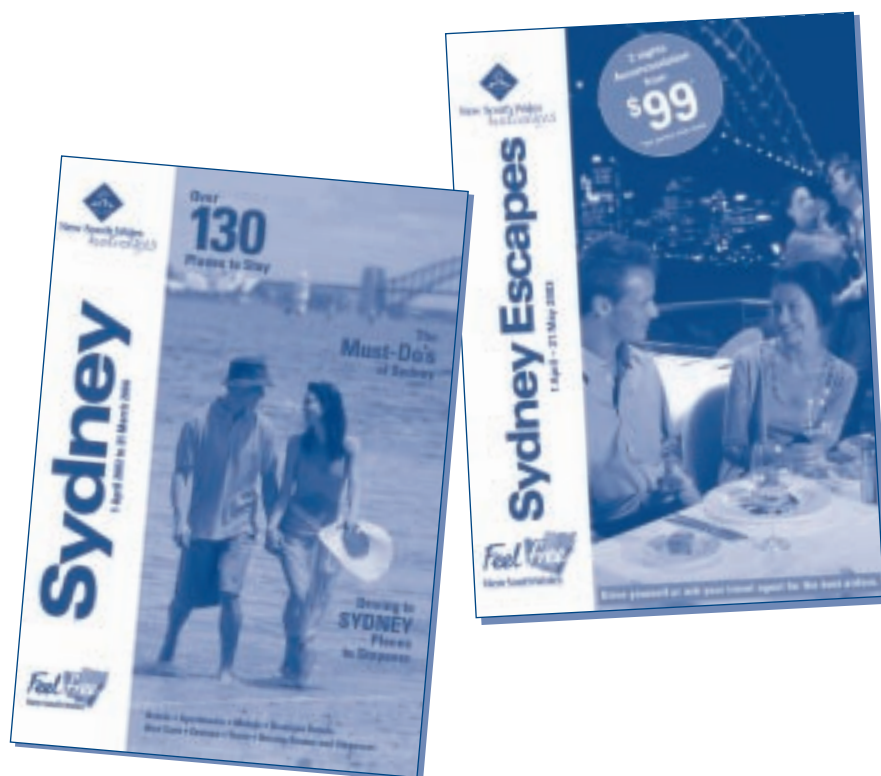
Events

The year 2002/03 was one of transition for major events, not only for Tourism New South Wales but also for the State Government. The Major Events Board was established within the Premier's Department and the responsibility for events tourism in Sydney moved in both policy and location.

Tourism New South Wales moved responsibility for Sydney events to its newly established Sydney Events Marketing unit within the Tourism Sydney business unit. This change also provided the opportunity for Tourism Sydney to integrate events marketing into Tourism Sydney's marketing activities ensuring the maximum possible return to the State.

Regional events promotion and support remained with the Industry Strategy and Development business unit, with the prime objective of managing the Regional Flagship Events and Strategic Events programs.

During this period Tourism New South Wales instigated an internal audit of events management by Deloitte Touche Tohmatsu. Recommendations by the audit and management teams, due for implementation early in 2003/04, will ensure best practice is implemented across activities.

In just seven months of operation the Sydney Events Marketing unit has been able to generate more than $500,000 of cooperative marketing investment – some of this from non-traditional tourism partners.

Marketing activities with Sydney's iconic events, including the adidas International, Sydney Festival, Sydney Writers' Festival, Sydney Film Festival and Chinese New Year, were expanded substantially to drive visitation from core interstate and intrastate markets. New relationships were developed with the Australian Jockey Club, Sculpture by the Sea and the Biennale of Sydney. Key partners, including Sydney Harbour Foreshore Authority (SHFA), Sydney Olympic Park and City of Sydney, have all had involvement in the developments to date. Theatre featured dominantly on the events marketing scene, led by the Disney production of *The Lion King,* which is due to start a two-year Sydney-only season in October 2003.

The Events Marketing unit worked closely with promoters to advise and market their events to the key tourism markets, a good example of this being the Harley Davidson Open Road Tour, a celebration of 100 years of Harley Davidson, held at Sydney Showgrounds on 15-16 March 2003. In this instance, the event producers had

Hunter Valley, Hunter

no intention of undertaking advertising outside Sydney. The Events Marketing unit initiated a marketing campaign in Victoria and Queensland at a cost of $52,000, represented by a 50% investment from Tourism Sydney and 50% generated investment. Results were outstanding with 20% of pre-bookings from Queensland and 23% from Victoria. This equated to approximately 8,600 attendees from interstate. Based on modest expense estimates of $100 for accommodation, $30 for food, $38 for tickets and $20 for incidentals for a one-night period only, this represents a primary investment return of $1,616,800.

Regional Flagship Events Program

Thirteen regional events received funding in 2002/03. These events received a one-off grant of $10,000 each, while one event received $30,000 each year for three years in a triennial funding arrangement.

In addition to these 13 events, a further four events were in their second or third year of triennial funding under the program, and received their latest $30,000 instalment. The New England North West region received a one-off grant of $10,000 towards an Events Development and Marketing Workshop to benefit tourism in the region as a whole; and $10,000 was allocated for skills training for the triennially funded events.

The program aims to help increase visitor numbers to regional events and enhance the events development and marketing skills of organisers. Regional Flagship Events are highlighted in calendar-style advertisements, titled "What's On", published bi-monthly in the *Sun-Herald* newspaper and on the www.visitnsw.com.au website. Since 1995, 165 events have been funded under the program, to a total value of more than $2.3 million.

Details on the funding can be found on page 64.

Strategic Events Program

Tourism New South Wales managed the tourism sponsorship of the ANZ Golf Championship, Australian Rugby Union and the Australian Safari. (Refer page 64.)

Destination Positioning and Promotion

Team New South Wales Agreements

Following the review and refinement of the Team New South Wales Agreement, the 2002/03 Team New South Wales Agreement was signed and endorsed by each of the 15 RTOs. To simplify the reporting process for RTOs, reporting periods changed from quarterly to six-monthly, allowing more accurate analysis of the financial and marketing performances of the RTOs.

Visitor Information

Gateway Information Centres
The $2 million Gateway project has been implemented over a four-year period from 1999/2000 to 2002/03. Gateway Information Centre locations are Tenterfield, Eden, Lithgow, the Tweed, Central Coast and Bulli. The centres use state-of-the-art technology to provide visitor information 24 hours a day. Tenterfield, Eden and the Tweed centres are successfully operating, Lithgow is under construction, and Central Coast and Bulli will be completed in 2003/04.

Visitor Information Centre Network Effectiveness
The Visitor Information Centre Development Program builds on an existing accreditation program for Visitor Information Centres. Aurora Practical Solutions, the contractor for the program, in conjunction with Tourism New South Wales and the Industry Reference Group, worked to promote the profile of the yellow and blue italicised i sign, with its associated slogan " i …will take you there" and continued to raise consumer awareness of the value of the Accredited Visitor Information Centre (AVIC) Network.

Wentworth Falls, Blue Mountains

"…to deliver effective services our operations must be supported by a sound organisational infrastructure of appropriate policies, skilled people and efficient business systems."
Tourism New South Wales Strategic Plan 2002–2005

▶ Organisational Development

Our People

In order to deliver effective services our operations must be supported by a sound organisational infrastructure of appropriate policies, skilled people and efficient business systems. Until 2005 our primary organisational challenge is to achieve cost efficiencies and increase our revenue base through more and closer partnerships and alliances with the private sector. To foster this stronger commercial focus we are working to enhance our commercial skills and build successful partnerships with other government agencies and the private sector.

Annual Staff Award

The Mary-Anne Cahalan Staff Award is presented each year to a member of our staff by the Chief Executive and General Manager in recognition of his or her contribution to the professional growth of the agency as a whole and to the personal and professional growth of fellow employees. The award is named in honour of Mary-Anne Cahalan who, throughout her working life, exhibited outstanding personal and professional ethics and human qualities that greatly influenced all who worked with her. Mary-Anne died in March 2000 after a 12-month struggle with cancer and this award was established on the initiative of her friends and colleagues and with the support and approval of her family.

Nominees are assessed against the following personal and professional attributes:

- Integrity.
- Determination.
- Composure.
- A balanced and measured view in dealings with clients and co-workers.
- A strong team spirit.
- Is respected and held in high regard by fellow employees across the agency.
- A concern for others and the environment.

The recipient of the 2002 award is Nadine Emmerton, Manager of the Board and Executive Services unit. Nadine stands out in her willingness to share her skills with others and her consistent and genuine interest in the work and aspirations of others. She is held in high regard by her colleagues across the agency and exhibits the qualities of a quiet achiever, which was one of Mary-Anne's strongest talents. Previous recipients are Matthew Brown and Diana Cincotta.

Learning and Development

To maximise the development of our people, a Strategic Learning and Development Plan was developed with key strategies and programs focused on enhancing the corporate capabilities of Management, Project Management, Using Technology, Marketing and Sales, Commercial Skills and Industry Development.

| Outcomes | • Continual increase in our efficiency and effectiveness. |
| | • Our people's development enabled. |

Outputs	• Consolidation of the Visitor Services Agencies' shared services.
	• Continued implementation of Government policy initiatives.
	• Increased focus on key competencies.
	• Continued improvements in administrative arrangements and accountability systems.

Management Training

A pilot Management Development Program has been developed to provide managers with the tools to enhance their leadership and general management skills by improving their own performance and that of the people they manage.

The program covers the key topics of Leadership Skills, People Management, Stakeholder Relationship Management and Project Management. It will combine theory with practical opportunities to apply new knowledge to real workplace situations through action learning projects and activities.

Performance Management

A review of the current performance management system was conducted and feedback was obtained through focus groups consisting of a cross-section of Tourism New South Wales' management and staff. Recommendations have been made to revise and relaunch the program based on the findings of the review. The revised program will be piloted as part of the Management Development Program in the form of an action learning project.

Information Technology (IT) Training

The Strategic IT Training Program provided training in a range of IT applications with the aim of improving the skills of staff in using the technology-related tools available to them. Staff participated in an online survey to evaluate the program over the last 12 months and a needs analysis was also conducted for future training requirements. The findings will determine the IT Training Plan for the next 12 months. A separate major training program was conducted for staff on the Goldmine database system.

Occupational Health and Safety (OHS)

We are committed to providing a safe workplace for our staff and visitors. The focus this year has been on planning and developing strategies to ensure compliance with the *Occupational Health and Safety Act 2000.*

The key to improving safety behaviour is improving knowledge. Recent workshops on OHS legislative requirements and the formulation of a new three-year OHS strategic plan will ensure a best-practice approach to further developments in managing health and safety. A draft best-practice injury management policy and procedures is currently in the staff consultation phase. Training has been divided into statutory and risk management training with funding allocated to ensure all statutory needs are met and that staff have the skills to address high risks.

Employee Self Service (ESS)

VSA Shared Services embarked on a joint project to introduce Employee Self Service facilities (across its three agencies – Tourism New South Wales, Royal Botanic Gardens and Domain Trust), and Centennial Park and Moore Park Trust. The project entailed the implementation of the CHRIS KIOSK product in the three organisations and the re-engineering of Human Resource (HR)/Payroll processes to:

• provide all employees with improved access to their HR/Payroll details;

• provide streamlined processes for handling HR/Payroll processes such as leave applications; and

• reduce the transaction processing workload of the HR group to allow the HR personnel to make a greater contribution to strategic and value-added customer activities.

The major success of the project has been the implementation of ESS to provide staff with online access to view and change personal details, view leave balances and apply for sick leave and recreation leave. Feedback from staff has been positive regarding the ability to view and change personal details online and to apply for leave.

Safety Statistics
Treasury Managed Fund has released the following figures for Tourism New South Wales.

	1999/00	2000/01	2001/02	2002/03
Number of Workers Compensation Claims	4	4	2	4
Cost per claim per employee	$24	$297	$3	$61
Ranking of organisation against all Government agencies	37/122	75/118	25/111	45/111

Equal Employment Opportunity (EEO)

Tourism New South Wales actively supports EEO principles. The following EEO outcomes were achieved during 2002/03:

- EEO statistical data was captured for all new employees.

- The composition of groups such as the Joint Consultative Committee, Occupational Health and Safety Committee and business group planning teams reflected the EEO profile of the agency.

- Employment policies and procedures were reviewed to ensure compliance with EEO standards.

- Flexible working arrangements were made available to all staff.

- All positions were advertised on the corporate website www.tourism.nsw.gov.au to maximise access to employment opportunities.

- The recruitment strategy included the employment of EEO group members in the trainee program.

- The commitment to EEO principles and policies is now outlined in the Code of Conduct, Induction Manual and Position Descriptions.

- A TTY phone is now available at Head Office and the Sydney Visitor Centre, Sydney International Airport.

An Equity and Diversity Strategy which continues these outcomes has been developed for the next 12 months and includes the following additional goals and strategies:

- Review and update policies and procedures for workplace harassment and grievance resolution.

- Re-establish the Mentoring Program and the Spokeswomen's Program.

- Design and conduct a staff survey on discrimination, grievances and harassment in the workplace.

- Review recruitment and selection processes to maximise opportunities for applicants from EEO groups.

- Review Human Resources policies and procedures to ensure compliance with equity standards.

- Ensure the new performance management system supports equity outcomes.

- Ensure measurable EEO accountabilities are included in the performance agreements of all

managers, senior executives and the Chief Executive Officer.

Consolidation of Shared Services

Tourism New South Wales is a partner in the VSA Shared Services arrangement with the Royal Botanic Gardens and Domain Trust, and Centennial Park and Moore Park Trust. The arrangement, which delivers corporate services to the participating agencies, commenced on 1 September 2001 for an initial term of three years. It is governed by a Cooperation Agreement with the delivery of services measured by a multi-layered Service Level Agreement.

The four main objectives of the Shared Services Group during the 2002/03 year were:

- to implement an effective shared services staff structure (completed);

- to review the compliance and management framework (completed);

- to increase efficiency through process and system improvements (ongoing, significant progress in 2002/03); and

- to improve communication with key stakeholders (ongoing, significant progress in 2002/03).

Human Resource (HR) Services

The delivery of HR Services within the VSA has completely evolved during the past 12 months as the Shared Services Group has developed its strategic capacity. Some of the key achievements have been:

- the development of an Occupational Health and Safety Risk Management Plan for 2003–2006 to support the establishment of an effective OHS and Injury Management Plan System in line with best practice principles;

- the development of a Strategic Learning and Development Plan for 2003/04, aligning learning and development strategies with business objectives;

- the development of the Tourism New South Wales Management Development Program focusing on learning and development activities and programs over the next two years that will develop and enhance capabilities in the key competency areas of management, project management, technology, marketing and sales, industry development and commercial skills;

EEO Statistical Information

Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target	2000	2001	2002	2003
Women	50%	73.0%	70.0%	74.0%	73.0%
Aboriginal and Torres Strait Islanders	2%	1.1%	0.6%	0.0%	0.0%
People whose first language is not English	19%	14.0%	15.0%	17.0%	21.0%
People with a disability	12%	6.0%	4.0%	4.0%	3.0%
People with a disability requiring work-related adjustment	7%	1.1%	1.1%	3.2%	0.5%
Total Staff		176	181	190	197
Response Rate		100%	100%	100%	100%

Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	2000	2001	2002	2003
Women	100	83	84	82	85
Aboriginal and Torres Strait Islanders	100	NC	NC	NC	NC
People whose first language is not English	100	74	111	115	99
People with a disability	100	NC	NC	NC	NC
People with a disability requiring work-related adjustment	100	NC	NC	NC	NC

Notes:

1. Staff numbers are as at 30 June.

2. Excludes casual staff.

3. A Distribution Index of 100 indicates that the centre of the EEO distribution across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by ODEOPE software.

4. NC = Not Calculated. The Distribution Index is not calculated where the estimated number of staff in an EEO group is less than 20.

"Since joining the VSA Human Resources Team I have enjoyed working with our clients in Tourism New South Wales on a range of new and exciting projects. As a team we are committed to providing best practice and innovative HR solutions to our clients and proactively look for opportunities to maximise both individual and organisational development and growth. I am continually impressed with the expertise, professionalism and commitment of staff within the VSA team and look forward to our future challenges and achievements."

Julie Giuffre
HR Client Service Officer
(TNSW)

• the review of the effectiveness of the current Tourism New South Wales Performance Management System, the development of a Tourism New South Wales Equity and Diversity Plan in accordance with the Equal Employment Opportunity Outcomes Framework for the New South Wales Public Sector; and

• the implementation of the Employee Self Service Kiosk and the re-engineering of associated VSA Human Resource/Payroll processes for best practice.

Information Technology (IT) Services

The 2002/03 year was a milestone year for VSA IT Services. It saw the completion of the Virtual Multi Agency Network (VMAN) project, an ambitious six-phase plan covering both business solutions and the underlying technology infrastructure that was forecast in the 2001–2004 Information Management and Technology (IM&T) Strategic Plan.

The projects completed during the past year continued to be aligned with three primary priorities, consistent with whole-of-Government objectives. They are:

• an environment that supports corporate services reform;

• creating systems that can deliver, or be interfaced easily to a web-driven electronic service platform;

• addressing shortcomings in existing systems that prevent the effective delivery of core agency services.

Projects established higher quality services in the areas of Internet access, financial, IT and HR systems, and our achievements to date support corporate services reform through the adoption of common standards, an inter-agency network, the development of a common desktop standard, and universal access to core systems.

This past year has also seen, for the first time since the commencement of the VSA, the re-tendering of the Helpdesk and Network Support Facilities. After an extensive evaluation process, under the guidance of an independent probity officer and the State Contracts Control

Board, the tender was awarded to Datacom which commenced at the end of March 2003 for an initial term of two years.

Finance Services

The VSA Finance Services team has focused on establishing improved access to financial information by budget holders in 2002/03. Some of the activities in this area have included:

- the redefinition of the analysis codes in the SUN financial management information system to facilitate data extraction and report generation;

- the deployment of financial reports electronically, including the facility to access financial management reports via the VSA Intranet; and

- the extension of direct data enquiry capability to senior budget holders using the Vision Executive reporting tool.

Budgetary and financial controls have been evaluated in the 2002/03 financial year by VSA Finance Services in conjunction with the annual audit review of finance functions. This evaluation has provided direction for the establishment of a program of improvements to the risk environment to be implemented in 2003/04.

Processes and Systems

Project Management

The Strategic Plan for 2002–2005 identifies Project Management as a core competency requirement for staff in Tourism New South Wales. In August 2002 an independent project management consultant was commissioned to undertake a review of our project management capabilities and to evaluate the actions undertaken over the past three years to upgrade staff knowledge and project management skills and to report on future action required. The review found that existing project management systems and templates were effective with minor amendments but that the real challenge was to achieve changes in behaviour towards good project management practices on a day-to-day basis. The outcomes and recommendations from the review provided the basis for the completion of a three-year Project Management Plan. The review made a series of recommendations relating to the following headings and action taken so far is reported thereunder:

Leadership and Communication

- The Business Case framework was used for the first time by directors and managers in a major budget review undertaken in September 2002.

- A Marketing Strategy Steering Committee was established in June 2003 to oversee the implementation of major campaign projects for the next financial year.

Systems and Processes

- A Budget and Project Management Committee commenced a regular review to ensure that project and financial management are undertaken as integrated activities across the agency.

- A pilot group of six independent project managers was established in May 2003 to facilitate the implementation of our Australian marketing campaigns. These projects will be linked to specific outcomes and key performance indicators in the Tourism New South Wales Balanced Scorecard. There has been increased use of project planning templates by project teams.

- A framework clarifying the different roles and responsibilities of the project owner/sponsor, project manager and team members for the agency was developed and will be finalised and tailored to our needs in the next year.

Tools and Software/Resources

Current tools and templates were reviewed and customised to further suit organisational needs. We now have a comprehensive suite of templates, project management tools and background information available to staff via our Intranet.

A collection of project management texts and URLs has also been established in the Information Resource Centre for staff use.

Competencies, Skills and Behaviours

Twenty-six members of staff were assisted through either individual coaching or group facilitation which focused on improved business case presentation, project planning, implementation and evaluation. While there was no formal training conducted during the first half of the financial year, an additional 30 staff attended a one-day introductory training course on project management during the second half. The Learning and Development Plan for the next financial year incorporates modules addressing project management competencies.

"I have always enjoyed working with project teams which value the different skills and knowledge needed to work cooperatively to deliver or improve a service or product. Project management in Tourism New South Wales is about bringing people together, whether they be staff, industry partners, suppliers or contractors, and combining their talents and expertise to improve visitation to New South Wales. Project management allows a more flexible approach capable of responding quickly to changing market conditions in the tourism industry and public sector environment today. This is a challenging and rewarding role."

Karen Schmidt
Project Management
Specialist

Leichhardt, Sydney

Records Management

The findings from an audit conducted by the Audit Office into our compliance with the *State Records Act* showed that while we were compliant in a number of areas, there were some areas where improvement could be made. As a result, we put in place a structure to assist us improve our records management and compliance program.

Along with our VSA Shared Services partners, we entered into a third-party agreement with Siller Systems Administration (SSA) to provide certain Corporate Records Manager services for the VSA. Activities undertaken this year include:

- internal audit of records management practices within each of the VSA partners;

- skills audit and identification of training needs for records support activities;

- development of a training program and associated material;

- setting corporate standards for records management in association with the VSA Records Management Senior Managers Committee; and

- provision of Helpdesk services to assist users of the corporate record-keeping system.

In addition, Tourism New South Wales converted its assets data and loaded it into the TRIM record-keeping system to integrate its assets management with its records management system.

Tourism New South Wales' Functional Retention and Disposal Authority was approved by State Records and has been loaded into the TRIM record-keeping system.

Procurement

Procurement planning is a New South Wales Government Procurement Policy initiative. It aims to assist organisations to achieve better outcomes by:

- aligning procurement strategy with service-delivery strategies;

- facilitating the development of more innovative solutions for tendering and contract management;

- providing more opportunities for implementing and achieving the Government's economic, social and environmental objectives; and

- improving risk management.

Tourism New South Wales submitted a Procurement Plan and savings targets. Feedback from the Department of Commerce determined that our plan had identified strategies and actions that are consistent with effectively embracing procurement reform. Suggestions for improvements were provided and are being factored into our 2003/04 Procurement Plan.

Stakeholder Relationships

Tourism New South Wales

We have conducted two surveys of key external stakeholder groups – once in 1996 and again in 1999. A further study to examine the level of satisfaction among our current external stakeholder groups was commissioned late in 2002/03. The objectives of this study are to:

• report back to New South Wales Government agencies on the level of satisfaction among key external stakeholder groups, with the services and products offered by Tourism New South Wales;

• evaluate the agency's current performance based on a set of 10 core questions;

• compare the agency's performance with our previous performance as measured by the 1996 and 1999 surveys; and

• identify key service performance areas which need to be addressed.

Results showed that 75% of all stakeholders surveyed were satisfied with the service they received from Tourism New South Wales.

VSA Shared Services – Client Satisfaction Survey

The VSA Shared Services Group is committed to delivering Finance, Human Resource and Information Technology Services that meet the needs and expectations of its client agencies. In June 2003 the Shared Services Group undertook an online Client Satisfaction Survey to measure its performance in the achievement of that objective. The results are currently being analysed.
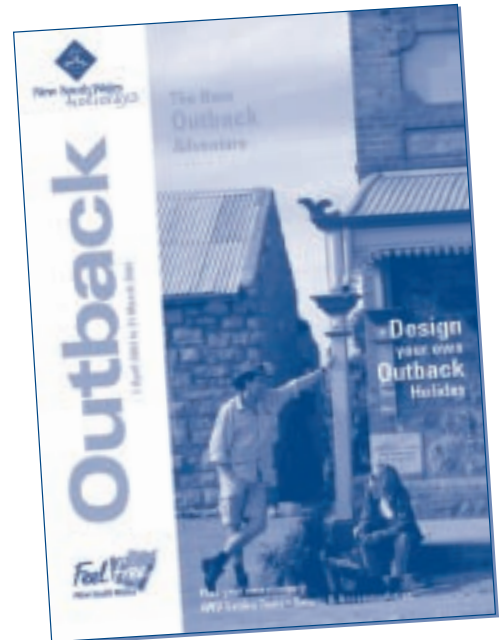
Near Broken Hill, Outback New South Wales

▶ **Contents**

Code of Conduct

Refer to page 22.

Committees

Departmental Representation on Significant Statutory Bodies and Significant Interdepartmental and Industry Committees

- Australian Regional Tourism Conference Steering Committee: Wendy Hills, Manager Regional Sales and Operations

- Australian Regional Tourism Network: Wendy Hills, Manager Regional Sales and Operations

- Australian Standing Committee on Tourism: Tony Thirlwell, Chief Executive and General Manager

- Australian Tourism Data Warehouse Pty Ltd: Tony Thirlwell (Director), Chief Executive and General Manager; Julie Webster, Director, Marketing Services and Brand Management

- Australian Tourism Data Warehouse Pty Ltd Classifications Sub-Committee: Peter Thompson, E-Business Project Manager (to April 2003); Wayne Lange, Manager, E-Business (from May 2003); Dianne Paine, Database Content Coordinator

- Australian Tourism Data Warehouse Pty Ltd Distribution Sub-Committee: Peter Thompson, E-Business Project Manager (to April 2003); Wayne Lange, Manager E-Business (from May 2003)

- Australian Tourism Data Warehouse Pty Ltd Project Steering Committee: Peter Thompson, E-Business Project Manager (to April 2003); Wayne Lange, Manager E-Business (from May 2003)

- Australian Tourism Data Warehouse Pty Ltd/State Tourism Data Warehouse Synchronisation Committee: Peter Thompson, E-Business Project Manager (to April 2003); Wayne Lange, Manager E-Business (from May 2003)

- Australian Tourism Export Council (New South Wales Branch) Committee: Gary O'Riordan, Manager International Trade

- Australian Wine Tourism Alliance: Bruce Dickson, Development Coordinator (Product) (to November 2002); Jane Wightman, Development Coordinator (Product) (from February 2003)

- Backpacker Industry Working Party: Elisbeth Allen, Development Coordinator (Sector)

- Chief Executive Officers' Forum: Tony Thirlwell, Chief Executive and General Manager

- Coastal Council: Pauline Murphy, Director, Government Planning and Communications (alternate John Bates, Manager, Policy and Planning)

- Coastal Council – Coastal Lands Acquisition Task Force: John Bates, Manager, Policy and Planning

- Coastal Council – Planning and Management Committee: John Bates, Manager, Policy and Planning

- Cooperative Research Centre (CRC) for Sustainable Tourism New South Wales Node: John Alwyn-Jones (Chairman), Director, Industry Strategy and Development

- Corporate Services Peer Review Committee: Tony Thirlwell, Chief Executive and General Manager

- CRC Sub Program 3.1 Steering Committee: Lawrence Franklin, Manager Information and Research

- Cruising Downunder: Peter Davies, Area Development Manager – Southern Area

- Destination Australia Marketing Alliance (DAMA): Greg Atkins, International Sales and Operations Director

- Explorer Country Regional Tourism Organisation Development Team: Peter Handcock, Area Development Manager – Western Area

- Food and Wine Tourism Advisory Committee: John Alwyn-Jones, Director, Industry Strategy and Development; David Tarr, Manager, Development; Bruce Dickson, New South Wales Food and Wine Tourism Plan Development Coordinator (to November 2002); Jane Wightman, Development Coordinator (Product) (from February 2003)

- Hunter Tourism Task Force: Bill Mabey, Area Development Manager – Northern Area

- National Inbound Taskforce Committee: Greg Atkins, International Sales and Operations Director

- National Parks and Wildlife Service, Sydney District Advisory Committee: Barbara de Rome, Manager, Business Development, Tourism Sydney

- New England North West Regional Tourism Organisation Development Team: Peter Handcock, Area Development Manager – Western Area

- New South Wales Air Transport Council: John Alwyn Jones, Director, Industry Strategy and Development

- New South Wales Marine Parks Advisory Council: Jane Anderson, Policy and Planning Coordinator

- New South Wales Regional Tourism Organisations – Chairs' Meeting: Wendy Hills, Manager, Regional Sales and Operations

- New South Wales Statistical Coordination and User Forum: Lawrence Franklin, Manager Information and Research

- New South Wales Water Safety Taskforce – Public Education Sub-Committee: Jane Anderson, Policy and Planning Coordinator

- North Coast NSW Regional Tourism Organisation Development Team: Bill Mabey, Area Development Manager – Northern Area

- Northern Rivers Regional Tourism Organisation Development Team: Bill Mabey, Area Development Manager – Northern Area

- One Australia Committee (formerly known as Resource Feasibility Committee – changed February 2003): Greg Atkins, International Sales and Operations Director

- Outback NSW Regional Tourism Organisation Development Team: Peter Handcock, Area Development Manager – Western Area

- Pacific Coast Touring Route Management Committee: Gary O'Riordan, Manager International Trade

- Regional Conference Reference Group: Alison Connolly, Regional Operations Manager

- Regional Coordination Management Group – Northern Area (Premier's): Bill Mabey, Area Development Manager – Northern Area

- Regional Coordination Management Group – Riverina (Premier's): Peter Davies, Area Development Manager – Southern Area

- Regional Coordination Management Group – Southern Area (Premier's): Peter Davies, Area Development Manager – Southern Area

- Regional Coordination Management Group – Western Area (Premier's): Peter Handcock, Area Development Manager – Western Area

- Regional Tourism Organisations Executive Board Representation:

  Blue Mountains: Julie Webster, Director, Marketing Services and Brand Management

  Capital Country: Pauline Murphy, Director, Government Planning and Communications

  Central Coast: John Alwyn-Jones, Director Industry Strategy and Development

  Explorer Country: Neil James, New South Wales Holidays Director

  Hunter: Greg Atkins, International Sales and Operations Director

  Illawarra: Lawrence Franklin, Manager, Information and Research

  Lord Howe Island: Alison Connolly (representative), Regional Operations Manager

  New England North West: David Tarr, Manager Development

  North Coast NSW: David Tarr, Manager Development

  Northern Rivers Tropical NSW: Ron Rosalky, Director, Commercial and Marketing Operations

  Outback NSW: Wendy Hills, Manager, Regional Sales and Operations

  Riverina: Wendy Hills, Manager, Regional Sales and Operations

  Snowy Mountains: Tony Thirlwell, Chief Executive and General Manager

  South Coast: John Bates, Manager, Policy and Planning

  The Murray: John Alwyn-Jones, Director Industry Strategy and Development

- Regulatory Options for Inbound Tour Operators Committee: Greg Atkins, International Sales and Operations Director

- State Tourism Data Warehouse Steering Committee: Peter Thompson, E-business Project Manager (until April 2003); Wayne Lange, Manager E-Business (from May 2003); Dianne Paine, Database Content Coordinator

- State Tourism Data Warehouse Users Committee: Chris Rivett, Internet Project Officer; Dianne Paine, Database Content Coordinator

- Strategic Events Committee: Tony Thirlwell (Chair), Chief Executive and General Manager

- Sydney Convention & Visitors Bureau Board: Tony Thirlwell (Director), Chief Executive and General Manager

- Sydney Harbour Executive Committee: Barbara de Rome, Manager, Sydney Development, Tourism Sydney

- Sydney to Melbourne Coastal Drive Management Committee: Gary O'Riordan, Manager, International Trade

- Tourism Exchange: John Alwyn-Jones (Chair), Director, Industry Strategy and Development; Wendy Hills, Manager, Regional Sales and Operations; David Tarr, Manager Development; Cindi Cowen, Regional Sales Manager, Northern Area; Alison Connolly, Regional Operations Manager; Charlotte Prouse, Regional Sales Manager, Southern Area; Bronwyn White, Regional Sales Manager, Western Area; Lori Modde, Regional Sales Manager, Blue Mountains and Central Coast

- Tourism Export Industry Code of Conduct Committee: Greg Atkins, International Sales and Operations Director

- Tourism Industry Forum: Tony Thirlwell, Chief Executive and General Manager (Chair); John Alwyn-Jones, Director, Industry Strategy and Development; Pauline Murphy, Director, Government Planning and Communications; Ron Rosalky, Director, Commercial and Marketing Operations; Felicia Mariani, General Manager, Tourism Sydney; (alternate) Barbara de Rome, Manager, Sydney Development, Tourism Sydney; Wendy Hills, Manager, Regional Sales and Operations; David Tarr, Manager, Development; Natalie Soltyszewski, Corporate Communications Officer; Susan MacNeill, Industry Communications Coordinator

- Tourism Research Committee: Lawrence Franklin, Manager Information and Research

- Tourism Sydney (Sydney Marketing and Media Centre) Board: Tony Thirlwell (Chair), Chief Executive and General Manager

- Tourist Attractions Signposting Assessment Committee: Alan McGuigan, Development Coordinator (Transport)

- Visitor Information Centre Development Program Reference Group: David Tarr, Manager, Development; Elisbeth Allen, Development Coordinator (Sector)

- Visitor Satisfaction Working Group: Lawrence Franklin, Manager, Information and Research

- Visitor Services Agencies E-Commerce User Group: Pauline Murphy, Director, Government Planning and Communications; Lisa Robinson, E-Business Marketing Coordinator

- Visitor Services Agencies Shared Services Reference Group: Pauline Murphy, Director, Government Planning and Communications; Sheri Norton, Director, VSA Shared Services; Kim Smith, Manager, VSA Finance Services; Helen Potapof, Manager, VSA Human Resource Services (Royal Botanic Gardens and Domain Trust employee); Bill Versluis, Manager, VSA IT Services (Centennial Park and Moore Park Trust employee)

Committees Established

- Byron/Lismore Visitor Services Study Steering Committee: Project management committee involving a number of external partners. Bill Mabey, Area Development Manager – Northern Area

- Byron Council Tourism Plan Reference Group: Project reference group involving a number of external partners. Bill Mabey, Area Development Manager – Northern Area

- Clarence River Tourism Association Review Management Committee: Project management committee involving a number of external partners. Bill Mabey, Area Development Manager – Northern Area

- Jervis Bay Region Integrated Management Committee: Established to coordinate and improve relations between Federal, State and Local Government agencies involved in the management of the public lands and marine environment of the Jervis Bay region. John Bates, Manager, Policy and Planning

- New England North West Natural Resources and Economic Development Committee: Sub-committee of Premier's Department Regional Coordination Management Group comprised of staff from State Government agencies and established to examine projects that involve natural resources and economic development. Peter Handcock (Chair), Area Development Manager – Western Area

- New England North West Whole of Government Committee: Sub-committee of Premier's Department Regional Coordination Management Group established to examine individual projects on a whole-of-Government basis. Peter Handcock (Chair), Area Development Manager – Western Area

- North Coast NSW Regional Tourism Plan Steering Committee: Project management committee involving a number of external partners. Bill Mabey, Area Development Manager – Northern Area; Keith Baker, Development Coordinator (Destination)

- New South Wales Tourism Awards for Business Excellence Management Committee: Consists of representatives from the tourism industry who guide and oversee the implementation of the awards process by Tourism New South Wales. Tony Thirlwell (Chair), Chief Executive and General Manager

- PATA 2004 Conference Committee: Program Committee for 53rd Annual PATA Conference to be held in Korea in April 2004. Tony Thirlwell (Deputy Chair), Chief Executive and General Manager

- Royal Botanic Gardens and Domain Trust Marketing Committee: Advises on marketing activities. Barbara de Rome, Manager, Business Development, Tourism Sydney

- Regional Coordination Management Group – Hunter Area (Premier's): Considers ways to coordinate the activities of all government agencies that work in the Hunter region and also generates specific projects. Bill Mabey, Area Development Manager – Northern Area

- Regional Coordination Management Group – New England North West (Premier's): Considers ways to coordinate the activities of all government agencies that work in the New England North West region and also generates specific projects. Peter Handcock, Area Development Manager – Western Area

- Rugby World Cup 2003 Tourism Working Group: Responsible for developing and implementing a strategy to leverage tourism benefits from the Rugby World Cup. Tony Thirlwell (Chair), Chief Executive and General Manager

- See Australia Board: Company established to grow domestic tourism in Australia, meets approximately six times per year. Tony Thirlwell (Director), Chief Executive and General Manager (represents the State Tourism Organisations)

- State Tourism Data Warehouse Classifications Committee: Defines reviews and makes recommendations on the national classification system, which includes style, standards, structure and content. Dianne Paine (Chair), Database Content Coordinator

Committees Abolished or Tourism New South Wales Staff Withdrawn

- Carnivale Council (Ministry of the Arts)

- CRC for Sustainable Tourism Events Sub-Program Steering Committee

- Festivals and Events Association

- Hospitality Advisory Board, University of New South Wales

- Inbound Tour Operators Working Group

- Sports Industry Australia National Sports Awards Judging Panel

- Sports Business Australia Advisory Panel

- Sydney's Garden Show Steering Committee

- Sydney Tourism Information Program Working Party

- Track Cycling World Cup Steering Committee

- Trade Show Review Committee

- Tourism Aviation Group

- Tourism Training Australia – E-Business Industry Reference Group

- Visitor Services Agencies E-Commerce Portal Steering Committee

- Year of the Outback

Significant Departmental Committees

- Audit Committee: Meets regularly to review internal control of financial and related operations, and evaluate financial management of major projects: Tony Thirlwell (Chair); Pauline Murphy; Charlotte Vidor; Nick Papallo (alternate); Sheri Norton; Kim Smith; Anne Chung and Maria Spriggins, Audit Office; Rory O'Connor and Denis Krallis, Deloitte Touche Tohmatsu

- Directors' Meeting: Meets monthly to plan, coordinate and review direction and activities of the organisation: Tony Thirlwell, Pauline Murphy, Julie Webster, Ron Rosalky, John Alwyn-Jones, Felicia Mariani, Sheri Norton

- Joint Consultative Committee: Meets to discuss a range of employee relations issues. Elisbeth Allen, Gary O'Riordan, Julie Giuffre, Keith Baker, Paul Abraham, Pauline Murphy

- Occupational Health and Safety Committee (OH&S): Responsible for the development of the OH&S program and main forum for consultation on OH&S Issues. Denis Lashmar, Matt Brown, Julie Giuffre, Andrew Cutbush, Kristie Gilbert (to May 2003)

- VSA IT User Group: Meets bi-monthly to highlight issues with the operation, management and support of technology use within Tourism New South Wales. Peter Savio, Bill Versluis, David Thornell, Christine Alexiou (until April 2003) and staff of agency

Consultants

Consultants' Costs Equal to or more than $30,000

Consultant	$ Cost	Title/Nature
Keystone Design	$83,140	Assist with development of Partnership Framework and 2003–06 Marketing Strategy [Management Services]
Tourism Futures International	$39,650	Assist with development of Tourism Aviation Strategy [Management Services]
Total Consultancies Equal to or more than $30,000	**$122,790**	

Consultancies Less than $30,000

During the year 36 Consultancies were engaged in the following areas:

Organisational Review	$25,860	
Management Services	$182,162	
Total Consultancies Less than $30,000	**$208,022**	
Total Consultancies	**$330,812**	

Consumer Response

Tourism New South Wales is committed to providing our customers and stakeholders with efficient, reliable and courteous service. Feedback, compliments and complaints are welcomed as this allows us to improve our services to our customers. There are a number of ways complaints can be made including through our corporate and consumer websites; by telephone and in writing.

Complaints have been received across a number of our functions. The major types of complaints have been summarised in the table below and we have identified where services have been improved as a result of the complaint/s (Refer to Table on page 58). This year a new Consumer Complaints Policy was developed for implementation in 2003/04.

Credit Card Use

Credit card use within the agency has been in accordance with Premier's Memoranda, Treasurer's Directions and Tourism New South Wales' Credit Card Policy. Tourism New South Wales' Credit Card Policy was updated and reissued to staff this year.

Disability Action Plan

Tourism New South Wales' Disability Action Plan (DAP) for the period 2000–2002 was developed in accordance with the New South Wales Government Disability Policy Framework. The plan addresses the six priority areas of Physical access; Promoting positive community attitudes; Training of staff; Information about our services; Employment in the public sector; and Complaints procedures.

We are committed to improve the delivery of services to people with a disability by both our agency and by encouraging the tourism industry to do likewise. During the year, a number of actions were undertaken as part of implementation of the DAP, including the following:

Physical Access

Implementation of recommendations from the access audit were commenced. The Head Office reception desk was adjusted to provide better access for people with a disability. Hearing loops were installed at the Sydney Visitor Centre – Sydney Airport to assist hearing impaired travellers.

Promoting Positive Community Attitudes

Tourism New South Wales was represented at two consumer tradeshows specifically targeting the 'access market'. At Making Connections – New South Wales Premier's Forum on Spinal Cord Injury and Conditions in February 2003 we had a booth promoting several operators who have accessible tourism product and services. A similar representation was made at the Daily Living Expo held in March 2003.

Training of Staff

Disability awareness training was held for new staff and trainees. The training was provided by Easy Access Australia Pty Limited, a consulting firm with expertise in tourism access issues.

Information about Services: Tourism New South Wales Corporate Services for Industry

In the planning and redevelopment of the new Tourism New South Wales Corporate website, we have embraced useability principles, particularly for readers who have vision impairment.

Extent and main features of consumer complaint	Services improved in response to the complaint
Consumer feedback identified that there is a need for speedy fulfilment of collateral pieces attached to various advertising campaigns run by Tourism New South Wales.	Fulfilment of collateral pieces is a priority for Tourism New South Wales. However, it needs to be done in a cost effective manner. In an effort to reduce overheads responsibility for the management of fulfilment was brought in-house while the actual fulfilling of requests remains outsourced. Procedures have been put in place to improve the functionality of the website brochure requests. We are also looking to streamline our fulfilment service to provide a more efficient, trackable and responsive system.
We received feedback from consumers that the extent of product available through our website is not as comprehensive as expected.	A change in policy has been taken in relation to our *Get Connected* program which will enable smaller operators and regionally based operators to list their product on our website. This change in direction will allow growth in the amount of product information available to consumers through our website: listing will be free and operators will update their own entries.
We received feedback from Macintosh computer users that our web site was not "Mac" friendly.	In 2003/04 a project will be undertaken which will allow our website to be "Mac" compatible.
Complaints have been received from tourism industry members about the lack of tourism data collected for local government areas. Industry leaders have provided feedback to us that members of the tourism industry are not utilising tourism research in their planning and operations.	A program has been developed to collect visitor statistics at the local level. That program commenced operation in August 2002. A regional data package, consisting of both qualitative and quantitative information is being developed to facilitate the distribution and utilisation of research information amongst the broader industry.
A complaint was made to the NSW Ombudsman's Office regarding a New South Wales Holidays promotion with NSW Lotteries.	Tourism New South Wales has provided all available information to the Ombudsman's office to enable them to resolve the matter; and await feedback on the outcome.
We had previously received complaints about the telephone menu system in use on our visitor information line. Consumers wanted to "speak to a real person".	The system has been re-engineered and is accessible 24 hours a day, seven days a week, with operator assistance available between Monday and Friday from 8am to 6pm. In addition we added a booking line to the service; this line is open from 6am to 10.30pm seven days a week. Since the new system has been operating complaints have been negligible.

Information about Services:
Travel Information for Consumers

The visitnsw.com.au website was redeveloped and incorporated the useability principles for people with vision impairment.

A project to include an 'access' module within the STDW is underway. Access information will be input into the database by operators and presented on the visitnsw.com.au website in an easy-to-use format with photos and floor plans.

Employment in the Public Sector

Adjustment services are available and provided to staff on a case by case basis.

Complaints Procedures

The agency's complaints policy was reviewed during the year and has incorporated the needs of people with a disability.

Electronic Service Delivery Update

Tourism New South Wales met the Government target to have all appropriate services available electronically by the end of 2001. The final report was submitted in December 2001. During 2002/03, we provided quarterly status reports on the service usage.

Employee Relations

Head Office Managers

Greg Atkins, International Sales and Operations Director

John Bates, BAppSc, Manager, Policy and Planning

Ian Cameron, Ass Dip (Travel and Tourism), Grad Dip (Tourism Mgt), Manager, Strategic Alliances

Anthony Dusan, BEc MCom (Mkting), Manager, Advertising

Barbara de Rome, BA, Grad Dip (Mkting), Manager, Business Development, Tourism Sydney

Nadine Emmerton, Manager, Board and Executive Services

Lawrence Franklin, B Town Planning, Grad Dip TM, Manager, Information and Research

Wendy Hills, BA, DipEd, Grad Dip TM, Manager, Regional Sales and Operations

Anne Holt, BA, BBusComm, Manager, Destination Promotion

Neil James, BBus, ACA, New South Wales Holidays Director

Wayne Lange, Manager, E-business

Michael Leary, Manager, Visitor Services (and A/New South Wales Holidays Director from 25 November)

Carolin Lenehan, BA Comm, A/Manager, Media and Communications, Tourism Sydney

David Moretti, BComm, A/Manager, Visitor Services (from 25 November)

Gary O'Riordan, Ass Dip (Travel and Tourism), Manager, International Trade

Helen Potapof, MM, Grad Dip HRM, Manager, VSA Human Resource Services (employee of Royal Botanic Gardens and Domain Trust)

Chris Priday, BA (Hons), Manager, Corporate Affairs

Renato Rispoli, Manager, Events Marketing, Tourism Sydney

Jan Ross, Manager, Partnership Marketing, Tourism Sydney

Dean Sapsford, Manager, Production and Branding (from 2 June)

Karen Schmidt, BSW, Project Management Systems Specialist

David Tarr, Manager, Sector and Product Development

Kim Smith, BEc, CPA, Manager, VSA Finance Services

Bill Versluis, BBus, Manager, VSA Information Technology Services (employee of Centennial Park and Moore Park Trust)

Kay Watson, BSc, BA, DipEd, Manager, Strategy and Evaluation

Overseas Managers

Irene Morgan – Regional Manager, USA/Canada

Bettina Kramer (to 13 June) *Sally Mitson* (from 11 June) – Regional Manager, United Kingdom/Ireland

Siew Hoon Tan – Regional Manager, South East Asia

Oton Wu – Regional Manager, North Asia

Takeshi Teramoto – Regional Manager, Japan

Sonya Brooks – Regional Manager, New Zealand

Julia Sonnhalter – Account Manager, Continental Europe

Area Development Managers

Peter Davies – Area Development Manager – South (South Coast, Snowy Mountains, Riverina, Capital Country, Murray)

Peter Handcock – Area Development Manager – West (Explorer Country, Outback NSW, New England North West)

Bill Mabey – Area Development Manager – North (Hunter, North Coast NSW, Northern Rivers Tropical NSW)

Staff Numbers

	Staffing			
Job Classification	1999/00	2000/01	2001/02	2002/03
CEO/SES	8.0	8.0	9.0	9.0
Senior Officers	1.0	1.0	2.0	2.0
Clerks	93.5	97.6	93.0	100.2
Clerical Officers	25.4	19.8	20.5	16.8
Travel Consultants	8.0	8.0	8.0	8.0
Internationally-based Staff	12.0	12.0	14.0	14.0
Meet and Greet Officers (trainees)	31.0	32.0	29.0	32.0
TOTAL	**178.9**	**178.4**	**175.5**	**182.0**

Chief and Senior Executive Officers

Level	1999/00	2000/01	2001/02	2002/03
6	1	1	1	1
5	–	–	–	–
4	–	–	–	–
3	1	1	1	1
2	4	4	5	6
1	2	2	2	1
TOTAL	**8**	**8**	**9**	**9**

Number of Female Officers in SES Positions for Current and Prior Reporting Years

1999/00	2000/01	2001/02	2002/03
3	3	4	4

Monetary Amount of Recreation Leave and Long Service Entitlements

Recreation Leave	As at 30 June 2003	Long Service Leave
$1,037,760		$1,593,139

Exceptional Movements in Wages, Salaries and Allowances

The Crown Employees (Public Sector – Salaries January 2002) Award provided for a 4% increase in salaries effective from 3 January 2003.

The Statutory and Other Officers Remuneration Tribunal made its 2002 annual determination in relation to the Chief Executive and Senior Executive Service. The tribunal determined that a 4.3% increase in the minimum and maximum remuneration range of each of the eight SES levels based on satisfactory performance was to take effect on and from 1 October 2002.

The Crown Employees (Public Service Training Wage) Award 2002 increased wage rates for trainees employed by New South Wales Government departments. The increases were in accordance with State Wage Case Decision 2002 movements and are in line with movements to the National Training Wage Award 2000 arising from the Safety Net Review, Wages 2002.

Human Resources and Industrial Relations Policies and Practices

Refer to page 46.

Equal Employment Opportunity

Refer to page 48.

Performance Statement of Chief Executive and General Manager

Name: Tony Thirlwell

Position: Chief Executive and General Manager

Level: SES Level 6

Remuneration: $256,000

Period in Position: 9 November 1998 to 29 August 2003

As Chief Executive and General Manager, Tony Thirlwell is accountable to me for completion of a variety of tasks as described under the *Tourism New South Wales Act 1984* and for implementing Government policy.

Mr Thirlwell's performance has been of a consistently high standard. Key objectives have been achieved and a high level of leadership has been provided to deliver a very positive outcome in line with Government policy. I am entirely satisfied with his performance.

- Provided leadership and direction to keep the industry informed during the global and local events affecting the industry during 2002/03 and in Tourism New South Wales' response.

- Led Tourism New South Wales to achieve a 75% stakeholder satisfaction compared to 63% in the 1999 survey.

- Led Tourism New South Wales to achieve the award of Best Tourist Office – National in the 2003 National Travel Industry Awards for Excellence.

- Led agency's contribution to New South Wales achieving a 2% increase in Australian (domestic) overnight interstate and intrastate leisure visitors and 2.4% in visitor nights in 2002 (trend has continued in 2003).

- Provided leadership in the development and finalisation of the 2003–06 Marketing Strategy.

- As Chair of Tourism Sydney, took a leadership role driving forward the initiatives and strategies of Tourism Sydney in conjunction with the Chief Executives of Sydney Harbour Foreshore Authority and the Department of State and Regional Development resulting in an 82% satisfaction rating from Partnership Sydney clients.

- Provided leadership and oversight for the implementation of Tourism New South Wales' *Towards 2020 – New South Wales Tourism Masterplan's* rollout and actions.

- Provided oversight and direction for the Australian promotional campaigns: Drive New South Wales, Sydney, Short Breaks, Touring by Car, Farmhand Farm Holidays, Multicultural and specific campaigns to offset the negative impacts of global and local events on the State's tourism industry.

- Provided leadership, oversight and direction in the development of the *Feel free* John Farnham 'That's Freedom' Brand New South Wales television campaign.

- Provided oversight and direction on the trade and consumer activities undertaken in our major international holiday markets, including the *Feel free* campaign in New Zealand.

- Led the agency to achieve a 10% increase over our target for non-Tourism New South Wales income.

- Provided oversight and direction for the redesign (including improved functionality) of the www.visitnsw.com.au website.

- Provided oversight and direction to position New South Wales Holidays for the next stage of its commercial development.

- Provided leadership and oversight for the development of the Tourism Aviation Strategy.

- Provided leadership and strategic input to the New South Wales Tourism Awards for Business Excellence.

- Developed, progressed and implemented strategies to ensure the provision of expert advice and quality service to the Minister for Tourism.

- Through a monthly forum provided opportunity for staff (average of 12 staff per session) to meet with the Chief Executive to explore the agency's values and to raise issues of concern, provide feedback on initiatives and to enhance staff members' knowledge and understanding about other work areas within the agency.

- Provided oversight and direction to assist the agency meet its whole-of-Government programs requirements such as *State Records Act 1998,* Procurement Planning and Smarter Buying for Government, Electronic Service Delivery and Credit Card usage.

- As a Director of Sydney Convention & Visitors Bureau, provided advice and direction to increase business tourism in New South Wales.

- Provided sound leadership and strategic input to the implementation of the VSA Shared Services in conjunction with Royal Botanic Gardens and Domain Trust and Centennial Park and Moore Park Trust.

[signature]

The Hon Sandra Nori MP
Minister for Tourism and Sport and Recreation
Minister for Women

Energy Management Policy

Corporate Commitment

Tourism New South Wales is committed to responsible energy management for both environmental and financial objectives. An energy management plan has been established which includes related goals from the Government's Energy Management Policy.

Planning

Accountability and responsibilities have been established in planning by Tourism New South Wales which will contribute to the reduction of State-wide energy consumption and greenhouse gases as a targeted process and through specific goals. Although Tourism New South Wales is not located in Government-owned premises, systems have been established in conjunction with building management to achieve energy efficiencies for all tenants.

Implementation

Initiatives and projects undertaken include the consideration of energy efficiency in purchasing decisions and ongoing rationalisation of Tourism New South Wales' vehicle fleet.

Performance

Building Energy Data

Tourism New South Wales increased kWs in 2002/03 by 4.9% compared to the previous financial year.

Motor Vehicle Energy Data

Motor vehicles under the direct control of Tourism New South Wales used a total of 51,236 litres of petrol while travelling a combined distance of 404,964 kilometres. This equates to 116 tonnes CO_2 (greenhouse gas measurement) and represents a decrease of 25% from last financial year.

Future Direction

Tourism New South Wales aims to reduce energy consumption and greenhouse gas emissions in line with its Energy Management Plan and the Government's Energy Management Policy and a rationalisation of fleet vehicles has commenced to this effect. An energy audit is also an initiative which will be considered for future energy rationalisation.

Ethnic Affairs Priorities Statement (EAPS) 2002/03

Tourism New South Wales is a key agency under the Ethnic Affairs Action Plan 2002. Its primary role is in relation to Key Result Area 3: Economic and Cultural Opportunities. Under this key result area, Tourism New South Wales contributes to the Government's role of promoting *'the benefits of multiculturalism in the economic and cultural life of the State. The Government will encourage the acceptance of our cultural diversity as a positive force in the development of the State's economic opportunities as well as enriching our cultural life'.*

1. Integration into Core Business

Tourism New South Wales' core business is marketing the State as a tourist destination in both the Australian and international markets. *Towards 2020 – New South Wales Tourism Masterplan* places significant emphasis on utilising the State's cultural diversity to position it as an exciting, unique and cosmopolitan tourism destination. The State's combination of vibrant cultural life and stunning natural attractions offers a unique positioning for tourism promotion.

The following strategies were implemented for the EAPS in 2002/03:

- Multilingual websites have been made available for our key overseas markets. These websites are tailored for each market promoting the diversity of experiences available in Sydney and regional New South Wales.

- Ongoing development of the Tourism New South Wales visiting journalist program included promotion of Carole Selva Rajah's Gourmet Asian Cuisine Tours to Cabramatta.

- The New South Wales Food and Wine Plan has continued to be promoted in regional communities to help broaden the appeal of regional destinations and highlight regional character and cultural diversity.

- Inclusion of cultural precincts in mainstream tourism publications such as Sydney: The Official Guide.

- In positively promoting the culturally diverse nature of our society, support was provided for the following key events in Sydney:

  — Sydney Festival;

  — Sydney Film Festival;

  — Chinese New Year celebrations;

  — Sydney Writers' Festival; and

  — Biennale.

  These events draw on our cultural heritage and expression as a part of their communication.

2. Participation

Cultural perspective is built into Tourism New South Wales' programs and activities, and assists the agency in delivering quality service in all aspects of its operations to its stakeholders.

3. Communication and Information

Tourism New South Wales

The Multicultural Campaign was first developed in 2000 to sell holidays and to obtain specific information and data linking travel and holiday destinations within New South Wales and Non-English Speaking Background (NESB) communities. Since then, advertising campaigns, targeting the 22% of the Australian population who speak a language other than English at home, have been conducted promoting family-style holidays in various regions throughout New South Wales.

In 2002 the focus was on Chinese and Vietnamese communities on the basis of their large resident population and tendency to host a large number of overseas visitors who in turn are a potential target audience for Tourism New South Wales. The 2003 Multicultural campaign also included the Korean community as this ethnic group presents similar potential and opportunities. The Korean community is largely concentrated in Sydney, has a high propensity to travel and excellent growth potential. Together these communities represent approximately 15.8% of the new migration intake.

A key objective in the 2003 Multicultural Campaign was to increase awareness of the holiday destinations available within New South Wales. The North Coast, Snowy Mountains and Blue Mountains are particularly popular amongst the Chinese, Vietnamese and Korean communities.

In addition to building awareness of our holiday destinations, another key objective of the Multicultural campaign for 2003 was to increase booking numbers for holidays within New South Wales. Tourism New South Wales approached cooperative/specialist travel agent partners to take part in an exclusive promotional offer, such as one additional night's accommodation with every booking of two nights or more or, alternatively, provide a discount if booked before a set date.

The promotion of properties within the ethnic press exposed target communities to attractive accommodation options. To make the information culturally relevant, partners packaged their holiday prices in a culturally relevant manner by incorporating the number '8' which is considered lucky across Asian cultures, especially the Chinese. Hence, holiday packages were priced in amounts such as $188 or $388.

As in the past the campaign was launched and promoted by way of a competition. Existing names on the database built from the previous year's competition entries were used to create awareness of the new campaign. Selected travel agents from the target communities were invited to the campaign media launch and supplied with a media kit. In addition, a brief letter and point of sale material were issued and liaison was maintained with travel agents to monitor the promotion's progress.

Tourism Sydney

Sydney's cultural diversity was reflected in the branding of Sydney and through the Sydney Tourism Experience Development program (STED) which aims to further the development of tourism precincts in partnership with local businesses and communities. STED projects have been successful in improving the image and profile of the precincts promoting their cultural diversity in product development and marketing.

Tourism Sydney continues to promote the tourism precincts of Sydney which feature a particular cultural life or cuisine, eg Leichhardt, Chinatown or Cabramatta.

4. Internal Resources

To assist in the delivery of quality service in all aspects of Tourism New South Wales' operations to internal and external stakeholders, two staff members at Head Office were paid an allowance under the Community Language Allowance Scheme. Staff located in our overseas offices supplement the language skills of the Head Office staff. Overseas staff have a strong understanding of the culture of the markets in which they operate and are able to effectively promote aspects of New South Wales' diversity to these markets.

5. Data Collection

Respondents to the National Visitor Survey 2002 were asked their country of birth. This survey of Australian residents aged 15 years and over is jointly funded by each of the States and Commonwealth Government.

The data gathered in relation to cultural diversity can be cross-tabbed with other data to determine the travel patterns of Australian residents from diverse backgrounds.

The survey revealed that there were 27.49 million domestic overnight visitors to New South Wales during the year ended 31 December 2002 and 4.8 million or 17% of these visitors were born overseas. Countries of birth included the United Kingdom (6% of overnight visitors), Other Countries (3.8%), New Zealand (2%), followed by Germany (0.6%), then India and USA (each with 0.5%).

Tourism New South Wales provides input into the design of the National Visitor Survey so that it guides the organisation to improve the service delivery.

Tourism New South Wales, through its membership of the NSW Water Safety Taskforce Education Sub-committee, participated in a water safety research project targeting visitors and local Chinese-speaking people. The findings of the research have provided valuable insights into communicating with the Chinese market both here and abroad.

6. The Future

Tourism New South Wales' Ethnic Affairs Priorities Initiatives for 2003/04 will focus on two main program areas:

1. Marketing of New South Wales tourism experiences to Australians of Non-English Speaking Backgrounds.

Outcome:
- Increase domestic travel by Australians of non-English Speaking Backgrounds to and within New South Wales.

Actions:

- Negotiate Australia-wide domestic marketing campaign targeted at Australians of Non-English Speaking Backgrounds.

- Ongoing Ethnic Advertising Campaign targeting key language groups and including an evaluation component.

2. Utilise New South Wales' cultural diversity in promoting travel by major international and Australian markets.

Outcome:

- Strong presence of cultural diversity in the State's contemporary tourism product and experiences.

Actions:

- Special Events programs – highlighting food and wine, arts and culture.

- International Media Servicing Programs promote information on the State's cultural diversity.

- The Regional Tourism Action Plan and the Food and Wine Plan will continue to support the State's cultural diversity and contemporary lifestyle.

Freedom of Information (FOI)

During 2002/03, $60 in fees accompanying Freedom of Information applications were received.

FOI Requests	2002/03
New	2
Brought Forward	0
Total to process	2
Completed	1
Transferred out	0
Withdrawn	0
Total processed	1
Unfinished (c/fwd)	1

Result of FOI Request	
Granted in full	0
Granted in part	1
Refused	0
Deferred	1
Completed	1
Ministerial certificates issued	0
Number of requests requiring formal consultations	2

Basis for Disallowing or Restricting Access	
Section 19 (application incomplete, wrongly directed)	0
Section 22 (deposit not paid)	0
Section 22 (diversion of resources)	0
Section 25 (1)(a) (Exempt)	1
Section 25 (1)(b), (c), (d) (otherwise available)	1
Section 25 (1)(e) (documents over 5 years old)	0
Deemed refused – 45 day limit expired	0
Section 31 (4) (released to medical practitioner)	0
Total	2

Type of Discount	
Public Interest	0
Financial Hardship Pensioner	0
Financial Hardship – Non-profit	0
Significant correction of records	0

Elapsed Time	
0-21 days	1
>21 days	1

Processing Hours	
0-10 hours	2
11-20 hours	0
21-40 hours	0
Over 40 hours	0
Totals	2

Reviews	
No. of internal reviews finalised	0
No. of Ombudsman reviews finalised	0
No. of District Court/Administrative Appeals Tribunal actions finalised	0

Basis of Internal Review Grounds on which Requested Access Refused	
Access refused	0
Deferred	0
Exempt matter	0
Unreasonable charges	0
Charge unreasonably incurred	0
Amendment refused	0

A Summary of Affairs and a Statement of Affairs were prepared and are available in accordance with the FOI Act's requirements. FOI requests should be directed to:

The Freedom of Information Officer
Tourism New South Wales
GPO Box 7050, Sydney NSW 2001
Ph: (02) 9931 1522 Fax: (02) 9931 1516

An application for access to the agency's documents must satisfy all the following requirements: it must be in writing; it must specify that it is made under the Act; it must be accompanied by an application fee ($30); it must contain such information as is reasonably necessary to enable the document to be identified; it must specify an address in Australia to which notices under the Act should be sent; and it must be lodged with Tourism New South Wales.
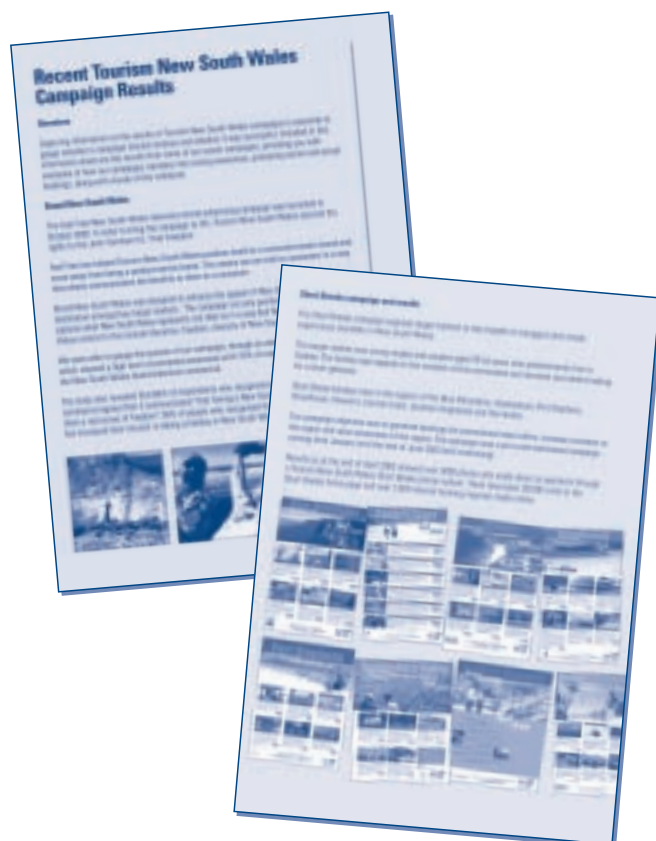
Funds Awarded to Non-Government Community Organisations

Strategic Events Program

Aimed at events with the potential to deliver tourism and economic benefits to the State. This includes developing events with the potential for direct impact on visitor levels, as well as those that can contribute to the State's profile through international media coverage. (Refer to page 45.)

Name of Organisation	Budget Program Area	Amount (GST Exclusive)
ANZ Championship 2003	Growth	$100,000
Australian Rugby Union (Bledisloe Cup plus one other Test) 2003	Growth	$200,000
Octagon Motorsport (Australian Safari)	Growth	$320,000
Rugby World Cup	Growth	$100,000
Sydney Festival	Growth	$100,000
Sydney Film Festival	Growth	$100,000

Regional Flagship Events Program

Aimed at regional events that have the potential to act as a tourism flagship for the region – building its image and boosting visitation from outside the region. (Refer to page 45.)

Region	Organisation	Budget Program Area	Amount (GST Exclusive)
Triennial Program			
Explorer Country	Marti's Balloon Fiesta	Growth	$30,000
New England North West	National Cutting Horse	Growth	$30,000
Hunter	Hunter Valley Steamfest	Growth	$30,000
Northern Rivers	Byron Bay Writers' Festival	Growth	$30,000
Annual Program			
Blue Mountains	Ironfest	Growth	$10,000
Capital Country	Bowral Tulip Time	Growth	$10,000
Central Coast	Australian Springtime Flora Festival	Growth	$10,000
Explorer Country	Australian Heritage Festival	Growth	$10,000
Hunter	This is Not Art	Growth	$10,000
Illawarra	Illawarra Folk Festival at Jamberoo	Growth	$10,000
New England/North West	Events Marketing and Development Workshop		$10,000
North Coast NSW	Rusty Iron Rally	Growth	$10,000
Outback NSW	Broken Hill St Patrick's Race Day	Growth	$10,000
Riverina	UnWINEd in the Riverina	Growth	$10,000
Snowy Mountains	Annual Celebration of Motorcycles	Growth	$10,000
South Coast	Eden Whale Festival	Growth	$10,000
The Murray	Albury Wodonga Wine and Food Festival	Growth	$10,000

Regional Tourism Plans Preparation

The plans identify and prepare strategies and action plans for: Regional Development Initiatives; Marketing (Marketing Development) Strategies and Activities; and Management Directions.

Name of Organisation	Budget Program Area	Amount (GST Exclusive)
Capital Country Regional Tourism Organisation	Development	$25,000
Explorer Country Regional Tourism Organisation	Development	$25,000
Blue Mountains Regional Tourism Organisation	Development	$27,000
Outback NSW Regional Tourism Organisation	Development	$50,000

Regional Tourism Organisation Funding

Assists with the administrative expenses and implementation of business, marketing and development plans to build a strong structural base for regional tourism. (Refer to page 45.)

Organisation	Budget Program Area	Reliance on TNSW Funding	Amount (GST Exclusive)
Blue Mountains	Growth	21%	$130,000
Capital Country	Growth	62%	$130,000
Central Coast	Growth	11%	$130,000
Explorer Country	Growth	74%	$160,000
Hunter	Growth	24%	$130,000
Illawarra	Growth	51%	$130,000
New England North West	Growth	53%	$160,000
North Coast NSW	Growth	76%	$210,000
Northern Rivers Tropical NSW	Growth	70%	$130,000
Outback NSW	Growth	51%	$160,000
Riverina	Growth	76%	$160,000
Snowy Mountains	Growth	76%	$130,000
South Coast	Growth	13%	$130,000
Lord Howe Island*	Growth	37%	$40,000
The Murray**	Growth	28%	$75,000

*Lord Howe Island, as a World Heritage Precinct (not an RTO) receives a special allocation of $40,000 for management and marketing activities.

**The Murray region is covered by a tri-State agreement between New South Wales, Victoria and South Australia.

Visitor Information Centre Support – STDW Updating

Visitor Information Centres who update the STDW (previously Visnet Database) via the Internet receive a performance based payment on the number of updates made. A total of $19,272 was paid in 2002/03. Payments ranged from $33 to $4,620 and were allocated under our Growth Budget Program Area.

The following VICs received payment:
Armidale, Bathurst, Blue Mountains, Campbelltown, Central Coast, Clarence River, Coonabarabran, Corowa, Crookwell, Dubbo, Glen Innes, Gloucester, Great Lakes, Goulburn, Gundagai, Hawkesbury, Hornsby, Inverell, Kempsey, Kiama, Lake Macquarie, Lismore, Maitland, Manning Valley, Murwillumbah, Manly, Narrandera, Orange, Parkes, Queanbeyan, Shoalhaven, Tamworth, Yarrawonga Mulwala, Yass, Young.

Sydney Tourism Experience Development Program

A program for local tourism development, it aims to foster the appropriate development of emerging precincts and zones, in partnership with local tourism and marketing groups, councils, mainstreet committees, chambers of commerce and businesses. (Refer to page 43.)

Region	Organisation	Budget Program Area	Amount (GST Exclusive)
Manly	2002/03 Manly Council and Chamber of Commerce Media Fact Sheets	Growth	$5,000

Government Action Plan for Women

While we do not deliver specific programs for women, we take into account the needs of our female stakeholders in a number of areas:

1. Considering the Needs of Tourism New South Wales' Women Stakeholders.

Tourism New South Wales regards all our industry partners as equals. The agency favours cooperative marketing and has a consultative approach to managing stakeholder relationships.

We recognise that shared responsibility for a program's success generally leads to greater commitment by all parties.

In addition, a lot more can be achieved by one joint budget than with two separate and smaller budgets. Consultation increases understanding, cooperation and the sense of 'ownership'.

2. Advertising Promotions or Photographic Shoots.

Tourism New South Wales takes into account what interests particular target audiences in all of our advertising and promotion activities and develops campaigns to achieve desired conversion rates. The Government's advertising guidelines on the portrayal of women are also applied.

3. Women's Events Listed on the STDW (Tourist Information Database).

The STDW, a comprehensive centralised database of New South Wales tourism product and destination information, is used by 80 visitor information centres throughout New South Wales and Tourism New South Wales staff to source tourism product. The database contains a wide number of events held around New South Wales that may appeal to women of all ages.

4. The visitnsw.com.au Website.

The visitnsw.com.au website provides information on New South Wales and its holiday experiences 24 hours a day, giving women – the major holiday decision-makers – flexible access to up-to-date, comprehensive travel information to accommodate work and family timetables.

5. Work/Life Resource Kit.

This Kit is available for our staff to provide information and guidance about all aspects of their working lives. Issues addressed include: Dependant Care, Flexible Work Options, Leave for Family/Life Responsibilities, Childcare and Eldercare. The aim of the initiative is for all staff to achieve a greater balance between their careers and family and personal responsibilities outside of work.

Guarantee of Service

Tourism New South Wales is committed to providing our customers and stakeholders with efficient, reliable and courteous service. Feedback, compliments and complaints regarding our customer services are welcomed. However, we prefer to receive them in writing. Correspondence should be directed to:

Executive Director Tourism
Tourism New South Wales
GPO Box 7050, Sydney NSW 2001
If we are unable to assist you with any issue we will refer your comments to an appropriate organisation/person for attention. You may also feel free to contact other agencies, such as the Office of Fair Trading (www.fairtrading.nsw.gov.au) or the New South Wales Ombudsman's Office.

Land Disposal

Nil.

Legal Change

Nil.

Major Assets Purchased During Year

Nil.

Overseas Visits

Refer to Table on page 67.

Printing Requirements

Refer to inside back cover for details.

Privacy Management Plan

During the year the Tourism New South Wales Privacy Management Plan was completed in accordance with the provisions of the *Privacy and Personal Information Protection Act* (the Act).

All staff received training in how to apply privacy principles and in fulfilling their respective role in the implementation of the Plan.

The Privacy Contact Officer at Tourism New South Wales is: John Bates, Manager Policy and Planning, (02) 9931 1111.

Program Evaluation

An evaluation was carried out of the two-year enhancement funding in response to September 11, Ansett Airlines collapse and bushfires (refer page 18).

Payment of Accounts

Aged Analysis at the End of Each Quarter

Quarter	Current $	Less than 30 Days Overdue $	Between 30 and 60 Days Overdue $	Between 60 and 90 Days Overdue $	More than 90 Days Overdue $
September Quarter	131,334	51,598	25,540	0	0
December Quarter	1,563,469	133,017	1,517	0	0
March Quarter	182,050	104,744	2,324	0	0
June Quarter	617,960	242,472	2,165	0	0

Accounts Paid on Time within Each Quarter

	Total Accounts Paid on Time		Total Amount Paid	
	Target %	Actual %	$	$
September Quarter	95	87	10,693,188	11,797,468
December Quarter	95	90	7,860,919	8,865,344
March Quarter	95	85	8,546,382	13,355,420
June Quarter	95	86	18,458,281	20,096,124

Commentary

The payment performance table highlights that the pattern for payments for Tourism New South Wales reflects a high level of seasonality of marketing expenses in the June quarter.

Overseas Visits

Tourism New South Wales actively and aggressively markets New South Wales in key international marketplaces. Locally and internationally based staff are required to undertake travel as in integral activity to meet this mandate. All effort is made to keep costs to a minimum through the use of trade discounts received from our industry partners.

Name	Destination	Date/s	Type of Fare	Purpose of Visit
Greg Atkins	London, Germany	11-31 Aug	Contra	Review European operations
	Japan	1-2 Dec	Contra	QF/Japan industry meeting
	New Zealand	18-21 Feb	Contra	Review *Feel free* campaign and Rugby World Cup
Sonya Brooks	Sydney	2-4 Aug	FOC	Hosted industry VIP to Bledisloe Cup
	Sydney	26-28 Aug	FOC	Hosted retail marketing managers to Mamma Mia opening
	Sydney	2-6 Oct	FOC	Attend Northern Rivers regional seminar and famil
	Sydney	6-18 April	Industry	Attend international managers' meeting and famil to North Coast/Hunter Valley
	Melbourne	16-22 June	Industry	Attend ATE
Vean Chan	Sydney	19-27 Aug	FOC	Escort for Shenzhen print and TV media tour to Port Stephens/Central Coast/ Hunter Valley/Blue Mountains
	Sydney	16-22 Feb	FOC	Escort for Hong Kong media trip and agents famil to Blue Mountains/Central Coast/Wollongong
	Sydney, Melbourne	5-19 June	FOC	Lead pre famil program and attend ATE
Myriam Cotterell	Sydney	6-14 Nov	FOC	Escort for Singapore Airlines famil to Eaglereach/Port Stephens
	Sydney	21-30 March	FOC	Escort for Gold Medal/Airline Network famil to Eaglereach/Hunter Valley/Port Stephens and Quest Travel famil to Blue Mountains/Hunter Valley/Port Stephens
Yoko Hasegawa	Sydney	2-7 Dec	FOC	Escort for JTB wedding famil
	Sydney	19-24 Feb	FOC	Escort for JTB school excursion famil to Blue Mountains
	Melbourne	13-20 June	Industry	Attend ATE
Siew Hoon	Sydney	6-11 April	Industry	Attend international managers' meeting
	Melbourne	13-18 June	Industry	Attend ATE
Shannon Hui	Sydney	7-14 July	FOC	Assist with Shanghai agent famil tour to Hunter Valley/Port Stephens/Central Coast/Blue Mountains
	Sydney	18-25 Feb	FOC	Escort Hong Kong Eat and Travel Weekly media famil to Central Coast/Hunter Valley/Wollongong
Bettina Kramer	Sydney	7-12 April	Industry	Attend international managers' meeting
Irene Morgan	Sydney	17-20 Feb	FOC	Attend American Town Hall seminar
	Sydney	7-11 April	Industry	Attend international managers' meeting
	Melbourne	16-20 June	Industry	Attend ATE
Nicole Moore	Hong Kong	30 Oct –11 Nov	Contra	Attend Hong Kong and ATC China missions
	Singapore	30 July–23 Aug	Contra	Coordinate New South Wales operators presence at OZ Talk Asia
Sandy Nerlich	Melbourne	16-20 June	Contra	Attend ATE
Gary O'Riordan	Johannesburg	28 July–3 Aug	Contra	Attend Australian Travel Safari
	Dubai	26 April – 9 May	Industry	Present New South Wales product at Arabian Travel Market and ATC Mission
Victoria Park	Sydney	16-19 Aug	FOC	Escort for Gullivers agent famil to Blue Mountains
	Sydney	18-21 Oct	Industry	House of Travel – agent famil to Port Stephens/Hunter Valley
	Sydney	22-27 May	Industry	Gullivers agent famil to Port Stephens/Hunter Valley
Takeshi Teramoto	Sydney	1-13 Oct	FOC	Escort for media visit/QF VIP group to Canberra/ Southern Highlands/Blue Mountains/Hunter Valley
	Sydney	17-24 Nov	FOC	Escort for JTB wedding famil to Blue Mountains
	Sydney	2-8 Feb	FOC	Escort J & J famil to Port Stephens/Hunter Valley/Blue Mountains; inspection of Australian Museum/Royal Botanic Gardens
	Sydney	14-18 Feb	FOC	Escort for KNT school excursion famil to Blue Mountains
	Sydney	4-11 March	FOC	Escort for NTA and JAS school excursion famil to Blue Mountains
	Sydney	5-12 April	Industry	Attend international managers' meeting
	Sydney, Melbourne	13-28 Jun	FOC	Escort for JAL media group to Blue Mountains and attend ATE
Tony Thirlwell	Auckland	9-11 Sep	Industry	Attend BTR, ASCOT and TMC meetings
	Manilla, Hong Kong, Shenzhen	19-24 Sep	Industry	Attend PATA Board Meeting Manilla; industry and media meetings Hong Kong and Shenzhen.
	Honolulu	3-6 Nov	Industry	Accept 15th *Condé Nast* Readers' Choice Award for Sydney; industry meetings
	Bahrain, Singapore, London	16-26 Jan	Industry	Attend PATA Board Meeting, Chair PATA Government Committee, Bahrain; Launch *Feel free* campaign, Singapore; Rugby World Cup meetings and industry meetings, London.
	Denpasar	13-16 April	Industry	Attend PATA Board and AGM
Sandy Wilkins	Auckland	2-6 April	Contra	Attend OZ Talk NZ
	Los Angeles	14-25 August	Contra	Attend OZ Talk USA
Lo Li Wen	Melbourne	6-17 June	Industry	Attend ATE
Oton Wu	Sydney	5-14 July	FOC	Lead Asiana/QF Shanghai VIP famil to Hunter Valley/Port Stephens/Central Coast/ Wollongong
	Sydney	5-13 April	Industry	Attend international managers' meeting
	Sydney, Melbourne	10-19 June	FOC	Lead pre ATE famil and attend ATE
Sinead Yeo	Sydney	3-14 Jan	FOC	Escort for City Beat TV crew to Blue Mountains/Hunter Valley
	Sydney	12-16 Feb	FOC	Escort Singapore Airline Malaysia agents famil to Blue Mountains/Hunter Valley/Port Stephens
	Melbourne	14-27 June	Industry	Attend ATE

Publications

Publication Name	Number Produced
New South Wales Holidays General	
Scratch and Win Promotion – A4 6pp booklet	30,000
Sydney Escapes April-May 2003 – A4 4pp booklet	75,000
Capri Plaza Hotel – A4 D/S Flyer	50,000
Avillon Hotel – A4 D/S Flyer	50,000
Cypress Lakes A4 D/S Flyer	50,000
Northern Rivers – Fly ex Melbourne – A4 6pp	10,000
Northern Rivers – Fly ex Sydney – A4 6pp	30,000
Northern Rivers – Land Only – A4 6pp	10,000
Canberra Flyer – May 2003	40,000
Coffs Coast Flyer – June 2003	60,000
Sydney Autumn Image	30,000
Sydney Shines in Winter A4 6pp	100,000
Sydney Shines in Winter A1 Poster	150
Coffs Coast – Spring 02	50,000
Crowne Plaza Coogee Flyer A4 D/S	50,000
Best of Byron Bay – A4 D/S Flyer	10,000
Mamma Mia Flyer – A4 D/S	50,000
Summer in the City – A4 4pp	150,000
Peppers – A4 D/S Flyer	50,000
Crowne Plaza Terrigal – A4 D/S Flyer	50,000
Farmhand Farm Holiday – A4 2pp	250,000
New South Wales Holidays Wholesale Brochures	
Sydney Wholesale Brochure – A4 56pp	200,000
Beaches Wholesale Brochure – A4 40pp	150,000
Short Breaks Wholesale Brochure – A4 64pp	150,000
Farm and Country Wholesale Brochure – A4 16pp	30,000
Outback Wholesale Brochure – A4 16pp	25,000
Campaign Publications	
Drive Yourself Sane – North Coast – A4 6pp Flyer	320,000
Classic Country Drive – A4 20pp Booklet	30,000
Short Breaks – Shoalhaven – A4 8pp	600,000
Touring by Car – Alpine Way – Map – Reprint	30,000
Touring by Car – Explorer's Way – Map – Reprint	15,000
Touring by Car – Classic Country Drive – Map – Reprint	20,000
Touring by Car – Darling River Run – Map	10,000
Touring by Car – Darling River Run Bonus Book – 12pp	5,000
Touring by Car – South Coast – Map – Reprint	25,000
Touring by Car – Pacific Coast – Map – Reprint	50,000
Blue Mountains Inserts – A4 D/S Flyer	1,000,000
Growing Together Seminars	
Masterplan Summary (reprint for Growing Together) – A4 4pp Booklet	1,200
A4 Binders – 2 D Ring – Printed Covers and Spines and Encapsulated	1,200
Tab Sets – 5 Tabs to View – Printed	1,200
Fact Sheet Shells	22,500
Registrations Forms for 15 individual regions	9,500
Notepads – 20 pages	1,200
Fact Sheets Overprints for 19 individual topics	22,800
Research Booklets for 16 individual regions	3,200

Publication Name	Number Produced
Postcards – A6 – for 16 individual regions	3,200
Marketing Plan – A4 4pp Summary	1,500
Advertising Fact Sheet – S/S Communications Vehicles – Page One	1,200
Advertising Fact Sheet – S/S Communications Vehicles – Page Two	1,200
Advertising Campaign Successes – A4 8pp Booklet – Full Colour	1,200
Tourism Sydney Publications	
Your Guide to Sydney – Anglo Covers – A5 32pp	22,000
Your Guide to Sydney – Asian Covers – A5 32pp Booklet	3,000
AATE Fact Sheet Booklet – A4 16pp – Full Cover	500
Corporate Publications	
Partnership Sydney Invitations	800
Regional Tourism Forums – Registration Forms – A4 4pp	800
Regional Tourism Forums – Pads – A6	500
Masterplan – Towards 2020 Summary – A4 8pp Booklet	1,000
Masterplan – Towards 2020 Full Document – A4 100pp	1,000
Brand Guidelines Summary – A4 4pp	500
New South Wales Tourism Awards for Business Excellence Rules of Entry Booklet	800
International Publications	
International Sales and Operations – A4 36pp	400
ATE Event Invitation – DL 2 Colour – Folded Card	700
ATE Day Event Invitation – DL Double Sided – 9 Types	1,500
International Travel Planner 2003/04 – Hard Copies	10,000
International Travel Planner 2003/04 – CD Rom	5,000
Industry Development	
Backpacker Sydney – Australia – A4 6pp	70,000
Farmhand Kit Folder – A4	500
Farmhand Manual – A4 35pp	500
New South Wales Food and Wine Tourism Seminar Program – A5 12pp	400
Nature Eco Fact Sheets – A4 Double Sided	1,000
Eco Tourism Conference Booklets – A4 22pp	300
Food and Wine Map – Folded to DL	80,000
Backpacker's Sydney Australia – A4 6pp	70,000
E-Business – Get Connected	
DL Flyers	7,000
Forms (Sign Up and Booking)	15,000
DL Sweep	500
DL Mailout – 2pp	2,000

Research and Development

Project	Budget (excludes GST) $
AMR Interactive, Community Attitudes to Tourism	29,000
AMR Interactive, Conversion Studies	32,800
AMR Interactive, Local Government Attitudes to Tourism	29,000
AMR Interactive, Stakeholder Survey	35,000
Anthony Anderson, Motel Benchmarking Study	11,500
Aurora Practical Solutions, Visitor Information Centres Customer Perceptions	25,000
Bureau of Tourism Research, International Visitor Survey and National Visitor Survey	476,552
Bureau of Tourism Research, Market Profiles	185,000
Colmar Brunton, Project Blaxland (Tourism New South Wales Creative Testing)	27,500
Colmar Brunton, Project Lawson (Blue Mountains Positioning)	10,000
Colmar Brunton, Project Philip (Sydney and Regional New South Wales Positioning)	173,000
Colmar Brunton, Project Sturt (Market Needs and Views of Regional New South Wales)	22,000
Colmar Brunton, Tourism New South Wales Creative Advertising Tender Testing	60,000
CRC Tourism, Decipher/CRC – interactive software sponsorship	20,000
CRC Tourism, Modelling Tourism's Economic Contribution to New South Wales	20,000
Horizon Research, Farm Tourism	9,000
Inside Story, Brochure/Insert Research	30,800
Mackay Research, Mackay Report	4,700
Millward Brown, Iraq/SARS Survey	3,000
Powell Research, Gay Tourism Market (Regional Perceptions)	20,000
Roy Morgan Research, Awareness Modelling	20,000
Roy Morgan Research, Brand Tracking Survey	84,779
Roy Morgan Research, Domestic Travel Intentions Survey	2,800
Roy Morgan Research, Investor Sentiments Survey	45,845
Roy Morgan Research, New Zealand Holiday Tracking Survey	16,000
Roy Morgan Research, Regional Brand Positioning	30,000
Roy Morgan Research, Regional Summaries "Growing Together Seminars"	6,000
Roy Morgan Research, Sydney Precinct Study	14,000
Sports Marketing Surveys, Golf Tourism Report	850
SPSS, Online Surveys	25,000
Stollznow Research, Food and Wine Research	25,000
Tourism Solutions, Regional Data Package	51,000

Risk Management and Insurance Activities

Refer to page 21.

Waste Reduction and Purchasing Policy Disclosure

Tourism New South Wales continues to implement initiatives in the areas of waste avoidance, re-use and recycling together with purchasing policies aimed at reducing waste. These initiatives form part of the Government's Waste Reduction and Purchasing Policy (WRAPP) and include ongoing progress in the following areas.

Reducing the Generation of Waste and Resource Recovery

Tourism New South Wales is investigating a system whereby all possible waste products generated from an office environment are collected and re-used in the manufacture of various commercial products. These include but are not limited to printer/fax/photocopier toner bottles and cartridges, video tapes, CDs and fluorescent light tubes. All possible waste paper and packaging is recycled through the building's recycling system.
A waste audit was carried out during the year.

Use of Recycled Material

Tourism New South Wales continues to utilise office products with a recycled content including copy paper, envelopes, notepads, computer discs, post-it notes, file covers, toner cartridges and corporate stationery printing stock.

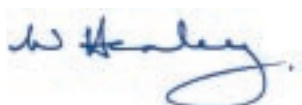# Contents

Year ended 30 June 2003

Statement by Department Head

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

(a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983,* the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the Public Finance and Audit Regulation 2000 (as applicable), applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and The Treasurer's Directions;

(b) the statements exhibit a true and fair view of the financial position and transactions of Tourism New South Wales; and

(c) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Bill Healey

Director-General

5 November 2003

INDEPENDENT AUDIT REPORT

TOURISM NEW SOUTH WALES

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of Tourism New South Wales:

(a) presents fairly Tourism New South Wales's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and

(b) complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Tourism, Sport and Recreation. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement - expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and

- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General had failed in his reporting obligations.

My opinion does not provide assurance:

- about the future viability of Tourism New South Wales,

- that Tourism New South Wales has carried out its activities effectively, efficiently and economically,

- about the effectiveness of its internal controls, or

- on the assumptions used in formulating the budget figures disclosed in the financial report.

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and

- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

M T Spriggins
Director of Audit

SYDNEY
5 November 2003

Statement of Financial Performance for the Year Ended 30 June 2003

	Notes	Actual 2003 $'000	Budget 2003 $'000	Actual 2002 $'000
Expenses				
Operating expenses				
Employee related	2(a)	14,397	12,874	12,840
Other operating expenses	2(b)	39,219	39,623	41,078
Depreciation and amortisation	2(c)	971	985	562
Grants and subsidies	2(d)	4,399	619	8,217
Total Expenses		**58,986**	**54,101**	**62,697**
Less:				
Retained Revenue				
Sale of goods and services	3(a)	822	790	731
Investment income	3(b)	146	200	176
Grants and contributions	3(c)	11,367	7,999	7,350
Other revenue	3(d)	327	100	697
Total Retained Revenue		**12,662**	**9,089**	**8,954**
Gain/(loss) on disposal of non-current assets	4	(1)	–	–
Net Cost of Services	20	46,325	45,102	53,743
Government Contributions				
Recurrent appropriation	6	42,998	42,748	53,334
Capital appropriation	6	1,360	1,360	1,436
Acceptance by the Crown Entity of employee benefits & other liabilities	7	1,521	1,404	1,063
Total Government Contributions		**45,879**	**45,512**	**55,833**
SURPLUS/(DEFICIT) FOR THE YEAR		**(446)**	**500**	**2,090**
NON-OWNER TRANSACTION CHANGES IN EQUITY				
Net increase/(decrease) in asset revaluation reserve	16	–	–	18
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		–	–	18
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	16	**(446)**	**500**	**2,108**

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2003

	Notes	Actual 2003 $'000	Budget 2003 $'000	Actual 2002 $'000
ASSETS				
Current Assets				
Cash	9	631	1,740	1,775
Receivables	10	3,418	2,982	2,982
Total Current Assets		**4,049**	**4,722**	**4,757**
Non-Current Assets				
Other financial assets	11	335	346	346
Property, Plant and Equipment	12			
– Land and Buildings		496	508	628
– Plant and Equipment		2,630	2,493	1,998
Total Property, Plant and Equipment		3,126	3,001	2,626
Total Non-Current Assets		**3,461**	**3,347**	**2,972**
Total Assets		**7,510**	**8,069**	**7,729**
LIABILITIES				
Current Liabilities				
Payables	13	2,544	1,973	2,472
Provisions	14	1,006	1,345	876
Other	15	120	116	126
Total Current Liabilities		**3,670**	**3,434**	**3,474**
Non-Current Liabilities				
Provisions	14	151	–	–
Other	15	300	300	420
Total Non-Current Liabilities		**451**	**300**	**420**
Total Liabilities		**4,121**	**3,734**	**3,894**
Net Assets		**3,389**	**4,335**	**3,835**
EQUITY	16			
Reserves		18	18	18
Accumulated Funds		3,371	4,317	3,817
Total Equity		**3,389**	**4,335**	**3,835**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2003

	Notes	Actual 2003 $'000	Budget 2003 $'000	Actual 2002 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		13,222	12,000	12,664
Grants and subsidies		4,399	619	8,217
Other		40,289	40,918	37,202
Total Payments		**57,910**	**53,537**	**58,083**
Receipts				
Sale of goods and services		589	790	578
Interest received		156	200	238
Other		12,223	9,154	4,924
Total Receipts		**12,968**	**10,144**	**5,740**
Cash Flows from Government				
Recurrent appropriation		42,998	42,748	53,334
Capital appropriation		1,360	1,360	1,436
Cash reimbursements from the Crown Entity		562	610	452
Cash transfers to the Consolidated Fund		(6)	–	1
Net Cash Flows from Government		**44,914**	**44,718**	**55,223**
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	**(28)**	**1,325**	**2,880**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(1,472)	(1,360)	(1,781)
Purchases of Investments		(50)	–	(450)
Proceeds from Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		–	–	–
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(1,522)**	**(1,360)**	**(2,231)**
NET INCREASE/(DECREASE) IN CASH		**(1,550)**	**(35)**	**649**
Opening cash and cash equivalents		1,775	1,775	1,126
CLOSING CASH AND CASH EQUIVALENTS	9	**225**	**1,740**	**1,775**

The accompanying notes form part of these financial statements.

Program Statement – Expenses and Revenues for the Year Ended 30 June 2003

AGENCY'S EXPENSES & REVENUES	Program 1 *		Program 2 *		Not Attributable		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Expenses								
Operating expenses								
Employee related	1,725	1,217	12,672	11,623	–	–	14,397	12,840
Other operating expenses	2,396	1,191	36,823	39,887	–	–	39,219	41,078
Depreciation and amortisation	115	55	856	507	–	–	971	562
Grants and subsidies	1,096	762	3,303	7,455	–	–	4,399	8,217
Total Expenses	**5,332**	**3,225**	**53,654**	**59,472**	**–**	**–**	**58,986**	**62,697**
Retained Revenue								
Sale of goods and services	9	7	813	724	–	–	822	731
Investment income	19	18	127	158	–	–	146	176
Grants and contributions	100	78	11,267	7,272	–	–	11,367	7,350
Other revenue	23	3	304	694	–	–	327	697
Total Retained Revenue	**151**	**106**	**12,511**	**8,848**	**–**	**–**	**12,662**	**8,954**
Gain/(loss) on disposal of non-current assets	–	–	(1)	–	–	–	(1)	–
NET COST OF SERVICES	**5,181**	**3,119**	**41,144**	**50,624**	**–**	**–**	**46,325**	**53,743**
Government Contributions **	–	–	–	–	(45,879)	(55,833)	(45,879)	(55,833)
NET EXPENDITURE/(REVENUE)	**5,181**	**3,119**	**41,144**	**50,624**	**(45,879)**	**(55,833)**	**446**	**(2,090)**
NET EXPENDITURE/(REVENUE) FOR THE YEAR	**5,181**	**3,119**	**41,144**	**50,624**	**(45,879)**	**(55,833)**	**446**	**(2,090)**

* The name and purpose of each program is summarised in Note 8.

** Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

Summary of Compliance with Financial Directives

	2003				2002			
	RECURRENT APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND	CAPITAL APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND	RECURRENT APPROPRIATION	EXPENDITURE	CAPITAL APPROPRIATION	EXPENDITURE
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ORIGINAL BUDGET								
APPROPRIATION/EXPENDITURE								
– Appropriation Act	42,748	42,748	1,360	1,360	39,989	39,989	1,505	1,441
	42,748	**42,748**	**1,360**	**1,360**	**39,989**	**39,989**	**1,505**	**1,441**
OTHER								
APPROPRIATIONS/								
EXPENDITURE								
– Treasurer's Advance	250	250	–	–	–	–	–	–
– Section 22 – expenditure for								
certain works and services	–	–	–	–	6,850	6,850	–	–
Transfer from another agency								
(s25 of the Appropriation Act)	–	–	–	–	7,000	6,495	–	–
	250	**250**	**–**	**–**	**13,850**	**13,345**	**–**	**–**
Total Appropriations/								
Expenditure/Net Claim on								
Consolidated Fund	**42,998**	**42,998**	**1,360**	**1,360**	**53,839**	**53,334**	**1,505**	**1,441**
Amount drawn down against Appropriation		**42,998**		**1,360**		**53,334**		**1,447**
Liability to Consolidated Fund*		**–**		**–**		**–**		**6**

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

* The "Liability to Consolidated Fund" represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure/Net Claim on Consolidated Fund".

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) REPORTING ENTITY

Tourism New South Wales is a reporting entity responsible for two programs as outlined in Note 8.

The reporting entity is consolidated as part of the New South Wales Total State Sector Accounts.

(b) BASIS OF ACCOUNTING

The agency's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS);
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain plant and equipment, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

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

(c) REVENUE RECOGNITION

Revenue is recognised when Tourism New South Wales has control of the goods or right to receive, it is probable that the economic benefits will flow to the agency and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and contributions) are generally recognised as revenues when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 15 as part of 'Current Liabilities – Other'. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services, ie user charges. User charges are recognised as revenue when the agency obtains control of the assets that result from them.

(iii) Investment Income

Interest revenue is recognised as it accrues. Rent revenue is recognised in accordance with AAS 17 'Accounting for Leases'.

(d) EMPLOYEE BENEFITS AND OTHER PROVISIONS

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), and annual leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled. Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

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

(ii) Accrued salaries and wages – reclassification

As a result of the adoption of Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", accrued salaries and wages and on-costs have been reclassified to "payables" instead of "provisions" in the Statement of Financial Position and the related note disclosures, for the current and comparative period. On the face of the Statement of Financial Position and in the notes, reference is now made to "provisions" in place of "employee entitlements and provisions". Total employee benefits (including accrued salaries and wages) are reconciled in Note 14 "Provisions".

(iii) Long Service Leave and Superannuation

The agency's liabilities for long service leave and superannuation are 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'.

Notes to the Financial Statements

Long service leave is measured using present value methodology. In the past, as permitted in AASB 1028, the Crown has relied on the short-hand method to approximate the present value of long service leave, based on the remuneration rates at year-end for all employees with five or more years of service. However, recent calculations by the Government Actuary indicate that this approach for budget dependent agencies resulted in liabilities that are lower than what would have been calculated by more accurate present value calculations. As long service leave is assumed by the Crown, the only effects on the agency's operating results of this changed methodology will be in respect of those on-costs not assumed by the Crown.

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

(e) INSURANCE

The agency's insurance activities are conducted through the New South Wales Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience. The New South Wales Treasury Managed Fund Scheme normally calculates hindsight premiums each year. However, in regard to worker's compensation, the final hindsight adjustment for the 1997/98 fund year and an interim adjustment for the 1999/2000 fund year have not yet been calculated.

The basis for calculating the hindsight premium is currently being reviewed and will not be resolved until next financial year.

(f) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

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

- 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 amount of GST included.

(g) ACQUISITIONS OF ASSETS

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is determined as fair value of the assets given as consideration plus the costs incidental to the acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(h) PLANT AND EQUIPMENT

Plant and equipment costing $5,000 and above individually are capitalised. Where capital funding has been received for a composite asset it is capitalised as a whole.

(i) REVALUATION OF PHYSICAL NON-CURRENT ASSETS

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002. There is no substantive differences between the fair valuation methodology and the previous valuation methodology adopted in the New South Wales public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price, ie the replacement cost of the asset's remaining future economic benefits. The agency is a not for profit entity with no cash generating operations.

Each class of physical non-current assets is revalued every five years and 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 last such revaluation was completed on 30 June 2002 and was based on an independent assessment.

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 is separately restated.

Otherwise, any balances of accumulated depreciation existing 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 the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

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

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 asset revaluation reserve in respect of that asset is transferred to accumulated funds.

Notes to the Financial Statements

(j) DEPRECIATION OF NON-CURRENT PHYSICAL ASSETS

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 entity.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

Depreciable assets are depreciated from the date of acquisition.

The depreciation and amortisation rates used for each class of assets are as follows:

- Leasehold improvements are amortised over the life of the lease including any option for renewal;
- Plant and equipment, 33% straight line.

(k) LEASED ASSETS

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

Lease incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expenses and a reduction of the liability.

(l) RECEIVABLES

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(m) TRUST FUNDS

The agency receives monies in a trustee capacity for the travel trust fund as set out in Note 21. As Tourism New South Wales performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

(n) OTHER ASSETS

Other assets, including prepayments, are recognised on a cost basis.

(o) PAYABLES

These amounts represent liabilities for goods and services provided to the agency.

(p) TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in Australian currency using the exchange rate prevailing at the date of transactions. Any gains or losses upon settlement of the transactions are reflected in the Statement of Financial Performance in the period in which they arise.

Cash advances held at overseas offices have been converted to local currency using rates of exchange ruling at balance date.

(q) CONTRIBUTIONS OF SERVICES

Contributions of services from the tourism industry that would have been acquired if not donated, that can be reliably measured and are without repayment obligations, are reflected in the Statement of Financial Performance for the current period.

(r) BUDGETED AMOUNTS

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and/or s26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the New South Wales Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts, ie per the audited financial statements (rather than carried forward estimates).

(s) INVESTMENTS

Non-marketable securities are brought into account at cost.

Notes to the Financial Statements

	2003 $'000	2002 $'000
2. EXPENSES		
(a) Employee related expenses comprise the following specific items:		
Salaries and wages (including Recreation Leave)	11,837	10,867
Superannuation	951	823
Long service leave	514	189
Long service leave on-costs	168	–
Workers' compensation insurance	45	49
Payroll tax and fringe benefit tax	697	771
Other	185	141
	14,397	**12,840**
(b) Other operating expenses		
Auditor's remuneration – external audit of the Financial Report	59	25
Auditor's remuneration – internal	8	54
Board members' fees	109	87
Bad and doubtful debts	216	3
Operating lease rental expense – minimum lease payments	1,583	1,657
Building expenses – other	257	283
Insurance	74	53
Travel	2,731	2,569
Freight and couriers	474	504
Books and subscriptions	128	147
Printing	1,161	747
Stores and provisions	363	480
Fees	4,410	3,225
Bank fees	86	98
Postage and telephone	745	742
Staff expenses – other	343	285
Loss on foreign exchange	38	16
Diminution of investments	60	254
Computer system expenses	1,673	1,719
Expenditure adjustment (Visitor Services Agencies)	(148)	–
Marketing	24,849	28,130
	39,219	**41,078**
(c) Depreciation and amortisation expense		
Depreciation – plant and equipment	839	436
Amortisation – leasehold improvements	132	126
	971	**562**
(d) Grants and subsidies	4,399	8,217
	4,399	**8,217**

Notes to the Financial Statements

	2003 $'000	2002 $'000
3. REVENUE		
(a) Sale of goods and services		
Commission	747	656
Rent income	75	75
	822	**731**
(b) Investment income		
Interest	146	176
	146	**176**
(c) Grants and contributions		
Cooperative marketing	10,102	6,552
Commonwealth and State grants	1,265	798
	11,367	**7,350**
(d) Other revenue		
Artworks brought to account	–	123
Refund of Value Added Tax & GST for overseas offices	123	93
Airport Miscellaneous Income from display space	178	143
ATDW investment brought to account	–	250
Miscellaneous Income – minor advertising campaigns	26	88
	327	**697**
4. GAIN/(LOSS) ON DISPOSAL ON NON-CURRENT ASSETS		
Written down value of assets disposed	1	–
Gain/(Loss) on disposal of Plant and Equipment	**(1)**	**–**

5. CONDITIONS ON CONTRIBUTIONS

Tourism New South Wales received a grant of $690,000 from the Commonwealth Government's Bushfire Fund in 2001/02. The grant was for the approved purposes of regional promotion to help designated areas rebuild the tourism trade lost because of the bushfires over Christmas 2001. The designated areas are the Shoalhaven region of New South Wales $470,000, and the Blue Mountains region $220,000. All funds were expended as at 30 June 2003.

Notes to the Financial Statements

	2003 $'000	2002 $'000
6. APPROPRIATIONS		
Recurrent appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	42,998	53,334
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	–
Total	**42,998**	**53,334**
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	42,998	53,334
Total	**42,998**	**53,334**
Capital appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	1,360	1,442
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	6
Total	**1,360**	**1,436**
Comprising:		
Capital appropriations (per Statement of Financial Performance)	1,360	1,436
Total	**1,360**	**1,436**

7. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity or other government agencies:

	2003 $'000	2002 $'000
Superannuation	951	824
Long Service Leave	514	189
Payroll Tax	56	50
	1,521	**1,063**

8. PROGRAMS/ACTIVITIES OF TOURISM NEW SOUTH WALES

(a) **Program 1** Development of the tourism industry.

Objective: To develop a sustainable tourism industry through coordination of long-term Government planning for tourism and initiatives assisting industry viability.

(b) **Program 2** Tourism growth through marketing.

Objective: To grow tourism in New South Wales to achieve economic benefit throughout the State.

Notes to the Financial Statements

	2003 $'000	2002 $'000
9. CURRENT ASSETS – CASH		
Cash at bank and on hand	631	1,775
	631	**1,775**

For the purposes of the Statement of Cash Flows, cash includes cash on hand,
cash at bank and bank overdraft.

Cash assets recognised in the Statement of Financial Position are reconciled to
cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2003 $'000	2002 $'000
Cash (per Statement of Financial Position)	631	1,775
Bank Overdraft	(406)	–
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	**225**	**1,775**
10. CURRENT ASSETS – RECEIVABLES		
Sales of goods and services	2,108	921
Other debtors	1,098	1,458
Prepayments	278	530
Interest due not received	66	76
	3,550	2,985
Less provision for doubtful debts	(132)	(3)
	3,418	**2,982**
11. OTHER FINANCIAL ASSETS		
Tourism New South Wales holds 250,000 shares in CRC for Sustainable Tourism		
Pty Limited (CRC) at a subscription price of $1 per share	250	200
Less: Diminution of Investment	(89)	(71)
Carrying Amount of Investment in CRC	161	129
Tourism New South Wales also holds 400,000 shares in Australian Tourism Data		
Warehouse Pty Ltd (ATDW) at a subscription price of $1 per share	400	400
Less: Diminution of Investment	(226)	(183)
Carrying Amount of Investment in ATDW	174	217
Total Investments	**335**	**346**

Notes to the Financial Statements

	2003 $'000	2002 $'000
12. NON-CURRENT ASSETS PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Fair Value	4,954	3,032
At Valuation	17	17
	4,971	3,049
Less Accumulated Depreciation	(2,540)	(1,707)
	(2,540)	(1,707)
Plant and Equipment	2,431	1,342
Works In Progress	199	656
Total Plant and Equipment	**2,630**	**1,998**
Leasehold Improvements		
At Fair Value	1,234	1,234
Less Accumulated Depreciation	(738)	(606)
	496	628
Total Property, Plant, Equipment at Net Book Value	**3,126**	**2,626**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2003	Plant and Equipment $'000	Work in Progress $'000	Leasehold Improvements $'000	Totals 2003 $'000
Carrying amount at start of year	1,998	–	628	2,626
Additions	1,274	199	–	1,473
Disposals	(2)	–	–	(2)
Net revaluation increment less revaluation decrements	–	–	–	–
Depreciation expense	(839)	–	(132)	(971)
Carrying amount at end of year	**2,431**	**199**	**496**	**3,126**

Fully depreciated assets disclosure

Tourism New South Wales continues to derive service potential and economic benefits from the following fully depreciated assets.

	2003 $'000	2002 $'000
Plant and Equipment	**939**	**943**
Number of Assets	**10**	**8**

Notes to the Financial Statements

	2003 $'000	2002 $'000
13. CURRENT LIABILITIES – PAYABLES		
Accrued salaries, wages and on-costs	343	419
Creditors	982	893
Accrued expenses	813	1,160
Other	406	–
Total Accounts Payable	**2,544**	**2,472**
14. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS		
Employee benefits and related on-costs		
Recreation leave	989	876
Long service leave on-cost	61	–
Payroll tax on long service leave	107	–
Total Provisions	**1,157**	**876**
Aggregate employee benefits and related on-costs		
Provisions – current	1,006	876
Provisions – non-current	151	–
Accrued salaries, wages and on-costs (Note 13)	343	419
	1,500	**1,295**
15. CURRENT/NON-CURRENT LIABILITIES – OTHER		
Current		
Liability to Consolidated Fund	–	6
Lease incentives	120	120
Current Liabilities	**120**	**126**
Non-Current		
Lease incentives	300	420
Non-Current Liabilities	**300**	**420**

Notes to the Financial Statements

				2003 $'000	2002 $'000

16. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Balance at the beginning of the financial year	3,817	1,727	18	–	3,835	1,727
Changes in equity – other than transactions with owners as owners						
Surplus/(deficit) for the year	(446)	2,090	–	–	(446)	2,090
Increment/decrement on revaluation of Plant and Equipment	–	–	–	18	–	18
Transfer from Reserves	–	–	–	–	–	–
Total	**(446)**	**2,090**	**–**	**18**	**(446)**	**2,108**
Balance at the end of the financial year	**3,371**	**3,817**	**18**	**18**	**3,389**	**3,835**

17. COMMITMENTS FOR EXPENDITURE

(a) Other Expenditure Commitments

Aggregate other expenditure for the acquisition of goods and services contracted
for at balance date and not provided for:

	2003	2002
– Not later than one year	5,199	6,184
– Later than one year and not later than 5 years	677	2,425
Total (including GST)	**5,876**	**8,609**

(b) Operating Lease Commitments

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

	2003	2002
– Not later than one year	1,799	1,819
– Later than one year and not later than 5 years	3,368	4,789
Total (including GST)	**5,167**	**6,608**

The lease commitments are for lease of office premises, computers and vehicles.

(c) Contingent Asset

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

	2003	2002
GST on Operating Lease Commitments	46	71
GST on Expenditure Commitments	534	750
	580	**821**

Notes to the Financial Statements

	2003 $'000	2002 $'000

18. CONTINGENT LIABILITIES

Tourism New South Wales contingent liability is $Nil this financial year.

(30 June 2002 – $Nil)

19. BUDGET REVIEW

Net Cost of Services

The actual net cost of services was higher than budget by $1,223,000 due to additional
funding of $250,000 by the Government applied to the Australian Outback Safari; and
expenditure relating to a grant received in 2001/02 from the Commonwealth Government's
Bushfire Fund of $690,000. The grant was for the approved purposes of regional promotion
to help designated areas rebuild the tourism trade lost because of the bushfires over
Christmas 2001.

In addition, the long service leave expense increased in 2002/03 by $220,000 due to changes
in the measurement of the liability from the shorthand to the present value methodology.

Assets and Liabilities

The variance in Current Assets over Budget is largely contributable to the use of
cash received from the Commonwealth Government's Bushfire Fund in 2001/02 for
regional promotion to help designated areas rebuild the tourism trade lost because
of the bushfires over Christmas 2001.

The variance in Current Liabilities over Budget is due to an increase in accrued expenses.

Cash flows

The variance in Net Cash Flows from Operating Activities over Budget is due mainly
to an increase in the level of Receivables due to the late invoicing of industry
partners. This was due to a late opportunity for Tourism New South Wales and
industry partners to participate in the June 2003 See Australia Campaign.

20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2003 $'000	2002 $'000
Net cash used on operating activities	(28)	2,880
Depreciation	(971)	(562)
Loss on disposal of non-current assets	(1)	–
Increase/(decrease) in prepayments	(250)	280
Increase/(decrease) in other receivables	(229)	630
Increase/(decrease) in receivables	1,048	91
(Increase)/decrease in accounts payable	(90)	(295)
(Increase)/decrease in other payables	6	(1)
(Increase)/decrease in accrued expenses	224	(623)
(Increase)/decrease in employee benefits	(215)	(176)
(Increase)/decrease in lease incentive – non-current	120	120
Diminution in investments	(60)	(254)
Acceptance by the Crown Entity of employee benefits and other liabilities	(1,521)	(1,063)
Cash Flows from Government/Appropriations	(44,358)	(54,770)
Net cost of services	**(46,325)**	**(53,743)**

Notes to the Financial Statements

	2003 $'000	2002 $'000

21. TRUST FUNDS – SYDNEY VISITOR CENTRE – AIRPORT TRAVEL CENTRE – TRUST ACCOUNT

The finances of the Sydney Visitor Centre – Airport Travel Centre are operated through
a separate trust account as the funds are held in trust for clients. These monies are
excluded from the financial statements as the agency cannot use the funds for the
achievement of its objectives. The following is a summary of the transactions in the trust account.

Amounts are stated on a cash basis per the bank statement as at
30 June 2003 and the comparative figures have been adjusted accordingly.

	2003	2002
Cash Balance at beginning of year	56	176
Add: Receipts	4,539	4,266
Less: Expenditure	(4,058)	(4,386)
Cash Balance at end of year	**537**	**56**

22. INVESTMENTS IN ASSOCIATES

(a) (i) Tourism New South Wales has an investment in the Sydney Media Centre Pty Ltd. This company is not currently trading.

    (ii) Tourism New South Wales has a 33.33% ownership interest as at 30 June 2003.

    (iii) Tourism New South Wales has a 33.33% proportion of the voting power.

    (iv) The carrying amount of the investment is $2.00.

    (v) Both Tourism New South Wales and Sydney Media Centre Pty Ltd share the 30 June 2003 reporting date.

(b) Tourism New South Wales has no share of any contingent liabilities, capital expenditure commitments or other expenditure commitments of the Sydney Media Centre Pty Ltd.

(c) The associate holds no equity in Tourism New South Wales.

(d) There are no material investments in the associate requiring any further disclosure.

23. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

Tourism New South Wales does not have any bank overdraft facility.

Trade Creditors and Accruals

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 Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

24. AFTER BALANCE DATE EVENTS

On 29 August 2003 an administrative order, the Public Sector Employment and Management (Tourism, Sport and Recreation) Order 2003, was made for the establishment of the new Department of Tourism, Sport and Recreation. As a consequence of this, the Department of Sport and Recreation and Tourism New South Wales (as a department) were abolished and all branches added to the Department of Tourism, Sport and Recreation.

New South Wales Holidays, the wholesaling arm of Tourism New South Wales, is presently the subject of a tender to the private sector to assume control of its operations. The tender process is envisaged to be completed by December 2003.

End of Audited Financial Statements.

GLOSSARY OF TERMS

ATC	Australian Tourist Commission
ITB	International Tourism Exchange, Berlin
ATDW	Australian Tourism Data Warehouse
IVS	International Visitors Survey
ATE	Australian Tourism Exchange
LGA	Local Government Area
AVIC	Accredited Visitor Information Network
NVS	National Visitors Survey
CATI	Computer Aided Telephone Interviews
OH&S	Occupational Health & Safety
Contra	Exchange of goods or services where no payment transaction is involved
RFEP	Regional Flagship Events Program
DSRD	Department of State and Regional Development
RTA	Roads and Traffic Authority
EEO	Equal Employment Opportunity
RTO	Regional Tourism Organisation
ESS	Employee Self Service
SCVB	Sydney Convention & Visitors Bureau
FAWTAC	Food and Wine Tourism Advisory Committee
SHFA	Sydney Harbour Foreshore Authority
Famil	Familiarisation of tourism products for travel agents and media representatives
SRAA	Service and Resource Allocation Agreement
FIT	Fully Independent Traveller
STDW	State Tourism Data Warehouse
FOC	Free of Charge
STED	Sydney Tourism Experience Development [program]

GDP	Gross Domestic Product
STO	State Tourism Organisation
GVA	Gross Value Added
TASAC	Tourist Attraction Signposting Assessment Committee
HR	Human Resource
TIF	Tourism Industry Forum
IM&T	Information Management & Technology
VIC	Visitor Information Centre
Industry [rate]	A special rate provided by the tourism industry for industry partners
VICDP	Visitor Information Centre Development Program
In kind	Goods and services received from product supplier at no cost or Free of Charge. No expectation of supplying payment or goods and services in return
VMAN	Virtual Multi Agency Network
IT	Information Technology
VSA	Visitor Services Agencies

INDEX

Head Office

GPO Box 7050, Sydney NSW 2001, Australia

Level 2, Tourism House

55 Harrington Street, The Rocks, NSW 2000

Business Hours: Head Office 8.30am-6.00pm

Ph: (02) 9931 1111 Fax: (02) 9931 1424

Internet: http://www.tourism.nsw.gov.au

Visitor Information Line: 13 20 77

Sydney Visitor Centre – Sydney Airport

Ground Floor, Arrivals Level

Sydney International Terminal Building

Kingsford Smith Airport, Mascot, NSW 2020

Ph: (02) 9667 6050 Fax: (02) 9667 6057

Regional Offices

South Coast, Snowy Mountains, Riverina, Capital Country, Murray

PO Box 728, Queanbeyan, NSW 2620

[Peter Davies]

Ph: (02) 6124 9227 Mobile: 0408 963 148 Fax: (02) 6297 9505

Explorer Country, Living Outback, New England North West

PO Box 1039, Dubbo, NSW 2830

[Peter Handcock]

Ph: (02) 6884 2400 Mobile: 0408 960 976 Fax: (02) 6884 2411

Hunter, North Coast NSW, Northern Rivers Tropical NSW

PO Box 528, Coffs Harbour, NSW 2450

[Bill Mabey]

Ph: (02) 6651 7625 Mobile: 0409 816 039 Fax: (02) 6658 0352

Blue Mountains, Central Coast, Illawarra and Lord Howe Island

Contact Head Office – (02) 9931 1581

New South Wales Holidays

Head Office: (02) 9931 1518

Fax: (02) 9931 1508

Travel Agents Helpline: 1800 818 312

Travel Agents Booking Line: 1300 737 222

Consumer Booking Line: 13 20 77 (press option 2)

Business Development Managers:
New South Wales

Melissa Burkett: 0412 971 793

Emma Hill: 0401 145 246

Queensland

Anthony Favelle: 0401 145 225

Karen Naylor: 0412 482 324

Victoria

Julie Parker: 0401 145 136

Victoria and Tasmania

Michelle Ciarma: 0423 027 066

Victoria and South Australia

Delia Boatwood: 0423 027 068

Western Australia

Contact Head Office (02) 9931 1518

Overseas Offices

Japan

Tourism New South Wales

28th Floor, New Otani Garden Court

4–1 Kioi–Cho, Chiyoda–Ku, Tokyo, 102, JAPAN

Ph: 0011 81 3 5214 0777 Fax: 0015 81 3 5214 0780

Email: tnswtyo@tnsw.or.jp

New Zealand/South Pacific

Tourism New South Wales

Level 3, 125 The Strand, Parnell, Auckland 1

NEW ZEALAND (PO Box 1921)

Ph: 0011 64 9 307 7040 Fax: 0015 64 9 366 6173

Email: tnsw@tnswnz.co.nz

North America

Tourism New South Wales

Suite C–10, 13737 Fiji Way, Marina Del Rey, CA 90292

Ph: 0011 1 310 301 1903 Fax: 0015 1 310 301 0913

Email: tourismnswla@earthlink.net

North Asia

Tourism New South Wales

Suite 915B, 9F Ocean Centre, 5 Canton Road

Tsimshatsui, Kowloon, HONG KONG

Ph: 0011 852 2312 1018 Fax: 0015 852 2312 1035

Email: tnswhkg@netvigator.com

South Asia

Tourism New South Wales

02-02 Wilmer Place, 50 Armenian Street

SINGAPORE, 179938

Ph: 0011 65 6253 3888 Fax: 0015 65 6352 4888

Email: tnswsin@starhub.net.sg

United Kingdom/Ireland

Tourism New South Wales

Level 2, Australia Centre, Strand, LONDON, WC2B 4LG

(Cnr Melbourne Place & Strand)

Ph: 0011 44 171 887 5003 Fax: 0015 44 171 836 5266

Email: london@tnsweurope.com

Continental Europe

C/- Blue Marketing GmbH

Sonnenstrasse 9, 80311, Munich, GERMANY

Ph: 0011 49 89 23 6621 28 Fax: 0015 49 89 23 6621 90

Email: julia.sonnhalter@tnsw-europe.com

Tourism Sydney

PO Box N412, Grosvenor Place, Sydney, NSW 1220

Level 44, Grosvenor Place, 225 George Street,

Sydney, NSW 2000

Ph: (02) 9338 6944 Fax: (02) 9338 6977

Internet: www.tourismsydney.com.au

This Year's Annual Report Performance Report

Tourism New South Wales' Annual Report seeks to present critical performance information in an honest, transparent and reader-friendly manner. Some 1,000 copies of this comprehensive review have been printed. The total external costs are $23,418. The report is provided to key stakeholders and other interested parties. Our report is also available through our website www.tourism.nsw.gov.au/annualreport

Your feedback and suggestions for improvements are welcome. Our report is the major corporate publication produced by Tourism New South Wales each year. It constitutes the agency's compliance with the *Annual Report (Departments) Act 1985*, and the *Annual Reports (Departments) Regulation 2000*. It is also prepared against the criteria set out by Australasian Reporting Awards, and is benchmarked against reports other organisations each year. Tourism New South Wales received Bronze Report Awards for its 1998/99, 1999/00, 2000/01 and 2001/02 Annual Reports.

L to R: Danielle McMahon, Sheree Windred, Anna Chau, Mark Cosgrove.

Feel *free*
New South Wales

Tourism New South Wales