

Destination NSW

ANNUAL REPORT
2022-2023



Destination NSW

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2022-2023





The Hon. John Graham MLC

Special Minister of State
Minister for Roads
Minister for the Arts
Minister for Music and the Night-time Economy
Minister for Jobs and Tourism
52 Martin Place
SYDNEY NSW 2000

31 October 2023

Dear Minister,

We are pleased to submit the Annual Report of Destination NSW for the financial year ended 30 June 2023 for presentation to the NSW Parliament.

This report details our key achievements and performance for the 2022 - 2023 financial year. It has been prepared in accordance with Division 7.3 of the Government Sector Finance Act 2018 (GSF Act).

Yours sincerely,

Sally Loane

Sally Loane
Chairman

A handwritten signature in blue ink, appearing to read "Steve Cox", with a stylized flourish at the end.

Steve Cox
CEO

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Acknowledgment of Country

Destination NSW acknowledges the Traditional Custodians of the land we now call New South Wales and their enduring culture and continued connection to Country.

We extend our respects to Elders, past and present, and acknowledge future generations of First Nations people. We acknowledge the significant contribution made by Aboriginal people to the development and promotion of our state's visitor economy.

The Sunrise State.
Artist: Craig Layer.

Overview

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Chairman's Foreword



One of the highlights in my first year as Chair of Destination NSW was standing on Circular Quay under the Opera House sails with thousands of people, families from all over Australia and the world, judging by the range of languages, chatting excitedly as we witnessed Vivid's extraordinary drone light show. Another memorable time was visiting our beautiful Sapphire

Coast, eating local oysters and tasting locally distilled gin on the pristine shores of Pambula Lake, watching oyster farmers tend their briny flock. Vivid's First Light welcome ceremony at Campbell's Cove was a moving and energetic global melange of First Nations' musicians – and who can forget the massive display of girl power as we hosted the hugely successful FIFA Women's World Cup?

These moments serve to remind me that we do really live in the best state, and the best city, in the world.

In the past 12 months our organisation remained committed to maintaining Sydney and NSW as the preferred place to visit in Australia, and the premier visitor economy. The 2022 – 2023 financial year was a major turning point as we farewelled lockdowns and travel restrictions and invited visitors from across Australia, and the world, to reconnect with our incredible Harbour City and regional destinations.

Destination NSW focused on strengthening the state's visitor economy by building aviation capacity, growing consumer demand, and expanding the Sydney and NSW events calendar to increase market share. We expanded the Vivid Sydney 2023 program to become the biggest festival in its history; welcomed hundreds of delegates to ICC Sydney as we hosted our first NSW Visitor Economy Forum; channelled innovation through new digital platforms and teamed with international and domestic industry partners to enhance visitor experiences.

The NSW Visitor Economy Strategy remained at the heart of the state's revival, a blueprint for bolstering growth in tourism and major events. Sydney and NSW businesses continued to champion the strategy, and I commend them for their genuine passion for creating unforgettable visitor experiences day-in and day-out.

The Board would like to thank the Minister for Jobs and Tourism the Hon. John Graham MLC and Secretary, Department of Enterprise, Investment and Trade Elizabeth Mildwater for their commitment to driving the NSW visitor economy. I would also like to acknowledge the contribution of my predecessor Christine McLoughlin AM, who calmly navigated Destination NSW through the crisis years of the pandemic.

Our lush 'Feel New' visitor brand campaign will further amplify the booming interest in our state's rich visitor experiences. More people can and will visit thanks to increased international flight routes, the delivery of major infrastructure projects including Western Sydney International Airport and the implementation of region-specific Destination Management Plans.

I look forward to continuing to work with the Minister, the Board and the Destination NSW team as we continue to grow the NSW visitor economy, getting us closer to our target of becoming the premier visitor economy of the Asia Pacific.

Sally Loane

Sally Loane
Chairman
Destination NSW

About Destination NSW

Established under the *Destination NSW Act 2011* as the lead Government agency for the NSW tourism and major events sector, Destination NSW's charter is to achieve economic and social benefits for the people of NSW by growing the visitor economy.

Destination NSW was created through the merger into a single entity of four Government-funded entities – Tourism NSW, Events NSW, the Homebush Motor Racing Authority and the Greater Sydney Partnership.

As a Public Service Executive Agency, Destination NSW is governed by a Board of Management and is subject to the control and direction of the Minister for Jobs and Tourism. Principally funded by the NSW Government, Destination NSW falls within the Department of Enterprise, Investment and Trade.

Role

Destination NSW is the lead agency, champion and voice for the visitor economy within the NSW Government. Spearheading a whole-of-government approach to visitor economy growth, Destination NSW is responsible for leading the delivery of the NSW Visitor Economy Strategy 2030 in partnership with government and industry.

Destination NSW influences and shapes the visitor economy through strategic research, policy and thought leadership, stakeholder engagement and consultation, commercial partnerships, and investment in visitor experiences, business support, marketing and events.

Destination NSW is also the major investor in Business Events Sydney (BE Sydney) for the purpose of securing more international and domestic conventions, incentive travel reward programs, corporate events and exhibitions for Sydney and regional NSW.

Vision

To make NSW the premier visitor economy of the Asia Pacific by 2030.

Mission

To deliver social and economic benefits for the people of NSW by growing the visitor economy.

Importance of the visitor economy to NSW

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

In the 2021 – 2022 financial year the visitor economy contributed \$25.1 billion (Tourism Consumption) to the state's economy, supporting 174,500 filled jobs. In the year ended June 2023, NSW welcomed 105.4 million international and domestic overnight and day trip visitors.

NSW Visitor Economy Strategy 2030

The NSW Visitor Economy Strategy 2030 aims to make NSW the premier visitor economy of the Asia Pacific by 2030 and achieve the target of \$65 billion in total visitor expenditure in NSW by 2030.

As the lead agency, champion and voice for the visitor economy within the NSW Government, Destination NSW leads a coordinated, whole-of-government approach to achieving the targets and vision.



Brokenwood Wines, Pokolbin.

The strategy comprises five Strategic Pillars: Road to Recovery; Build the Brand; Showcase our Strengths; Invest in World-class Events; and Facilitate Growth. Its Guiding Principles focus the coordinated effort and resources of Government on areas that will have the greatest impact. These principles seek to Put the Visitor First, Accelerate Digital Innovation, Lead with our Strengths, Move Fast, Be Responsive and Agile, While Taking a Longer-Term View and foster Collaboration Between the Industry and Government.

The NSW Visitor Economy Strategy 2030 is being implemented in three phases. It is flexible and principles based and will deliver economic prosperity, create new jobs and enhance the lifestyles of the people of NSW. In the 2022 – 2023 financial year, Destination NSW focused on returning total visitor expenditure to the pre-COVID-19 level of \$43 billion; followed by the Momentum Phase to 2026 and Accelerate Phase to 2030.

Working with visitor economy stakeholders

Destination NSW works with industry and government stakeholders to realise its vision of making NSW the premier visitor economy and events capital of the Asia Pacific. The value of the contribution made by tourism and major events to the NSW economy and local communities is undeniable and by working with industry stakeholders, Destination NSW can deliver a wide range of activities that increase the profile and destination appeal of Sydney and NSW in key domestic and international markets.

Services

The services offered by Destination NSW include:

- Brand development and management
- Strategic partnership programs
- Market research and insights
- Destination development assistance
- Product and distribution development advisory services
- Market and business development programs
- Destination and event marketing
- Co-operative marketing and publicity programs
- Major event investment, acquisition and evaluation
- Event leveraging activities
- Regional business event acquisition and promotion
- Visitor resources and information
- Visual resources – footage and photography
- Media resources and information
- Funding for regional event and visitor economy growth programs.



Thredbo Valley Horse Riding, Thredbo Valley.

NSW Visitor Economy Strategy 2030 – Strategic Pillars

The five Strategic Pillars underpin the NSW Government's vision to be the premier visitor economy of the Asia Pacific.



ROAD TO RECOVERY

A comprehensive program of marketing and industry development will ensure NSW recovers quickly from the impacts of COVID-19, bushfires, drought and floods and elevates its status as the premier visitor economy in the Asia Pacific.

Key result areas

- › Return visitation and expenditure to pre-COVID-19 levels by 2024
- › Sustainable and resilient visitor economy businesses



BUILD THE BRAND

Compelling new brands will be developed for Sydney and NSW to provide a strong foundation for differentiation, consumer messaging, local pride and competitiveness to turbo-charge recovery and accelerate future growth.

Key result areas

- › Increased demand to visit Sydney and NSW
- › Greater brand awareness in target markets
- › Improved response to campaign activity
- › Increased community satisfaction



SHOWCASE OUR STRENGTHS

NSW is a state of breathtaking diversity and bucket list visitor attractions and experiences. We will focus on existing strengths and develop new opportunities to ensure place making, destination marketing, events and visitor experiences drive visitation.

Key result areas

- › Increased average length of stay and yield (spend per visitor)
- › Growth in visitation and expenditure for regional destinations
- › Higher levels of repeat visitation



INVEST IN WORLD CLASS EVENTS

An accelerated investment in signature sporting and cultural events such as the 10 World Cups and Vivid Sydney as well as business events will help position Sydney and NSW as the events capital of the Asia Pacific, drive visitation and enhance the social wellbeing of NSW residents.

Key result areas

- › Increased economic impact and visitor attendance at events
- › Greater promotion of Sydney and NSW as an events destination
- › Increased community and visitor satisfaction with events



FACILITATE GROWTH

Investing in infrastructure, job creation, industry resilience and sustainability, future planning, and better ways to do business will ensure the continued growth and future prosperity of the NSW visitor economy.

Key result areas

- › Increased public and private sector investment in visitor infrastructure
- › Improved access to visitor destinations and visitor attractions
- › Increased visitor satisfaction with accommodation and experiences

The NSW Visitor Economy Strategy 2030 Strategic Pillars will enable Destination NSW to deliver on the following outcomes:



\$65 Billion

Total visitor expenditure by 2030 [\$41.5BN in 2019]



8%

Contribution to Gross State Product (GSP) [6% in 2019]



+10%

Visitor economy job growth by 2030 (296,000 jobs in 2019)



Glasshouse Rocks, Narooma.

Board Members



Sally Loane (Chairman)



Russell Balding AO (Deputy Chairman)



Rod McGeoch AO



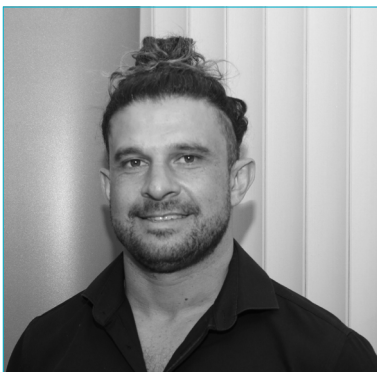
Anne Loveridge AM



The Hon. George Souris AM



Emma Hogan



Clark Webb



Anna Guillan AM



Elizabeth Mildwater



Steve Cox

Sally Loane (Chairman)

BA (English, Politics, Journalism)

Appointed 12 April 2018. Appointed as Chairman 7 November 2022

Sally Loane is a Chair, Non-Executive Director, business leader and former journalist and broadcaster.

She was the Chief Executive Officer of the Financial Services Council from 2014 – 2021.

Prior to this, Sally spent a decade in the corporate sector, working at Coca-Cola Amatil as a senior executive. Her first career was in the media, where she spent 25 years as a broadcaster and journalist in radio, television and print. She is also a published author.

Sally is Chair of Ignition Advice, a Director of Chubb Insurance Australia, and a Director of Pankind, the Australian Pancreatic Cancer Research Foundation. She is a Trustee of the ANZAC Memorial in Hyde Park, Sydney. Sally is also a Governor of the Cerebral Palsy Research Foundation, Global Ambassador for Business Events Sydney and a member of Chief Executive Women.

Sally is a former Director of Venues NSW. She was the first female Director of Waratahs Rugby (2010 – 2017), a Director of SCEGGS Darlinghurst (2003 – 2015), chaired the Salvation Army's Sydney East Doorknock Appeal (2008 – 2011) and was Deputy Chair for the Committee for Sydney (2015 – 2018).

Russell Balding AO (Deputy Chairman)

BBus, DipTech (Comm), FCPA, MAICD, M.S.I.D.

Appointed 24 August 2011

Russell Balding AO is an experienced Non-Executive Director and Chairman having served on listed and non-listed government entity boards covering ground public transportation, aviation sector, tourism, infrastructure, broadcasting and media and thoroughbred horse racing administration and regulation. As part of his Non-Executive Director roles, Russell has also served on and chaired numerous board sub-committees.

He is currently Chairman of Racing NSW, T/A Racingcorp, Deputy Chairman of Destination NSW, a Director of The Trust Company (Sydney Airport) Limited, a Director of Racing Australia Limited, a Director of ComfortDelGro Corporation Limited (Singapore) and Chairman of ComfortDelGro Corporation Australia Pty Ltd.

Previously, Russell was Chairman of the then ASX 200-listed company Cabcharge Australia Limited (now A2B Australia Limited). During his tenure, Russell also served on the Boards of ComfortDelGro Cabcharge Pty Ltd and CityFleet Networks Ltd (UK).

In 2012, Russell was appointed Chairman of the NSW Visitor Economy Taskforce, established by the NSW Government to develop a tourism and events strategy to double overnight visitor expenditure to NSW by 2020. Russell also served as a board member on the NSW Government's former tourism body, Tourism NSW.

In November 2020, Russell was appointed to the NSW Crown Land Taskforce, established to oversee the development and implementation of the government's first Crown Land Strategic Plan.

Russell also previously held the positions of Chief Executive Officer of the Sydney Airport Corporation, where he oversaw the continued growth and commercial success of Australia's National Gateway Airport and Managing Director of the Australian Broadcasting Corporation (ABC), where he was responsible for the overall management and editorial functions of Australia's most comprehensive broadcaster and media institution.

Russell holds a Diploma in Technology (Commerce) and a Bachelor of Business. He is a member of the Australian Institute of Company Directors, a member of the Singapore Institute of Directors, a fellow of CPA Australia and a past State President and National Councillor of that organisation.

Russell was awarded an Order of Australia (AO) in January 2007.

Rod McGeoch AO LLB

Appointed 24 August 2011

Rod McGeoch AO was the leader of Sydney's successful Olympics 2000 bid. He is an Officer of the Order of Australia. He is also Chairman of Vantage Private Equity Growth Limited, Chairman of Chubb Insurance Australia Ltd, Chairman of SureVision, Director of Corporacion America International S.A.R.L., Director South Cone Foundation and Deputy Chairman of Venues NSW.

In March 2020 Rod was appointed Chairman of the Australian Advisory Committee of the technology company 99 Technology. In 2020 he was appointed to the board of TOGOV Pty Ltd, a company specialising in procurement for other governments and agencies in various countries of the world. He was appointed Chairman of Australia Media Co (AMC) in July 2020.

Rod is a former Chairman of the Committee for Sydney and plays a leading role in a variety of cultural, community and welfare organisations. He was also President of the Law Society of New South Wales and Director of Ramsay Health Care Limited. He has published two best-selling books: McGeoch and The Bid.

Board Members CONTINUED

Anne Loveridge AM BA Joint Hons, FCA, GAICD

Appointed 2 August 2021

Anne Loveridge is a highly experienced Director and business leader. Over the last eight years, Anne has served as a board member for highly regulated ASX-listed organisations in financial services and health sectors as well as at arts-related not-for-profit entities, including National Australia Bank, nib Health Fund, Platinum Asset Management and Bell Shakespeare Company.

Anne brings extensive experience in people leadership and remuneration as well as audit, risk, regulatory compliance and finance skills to her governance roles.

Anne has over 30 years' experience in business. Prior to becoming a Non-Executive Director, Anne was Deputy Chairman and Senior Audit Partner at PwC, and leader of the financial services audit and risk practice.

Anne has always championed the role of leadership and culture in successfully navigating change, particularly as organisations seek to transform through digital and technological innovation.

Anne has a passion for the arts, and the role the sector plays in bringing diverse communities together with shared interests and allowing us to reflect on the things that we, as society and communities, value.

Anne is a fellow of the Institute of Chartered Accountants in Australia, a graduate of the Institute of Company Directors, a member of Chief Executive Women and of International Women's Forum in Australia. Anne holds a Bachelor of Arts in French and Economics (joint honours) from the University of Reading (UK).

The Hon. George Souris AM BEc, Dip Fin Mangt, FAIM, FCPA

Appointed 12 April 2018

George Souris is an experienced former NSW Minister and has been responsible for a wide range of portfolios, including tourism and major events, and the management of large government departments. He is a former Minister for Finance and was responsible for the state's business trading enterprises reform and efficiency agenda. He was previously responsible for the Sport portfolio.

In his former capacity as Minister for Tourism, Major Events, Hospitality, Racing and the Arts, George was responsible for creating Destination NSW and establishing the Visitor Economy Taskforce. George was also tasked with developing a strategy to target the visitor economy, including the night-time economy, in NSW. Tourism policy, and the role many portfolio areas play, continues to be emphasised as a key part of the government's economic strategy.

George serves on Destination NSW's Audit and Risk Committee and the Events Sub-Committee and believes Destination NSW can drive a substantial increase in the tourism economy in the city, Western Sydney and regional NSW.

George is the honorary President of the State Library Council of NSW and is a Director of the Board of Racing NSW. He is an honorary Director of the Board of Business Events Sydney Ltd, being Destination NSW's representative. He is a trustee of the Sydney Cricket Ground Heritage Trust.

He was made a Member of the Order of Australia in 2016.

George retired from the NSW Parliament in 2015 after 27 years of elected parliamentary representation for the Upper Hunter Valley of NSW. Prior to entering parliament, he served seven years as an elected independent Councillor of Singleton Shire Council and was its Deputy President.

George served two terms as Chair of the Hunter Valley Wine and Tourism Association and the Hunter Valley Tourism Task Force.

Before entering parliament, George was a partner, in public practice, of an accounting firm in the Hunter Valley where he lives.

George is a former representative rugby player representing the Australian U23 rugby team, Combined Australian Universities and NSW Country. With the Australian U23 team he toured Japan, Hong Kong and Taiwan and with NSW Country against France and South Africa. He was awarded a University Full Sports Blue.

Emma Hogan GAICD

Appointed 1 August 2022

Emma Hogan became the Secretary of Digital and the NSW Department of Customer Service in October 2019, after joining government in May 2018 as the NSW Public Service Commissioner.

Prior to joining government, Emma had a 20-year career in the private sector, working with iconic Australian brands across hospitality, retail, aviation, media and entertainment. Emma is an experienced transformation leader across customer, digital, people, culture and communications, and has led teams of over 12,000 people in Australia and globally.

Emma holds postgraduate qualifications in HR and business management, is a graduate of the Stanford University Executive Program and holds an executive certificate in public policy from the Harvard Kennedy School of Government.

Emma is also a graduate of the Australian Institute of Company Directors program and is a member of Chief Executive Women.

Clark Webb BA (Archaeology and Aboriginal Studies)

Appointed 13 February 2023

Clark Webb is a Gumbaynggirr and Bundjalung man who lives in Garlambirla (Coffs Harbour) in the heart of Gumbaynggirr country. Clark has been a committed learner and active teacher of Gumbaynggirr language for 16 years and is the founder and CEO of Bularri Muurlay Nyanggan Aboriginal Corporation (BMNAC) which commenced its programs in 2010. BMNAC is the proprietor of Gumbaynggirr Giingana Freedom School (GGFS), which opened its doors to 14 students in 2022, growing to 52 students in 2023.

BMNAC and GGFS are supported by BMNAC's highly successful cafe and tourism social enterprises that are designed to reinvest profits into cultural revitalisation, education and employment opportunities.

Clark currently serves as a board member of the NSW Aboriginal Languages Trust and NSW Aboriginal Tourism Operators Council (NATOC), and has previously held roles of Secretary, Deputy Chair and Chairperson of Galambila Aboriginal Health Service in Coffs Harbour.

As the Operator of Wajaana Yaam Gumbaynggirr Adventure Tours, Clark is passionate about the growth of sustainable tourism and utilising tours as a vehicle to support cultural revitalisation and economic development in communities. He therefore brings a unique grassroots perspective on how to combine cultural, ecological and economic sustainability that benefits the whole sector.

Anna Guillan AM FAICD, MBA

Appointed 13 February 2023

Anna Guillan is a highly experienced Non-Executive Director and Chair and respected visitor economy business leader.

She is currently Chair of Regional Development Australia (Sydney) and is on the board of Hammons Holdings, South Eastern Sydney Local Health District, and the Regional Growth NSW Development Corporation Advisory Board. She has held previous board positions with Tourism Australia, Tourism and Events Queensland, the Australian Tourism Export Council, CareFlight and Western Sydney Parklands Trust.

Anna is a member of the Forum of Western Sydney Airport and was also part of a specialist industry taskforce established by the NSW Government to review the NSW Visitor Economy Strategy 2030, which informed the post-COVID-19 recovery plan for NSW.

Anna has strong commercial expertise in strategic planning, business development and transformation, brand and consumer marketing, customer experience, distribution, and crisis management.

Anna is also the co-founder of cancer support charity The NELUNE Foundation and is a passionate advocate of the power of social purpose. She was acknowledged in the Australian Honours list in recognition of her service to the Australian tourism industry and to the community for her support of social welfare and health organisations.

Elizabeth Mildwater

Appointed 19 October 2022

Elizabeth Mildwater was appointed Secretary of DEIT in October 2022, bringing more than 25 years' management experience across customer services, legal, company secretarial, compliance, risk, management, human resources and general operations.

She was previously CEO of the Greater Cities Commission, and also held senior leadership roles at Transport for NSW, including Deputy Secretary of Greater Sydney, Deputy Secretary of Customer Technology and Services, and Deputy Secretary of People and Corporate Services.

Elizabeth's earlier executive roles included Director of Australian Programs for Save the Children Australia and the Victorian Group General Manager with Transurban.

Elizabeth is passionate about harnessing stakeholder and employee engagement and new technologies to achieve new levels of service. She serves as a NSW Council member with the Institute of Public Administration Australia (IPAA) and was appointed a National Fellow of the IPAA in October 2022.

Steve Cox MBA

Appointed 4 May 2020

Steve Cox is the Chief Executive Officer of Destination NSW, the NSW Government's tourism and major events agency.

Steve is a passionate and energetic champion for Sydney and regional NSW. He drives the strategic direction of Destination NSW, including the delivery of the NSW Visitor Economy Strategy 2030 to ensure NSW is the premier visitor economy of the Asia Pacific by 2030.

Steve is also a Director on the boards of Business Events Sydney (BESydney) and the Australian Tourism Data Warehouse.

Prior to joining Destination NSW in 2020, Steve was the Managing Director of Dymocks for eight years, where he launched several high-growth business channels for the company. Before Dymocks, Steve held senior roles with David Jones and the Specialty Fashion Group. Steve holds an MBA from Macquarie University.

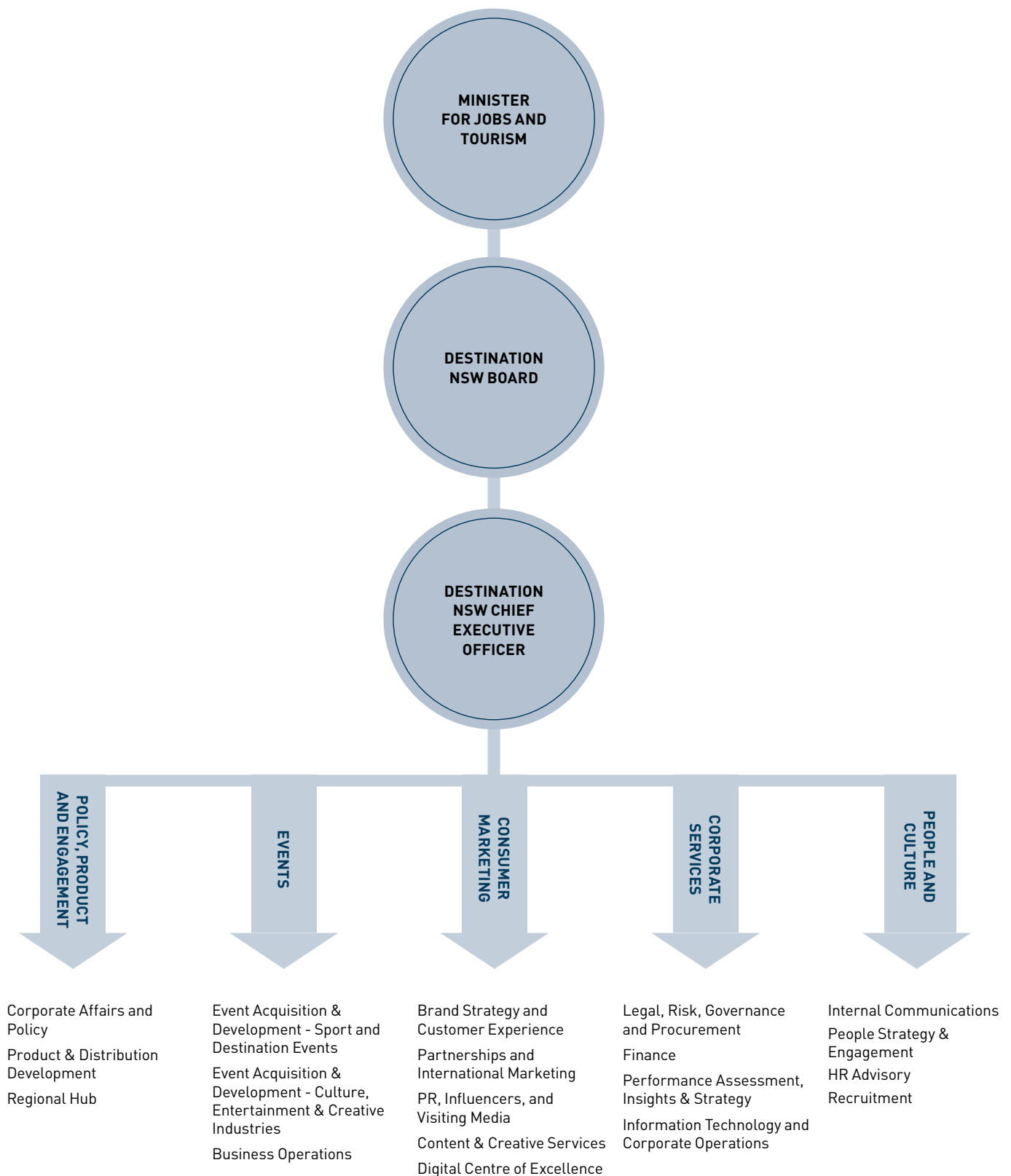
The following people were also Destination NSW Board Members during the reporting period:

Christine McLoughlin AM (Chairman until 4 November 2022)

Rebekah Horne (until 4 November 2022)

Amy Brown (until 19 September 2022)

Destination NSW Organisational Structure 2022-2023





Stockton Sand Dunes, Port Stephens.

CEO's Review of the Year



It has been another extraordinary year for Destination NSW and our engaged and passionate visitor economy stakeholders. The past 12 months have been a period of transition, revitalisation and uplift. As travel restrictions and lockdowns ended, we saw a positive turn for NSW businesses and communities as we moved towards a more vibrant future.

The 2022 – 2023 financial year presented a pivotal moment in our recovery trajectory as we progressed into our first year of almost zero travel restrictions in the post COVID-19 landscape. Our cumulative visitor numbers and visitor expenditure across international, domestic and day trip travellers continued to grow as we moved closer to reaching – and in some cases exceeded – pre-COVID-19 levels.

The most recent results from Tourism Research Australia showed that NSW welcomed 105.4 million visitors in the year ended June 2023, up 57.3 per cent as compared with last year, who together generated \$48.6 billion in visitor expenditure. These strong figures tell us that international arrivals are rebounding steadily, demand is growing and together we can shift into an even higher gear as we continue on this promising trajectory for everyone involved in the NSW visitor economy and the state's Gross Domestic Product.

To turbocharge our recovery from the global pandemic and celebrate the resumption of face-to-face attendance at events, we began the financial year by hosting the inaugural Visitor Economy Forum at the ICC Sydney, which was attended by hundreds of visitor economy stakeholders, associations and local government partners across Greater Sydney. The Forum explored topics ranging from the role major events play in generating social and economic value for destinations, strategies to drive growth in Western Sydney, our collective progress in revitalising the 24-hour economy and how the Government and private aviation partnerships contribute to the return of international travellers to NSW. This is just one of the ways Destination NSW is demonstrating our commitment to facilitating growth among the visitor economy through ongoing collaboration with stakeholders.

As international travel resumed, Destination NSW continued to drive momentum by working with additional airlines supported under the NSW Government's Aviation Attraction Fund. Under the Fund we secured new flights to Sydney from South Korea, India and Canada and delivered 34 marketing campaigns across 15 countries to stimulate demand and generate bookings for travel into Sydney and NSW.

We rejuvenated our advocacy initiatives with the return of international trade visits, where I joined Tourism Australia's delegation in China to turbocharge visitation from the world's biggest market. Destination NSW's commitment to attracting overseas visitors was bolstered by welcoming key agents from India as part of our Focus On India trade event. These agents met with NSW tourism sellers and participated in familiarisation programs that showcased our strengths across Sydney and regional NSW, providing a valuable reminder of the importance of experiencing our tourism offering first-hand to create powerful word of mouth for NSW internationally.

The Sydney and NSW events calendar continued to be beacon of light for both local and overseas visitors as we achieved a series of firsts across our diverse event portfolios as per the strategic pillar of the NSW Visitor Economy Strategy to 'Invest in World Class Events'. The Harbour City was buzzing with excitement and activity as we hosted Sydney WorldPride, marking the first time the festival had been held in the Southern Hemisphere.

The star on the nation's events calendar, Vivid Sydney 2023, celebrated a record attendance attracting 3.48 million people across the festival footprint. Destination NSW also launched the inaugural Vivid Food program showcasing NSW produce, culinary talent and venues through collaborations with NSW chefs, producers and national and international talent. Vivid Sydney 2023 featured its longest-ever free Vivid Light Walk at 8.5km with 57 light installations and 3D projections, adding to its biggest event program to date.

The delivery of the five World Cup and international sporting events secured under the 10 World Cups in 10 Years initiative was another important milestone for Destination NSW. Throughout the 2022 – 2023 financial year we supported the FIBA Women's Basketball World Cup, UCI Road World Championships in Wollongong, ICC T20 Men's Cricket World Cup, the United Cup tennis and the World Athletics Cross Country Championship in Bathurst.

Our 'Feel New' visitor brand activity continued to perform strongly, supporting both Sydney and NSW with a range of dedicated campaigns aimed at increasing destination appeal and driving travel to the state. Since launching in October 2021, the brand has been revolutionary in the way Destination NSW promotes Sydney and NSW to the domestic market, generating close to \$270 million in incremental visitor expenditure.

Our focus on regional NSW received another boost following the launch of seven new Destination Management Plans (DMPs), highlighting the unique strengths of each region. These new roadmaps align with the strategic context of the NSW Visitor Economy Strategy 2030, helping regional NSW to pave the way and include targeted actions for Government and industry collaboration to facilitate increased visitation and visitor spend.

For the first time Destination NSW established four Greater Sydney, local council visitor economy working groups to ensure a whole-of-government approach to the NSW visitor economy. These groups will enable Destination NSW to increase engagement with Greater Sydney Local Councils, respond to emerging issues, provide the groups with a point of contact within Destination NSW and share and collaborate in achieving the vision for NSW to be the premier visitor economy in the Asia Pacific.

From a leadership perspective, we were delighted to welcome Sally Loane as Destination NSW Chairman, bringing extensive insight and outstanding stewardship to the role since day one of her commencement. I would also like to take this opportunity to thank the Minister for Jobs and Tourism the Hon. John Graham MLC for his unwavering commitment to and passion for championing the NSW visitor economy.

Under the direction of a new NSW Government, Destination NSW will continue to move into its momentum phase toward the ambitious target of making NSW the premier visitor economy of the Asia Pacific by 2030 and for Greater Sydney to be the region's events capital. As we look to the year ahead, the next 12 months promises to be a dynamic and prosperous year for the NSW visitor economy as we continue to reach new records and showcase NSW as a premier global destination.



Steve Cox
Chief Executive Officer
Destination NSW



Steve Cox at the 100 days to Vivid Sydney 2023 media call alongside Vivid Sydney Festival Director Gill Minervini and First Nations artist Maree Clarke.

Financial Overview 2022-2023

Budget Structure

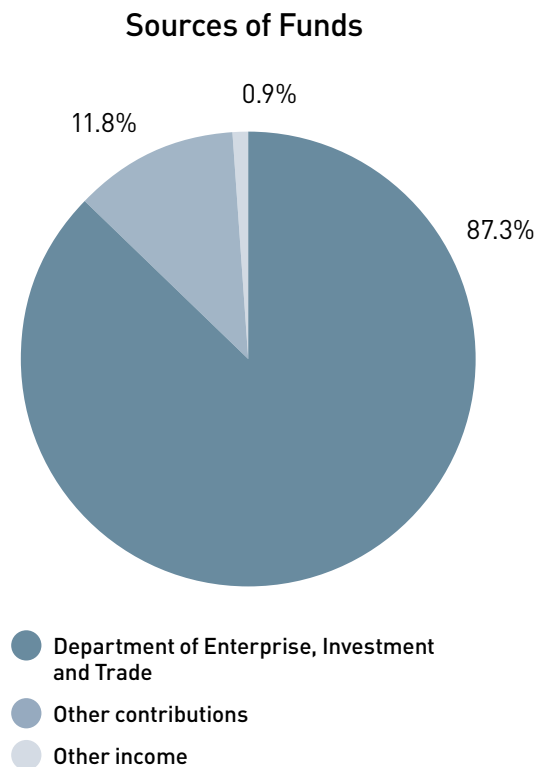
Destination NSW is a NSW Public Service Executive Agency under the Destination NSW Act 2011 (created on 1 July 2011), comprising all entities under its control, namely Destination NSW Staff Agency which provides staff services to Destination NSW.

Destination NSW is part of the Department of Enterprise, Investment and Trade cluster (DEIT). This summary represents the consolidated financial performance for the year ended 30 June 2023.

Sources of Funds

Total revenue for Destination NSW for the year ending 30 June 2023 was \$382 million.

The main sources of revenue were recurrent government grants from Department of Enterprise, Investment and Trade \$333.4 million, contributions received from industry and other parties \$45.2 million to participate in promotional activities and other income \$3.4 million.



Boilerhouse Cafe.



Wajaana Yaam Adventure Tours, Red Rock.



Strategy

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Destination NSW Performance 2022-2023

Strategic Objective 1:

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

Key Performance Indicators	*Target 2022-2023	Actual 2022-2023	% Achieved	Comment
Total NSW visitor nights (million)				
Total		182.7		
Domestic		114.9		
International		67.8		
Total NSW overnight expenditure (\$billion)				
Total		\$38.9		
Domestic		\$30.2		
International		\$8.6		
<i>*The Visitor Economy Strategy 2030 does not set annual targets for visitor nights or overnight expenditure. Targets are set for 2025 and 2030 milestones only.</i>				
Media Exposure				
No. of media articles	42,462	78,716	185%	Note 1
Equivalent Advertising Value	\$235,757,296	\$339,901,293	138%	Note 1
Audience Reach	8,894,591,143	13,008,883,453	144%	Note 1
No. of supported media visits to Sydney and regional destinations	111	264	172%	Note 2
Media distribution/ pitches / service engagements	1,395,520	1,522,791	109%	
Unique users of DNSW Media Centre	138,410	182,055	123%	
Visits to DNSW Media Centre	164,131	210,542	128%	
Consumer Response to Marketing Activity				
Business leads to industry generated by digital and campaign activity (sydney.com, visitnsw.com, vividsydney.com)	3,100,000	3,523,250	114%	Note 3
Estimated revenue generated by website leads to industry (Sydney.com, VisitNSW.com)	\$43,000,000	\$44,446,709	103%	

Note 1: Increases in volume, AVE and reach of media articles can be attributed to increase in announcement of hero events and staging of hero events (SXSW Sydney, Sydney WorldPride, FIFA Women's World Cup 2023TM) within reporting period, additional PR budget received to execute PR campaigns and a record-breaking year for Vivid Sydney.

Note 2: Increase in famils attributed to re-introduction of PR agencies in accelerate international markets, additional PR budget and allocation of airfare benefits via Aviation Attraction Fund partnerships.

Note 3: Methodology to measure value of a lead refined in the 2022 – 2023 financial year. Leads have been split by accommodation and non-accommodation leads and overnight expenditure applied to accommodation leads, and daytrip expenditure applied to non-accommodation leads.

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 2:

Attract and secure high value major events

CULTURE, ENTERTAINMENT & CREATIVE INDUSTRIES	Secured:
	Beauty and the Beast, the Musical 2023-2024
	Our Country
	Just for Laughs Sydney
	Madagascar The Musical
	Noël Sydney
	Open for Lunch
	Sydney Festival
	Elevate Sydney
	The National
	Sydney Gay and Lesbian Mardi Gras Parade
	Semi Permanent
	Vivid Sydney at Carriageworks
	Vivid Live at Sydney Opera House (including the Lighting of the Sails)
	Sydney International Art Series 2023 – 2024: Louise Bourgeois
	Sydney International Art Series 2023 – 2024: Kandinsky
	Night at the Barracks
	Miss Saigon
	Sydney International Art Series: Tacita Dean
Continued investment: Afterpay Australian Fashion Week, ARIA Awards, Handa Opera on Sydney Harbour, AACTA Awards, Jagged Little Pill, HallyuPop Fest, Fleurs de Villes: Femmes, The Phantom of the Opera, Sound West, Rodger and Hammerstein's Cinderella, Mary Poppins, Moulin Rouge! The Musical, Sydney International Art Series: Do Ho Suh, Opera on Cockatoo Island (Carmen), Australia Day, TINA: The Tina Turner Musical, Vivid Sydney	

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 2 (continued):

Attract and secure high value major events

DESTINATION	Secured:
	Ultra-Trail Kosciuszko by UTMB 2022 – 2024
	Wings Over Illawarra 2022 – 2024
	Parkes Elvis Festival 2023 – 2025
	Bluesfest
	Joeys Mini World Cup 2022-2024
	Australian Boardriders Battle
	Mudgee Classic
	Tough Mudder Australia 2023 – 2025
	Narooma Oyster Festival
	Sydney Royal Easter Show 2023 – 2024
	Bowral Classic
	The Redline Games 2023 – 2025
	The Wanderer Festival 2023
	World Gliding Championships
	Sail Port Stephens
Continued investment: Australian Surf Championships, Australian Surf Rowers League Open, Battle on the Border, Deni Ute Muster, Football Australia National Youth Championships, IRONMAN 70.3 Western Sydney, IRONMAN Australia Port Macquarie, NSW Pro Surf Series, Snowies MTB, Snowy Classic, Southern 80, Tamworth Country Music Festival, Broken Hill Mundi Mundi Bash, Valleyways, Masters and Junior Road National Championship, Aqua Rugby, Surfest, National Touch League, Australian Little League Baseball Championships	

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 2 (continued):

Attract and secure high value major events

SPORT	Secured:
	Hockey Australia Events 2023 – 2024
	NRL Telstra Premiership Grand Final and NRL Grand Final Week
	Australian Supercross Championship 2022 – 2024
	International Netball Test – Australia vs England
	Street League Skateboarding Championship Tour – Sydney
	Australian Superbikes Championships
	Mountain Bike National Championships
	SailGP 2023 – 2025
	World Club Challenge
	Tim Tszyu World Title Fight
	Golf NSW Major Events Package 2024 – 2026
	State of Origin – Men's & Women's
	Football Australia Match Package 2023 – 2026
Continued investment: ICC Men's T20 World Cup, Hockey Events Package, Men's NSW Open Golf Championships, Rugby Winter Test, The Rugby Championship, Supercars Package, Women's NSW Open Golf Championships, Matildas v Canada International Friendly, UCI Road World Cycling Championships, FIBA Women's Basketball World Cup, United Cup, HSBC Sydney 7s, Football Australia Match Package, World Athletics Cross Country Championships, Newcastle 500, WSL Sydney Surf Pro, FIBA Women's Asia Cup	

Note: All events listed were secured or retained in the 2022-2023 financial year.

STATE SIGNIFICANT EVENT FUND (SSEF)	Secured:
	Allianz Stadium Community Open Day
	Bruno Mars The Official Opening Concerts
	Sydney Modern – Art Gallery of New South Wales Opening 2022 – 2023
	Sydney Running Festival 2022 and Sydney Marathon 2023 – 2024
	Frida Kahlo: The Life of an Icon
	Sydney WorldPride 2023
	A-Leagues Men's & Women's Grand Final 2023 – 2025
Continued investment: Sydney Super Cup, Duel in the Pool, F.C. Barcelona v A-Leagues All Stars Football, Wanderer Festival 2022	

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 3:

Build a sustainable events calendar for New South Wales

EVENT ATTENDANCE 1 July 2022 – 30 June 2023				
Key Performance Indicators	Intrastate overnight visitors	Interstate overnight visitors	International overnight visitors	Comment
Sydney events	181,102	240,462	68,439	Note 1
Regional events	59,690	31,827	689	
Total	240,791	272,289	69,127	

EVENT EVALUATION 1 July 2022 – 30 June 2023			
Key Performance Indicators	No of events evaluated	Overnight Visitor Expenditure	Comment
Sydney events	43	\$362,230,354	Note 2
Regional events	22	\$70,487,022	
Total	65	\$432,717,376	

INTERNATIONAL SPORTS, CULTURAL, CREATIVE AND ARTS EVENTS HELD IN NSW 1 July 2022 – 30 June 2023				
Key Performance Indicators	Regional NSW	Sydney Metro	Western Sydney	Total
Events won or retained	16	19	12	47
Total	33	34	12	79

MAJOR EVENT PERFORMANCE 1 July 2022 – 30 June 2023					
Event Classification	Events Assessed	Visitor Expenditure	Total Contracted Investments	Percentage of Events which met all KPIs	
Culture, Entertainment and Creative Industries	21	\$323,118,864	\$70,155,497	33%	Note 3
Sport and Destination Events	44	\$109,598,512	\$23,818,711	34%	
Total	65	\$432,717,376	\$93,974,208	34%	

Note 1: Event visitation results include actuals, where evaluations have been completed.

Note 2: Results reported include actuals, where event evaluations have been completed. Overnight visitor expenditure reports the money flowing into the state, from the expenditure by intrastate, interstate, and international overnight visitors who came specifically to Sydney or NSW for an event or extended their stay.

Note 3: This represents events assessed, not held, within the 2022 – 2023 financial year.

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 3 (continued):

Build a sustainable events calendar for New South Wales

BUSINESS EVENTS SYDNEY PERFORMANCE 1 July 2022 – 30 June 2023				
Key Performance Indicators	Actual 2022-2023	Target 2022-2023	Percentage Achieved	Comment
Events Secured:				Note 1
Bids Won	277	-	-	
Delegate Days	338,000	-	-	
Estimated Direct Expenditure (\$M)	\$244m	\$175m	139%	Note 2
Events delivered: (as at 1 July 2023 – based on forecast figures not actuals for events where actuals are not yet received from organisers)				
Events Held	210	-	-	Note 3
Delegate Days	232,000	-	-	
Estimated Direct Expenditure (\$M)	\$175m	\$155m	113%	Note 4
EVENT ASSESSMENT 1 July 2022 – 30 June 2023				
Key Performance Indicators	No of events evaluated			Comment
Event investment feasibility	131			Note 5
Event performance assessment	65			
Total	196			

Note 1: For the 2022 – 2023 financial year no targets were set for bids won or delegate days.

Note 2: Secured figures include 223 events confirmed through NSW Government Business Event Industry Support Programs during the 2022 – 2023 financial year with an estimated direct expenditure of \$34m.

Note 3: For the 2022 – 2023 financial year no targets were set for bids won or delegate days.

Note 4: Held figures include 153 domestic events confirmed through NSW Government Business Event Industry Support Programs during the 2022 – 2023 financial year with an estimated direct expenditure of \$20m.

Note 5: The number of events evaluated for investment feasibility indicates the number of assessments completed at an event level. Should there be multiple iterations or reassessments conducted for an event within the 2022 – 2023 financial year, these iterations are not included in this report.

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 4:

Increase industry stakeholder and customer engagement

Key Performance Indicators	Target 2022-2023	Actual 2022-2023	Percentage achieved	Comment
Media Exposure				
No. of media articles generated	25,705	42,462	165%	Note 1
Equivalent Advertising Value	\$161,947,069	\$235,757,296	145%	
No. of supported media visits to Sydney and regional destinations	205	111	54%	
Media distribution/ pitches / service engagements	207,139	1,395,520	673%	Note 2
Unique users of DNSW Media Centre	80,000	138,410	173%	
Visits to DNSW Media Centre	100,000	164,131	164%	

Product and Distribution Development	Target 2022-2023	Actual 2022-2023	Percentage achieved	Comment
No. of trade missions & events	1	1	100%	
No. of New South Wales businesses attending trade missions	32	30	94%	
No. of trade familiarisations	30	34	113%	
No. of trade familiarisation participants	200	302	151%	
No. of workshops delivered	20	27	135%	
No. of tourism businesses assisted	1,200	1,476	123%	

Key Performance Indicators	Actual 2022-2023
Destination and Business Development	
No. of approved visitor attraction signposting applications	11
Visits to corporate website	166,000

Note 1: Famil target was impacted due to COVID-19 travel restrictions and international border closure limiting overall number of famils that could be delivered in months where travel was allowed.

Note 2: Increase attributed to increased frequency of media newsletter send outs and increased usage of newswires.

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 5:

Deliver value in partnership/co-operative programs

Partnership Programs	Target 2022-2023	Achieved 2022-2023	Percentage achieved	Comment
No. of campaigns domestic	48	47	98%	
No. of campaigns international	69	135	196%	
Estimated visitor expenditure from partnership campaigns	\$203,000,000	\$375,580,760	185%	<i>Note 1</i>
Total no. of airline partnerships secured and/or renewed	11	8	73%	<i>Note 2</i>

Note 1: Visitor spend results for the 2022 – 2023 financial year based on results received as at September 2023.

Note 2: The target for airline partnerships was not met as Destination NSW worked with airline partners under the Aviation Attraction Fund (AAF). Up to 30 June 2023, Destination NSW contracted 21 airlines under the AAF.

Destination NSW Performance 2022-2023 CONTINUED

Strategic Objective 6:

Create and sustain a high performance organisation

Key Performance Indicators	Targeted Outcomes	Achieved	Comment
Organisation Governance	Improved provision of Operational Support	Corporate Operations Policies and Guidelines	<i>Ongoing</i>
		Define cross divisional/enterprise business processes to support productivity, digitisation and data governance	<i>Ongoing</i>
		Develop corporate operations capability in key systems to drive internal awareness on platforms and establish training regime	<i>Ongoing</i>
		Salesforce CRM including streamlining of key business process and solutions	<i>Ongoing</i>
		Create a records management culture through awareness campaign, simplified messaging and available information	<i>Ongoing</i>
		Create a cyber aware workforce through grassroots induction programs, consistent communications and widely tested response planning	<i>Ongoing</i>
		Execute technology roadmap to define north star and guiding principles for consolidation of systems and streamlined services	<i>Ongoing</i>
		Foster a culture of risk management and governance	<i>Ongoing</i>



NSW Visitor Economy Performance 2022–2023

Overview

The visitor economy in NSW and Australia was hit hard by COVID-19-related restrictions and border closures from early 2020 due to the pandemic. NSW recorded its lowest visitation on recent record in the year ended March 2022 (and the second lowest in year ended June 2022). However, with restrictions removed throughout 2022 and international borders reopening earlier that year, the visitor economy was finally on the road to recovery.

In the year ending June 2023, domestic visitation showed considerable improvement, almost hitting pre-COVID-19 levels. International visitation also showed signs of recovery but to a lesser extent. NSW received 105.4 million international and domestic overnight and day trip visitors, up 57.3 per cent on 2021 – 2022. These visitors stayed 182.7 million nights (up 71.6 per cent) and spent \$48.6 billion for the year (up 95.8 per cent on the previous year). Compared to the pre-COVID-19 period of year ending June 2019, international visitation to NSW was down by 1.6 million visitors, 30.3 million nights and \$2.7 billion in expenditure.

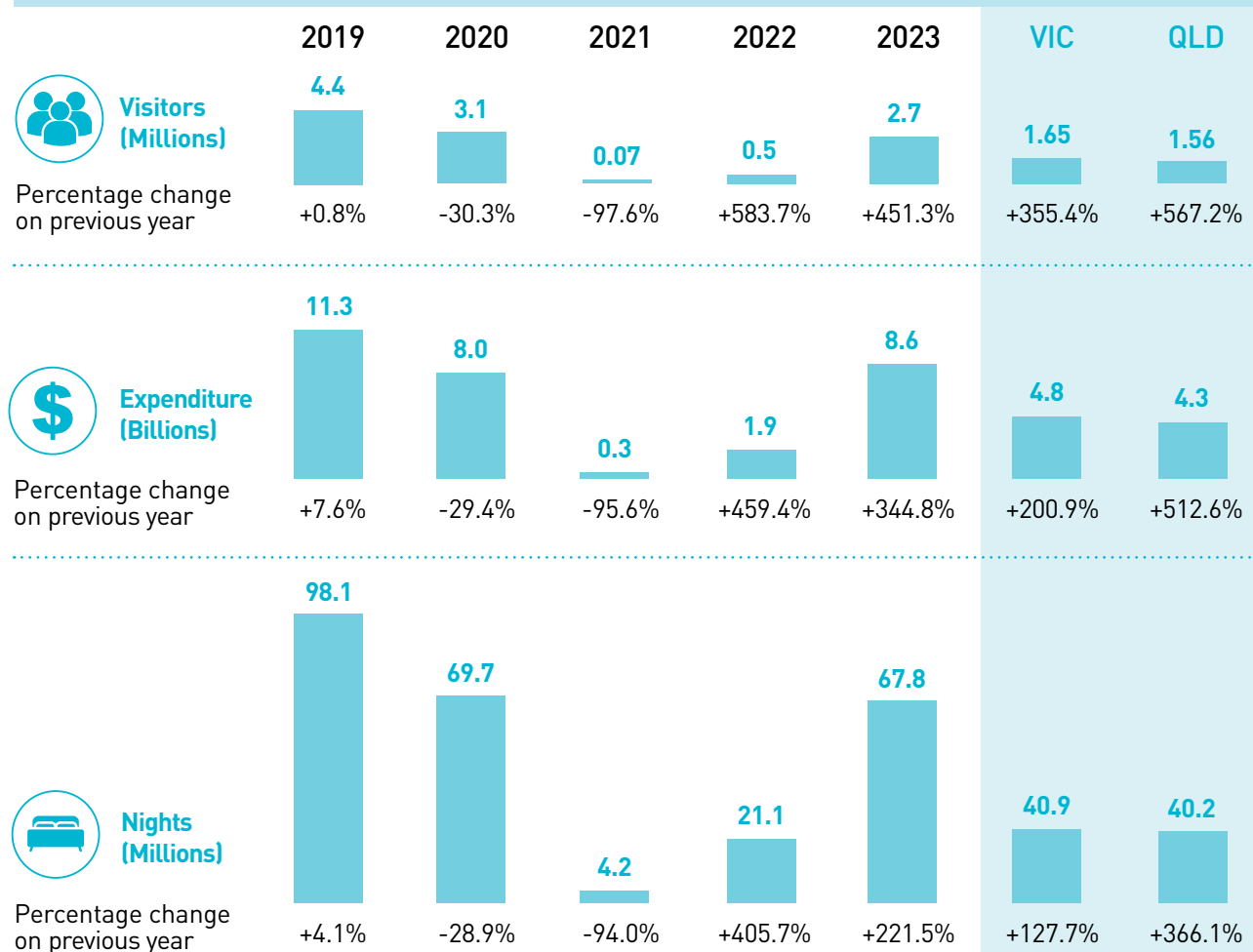
Domestic day trip visitors accounted for 63 per cent of all visitors to NSW and 20 per cent of expenditure in 2022 – 2023, while NSW's domestic overnight visitor share was 34 per cent, accounting for 62 per cent of the state's visitor expenditure. International visitors accounted for just 3 per cent of total visitation to NSW and 18 per cent of expenditure.

International performance

NSW continued to lead Australia, welcoming 50 per cent of all international visitors to the country who accounted for 35 per cent of all nights and 25 per cent of all expenditure.

NSW received 2.7 million international visitors (up 451 per cent compared to 2021 – 2022), who stayed 67.8 million nights (up 221 per cent) and spent \$8.6 billion (up 345 per cent). These results show an improvement in international visitation compared to year ending June 2022 (the state's second lowest visitation on record) which aligns with the progressive recommencement of international travel to Australia.

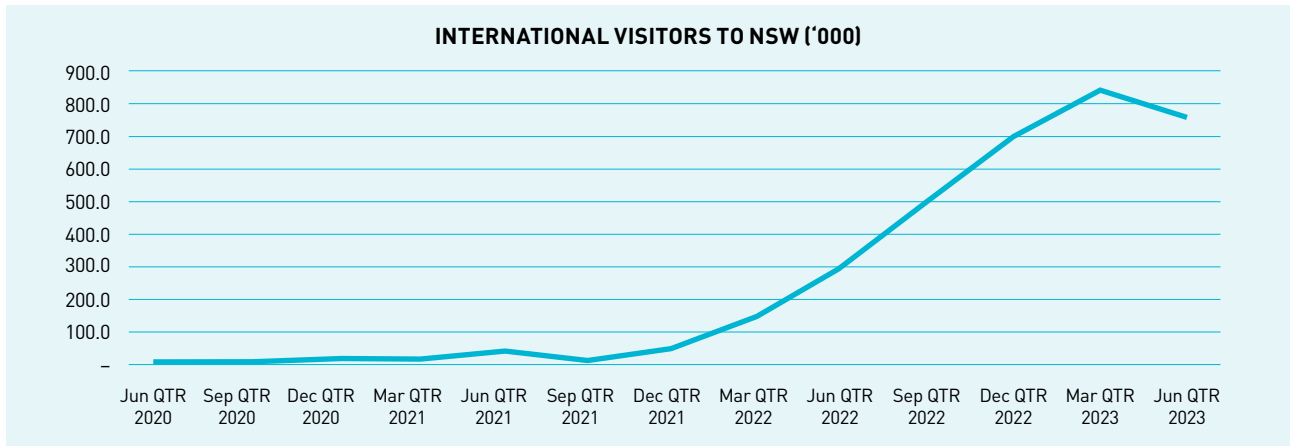
NSW — INTERNATIONAL — YEAR ENDING 30 JUNE 2023



International visitation to NSW increased to 2.7 million visitors (up 2.2 million visitors) in the year ending June 2023, as compared to 495,200 visitors in the year ending June 2022. Compared to year ending June 2019 (pre-COVID-19), international visitors to NSW were still down by 1.6 million visitors. New Zealand continued to be the main international source market to NSW throughout the pandemic, until March 2023 when access for other international markets increased through the easing of restrictions. The USA overtook New Zealand as NSW's top international market for the year ending June 2023.

NSW Visitor Economy Performance 2022-2023 CONTINUED

International performance CONTINUED



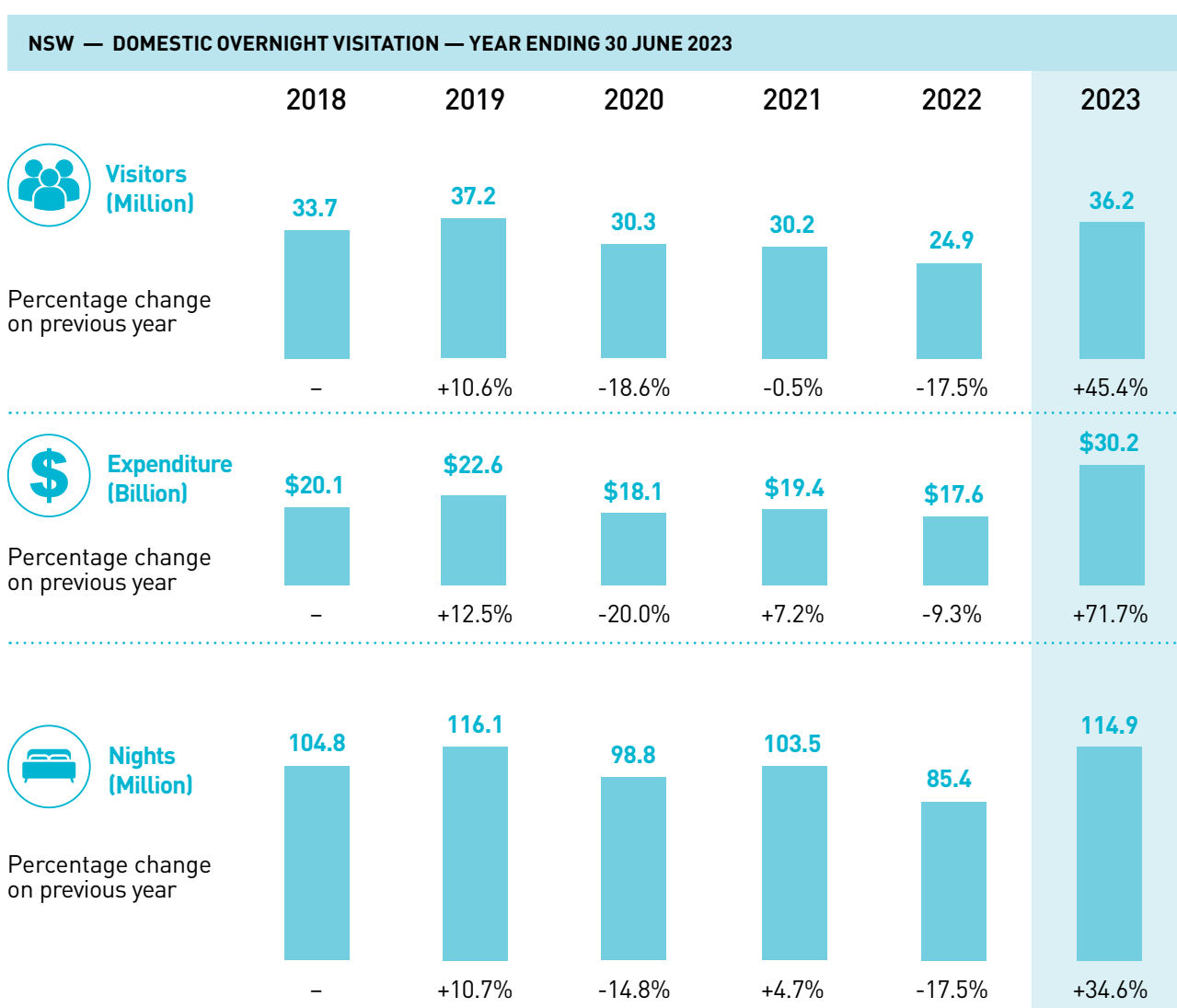
Sydney Harbour Bridge.

NSW Visitor Economy Performance 2022-2023 CONTINUED

Domestic performance

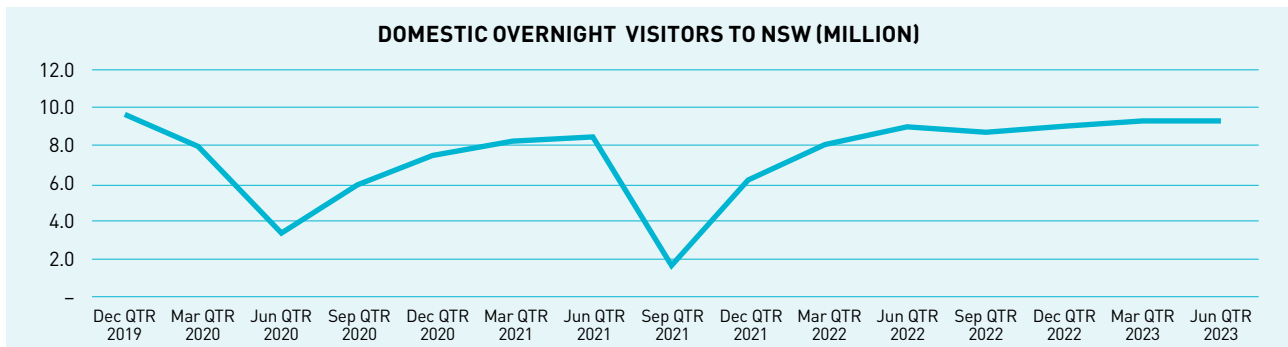
During the 2022 – 2023 financial year, NSW received 36.2 million domestic overnight visitors (up 45.4 per cent compared to 2021 – 2022) who stayed 114.9 million nights (up 34.6 per cent) and spent \$30.2 billion (up 71.7 per cent). NSW maintained its lead position and the highest absolute growth across all states and territories in domestic overnight visitors, nights and expenditure, accounting for 32.5 per cent of visitors, 28.4 per cent of nights and 27.9 per cent of expenditure in Australia. Domestic overnight visitors are also close to pre-COVID-19 levels, with total visitations at 97 per cent of the year ended June 2019.

NSW achieved the highest domestic overnight expenditure of \$30.2 billion on record (since 1998) in the year ended June 2023. The key drivers of this growth were expenditure in regional NSW (up \$6.7 billion or 53.4 per cent), intrastate visitors (up \$6.8 billion or 57.0 per cent) and those travelling for holidays (up \$5.9 billion or 64.9 per cent).



With NSW progressively lifting COVID-19-related restrictions since October 2021, there has been a consistent upward trend in visitor numbers starting from the December quarter 2021. During the 2022 – 2023 financial year, domestic overnight visitation experienced a minor decline in the September quarter 2022, followed by a gradual increase in the two subsequent quarters. Visitation peaked at 9.2 million in the June quarter 2023, which is the highest after the December quarter 2019 (pre-pandemic).

NSW Visitor Economy Performance 2022-2023 CONTINUED






In the domestic overnight market, visitors to Sydney increased to 10.7 million visitors (up 4.3 million or 67.2 per cent compared to year ended June 2022), visitor nights went up to 30.1 million (up 11.3 million or 60.0 per cent), and expenditure increased to \$11.1 billion (up \$6.0 billion or 116.0 per cent). Sydney achieved its highest expenditure on record since 1998 and led amongst all capital cities in visitors, nights, and expenditure (except for Melbourne in expenditure). Visitors and expenditure were mainly driven by the holiday market, while visitor nights were driven by the business market.

Visitors to regional NSW increased to 26.4 million (up 7.3 million or 38.6 per cent compared to year ended June 2022), visitor nights went up to 84.8 million (up 18.2 million or 27.4 per cent), and expenditure increased to \$19.1 billion (up \$6.7 billion or 53.4 per cent). Regional NSW also recorded its

second highest expenditure since 1998 with visitors, nights, and expenditure exceeding the pre-pandemic level. Compared with regional VIC and regional QLD, regional NSW continued to hold the lead in visitors and nights, while only expenditure was led by regional QLD. Amongst regional Australia, NSW's North Coast and South Coast were the most visited destinations, with all NSW tourism regions showing an increase in visitors, visitor nights and expenditure from the previous year, with the exception of visitor nights in the Central Coast.

NSW — DOMESTIC OVERNIGHT VISITORS — DESTINATION

DESTINATION	 VISITORS (Million) YE June 2023	Percentage Change on previous year	 Average length of stay (nights)	 Average spend per night
North Coast NSW	5.7	+44.7%	3.8	\$230
South Coast	4.8	+37.4%	3.2	\$207
Hunter	4.5	+48.6%	2.6	\$253
Central NSW	2.7	+29.9%	2.8	\$227
New England North West	1.7	+37.2%	2.8	\$203
Central Coast	1.7	+18.6%	2.5	\$211
Capital Country	1.6	+33.2%	2.2	\$189
The Murray	1.4	+39.9%	2.5	\$229
Blue Mountains	1.3	+32.4%	2.5	\$191
Riverina	1.3	+26.6%	2.5	\$197
Snowy Mountains	1.0	+13.8%	3.4	\$356
Outback NSW	0.6	+46.7%	4.0	\$200

NSW Visitor Economy Performance 2022-2023 CONTINUED

Factors contributing to performance

In 2022- 2023, the global tourism industry continued to experience disruptions to international travel due to COVID-19. In Australia, the government reopened its border to all vaccinated travellers in February 2022, then further loosened restrictions in July the same year, with Australian borders opening to all travellers regardless of their vaccination status. Finally, all COVID-19 isolation requirements were ended nationwide in October 2022. Globally, the pace at which COVID-19-related travel restrictions from key international markets has eased was varied. Countries such as the UK and US have removed travel restrictions earlier than Australia, while some key markets in Asia still had restrictions in place into 2023.

While the impact of the pandemic on travel has continued to lessen, economic concerns may have impacted both domestic and international travel. Post COVID-19, travel affordability is a concern to Australians due to the rising costs of living linked to the inflationary pressures in the recent economic climate. The Consumer Price Index (CPI) rose 0.8 per cent in the June 2023 quarter and 6.0 per cent annually (Source: ABS). These inflationary pressures have not only impacted Australians but many of our key markets, with annual consumer price inflation to June 2023 at 7.9 per cent in the UK, 3.3 per cent in Japan, 3.0 per cent in the US (Source: Financial Times) and 6.0 per cent for New Zealand (Source: StatsNZ).

COVID-19

Prior to February 2022, travel to Australia was only allowed to Australians and New Zealanders under strict monitoring and certain travel groups who had been granted individual exemptions. The trans-Tasman bubble introduced in October 2020 experienced several stop-starts resulting in fluctuations of New Zealand visitors. International arrivals have continued to recover as the international borders reopened to fully vaccinated travellers in February 2022 and of all vaccination requirements were removed for international arrivals in July 2022.

Globally, the easing of restrictions on international travel due to the pandemic have varied. Of the top five markets for travel into NSW, international travel restrictions were fully lifted in

the UK in March 2022, and the USA in June 2022, while Japan only lifted all restrictions in April 2023. China, NSW's largest source market for international travellers pre-COVID-19, has gradually lifted restrictions since reopening its borders in January 2023. However, with some restrictions still in place as of June 2023, the number of visitors has been slower to recover. For year ended June 2023, there were 142,000 visitors from China, 19 per cent of its pre-COVID-19 total for year ended June 2019.

Domestically, the past 12 months to June 2023 saw travel recover to around 97 per cent of the pre-COVID-19 level. All COVID-19 isolation requirements ended nationwide in October 2022. The monthly domestic overnight visitation to NSW figures over the past year to June 2023 are characterised by an extremely high growth period, particularly from July 2022 through to November 2022 versus the same period in 2021 when the Delta strain was affecting travel. The summer of 2022 – 2023 saw more modest growth versus the previous year with 3.6 million visitors in January (up 12.1 per cent on January 2022). Domestic overnight travel for the period from February to June saw ups and downs vs. the previous year, with domestic travel levels now similar to pre-COVID-19 levels.

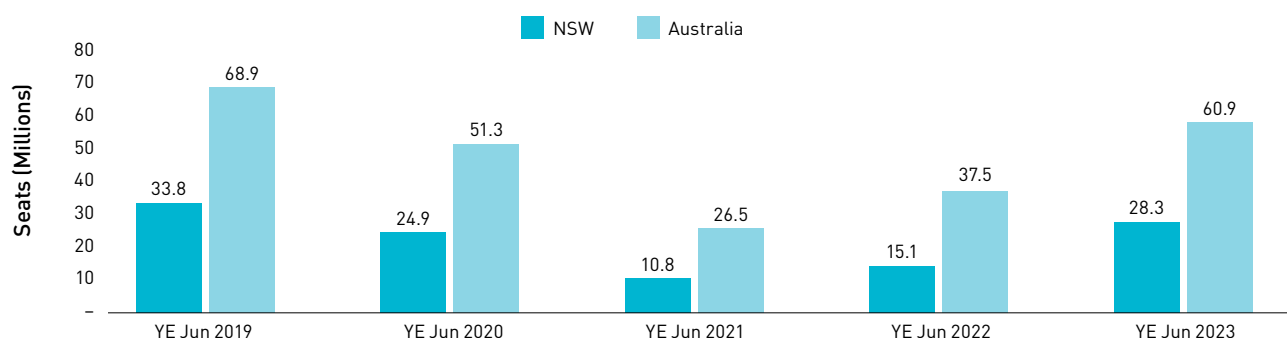
Aviation seat capacity

With national and state borders re-opening in early 2022, international and domestic aviation seat capacity into NSW continued to recover throughout the 2022 – 2023 financial year. However, pre-pandemic capacities (2019) have not yet been reached.

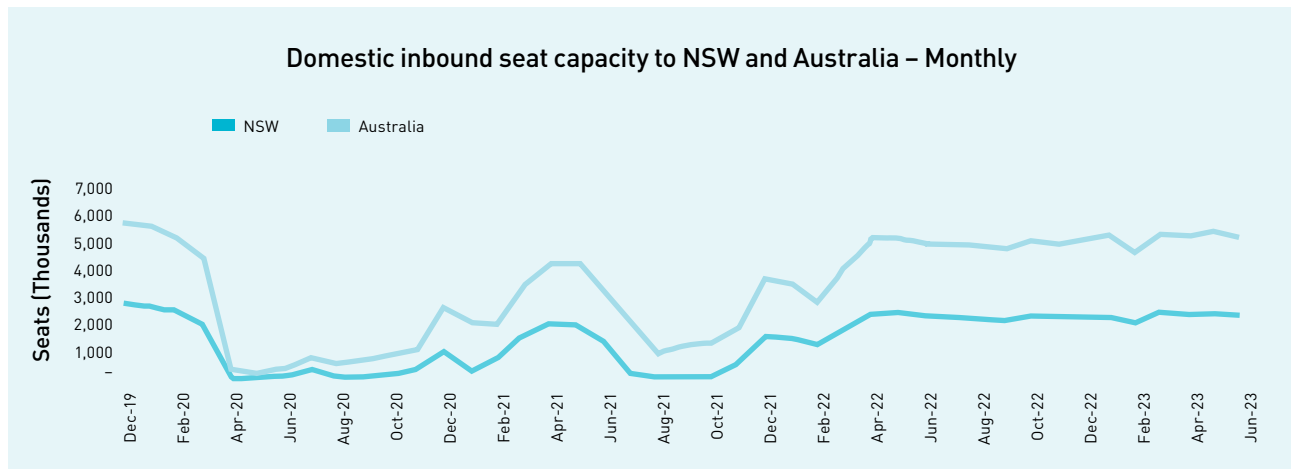
NSW domestic aviation capacity accounted for 47 per cent of the domestic seats on Australia's 78 competitive routes. Domestic seat capacity has shown a rapid bounce back since mid-2022, nearly matching 2019 capacity. February 2023 saw a sudden decline in seat capacity, whereas it grew sharply the month after and has remained steady since. Capacity reached 85 per cent in April 2023, 88 per cent in May 2023 and 90 per cent in June 2023 of the same months in 2019. June 2023 stood at 2.41 million seats.

When compared with the previous year, domestic seat capacity to NSW and Australia increased by 88.2 per cent and 62.7 per cent respectively.

Domestic inbound seat capacity to NSW and Australia – Year End



NSW Visitor Economy Performance 2022-2023 CONTINUED

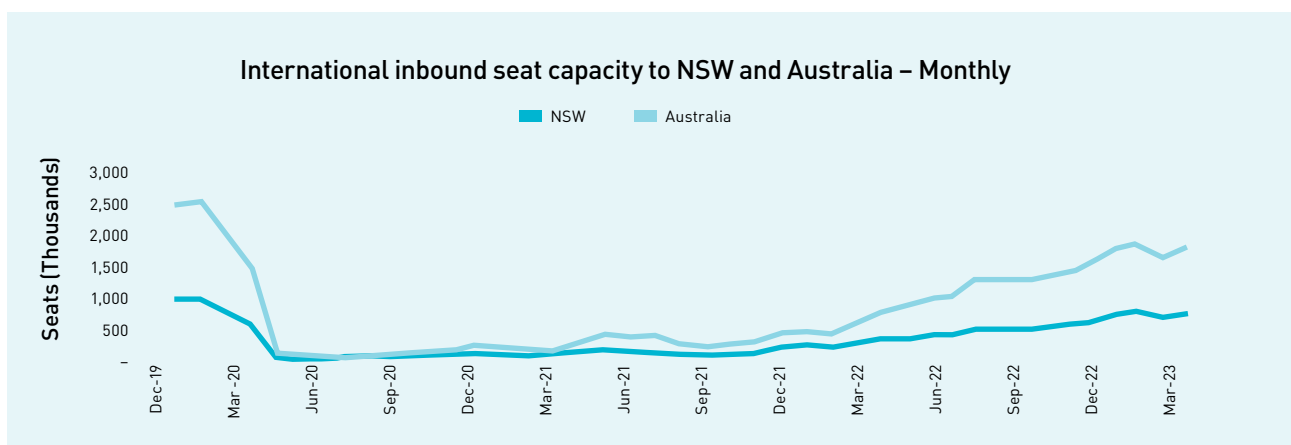
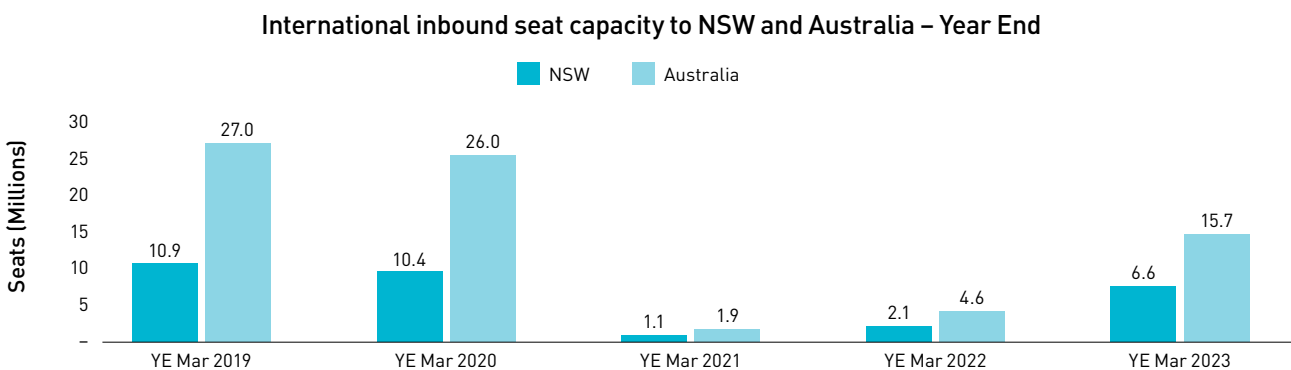


By the end of March 2023 (the latest data available, compiled and published by BITRE), international aviation seat capacity to NSW accounted for 42 per cent of international seats in Australia (or 6.6 million), an increase of 218.5 per cent compared to the previous year. International seat capacity to Australia also increased, up 244.3 per cent from the previous year.

In terms of recovery, international aviation seats to NSW reached 73 per cent in January 2023, 78 per cent in February 2023 and 79 per cent in March 2023 of the same months in 2019.

International travel has been trending towards its pre-COVID-19 numbers, with airlines re-entering the market and expanding their routes. New international services to Sydney in the twelve months to March 2023 included Cebu Pacific from Manila, T'way Air from Seoul, Thai AirAsia X from Bangkok, Malindo Air from Kuala Lumpur (via Denpasar), Batik Air Indonesia from Denpasar and Air China from Beijing.

Source: Bureau of Infrastructure and Transport Research Economics



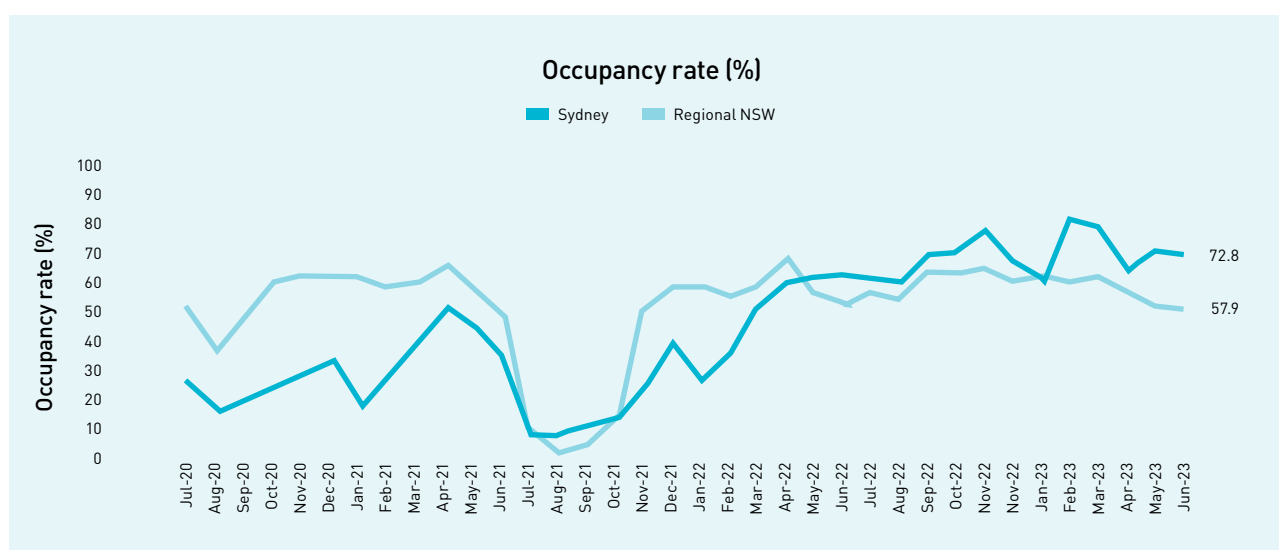
NSW Visitor Economy Performance 2022-2023 CONTINUED

Factors contributing to performance CONTINUED

Accommodation

At the end of the June quarter 2023, the NSW accommodation sector comprised of 1,963 establishments and 96,729 rooms. This represented an increase in supply compared to the same period in the previous year, up 4 per cent and up 3 per cent respectively. Regional NSW accounted for 77 per cent of all establishments and 51 per cent of all rooms in the state. The average occupancy rate increased in New South Wales (up 3 percentage points) and in Sydney (up 6 percentage points) compared to the same quarter in 2022, whilst regional NSW declined (down 4 percentage points).

The number of establishments and rooms in NSW at the end of the June quarter 2023 was significantly higher than the 1,931 establishments and 95,938 rooms reported at the end of the March quarter 2023. With the reopening of state and international borders in early 2022, the accommodation supply and demand in NSW grew steadily in the months that followed.



Source: STR

NSW Visitor Economy Performance 2022-2023 CONTINUED

Australian dollar

Exchange rates and differential inflation rates affect the price of Australia as a destination, relative to competing destinations. A fall in the value of the Australian dollar reduces the cost for overseas visitors to travel to, and within Australia. Such a fall can also have a positive impact on domestic travel, encouraging Australian travellers to choose to holiday domestically rather than overseas.

In the 2022 – 2023 financial year, Australia continued to be an affordable destination for many international visitors, even after inflationary pressures impacted domestic prices. The average Australian dollar to US dollar exchange rate in September 2022 – August 2023, was US \$0.67, decreasing 6.9 per cent from an average rate of \$0.72 for the corresponding period in 2021 – 2022.

The Australian dollar depreciated against other major currencies in 2022 – 2023, with the largest falls against the Swiss franc (down 8.5 per cent), the Singapore dollar (down 7.6 per cent) and Hong Kong dollar (down 6.7 per cent). The largest increase was against the Japanese Yen (up 6.0 per cent) and New Zealand dollar (up 1.2 per cent).

Source: Reserve Bank of Australia

Global confidence

According to The Ipsos Global Consumer Confidence Index for June 2023^[2], global confidence stood at 45.5, up slightly from 44.2 in June 2022. This 12-month period saw a dip in global confidence in August 2022, before rebounding at the turn of the year where it remained relatively stable into June 2023.

Strong improvements in confidence were seen in Brazil, Turkey, Mexico, Poland and Great Britain while, Sweden, Israel, South Korea and the US were among the countries seeing declining confidence.

The Ipsos What Worries The World June 2023 survey^[3] reports that rising prices are the top concern that people have around the world. Two fifths have it as their main area of worry, above concerns about poverty/social inequality (31 per cent), crime and violence (29 per cent) and unemployment (27 per cent). Inflation is the top concern in 11 nations, including the US, Great Britain, Singapore and India. These worries have been at the top of people's mind globally over the past 15 months but there are signs they are easing from the peak in February 2023.

Concerns about the COVID-19 pandemic continue to ease, with only 6 per cent mentioning it as the top concern they have for their country, down from 12 per cent in June 2022. Concern is higher in the Asia Pacific with Indonesia (18 per cent), Thailand (18 per cent), Singapore (12 per cent), Malaysia (12 per cent) and Japan (11 per cent) all above the global average.

Australian confidence

According to the ANZ-Roy Morgan Consumer Confidence report, Australian consumer confidence continued to trend lower for the year ending June 2023. Despite showing a short revival in December/January, the confidence rating stood at 73.9 as of June 2023, a fall of -11.1 points compared to June 2022, and well below the historic average of 109.7. As interest rates continued to increase throughout this period – with June to September 2022 seeing the fastest rate increase for a 4-month period in nearly 30 years – confidence was lower year on year regardless of gender, age group, state/territory, socio-economic status or political preference. In NSW, overall consumer confidence was slightly higher than the overall total at 74.7 points, but still showed a 9.0 point decline versus June 2022.

Similarly, according to the Roy Morgan Business Confidence report for June 2023, business confidence in June 2023 stood at 88.8 points, a decline of -8.5 points versus June 2022. With rising prices and similar economic pressures due to increasing interest rates, confidence declined across the country with only Western Australia and Tasmania bucking the trend (6-month average up 16.4 points and 5.9 points respectively). The NSW six-month average stood at 95.7 points, slightly above the overall six-month average of 94.0 points but still down by 12.5 points versus where it stood in June 2022.

^[2] The Ipsos Global Consumer Confidence Index is a monthly survey of more than 17,000 adults, age 18-74, 75 from 20 countries conducted on Ipsos' Global Advisor online.

^[3] The Ipsos What Worries the World survey is conducted monthly among over 25,000 adults in 29 countries on Ipsos' Global Advisor online platform (<https://www.ipsos.com/en/global-advisor>)

Visitor Snapshot: NSW Year Ending June 2023

TOTAL OVERNIGHT VISITORS (INTERNATIONAL AND DOMESTIC)	
TOTAL VISITOR ARRIVALS	
Australia	116.8 million
NSW	38.9 million
Change on Previous Year: Australia	34.4%
Change of Previous Year: NSW	53.3%
NSW Market Share Visitors	33.3%

TOTAL VISITOR NIGHTS	
Australia	598.0 million
NSW	182.7 million
Change on Previous Year: Australia	55.9%
Change on Previous Year: NSW	71.6%
NSW Market Share Visitor Nights	30.6%

AVERAGE LENGTH OF STAY	
Australia	5.1 nights
NSW	4.7 nights

TOTAL EXPENDITURE (OVERNIGHT AND DAYTRIP)	
Australia	\$162.8 billion
NSW	\$48.6 billion
Change on Previous Year: Australia	72.5%
Change on Previous Year: NSW	-95.8%
NSW Market Share Visitor Expenditure	29.8%

TOTAL VISITOR MARKET SHARE (OVERNIGHT AND DAYTRIP)		
Visitation to Sydney and Regional NSW	Visitors	Visitor Nights
Sydney	36%	48%
Regional	65%	52%

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

DOMESTIC VISITORS AND VISITOR NIGHTS (OVERNIGHT AND DAYTRIP)		
PURPOSE OF VISIT	Visitors	Visitor Nights
Holiday	46%	45%
Visiting Friends & Relatives	30%	33%
Business	15%	17%
Other	10%	5%
Total	100%	100%

DOMESTIC PURPOSE OF VISIT (OVERNIGHT AND DAYTRIP) - CHANGES ON PREVIOUS YEAR (YE June 2023 vs YE June 2022)		
PURPOSE OF VISIT	Visitors	% Change
Holiday	18.6 million	65.7%
Visiting Friends & Relatives	9.4 million	44.2%
Business	5.9 million	62.9%
Other	2.5 million	30.8%
Total	36.2 million	54.3%

DOMESTIC VISITOR NIGHTS CHANGES ON PREVIOUS YEAR (YE JUNE 2022)		
PURPOSE OF VISIT	Visitor Nights	% Change
Holiday	14.5 million	38.6%
Visiting Friends & Relatives	8.3 million	28.4%
Business	6.0 million	44.7%
Other	0.7 million	13.6%
Total	29.5 million	34.6%

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

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

Visitor Snapshot: NSW Year Ending June 2023 CONTINUED

TOTAL OVERNIGHT VISITORS AND NIGHTS						
	Visitors (millions)	Percentage change year on year	Visitor nights (millions)	Percentage change year on year	Expenditure (\$billion)	Percentage change year on year
Sydney						
International	2.5	443.4%	57.4	194.6%	\$7.9	329.8%
Domestic	10.7	67.2%	30.1	60.0%	\$11.1	116.0%
Total	13.2	92.4%	87.5	128.5%	\$19.0	172.1%
Regional NSW						
International	0.6	674.3%	10.5	542.5%	\$0.8	588.1%
Domestic	26.4	38.6%	84.8	27.4%	\$19.1	53.4%
Total	26.9	41.0%	95.2	39.7%	\$19.9	58.2%
New South Wales						
International	2.7	451.3%	67.8	221.5%	\$8.6	344.8%
Domestic	36.2	45.4%	114.9	34.6%	\$30.2	71.7%
Total	38.9	53.3%	182.7	71.6%	\$38.9	98.8%

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

NSW TOP 3 INTERNATIONAL MARKETS						
	Visitors (thousands)	Percentage change year on year	Visitor nights (millions)	Percentage change year on year	Expenditure (\$million)	Percentage change year on year
Country of Origin						
USA	349.8	445.2%	3.3	148.0%	\$735.4	361.8%
New Zealand	337.8	448.4%	3.0	206.6%	\$409.3	331.3%
United Kingdom	280.8	404.3%	5.5	193.2%	\$560.9	222.1%

Note: In late February 2022, the Australian Government reopened its international borders to fully vaccinated arrivals on all types of visas without needing to quarantine.
The one-way trans-Tasman travel bubble re-commenced in March 2022 which converted to two-way in the following month, allowing quarantine free travel between New Zealand and Australia.

Operations and Performance

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Visitor Economy Strategy Strategic Pillars



Road to
Recovery



Build the
Brand



Showcase our
Strengths



Facilitate
growth



Invest in world
class events

Consumer Marketing

Consumer Marketing delivers programs to position Sydney and NSW as the premier destination brand in the Asia Pacific and drives demand by showcasing the strengths that Sydney and NSW has to offer. Bringing together the functions of brand, marketing, domestic and international partnerships, PR, influencers and visiting media, content and creative services, and the digital team to support the vision of making NSW the premier visitor economy of the Asia Pacific.

NSW Border Recovery Campaigns

As part of the NSW Government's stimulus package to provide support for destinations that were heavily impacted by COVID-19, Destination NSW created a Border Recovery Program. The Tweed, The Murray, Broken Hill and Sapphire Coast were identified as eligible regions for support under this program due to their proximity to interstate borders, and the affect of border closures on visitation to those areas.

The Border Recovery Program delivered on the NSW Visitor Economy Strategy 2030 'Road to Recovery' Strategic Pillar by encouraging travellers from identified target audiences to visit each of the impacted regions. Each campaign aimed to improve appeal and consideration for the specific destination as well as attract new audiences across a broader set of travel periods.

Integrated campaigns were created for each of the four regional destinations including paid media activity such as out of home and digital advertising and promotion across Destination NSW's owned channels such as the VisitNSW.com website, social channels and Somewhere New eDM. Two of the campaigns also featured paid content partnerships. Collectively, the campaigns generated \$47.8 million in incremental visitor expenditure to NSW while driving increased visitor appeal for each of the four regions.

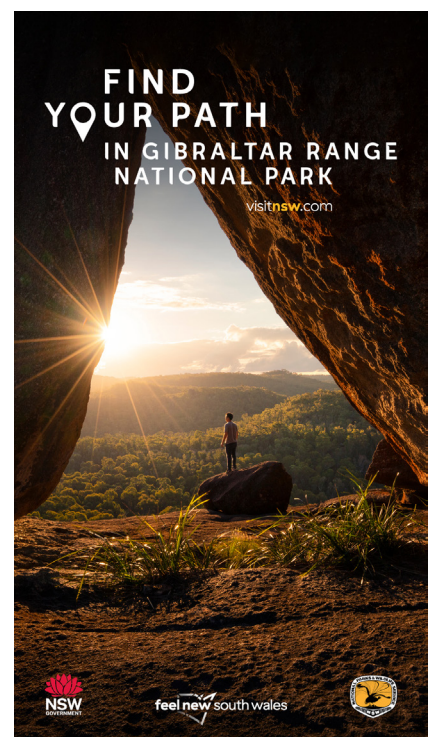
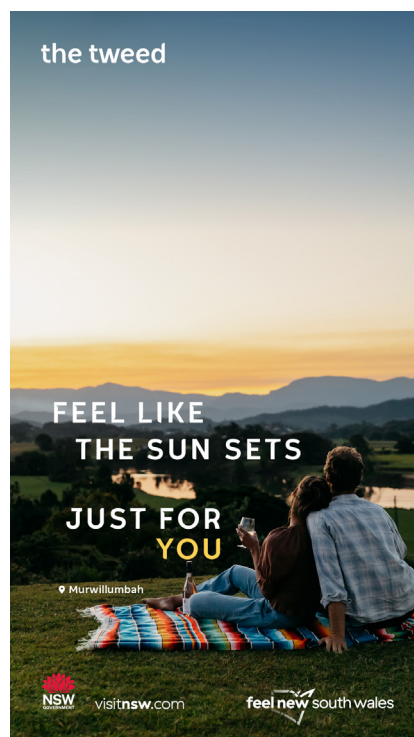
Feel New Brand Campaigns

Building the Feel New visitor brand is a strategic pillar of the NSW Visitor Economy Strategy 2030 and identifies the vision for NSW to be the premier visitor economy of the Asia Pacific. The Feel New brand activity continued throughout the 2022 – 2023 financial year, supporting both Sydney and NSW with a range of dedicated campaigns. The brand activity was aimed at increasing destination appeal and driving higher consideration to Sydney and NSW by promoting key travel driver experiences to high-value travellers.

The campaigns were executed through paid media, PR programs, industry partnership campaigns, social media, websites and eDM channels. Each campaign showcased the key strengths of Sydney and NSW, focusing on a visitor's core drivers or motivators for travel including major sporting and entertainment events, vibrant contemporary culture, icons and hidden gems, reconnecting with nature and world-class food and drink.

The campaigns were highly effective in delivering positive results against destination appeal and consideration objectives for Sydney and NSW. People who had seen the Feel New campaigns and recognised it as a promotional activity for the state were on average 12 per cent more likely to find Sydney and NSW appealing compared to those who did not see the campaigns. Similarly, people who recognised campaigns were on average 6 per cent more likely to consider a holiday to Sydney or NSW in the next 12 months compared to those who did not see the campaign.

Research showed that people who recognised and engaged with the Feel New brand campaigns and made a booking or extended their stay in NSW, contributed more than \$269 million in incremental visitor expenditure to NSW since the brand launch in October 2021. This included expenditure on accommodation, food and drink, and experiences within the NSW visitor economy.



Consumer Marketing CONTINUED

Aviation Attraction Fund

On 20 October 2021, the NSW Government launched the Aviation Attraction Fund as part of the \$530 million COVID-19 Economic Recovery Plan. The Aviation Attraction Fund was designed to accelerate NSW's road to recovery by building aviation capacity to the state through securing routes that drive significant economic and social benefits through visitor expenditure and job creation, as well as other economic benefits from freight and related activity.

The objectives of the Aviation Attraction Fund were to:

- Drive significant economic and social benefits to the state through visitation, visitor spend and job creation
- Rebuild capacity into NSW through tailored airline incentives
- Grow market share from other states given airlines have scaled down considerably during COVID-19
- Attract new airlines to NSW.

The Aviation Attraction Fund closed on 30 June 2023 and, up until that date, Destination NSW contracted 21 airlines servicing more than 30 routes into NSW. Based on partnerships contracted to the end of the 2022 – 2023 financial year, it is estimated that routes supported through the Aviation Attraction Fund will generate up to \$708 million in incremental visitor expenditure for the NSW visitor economy with an estimated 1.6 million incremental inbound seats to be made available.

Destination NSW has worked with the airlines supported under the Aviation Attraction Fund to deliver 34 campaigns across 15 countries up to 30 June 2023. These campaigns included supporting PR and media famil programs which were aimed at stimulating demand and generating bookings for travel with the airline into Sydney and NSW.

Strategic Partnerships: Accor

In 2022, NSW was on the road to recovery with international markets reopening and aviation capacity increasing. This provided Destination NSW with a valuable opportunity to strengthen its partnership with the accommodation sector to increase overnight visitation to Sydney and NSW.

In the 2022 – 2023 financial year, Destination NSW signed a new three-year Memorandum of Understanding (MoU) with Accor valued at \$1.8 million. Representing an extension of the existing partnership, the MoU provides an opportunity to stimulate demand, drive overnight visitation and increase length of stay to Sydney and NSW by promoting relevant deals across Accor's various brands to a targeted audience.

The partnership supported four of the strategic pillars under the NSW Visitor Economy Strategy 2030 – 'Road to Recovery' and 'Building the Brand' which were highlighted through campaign messaging, while 'Showcase our Strengths' and 'Invest in World-Class Events' were highlighted through Accor and Destination NSW aligned event investments. The campaigns featured NSW tourism experiences, events and regions across the state and aimed to increase the length of stay in both Sydney and regional NSW.

The partnership aimed to boost total visitor expenditure in NSW, increase length of stay and regional dispersal, and was integral to the industry's road to recovery as international markets recovered.

Sydney's and NSW's iconic destinations, attractions, events and experiences were highlighted via creative executions across paid and owned channels. This included social, digital video, digital display, paid content partnerships, influencers, media famils, consumer competitions and event support. Accor travel deals were also included in Destination NSW's monthly broadcast integration on Sunrise in the rebranded weekend weather segment JT Travels NSW, providing a call to action to drive conversion of overnight stays to a highly engaged, national television audience.

Throughout 2022 – 2023 financial year, the Accor partnership delivered more than \$50 million to the NSW visitor economy and delivered an average return on investment of 157:01. The partnership demonstrated the benefits of collaboration in responding to increasing competition from outbound and other domestic markets. Destination NSW recognises that agile and dynamic industry partnerships are paramount to the success of growing the state's visitor economy.

Strategic Partnerships: Study NSW

With the student market in NSW worth close to \$3.8 billion, Destination NSW and Study NSW have a strategic partnership and share the common goal of positioning NSW as the leading destination for international students to visit and study. In the 2022 – 2023 financial year the partnership activity included the development and delivery of digital marketing activities to raise awareness and consideration of NSW as a first-choice destination for education and work experience to key target markets.

In April and May 2023, Destination NSW and Study NSW collaborated on a joint content creation project to capture new video, photography and drone footage which could be used to increase the appeal of NSW and promote the benefits of studying and visiting NSW.

More than 750 images and videography content items were captured across 16 days and 59 locations from Sydney, Newcastle, Wollongong, Port Macquarie, Coffs Harbour and Byron Bay. The new content will be used across numerous channels including Destination NSW and Study NSW owned channels, international and domestic partnership campaigns, PR activities, trade and consumer events, and will also be available through the Destination NSW content library for third party usage.

International Markets

In July 2022, priority markets including USA, UK, India, South Korea, Singapore, Germany, New Zealand, France, Malaysia and Indonesia were all open for travel to Australia. In October 2022 additional markets including Japan, Hong Kong and Taiwan opened and from January 2023, China relaxed its international travel restrictions for individuals.

During the 2022 – 2023 financial year, Destination NSW developed integrated partnership marketing programs for each priority market and delivered demand-driving campaigns with airlines and key distribution partners, targeting consumers with a high propensity to travel. The campaign activity that was delivered under these programs aimed to build awareness, increase intention to travel, drive demand and generate bookings to support the NSW visitor economy and the NSW Visitor Economy Strategy 2030 'Road to Recovery' 'Showcase our Strengths' and 'Facilitate Growth' Strategic Pillars.

Consumer Marketing CONTINUED

Through creative executions across paid and owned channels including digital video, digital display and influencers, the partnerships showcased the strengths of Sydney and NSW providing a reason to travel. Partnership programs promoted key destinations, events (such as Vivid Sydney) and experiences through packages, itineraries and content tailored to each market.

Prior to the COVID-19 pandemic, China was NSW's number one visitor market delivering more than \$4.1 billion in visitor expenditure in the year ended December 2019. Destination NSW recommenced campaign activity with online travel agents, Ctrip and Mafengwo, as well as trade partners to help drive demand to support recovery, demonstrating that NSW was open and welcoming to Chinese visitors.

A total of 135 campaigns across 14 markets were implemented, delivering more than \$132 million in incremental visitor expenditure to the NSW visitor economy.

International PR activity delivered by Destination NSW together with agency partners underpinned partnership activity and generated strong year-on-year (YoY) increases in line with international borders reopening. International coverage volume increased by 26.2 per cent, international audience reach increased by 46.7 per cent and international advertising value equivalency increased by 49.6 per cent compared with the 2021 – 2022 financial year.

Driving Value Through Destination NSW's Owned Platforms and Assets

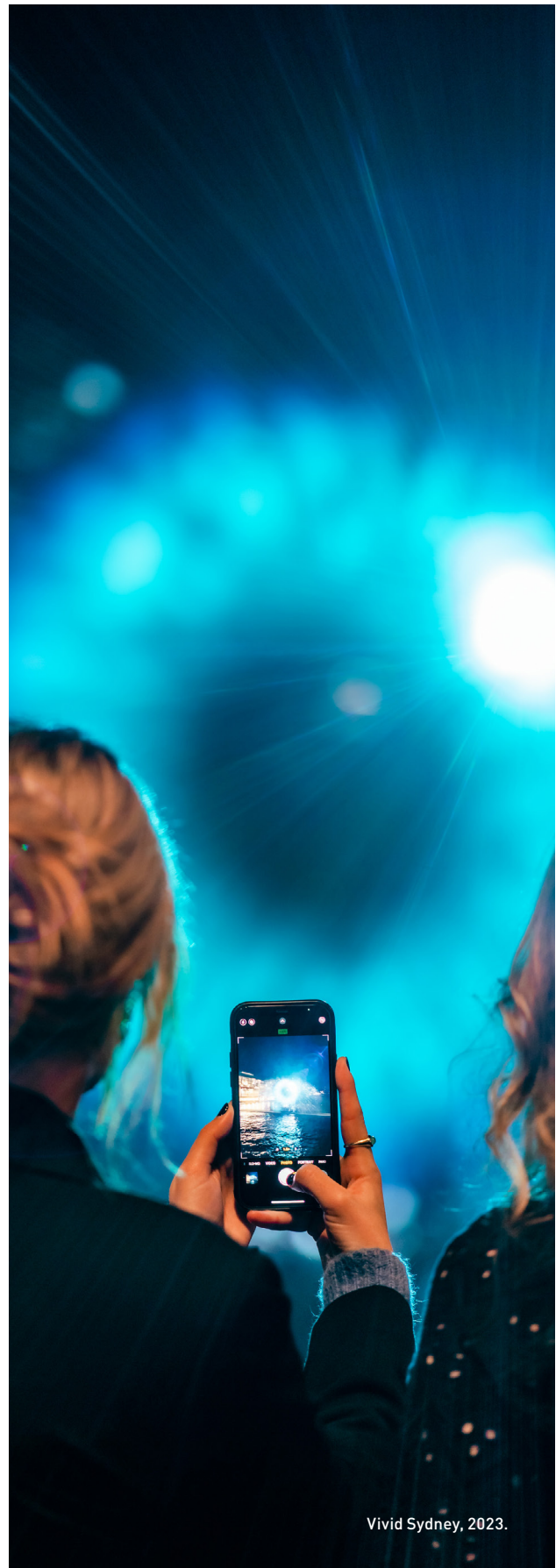
Destination NSW's owned digital channels play a pivotal role in driving value for the NSW visitor economy by inspiring visitors to experience more of Sydney and NSW beyond the icons. In the 2022 – 2023 financial year, the content and features on our core marketing B2C and B2B digital properties underwent numerous enhancements to continuously improve their reach and effectiveness.

Social Media Channels

Destination NSW's consumer social media channels successfully maintained number one State Tourism Organisation market share with more than 6 million followers, collectively increasing by 392,000 new followers in the 2022 – 2023 financial year. The channels saw impressive YoY improvements in results with:

- 185% increase in impressions YoY
- 138% increase in reach YoY
- 217% increase in video views YoY
- 161% increase in engagements
- 465% increase in saves and shares YoY.

Key Sydney events including Christmas, New Year's Eve, Sydney World Pride and Vivid Sydney drove the highest performance. New Year's Eve delivered double the reach and engagement YoY, demonstrating the importance of continuing to showcase 'always on' social activity around key dates and events.



Vivid Sydney, 2023.

Consumer Marketing CONTINUED

Websites

Destination NSW's consumer websites (Sydney.com and VisitNSW.com) received 20.3 million visits and drove more than 3.5 million leads to the tourism industry in the 2022 – 2023 financial year. Associated revenue from leads to industry was \$44.4 million across domestic and international audiences. Destination NSW's consumer websites also successfully maintained number one State Tourism Organisation market share on average. There were significant improvement in visits (+75 per cent YoY) and leads (+86 per cent YoY) to Sydney.com due to the strong event calendar.

Consumer eDM

The consumer eDM Somewhere New continued to build engagement and drive demand and conversion. A total of 22 editions of the eDM were sent to the subscriber database, with organic subscriptions increasing by more than 11,000 to a total of 316,753 subscribers. The results delivered extremely high engagement with an average open rate of 36 per cent and a click rate of 3.3 per cent.

The program continues to build engagement and direct communication with consumers, delivering more than 33,000 leads in the 2022 – 2023 financial year, and more than \$0.5 million in revenue via conversions on Sydney.com and VisitNSW.com.

Content Library and Content Capture

New experiences, events and operators have been showcased through video and photographic shoots in locations throughout Sydney and regional NSW. Content capture at key events including Vivid Sydney, Sydney WorldPride and the FIFA Women's World Cup, has built a collection of event-focused content assets. In addition, a collection of Sydney in Summer experiences and locations were captured including a suite of youth-based content in partnership with Study NSW.

Destination and tourism experience content capture has provided fresh visual assets to marketers, media, industry and government stakeholders, with access through the continually growing Destination NSW Content Library. Today our Content Library houses more than 45,000 visual assets and during the 2022 – 2023 financial year delivered the following results:

- 186,615 unique views (+25.2% YoY)
- 2,191 new registrations (+8.9% YoY)
- Delivered more than 79,800 digital assets to approved users to promote and market NSW
- 15,098 new assets added (+29% YoY).

PR Owned Channels – Media Centre and Uncovered

Destination NSW's Media Centre and media eDM continued to play a vital role in awareness and demand generation through fuelling story placements and coverage via media and content creators globally.

The Media Centre has maintained the number one position in share of voice compared to all Australian State Tourism Organisation Media Centres, consecutively since March 2022. Destination NSW's Media Centre had more than 210,000 visits, which exceeded the annual goal of 138,000 by more than 23 per cent and, had a total of 182,000 unique users, which exceeded the goal by more than 28 per cent.

With the reopening of international borders, the Media Centre is being enhanced and will soon include additional country-specific homepages for our priority markets including USA, UK and India.

Key results for the 2022 – 2023 financial year included:

- 1,107 new Media Centre registrations
- 13,465 Media Centre shares (+56% YOY)
- 298,190 Media Centre views (+19.2% YOY)
- *Uncovered* media eDM subscriber numbers are 1,460 (+2%) with an average open rate of 40.1% (industry benchmark for open rate at 22%).



Vivid Sydney

Celebrating creativity, innovation and technology, Australia's largest festival once more dazzled and delighted audiences for 23 days and nights attracting a record-breaking 3.48 million attendees, 900,000 more than 2022.

Vivid Sydney 2023 played a key role in supporting the NSW visitor economy and promoting the creative industries, both nationally and internationally and was successful in attracting significant visitor numbers to NSW.

In 2023, Vivid Sydney generated \$206.1 million in visitor expenditure, the largest in the event's 13-year history; \$63.8 million in domestic visitor packages were sold (up 3 per cent on 2022) and \$44.8 million in international travel packages (up 2,183 per cent on 2022).

This year's creative direction, 'Vivid Sydney, Naturally,' was inspired by our connection to the natural environment and was breathtakingly brought to life via a kaleidoscope of colourful light projections and activations, plus free and ticketed events.

In 2023 the festival expanded its core pillars of Vivid Light, Vivid Music, Vivid Ideas to include the brand-new pillar – Vivid Food. Vivid Food celebrated NSW produce and beverages, culinary talent and venues through collaborations with NSW chefs, producers and national and international talent across 282 events at 18 venues.

One of the Vivid Food highlights was the Vivid Fire Kitchen at The Cutaway in Barangaroo. This smoke-and-fire themed food adventure featured a line-up of street food vendors, restaurants and original dining concepts, attracting 190,000 people.

The renowned Vivid Sydney Light Walk spanned 8.5km, linking the Sydney Opera House to Central Station with 57 free light art installations and 3D projections featuring more than 100 artists from 14 countries, with 32 artists and collaborators based in NSW. The Sydney Opera House Lighting of the Sails: Life Enlivened showcased the work of esteemed late Australian artist John Olsen AO OBE.

Vivid Music programming included cutting-edge contemporary music featuring 67 gigs and concerts across 121 sessions at 14 venues across the CBD, including locations like the Metro Theatre, Civic Underground and Flow Studios with performances from local and international acts. One of the standout concerts was A Bend in the River, A Tribute to Archie Roach AC, which was enjoyed by more than 1,200 attendees at Sydney Town Hall.

Vivid Ideas hosted 38 events, across 149 sessions in nine venues, with 218 speakers. This included a sold-out in-conversation event with The White Lotus creator and star Mike White and Jennifer Coolidge at the ICC Sydney, which was attended by 7,366 people.

Vivid Sydney's 2023 drone shows Written in the Stars proved to be hugely popular with more than 500,000 people viewing the seven shows. This year the number of free drone shows increased from one to six with one surprise final night. Each show featured more than 1,000 drones.



Vivid Sydney Drone Show, Written in the Stars.

Vivid Sydney CONTINUED

Vivid Sydney Fast Facts

3.48 million Vivid Sydney 2023 attendees (900,000 more or a 35% increase on 2022)

- The average daily festival attendance across the 23 nights was **151,300**.
- In 2023, Vivid Sydney generated **\$206.1 million** in visitor expenditure, the largest in the event's 13-year history. This boost for the NSW economy has increased by \$31 million, or 18% compared to the previous record set in 2019.
- **\$63.8 million** in domestic visitor packages were sold (up 3% on 2022) and **\$44.8 million** in international travel packages (up 2,183% on 2022).
- **325,000** regional visitors (up 29.4% on 2022) and **350,000** interstate visitors (up 65.1% on 2022) came to Sydney for the festival.
- 36,500 Vivid Sydney visitors travelled to regional NSW and spent an estimated **\$21.7 million** (up 78% on 2022).
- On average, visitors stayed 3.3 nights in NSW for the event.
- The total number of nights stayed in Sydney was **756,135**.
- Restaurants, cafes and bars have enjoyed a surge in patronage. In 2023, **745,000** people ate meals across the festival, compared to 701,000 in 2022.
- Vivid Fire Kitchen at The Cutaway in Barangaroo attracted **190,000** people.
- Restaurants across the festival footprint reported **81%** of attendees purchasing food and beverages - more diners than any Vivid Sydney festival to date.
- Hotels in the CBD reported increased occupancy rates up 12 per cent overall compared to last year's festival, lifting occupancy to **78%** across the CBD and 90 per cent on Friday and Saturday nights.
- Seven Written in the Stars Drone Shows produced – a festival record and the largest drone shows in the Southern Hemisphere.
- Largest opening weekend on record with **459,000** visitors.
- Most attendees over a June long weekend in the festival's history with **830,000** visitors.
- The longest ever free Vivid Light Walk at 8.5km with 57 light installations and 3D projections from Circular Quay to Central Station.
- More than **1,200** attendees for Vivid Music's A Bend in the River, A Tribute to Archie Roach AC at Sydney Town Hall.
- **3,978** wheelchair participants.
- **79,197** families with prams on the Vivid Sydney footprint.
- **25,225** Vivid Sydney broadcast, print and online media clippings (up 16% on 2022).
- Just under **4 million** website visits to vividssydney.com (up 43% on 2022).
- **649 million** users reached with content via [#vividssydney](https://twitter.com/vividssydney) (up 83.9% on 2022).
- Social content on Vivid Sydney owned channels reached a total of **85.7 million** users (up 5.1% on 2022).
- **966,490** video views of Vivid Sydney Live streams to date (up 141% on 2022).





Events

The fourth pillar in the Visitor Economy Strategy 2030, Investing in World-Class Events remains the focus for the event investment team. Curating and investing in a diverse range of compelling events supports the ambition in the strategy to position Sydney as the events capital of the Asia Pacific.

Entering a post-COVID-19 era, the team secured and retained 47 events in the 2022 - 2023 financial year. Our events calendar comprised of the following noteworthy investments, including The A-Leagues Men's and Women's Grand Finals, Sydney WorldPride, Sydney Marathon, and the largest Vivid Sydney attendance to date.

Culture, Entertainment and Creative Industries

Our arts, creative industries and entertainment portfolio have cemented a strong presence on the Sydney and NSW major events calendar. This year, the breadth of events included the inaugural Sound West Festival, exclusive exhibitions of artists such as Adrián Villar Rojas and Do Ho Suh and blockbuster musicals such as the Australian premiere of *TINA: The Tina Turner Musical* and Disney's *Beauty and the Beast the Musical*.

Sydney made history as the first Southern Hemisphere location to host WorldPride, Allianz Stadium opened with an exclusive concert from Bruno Mars and audiences were entertained with the record-breaking musical *The Phantom of the Opera*.

Sporting Events

Sydney and NSW have been proud to host many of our nation's top sporting events, and Destination NSW has continued to work with industry stakeholders to make the best of our infrastructure and natural environment. We are making Sydney the home of football through ongoing support of the Socceroos and the Matildas and hosting The A-Leagues Men's and Women's Grand Finals and Sydney Super Cup. Investment in running has led to the Sydney Marathon securing World Athletics Platinum Label status with a view to achieving the prestigious World Marathon Major status from 2025. Sailing, cycling and surfing events around the state are highlighting the natural beauty of NSW terrain while boosting day-trippers and overnight visitation to the regions.

10 World Cups

In July 2018, the Government unveiled a plan to host 10 World Cup sporting events over the following decade, with an initial projection of generating up to \$1 billion for the NSW visitor economy. Despite the challenges posed by the global COVID-19 pandemic, in FY2022/23, four world cup events were successfully delivered in NSW, including the UCI Road World Championships 2022 in Wollongong, the FIBA Women's Basketball World Cup 2022, the ICC Men's T20 World Cup, and the World Athletics Cross Country Championships 2023 in Bathurst. These events have played a crucial role in supporting Destination NSW's Visitor Economy Strategy 2030 'Road to Recovery' Strategic Pillar, positioning NSW as the premier events destination in the Asia Pacific as well as supporting the 'Showcase our Strengths' Strategic Pillar highlighting the region's location, visitor experience and amenity.



TINA: The Tina Turner Musical.

Events CONTINUED

Destination Events – Focus on Festivals



Regional festivals were back to their preferred schedules and continued to attract large numbers of visitors in the 2022 – 2023 financial year. Several events were rescheduled in the 2021 – 2022 financial year due to the COVID-19 pandemic, including Broken Hill Mundi Mundi Bash, Tamworth Country Music Festival, Parkes Elvis Festival and Bluesfest.

The Broken Hill Mundi Mundi Bash is one of Australia's newest outback music festivals and was created by the producers of the iconic Birdsville Big Red Bash. Set on the stunning red dirt of the Mundi Mundi Plains with the beautiful Barrier Ranges as the backdrop, the Broken Hill Mundi Mundi Bash brought the NSW outback to life for the second time.

The Tamworth Country Music Festival is an annual festival celebrating Australian country music, which culminates with the Country Music Association of Australia Awards, known as the Golden Guitars. The event was back to its original schedule in January 2023 and saw 1800 events held across the region over the 10-day festival.

The Parkes Elvis Festival is an annual event held in the second week of January to coincide with Elvis Presley's birthday. Celebrating its 30th anniversary in 2023, the five-day Blue Hawaii-themed festival had more than 400 events and performances. Elvis impersonators travelled from around the world to compete for a spot in the semi-final of the Ultimate Elvis Tribute Contest, the final of which is held in Memphis, USA.

Bluesfest is a five-day music festival held in Byron Bay over the Easter holiday. The event is one of Australia's most iconic events and has been featured on the NSW events calendar for more than 30 years. The event hosts over 50 headline artists, comprising major Australian and international talent, as well as supports local, Indigenous and emerging talent.



Mundi Mundi Bash, Broken Hill.

Men's and Women's A-League Grand Final



In December 2022, Destination NSW secured The A-Leagues Men's and Women's Grand Finals exclusively for Sydney from 2023 – 2025, cementing the Harbour City's position as the nation's home of football. This included a partnership with Australian Professional Leagues (APL) to bring the events to Sydney, including a new grand final week festival of football to create an event destination experience for football fans.

The A-Leagues represent the pinnacle of professional football for both Men and Women in Australia, with the annual A-Leagues Grand Finals signifying the season-ending matches to determine which club will be crowned Champions of the A-League Men's and Women's premiership seasons.

With both events held at CommBank Stadium in Parramatta, the A-League Women's Grand Final saw Sydney FC defeat Western United 4-0 by more than 9,510 spectators, delivering a record attendance for a domestic women's grand final match in Australia. The Men's Grand Final saw the Central Coast Mariners defeat Melbourne City 6-1, with more than 26,520 spectators watching the game. The events strategically aligned with Destination NSW's 'Road to Recovery' and 'Invest in World-Class Events' Strategic Pillars, supporting the commercial growth of women's sport in Australia.



Parkes Elvis Festival.

Events CONTINUED

Sydney WorldPride

The world's largest global LGBTQIA+ celebration, Sydney WorldPride, was held from 17 February to 5 March 2023, marking the first time the event had been held in the Southern Hemisphere in its 23-year history. WorldPride is a biennial event that promotes LGBTQIA+ issues on an international level through parades, festivals and other cultural activities. Rome held the inaugural WorldPride in 2000 and host cities since then include Jerusalem, London, Toronto, Madrid, New York and Copenhagen.

Sydney WorldPride showcased the city to a forecasted 500,000 attendees, with 78,000 projected unique visitors travelling from out of Sydney. The event also reached millions of people online.

The event contributed to and promoted Sydney's night-time economy, showcasing the city as vibrant, diverse, inclusive and safe.

Highlight events included:

- Three 20,000+ events in The Domain – Live & Proud: Sydney WorldPride Opening Concert, Domain Dance Party and Ultra Violet
- The largest LGBTQIA+ Human Rights Conference in the Southern Hemisphere, with 227 presenters from 43 countries take over 3,000 people on a journey toward equality for all
- A 50,000 person march across the Sydney Harbour Bridge
- Marri Madung Butbut: First Nations Gathering Space which featured six days of free and ticketed events
- MobTix – the First Nations ticket accessibility program
- Blak and Deadly: First Nations Gala Concert.



Miss Ellaneous at Sydney WorldPride 2023.

Ultra-Trail Kosciuszko by UTMB

The inaugural Ultra-Trail Kosciuszko by UTMB (Kosciuszko Ultra) event was held from 7 - 9 December 2022 in the Snowy Mountains and was supported by Destination NSW. The Kosciuszko Ultra is one of 30 events globally in the new UTMB World Series that launched in May 2021. UTMB World Series Events provide qualification opportunities to the UTMB World Series Finals, the pinnacle of international trail running held annually at Chamonix-Mont-Blanc, France (World Championship).

The Kosciuszko Ultra is one of three UTMB World Series Events in the Oceania region, joining the Ultra-Trail Australia in the Blue Mountains and the Tarawera Ultramarathon in New Zealand. Ultra-Trail Mont Blanc (UTMB) is the most aspirational trail running event internationally.

Ultra-Trail Kosciuszko by UTMB positions the Snowy Mountains region internationally as a key adventure sport destination and delivers a major event to the region in early summer, traditionally a low season for visitors to the region. The event also aligns with the NSW Government's Snowy Mountains Activation Precinct master plan, which seeks to increase year-round tourism to the region, grow the regional economy and transform the Snowy Mountains into Australia's Alpine Capital through attracting more visitors from Australia and around the world.

The 2022 event was successfully delivered in the Snowy Mountains, quickly selling out with 1,867 athletes competing. Over 40 per cent of the athletes were made up of interstate and international participants, attracting athletes from 20 different countries.

SOUND WEST 2022

SOUND WEST saw music, creativity and learning converge in the heart of Parramatta from 20 - 28 August 2022. Initially announced in 2018 and postponed on five occasions due to the ongoing impact of COVID-19, the event was secured by Destination NSW and supported by City of Parramatta. The event was also a recipient of federal funding via the Restart Investment to Sustain and Expand (RISE) fund.

The inaugural year of SOUND WEST brought Greater Western Sydney to life with an extensive program of live music events, conferencing and networking. An incredible line-up of both technology and music heavyweights featured across both the live music and conference components of the festival, including Masked Wolf, Shopify, TikTok, Spotify, Linktree, Immutable X and Finder.

SOUND WEST aligned with the NSW Visitor Economy Strategy 2030 'Showcase our Strengths' and 'Facilitate Growth' Strategic Pillars by supporting the development of career pathways for artists through showcasing, upskilling, networking, promoting and championing artists across music, performance and technology in Western Sydney.



Ultra-Trail Kosciuszko by UTMB (Kosciuszko Ultra), 2022.

Policy, Product and Engagement

The Policy, Product and Engagement Division comprises the functions of product and distribution development, regional destination development, regional business events, ministerial and parliamentary services, and corporate affairs and policy. This new division was formed to deepen stakeholder engagement to increase collaboration between visitor economy stakeholders and government at all three levels and develop the visitor economy to support the implementation of the NSW Visitor Economy Strategy 2030 and the NSW Government's vision of making NSW the premier visitor economy of the Asia Pacific.

First Visitor Economy Forum

Destination NSW held its inaugural Visitor Economy Forum at the ICC Sydney in October 2022, providing an opportunity to share the strategies and programs reinvigorating Greater Sydney's visitor economy during its road to recovery. The Forum was attended by more than 280 representatives from visitor economy businesses, industry associations and local government partners from Greater Sydney.

The objectives of the Forum were to share information, build engagement, encourage collaboration and inspire fresh, actionable ideas that will help the Metropolis of Three Cities - Eastern Harbour City, Western Parklands City and Central River City - build back better.

Attendees heard from a range of subject matter experts and thought leaders, who shared valuable data and consumer insights, as well as details of the events, marketing programs and product development initiatives that will turbocharge COVID-19 recovery efforts in 2023 and beyond. Attendees were also informed about the opportunities for rebooting the international market in areas including major events, business events, wellness tourism and luxury travel.

During the 'Showcasing Our Strengths' panel discussion, the latest Virtuoso travel data was explored, which showed the USA had already outperformed 2019 outbound travel numbers for 2022 by 122 per cent. Other panel discussion topics included 'Making Sydney a 24-hour city', 'The value of major events to a host destination', 'Driving the business visitor economy' and 'Western Sydney: the engine room of the future visitor economy of Greater Sydney'.



First NSW Visitor Economy Forum.

NSW First Program – Digital Skills Accelerator for Tourism

Destination NSW recognises the need to accelerate digital innovation among visitor economy businesses to protect and increase market share. As part of the NSW First Program, Destination NSW collaborated with digital tourism skills provider Tourism Tribe, to deliver three programs dedicated to providing critical digital skills to NSW operators. This included two foundational Digital Skills Accelerator programs with a focus on optimising online presence – one offered state-wide and one focused on Greater Sydney – in addition to the launch of an intermediate eMarketing course, offered state-wide.

This collaboration focused on improving digital skills among visitor economy businesses, assisting them to remain competitive by fully leveraging digital platforms and best practice insights to promote their experiences and meet service delivery expectations in an increasingly digital-focused travel environment.

All three programs were offered to NSW tour, attraction, accommodation or hire businesses. The objective of the state-wide and Greater Sydney Digital Skills Accelerator programs was to deliver core digital skills specific to visitor economy businesses including optimising their online presence, through digital health check reports, Australian Tourism Data Warehouse reports and one-on-one coaching. The Greater Sydney program had a specific focus on upskilling businesses in Western Sydney ahead of the 2025 opening of the Western Sydney International Airport, while the eMarketing course provided intermediate, hands-on digital skills through coaching and online workshops to deliver a digital eMarketing campaign.

A total of 396 participants were enrolled in these programs in the 2022 – 2023 financial year. Results for the state-wide Digital Skills Accelerator program saw participating businesses reaching digital capability scores up to 23 per cent above the national average. Throughout the year, a total of 49 businesses progressed from the foundational Digital Skills Accelerator programs to the intermediate eMarketing Program.



Policy, Product and Engagement CONTINUED

Focus on India Trade Event

Destination NSW strengthened its presence in one of the state's top inbound markets, by hosting a Focus on India trade event from 12 – 17 February 2023.

Usually held annually, this event returned for the first time since 2019. The centrepiece of the event was a one-day workshop held in Sydney that gave 30 NSW visitor economy businesses the opportunity to meet with 38 key travel buyers from India. The workshop consisted of one-on-one appointments followed by a networking dinner event.

The group participated in a Sydney familiarisation program which included visits to BridgeClimb, Sydney Opera House, Taronga Zoo, Australian National Maritime Museum, SEA LIFE Sydney Aquarium, a scenic flight with Sydney Seaplanes, Oz Jet Boating rides and a Clearview Glassboat Sydney Harbour dinner cruise. This was followed by post-workshop familiarisation visits to regional NSW which included a variety of visitor experiences in the Blue Mountains, Hunter Valley, Port Stephens, Southern Highlands, Jervis Bay, Shoalhaven and Kangaroo Valley.

Focus on India 2023 resulted in the successful showcase of NSW visitor economy businesses to key Indian travel buyers, with more than 1,000 meetings conducted. India is an accelerate market for Destination NSW and as of June 2023 ranks fourth for overseas arrivals.

The Focus on India trade event also supported the NSW Visitor Economy Strategy 2030 'Showcase our Strengths' and 'Facilitate Growth' Strategic Pillars by highlighting NSW key experiences, cities, regions and events to key Indian trade partners, with the aim to grow overnight visitor expenditure.



Destination Network Destination Management Plan Launch

In February 2023, Destination NSW announced seven new Destination Management Plans (DMPs) to help foster the growth of the state's regional visitor economy through to 2030. The DMPs highlight the unique strengths of each region and include targeted actions for government and industry collaboration to facilitate increased visitation and visitor spend.

Developed by the Destination Networks, the DMPs were the outcome of a comprehensive process of engagement with businesses, community stakeholders and government agencies. This consultation process aimed to review and refresh the existing plans, ensure alignment with the NSW Visitor Economy Strategy 2030 and identify new opportunities to grow the visitor economy of regional NSW with a target of \$25 billion in visitor expenditure by 2030.

The series of new roadmaps provide a framework for future stakeholder engagement and collaborative initiatives to contribute to this target. They also support the NSW Visitor Economy Strategy 2030 'Facilitate Growth' Strategic Pillar by providing a blueprint in future planning for regional NSW, which will ensure continued growth and future prosperity of the regions.

Each DMP outlines the region's target markets and visitor profiles, research insights, strategic objectives, unique positioning and key infrastructure projects that have the potential to influence the visitor economy.



Focus on India Trade Event, 2023.

Policy, Product and Engagement CONTINUED

NSW Regional Conferencing Strategy and Action Plan

Delivered by the Destination NSW Regional Conferencing Unit, the Meet in Regional NSW Program is designed to raise awareness and consideration for regional NSW as a premier destination for business events. The program helps deliver key actions identified in the NSW Visitor Economy Strategy 2030 including securing and supporting new business events for regional NSW to drive visitation and expenditure across the state.

In the 2022 – 2023 financial year, the Regional Conference Unit helped secure more than 50 corporate events to be delivered in regional NSW between 2022 and 2025 with an estimated direct delegate expenditure of \$5.3 million. Sales activities have generated an additional 95 business event leads with an estimated potential value of \$11 million for regional NSW. The program has also delivered more than 7,200 direct website leads to businesses listed on meetinnsw.com.au.

Asia Pacific Incentives and Meetings Event 2023

The Asia Pacific Incentives and Meetings Event (AIME) is the leading trade event for the meetings and event industry in the Asia Pacific. Destination NSW partnered with Business Events Sydney and 24 different destination and venue partners from across the state to exhibit at the event in February 2023, attended by more than 500 event buyers. Collectively, our NSW exhibitors conducted more than 670 appointments generating 70 new business event leads. These enquiries represented more than 22,000 potential visitor nights for regional NSW with an estimated value of \$8 million in direct event expenditure.

Destination NSW also hosted 34 AIME buyers on post-event familiarisation trips across NSW to showcase the products and experiences available for business events. The attendees were split into four groups and visited 114 local venues and suppliers across the Greater Sydney, Northern Rivers, South Coast and Hunter and Central Coast regions. Survey responses conducted by Destination NSW showed that 100 per cent of buyers who attended would now consider the destinations visited for upcoming business events being planned as a result of the tours.

Corporate Affairs and Policy

The Corporate Affairs and Policy business unit is responsible for corporate communications, ministerial and parliamentary services, visitor economy policy, and Destination NSW's corporate digital strategy.

In the 2022 – 2023 financial year, the team delivered a range of activities to amplify Government investments in policies and programs that underpin the Government's vision for NSW to be the premier visitor economy and Sydney to be the events capital of the Asia Pacific.

The Visitor Economy Policy team was responsible for leading key initiatives to further support the growth of NSW visitor economy including the establishment of four Local Government Visitor Economy working groups across the Greater Sydney region. The purpose of the groups is to ensure a whole-of-government approach to the NSW visitor economy, to foster collaboration across Local Government Areas, to monitor performance against targets and respond to emerging issues. The four working groups of tourism and economic development encapsulate Western Parkland City, Central River City, Eastern Harbour City (south) and Eastern Harbour City (north), with working group members sharing insights via quarterly meetings and showcasing their local area via tours of key precincts and visitor attractions.

Audiences for Destination NSW's corporate digital communications continue to grow with the website, newsletter and social media channels providing valuable insights to visitor economy stakeholders. Throughout the 2022 – 2023 financial year, the weekly Destination NSW Insights newsletter continued to achieve strong growth, attracting a highly-engaged audience with weekly open rates averaging 41 per cent. The 29 July 2022 International Trade Mission edition of Insights saw a record 50.3 per cent open rate and a 39.7 per cent click-to-open rate. The corporate LinkedIn account also performed strongly gaining more than 1,290 new followers during the 2022 – 2023 financial year, an increase of 2,502 compared to the 2021 – 2022 financial year.

The team continued to provide a high level of service to the Minister's office to support the delivery of key media opportunities. This included preparing materials for more than 30 media announcements related to the growth of the NSW visitor economy. The Ministerial and Parliamentary Services team was responsible for developing a range of outputs to support ministers and government representatives, as well as the Destination NSW executive team. This included briefing notes, correspondence, responses to Questions on Notice, and supplementary questions for Budget Estimates hearings.



Asia Pacific Incentives and Meetings Event, 2023.

People and Culture

The People and Culture division focuses on our people to create a supportive, engaged, empowered, and high-performing work culture. The team provides advice and guidance to the wider organisation via its three core functions – People Strategy & Engagement, HR Advisory and Internal Communications.

People and Culture seeks to enable exceptional performance in a supportive environment that values, recognises and celebrates the contributions of each individual and team. The team aims to continuously develop, challenge and promote the strengths of all Destination NSW employees.

People and Culture has four strategic objectives:

- Getting the basics right
- Creating and supporting high-performing teams
- Making Destination NSW the premier place to work
- Embedding a diverse and inclusive recognition culture.

Fostering a high-performing and inclusive culture

People and Culture continues to cultivate a high-performing, unified workforce where each employee understands how their role contributes to the broader strategic vision of Destination NSW. Different projects and initiatives are shared at the monthly All Staff Town Halls, led by CEO Steve Cox, demonstrating the connectivity between employees' daily work and how Destination NSW is delivering against the NSW Visitor Economy Strategy 2030.

The team's commitment to Destination NSW's annual performance and development planning cycle has provided individuals with clarity of purpose and direction through their goals, achievements and regular conversation with their people leaders. During the 2022 – 2023 financial year we implemented a mandatory Destination NSW values objective for all employees and people leaders to maintain a positive balance between the 'what' and the 'how' of high performance.

People and Culture encourages self-directed professional development to promote a culture of continuous learning. The team has provided people managers with a number of opportunities to bolster their leadership capacity through development and change management workshops. This year Destination NSW welcomed its first ever cohort of graduates from the NSW Government Graduate Program.

The People and Culture team is also focused on building a workplace that reflects the diversity of the NSW visitor economy and the wider community. This year we began the development of our inaugural Reconciliation Action Plan (RAP) to scope and reflect on how Destination NSW can make a meaningful contribution towards reconciliation. In addition, we are developing a new Disability Inclusion Action Plan (DIAP) as we renew our commitment to being an inclusive employer.

Utilising employee feedback as a positive force for change

People and Culture continued its multi-faceted approach to receiving and implementing employee feedback including employee surveys and focus group sessions. This was reflected in the People Matter Employee Survey results with a nine-point percentage increase (to 62 per cent) in agreement to the question "I am confident my organisation will act on the results of this survey", which is well above the public sector result of 44 per cent.

Following the 2022 People Matter Employee Survey (PMES), we identified several key areas for improvement which we continue to address through organisational and team-based action plans. Some of our actions include the development of the RAP and a RAP Working Group; expanding our learning and development offering to include more professional development opportunities such as change management and leadership capability training; and holding our inaugural End of Year Awards to celebrate success and recognise the achievements of our people.

Fostering cross team collaboration and connecting people

People and Culture seek to create an environment where connection and cross-team collaboration are at the forefront of how we work at Destination NSW.

Destination NSW has created several working groups with participation from across the organisation, including our Tech Road Map and our RAP working groups. We have facilitated multiple internal events including our inaugural End Of Year Awards, Harmony Day celebrations, NAIDOC Week and Reconciliation Week activities, a Vivid Sydney networking event and volunteering, to name a few.

We reactivated the Destination NSW Social Club to lead the organisation of social events and activities for our people. Social Club event highlights to date include a Vivid Sydney night walk, a FIFA Women's World Cup office sweep and bake sale fundraiser. In addition, we overhauled our monthly internal newsletter Insider, taking a more people-focused approach to content.

Elevating organisational capacity

With assistance from the Department of Customer Service (DCS), our human resources advisory function completed the first development phase of a new people metrics dashboard. This multi-year project will provide a real-time view of key metrics including headcount, employee turnover, absenteeism and reported safety incidents. In the 2022 – 2023 financial year, work commenced with DCS to implement data thresholds that protect individual privacy and de-identification of data. A talent management and succession planning framework has also been designed to assess and develop key internal talent and support proactive succession planning for critical roles, helping to deliver ongoing value to Destination NSW.

Corporate Services

The Corporate Services division brings together specialist support services including finance, legal, procurement, risk, governance, strategy, research and insights, information technology, general administration and facilities management.

Customer Relationship Management – Salesforce CRM

The Salesforce program is delivering identified, high-priority projects to assist Destination NSW's strategy by supporting users, conducting minor improvements, delivering training and cleansing data. Some of the high-priority projects include reviewing Chat GPT/Artificial Intelligence (AI) CRM use cases and preparing for the release of new Chat GPT/AI functionality, build and continue to enhance integrations to key external and internal systems, increase the usage of reports and dashboards to identify key business insights and deliver a stream of process improvement projects.

Destination NSW Strategy and Project Management Platform – Monday.com

During the year the Performance Assessment, Insights and Strategy team continued to drive improvements to the task and project management platform Monday.com, increasing its utilisation and delivering innovative projects across the agency. This has enabled greater collaboration and operational efficiency by tracking projects and workflows related to the delivery of the Destination NSW Strategy.

Technology Strategy and Roadmap

A technology strategy and three-year roadmap was developed for Destination NSW to further accelerate the achievement of strategic initiatives and maintain an industry-leading position. The strategy considers the organisation's current state of technology, as well as capability, emerging trends in technology and the tourism industry and how these can be leveraged in consideration with Destination NSW's unique organisational goals.

An agile approach was adopted with an interactive process to clarify stakeholder expectations using co-creation workshops and leveraging design thinking techniques. These sessions uncovered the expectations, pain points and what Destination NSW team members like about technology. Potential opportunities for improvement have been factored into the suggested three-year roadmap.

The roadmap aims to align and help the organisation achieve key objectives and provide a view of the existing service offerings and suggested improvements within technology to enable the business to achieve visitor economy outcomes and operating excellence.

Data and Analytics Strategy

Destination NSW is currently finalising the development of a Data and Analytics Strategy that will complement the technology roadmap. This will focus on key initiatives to improve the Data Analytics Maturity and Governance across Destination NSW while enabling the organisation with data tools and products to enhance data-driven decision making.



Destination NSW Social Club members.



Destination NSW Staff attending the FIFA Fan Festival.



Circular Quay, Sydney

Management and Accountability

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Destination NSW Senior Executive

Steve Cox, MBA, Post Grad Dip Management
Chief Executive Officer

Julie Turpie, BA (Hons) Leisure and Recreation Management
General Manager, Events

Sarah Lovell
Director, Event Acquisition and Development,
Culture, Entertainment and Creative Industries

Ian Maltman, CA FFIN GAICD Grad Dip (Applied Finance),
Grad Conv. (Accounting) BApSc
Chief Financial Officer and General Manager, Corporate
Services

Rachael Hayes, B. Communications (Public Relations)
Director, Corporate Affairs and Policy

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

Peter Doran, BA MA QPR AMSRS TASA FAIM MAICD MISPI
Director, Performance Assessment, Insights and Strategy

Sue Doyle, BA Tourism Management
Director, Partnerships and International Marketing

Bronwen Gwynn-Jones, BA (Hons); Master of
Arts (Communications)
Director, Content and Creative Services

Luke Hanley
Director, Event Acquisition and Development,
Sport & Destination Events

Kathryn Illy, MBA, Grad Dip Management, B. Bus and
Economics, GAICD
General Manager, Consumer Marketing

Stephen Mahoney, BA (Hons) Japanese Language and Culture
General Manager, Policy, Product and Engagement

Arthur Cheng, M Comm, B. Soc Sci (Hons), Dip Couns,
Dip Proj Mgt, CPHR, GAICD
Director, People and Culture

Bohdi Lewis, B. Commerce (Marketing and Management)
Director, Brand Strategy and Customer Experience

Timothy Loxton, B. Com, BA
Director, Regional Hub

Adam Shutler, B. Sc (Hons) Product Design
Director, Digital Centre of Excellence

Kylie-Jane Menzies, AdvDip Travel and Tourism Marketing
Director, Product and Distribution Development

Kristy Meudell, BA (Communications)
Director, Public Relations, Influencers and Visiting Media

Caroline Miller, CPA
Director, Finance

Human Resources

Destination NSW employee profile (as of 30 June 2023)

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

PERCENTAGE OF EMPLOYEE BY GRADING: FULL-TIME EQUIVALENT (FTE)						
Total Employee on 30 June 2023	2022-2023	Men	Women	Percentage Total	Percentage Men	Percentage Women
Grade 3-4 \$75,992 - \$83,211	6	2	4	2.5%	1.0%	1.5%
Grade 5-6 \$89,707 - \$98,982	15	2	13	6.5%	1.0%	5.5%
Grade 7-8 \$101,947 - \$112,849	55	7	48	23.0%	3.0%	20.0%
Grade 9-10 \$116,211 - \$128,061	53	6	47	22.5%	2.5%	20.0%
Grade 11-12 \$134,411 - \$155,445	34	8	26	14.5%	3.5%	11.0%
Senior Executives Band 1-3	19	10	9	8.0%	4.0%	4.0%
Overseas Employees	20	3	17	8.5%	1.5%	7.0%
Contingent Workforce	34	12	22	14.5%	5.0%	9.5%
Total	236	50	186	100%	21.5%	78.5%

STAFF PROFILE BY EMPLOYMENT BASIS			
Total employees on 30 June 2023	2022-2023	2021-2022	2020-2021
Permanent Full-time	138	104	111
Permanent Part-time	22	19	12
Temporary Full-time	20	9	14
Temporary Part-time	3	2	1
Senior Executives	19	18	18
Contingent Workforce	34	48	53
*Total employees on 30 June	236	200	209

*Includes 5 staff on Parental Leave

Senior Executive Profile

In 2022 – 2023, Destination NSW's employee-related actual expenditure for Senior Executives was at 20.4 per cent.

SENIOR EXECUTIVE PROFILE				
Band	2022-2023		2021-2022	
	Female	Male	Female	Male
Band 3	0	1	0	1
Band 2	2	2	2	2
Band 1	7	7	7	6
Totals	9	10	9	9
	19		18	

SENIOR EXECUTIVE PROFILE – REMUNERATION			
Band	Range	\$ Average Remuneration 2022-2023	\$ Average Remuneration 2021-2022
Band 3	\$361,301 – \$509,250	496,613	486,875
Band 2	\$287,201 – \$361,300	332,435	309,521
Band 1	\$201,350 – \$287,200	243,146	233,488

Exceptional movements in remuneration

An increase of 2.5 per cent in salary and related allowances and an increase of 0.5 per cent in superannuation, effective from the first full pay period of July 2022, was paid to clerical officers in accordance with the Crown Employees (Public Sector – Salaries 2022) Award.

The Statutory and Other Offices Remuneration Tribunal determined an increase of 2.0 per cent to the total remuneration packages of public service Senior Executives in 2022-2023, which was implemented.

A 3 per cent increase to the base salaries of all international staff effective from 8 July 2022 was paid to ensure a consistent approach in line with the salary increase for Australia-based Crown Employees.

Corporate Governance

Destination NSW Board of Management

Method of appointment and term of Board Members

Under the terms of the Destination NSW Act 2011, members of the Board of Management of Destination NSW are appointed by the responsible minister. During the 2022 – 2023 financial year, the responsible ministers were:

- Minister for Jobs and Tourism, The Hon. John Graham, MLC;
- Minister for Tourism, The Hon. Ben Franklin, MLC; and
- The Minister for Enterprise, Investment and Trade, Minister for Tourism and Sport, Minister for Western Sydney, The Hon. Stuart Ayres, MP.

The board consists of a Chairman (also appointed by the Minister), individuals with relevant skills and experience, the Secretary of Department of Enterprise, Investment and Trade and the Chief Executive Officer. Each member holds office for the term specified in his or her instrument of appointment. If they are otherwise qualified, members are eligible for reappointment for additional term(s).

Board Members

Sally Loane (Chairman) (appointed as Chairman 7 November 2022)

Russell Balding AO (Deputy Chairman)

Rod McGeoch AO

Anne Loveridge AM

The Hon. George Souris AM

Emma Hogan (appointed 1 August 2022)

Clark Webb (appointed 13 February 2023)

Anna Guillan AM (appointed 13 February 2023)

Elizabeth Mildwater (appointed 19 October 2022)

Steve Cox

Christine McLoughlin AM (Chairman until 4 November 2022)

Rebekah Horne (until 4 November 2022)

Amy Brown (until 19 September 2022)

Board Meetings

The Destination NSW Board met on seven occasions during the 2022 – 2023 financial year.

The attendance record of the members was, Sally Loane (7/7), Russell Balding AO (7/7), Rod McGeoch AO (7/7), Anne Loveridge AM (7/7), The Hon. George Souris AM (7/7), Emma Hogan (6/6), Clark Webb (3/3), Anna Guillan AM (3/3), Elizabeth Mildwater (5/5), Steve Cox (7/7) Christine McLoughlin AM (3/3), Rebekah Horne (2/3), Amy Brown (1/1).

Board Committees

Audit and Risk Committee

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

This committee also ensures the sound financial position of Destination NSW through regular reviews of its budget performance. The Destination NSW Audit and Risk Committee met on five occasions during the 2022 – 2023 financial year.

The attendance record of the members was: Anne Loveridge AM (5/5), The Hon. George Souris AM (5/5), Anna Guillan AM (1/1) (appointed as Member to Committee on 22 April 2023), Sally Loane (1/1) (Member of Committee until 7 November 2022).

Business Events Sydney

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

The Hon. George Souris AM and Steve Cox.

Legal Change

From 13 April 2022, the Minister for Jobs, Investment, Tourism and Western Sydney administered the following Acts and the Regulations made under those Acts:

Destination NSW Act 2011 No 21

Major Events Act 2009 No 73

Motor Sports Events Act 2022 No 11

From 5 August 2022, the Minister for Tourism administered the following Act and the Regulation made under this Act:

Destination NSW Act 2011 No 21

From 5 April 2023, the Minister for Jobs and Tourism administered the following Acts and the Regulations made under this Act:

Destination NSW Act 2011 No 21

From 3 May 2023, the Minister for Jobs and Tourism administered the following Acts and the Regulations made under those Acts:

Destination NSW Act 2011 No 21

Major Events Act 2009 No 73 (jointly with the Minister for Sport)

Corporate Governance CONTINUED

Consultants

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

Consultant	Funding \$	Title/Nature
Accenture Australia Pty Ltd	\$248,750	Organisation effectiveness review
Accenture Australia Pty Ltd	\$149,650	Three-year technology roadmap

Consultants less than \$50,000:

Consultant	Funding \$	Title/Nature
PricewaterhouseCoopers	\$45,900	Head office accommodation review
Stephenson Mansell Group Pty Ltd	\$18,000	Facilitation and program design for team development

Government Information (Public Access) Act 2009

In the 2022 –2023 financial year, Destination NSW received five valid access applications under the Government Information (Public Access) Act 2009.

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

As a result of this review, Destination NSW will continue to provide open access to a range of information such as annual reports, e-newsletters, media resources, social media accounts, policy documents, statistics and research and a register of government contracts including contract values and copies of Class 3 contracts.

Destination NSW aims to strike a balance to provide information to the public while acknowledging the resources of Destination NSW and the commercial nature of its operations.

Valid Applications	Invalid Applications
5	0

Destination NSW received two informal applications during the reporting period.

Corporate Governance CONTINUED

Government Information (Public Access) Act 2009

A detailed breakdown of the types and nature of the requests is provided in the following tables.

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not for profit organisations or community groups	0	2	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	3	0	1	0	0	0	0
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

* A "personal information application" is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

TABLE C: INVALID APPLICATIONS	
Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Corporate Governance CONTINUED

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 TO ACT

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015	0
Information about authorised transaction under Land and Property Information NSW (Authorised Transaction) Act 2016	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF ACT

	Number of occasions when application not successful
Responsible and effective government	7
Law enforcement and security	0
Individual rights, judicial processes and natural justice	4
Business interests of agencies and other persons	7
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Corporate Governance CONTINUED

Government Information (Public Access) Act 2009 CONTINUED

TABLE F: TIMELINES	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	5

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)			
	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

TABLE I: APPLICATIONS TRANSFERRED TO OTHER AGENCIES UNDER DIVISION 2 OF PART 4 OF THE ACT (BY TYPE OF TRANSFER)	
	Number of applications transferred
Agency-initiated transfers	0

Corporate Governance CONTINUED

Privacy and Personal Information

Destination NSW respects the privacy of members of the public who use its services and of its employees.

As a NSW Public Service Executive Agency, Destination NSW must comply with NSW state and commonwealth privacy legislation.

During the 2022 – 2023 financial year, no complaints were received regarding the privacy management of Destination NSW.

Destination NSW has a privacy policy which is reviewed regularly. The privacy policy and terms of use documents for all Destination NSW websites were amended as a result of the General Data Privacy Regulation released by the European Commission.

Destination NSW continues to work with Department of Enterprise, Investment and Trade on cyber security and privacy matters impacting on the agency and the cluster as a whole.

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

Requests for access to personal information held by Destination NSW may be made to the Privacy Officer at Level 2, 88 Cumberland Street, The Rocks, NSW, 2000 or by telephone on (02) 9931 1111.

In compliance with the provisions of the *Privacy and Personal Information Protection Act 1998*, Destination NSW has a Privacy Management Plan and has a designated Privacy Officer.

Mechanisms have been established to make Destination NSW staff aware of the *Privacy and Personal Information Protection Act 1998* and other privacy obligations.

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

Public Interest Disclosures

The *Public Interest Disclosures Act 2022* requires Agencies to report every six months to the Ombudsman on Public Interest Disclosures (PIDs) and to include this information in Annual Reports.

This report covers those PIDs received during the period from 1 July 2022 to 30 June 2023.

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

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

- Corrupt conduct – (0)
- Maladministration – (0)
- Serious and substantial waste – (0)
- Government information contravention – (0).

Total number of public interest disclosures received – (0)

The number of public interest disclosures finalised 30 June 2023 – (0)

The Destination NSW PID Reporting Policy and Procedure was developed in accordance with the requirements of the *Public Interest Disclosures Act 1994* and staff are aware of the contents of the Policy and the protections available, as required under s6E (1)(b) of the *Public Interest Disclosures Act 2022*.

Destination NSW staff have access to the Public Interest Disclosures policy on the staff intranet and have been provided training through presentations and workshops on the existence of the *Public Interest Disclosures Act 2022*.

Internal Audits

Destination NSW conducted an internal audit program during the reporting year, comprising three audits undertaken by Deloitte:

- Event funding – sporting event
- Key financial controls
- Safety and wellbeing audit

Destination NSW is implementing the agreed recommendations from these audits.

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

Risk controls include:

- Assessing corporate risk and conducting internal audits
- Managing ongoing risk, including maintaining registers and conducting fire and safety audits
- Developing risk identification and mitigation strategies through managing an enterprise risk register, risk framework, policy and associated ratings
- Maintaining appropriate insurance cover with the Treasury Managed Fund that covers all classes of risk
- Training and workshops
- Reviewing financial management processes.

Insurance

Destination NSW is insured through the Treasury Managed Fund. The coverage provided by the scheme is all inclusive and policies are held for workers compensation, motor vehicles, property, miscellaneous and public liability.

NSW Cyber Security Policy

Destination NSW Cyber Security Policy Annual Attestation Statement for the 2022 - 2023 Financial Year

I, Sally Loane attest to Destination NSW (DNSW) diligent management of cybersecurity risks, aligning with the mandatory requirements outlined in the NSW Government Cyber Security Policy. Our approach to cybersecurity is as follows:

- Leveraging the Department of Enterprise, Investment and Trade (DEIT) Expertise: DNSW utilises DEIT's cybersecurity plan to facilitate continuous improvement and effective management of cybersecurity governance and resilience.
- Governance for Cybersecurity Maturity: Governance practices from DEIT are employed to oversee and enhance cybersecurity maturity and initiatives within DNSW.
- Internal Audit & Risk Committee Vigilance: DNSW's in-house internal audit and risk committee has proactively included cyber risks on its agenda. This ensures that risks to information and systems are consistently assessed and managed.
- Incident Response Plan Alignment: DNSW adheres to DEIT's Incident Response Plan, and any cyber incidents are promptly managed through collaboration with DEIT's cyber team.
- Strengthening Cybersecurity: We are actively developing new systems and processes to fortify our cybersecurity environment. Initiatives include elevating the privacy management framework, implementing targeted cybersecurity awareness training program, and introducing a password manager solution.

All these measures collectively contribute to an enhanced security posture for DNSW. The effectiveness of our cybersecurity efforts has been verified and endorsed through attestations provided by Department of Enterprise, Investment and Trade and Department of Customer Service.

Sally Loane

Sally Loane
Chairman
Destination NSW

25 October 2023

Internal Audit and Risk Management Attestation Statement for the 2022-23 Financial Year for Destination NSW

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

CORE REQUIREMENTS		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

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

- [Independent] Chair, Anne Loveridge AM (appointment to 1 August 2024)
- [Independent] Member 1, The Hon. George Souris AM (appointment to 12 April 2025)
- [Independent] Member 2, Anna Guillan AM (appointment to 12 February 2026)

Internal Audit and Risk Management Attestation Statement for the 2022-23 Financial Year for Destination NSW

CONTINUED

Departures from Core Requirements

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

1. The circumstances giving rise to these departures have been determined by the Responsible Minister and Destination NSW has implemented the following practicable alternative measures to meet the core requirements:

DEPARTURE	Reason for departure and description of practicable alternative measures implemented/being implemented
Non-Compliance	
<ul style="list-style-type: none">Core Requirement 3.1.6 – Independent members from Prequalification Scheme	<ul style="list-style-type: none">Independent members are individuals who do not hold positions within the agency and are not employees of the NSW Government. They collectively possess all skill and knowledge requirements set out in the policy and also satisfy other TPP20-08 criteria prohibiting conflicts of interest.Loss of industry knowledge, adequate skills of current members and administrative burden

The determination by the Portfolio Minister for Destination NSW in respect of this departure, covers the 2021 –2022 and 2022 –2023 financial years.

These processes, including the practicable alternative measures being implemented, demonstrate that Destination NSW has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the agency.

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

Sally Loane

Sally Loane
Chairman
Destination NSW

Dated: 6 October 2023

Operations

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Purpose of Visit	Country visited	From	To
Steve Cox	To strengthen commercial partnerships and reinforce NSW's position as a global destination, undertaking meetings with Airlines and key distribution partners. The CEO also attended a tourism roundtable event in Mumbai with the Premier and Minister.	Singapore and India	24.07.2022	30.07.2022
Kathryn Illy	To represent and advocate the NSW visitor economy.	India	17.09.2022	25.09.2022
Sue Doyle	To represent and advocate the NSW visitor economy.	India	17.09.2022	25.09.2022
Erin Gardner	Attended the World Routes Conference in Las Vegas to demonstrate Destination NSW's support (on behalf of the NSW Government) for Sydney, Western Sydney and Newcastle Airports in negotiating additional frequency and capacity into the state.	USA	15.10.2022	23.10.2022
Samar Chokshi	Attended and coordinated Destination NSW's Focus on India program, a key trade engagement program designed to showcase Sydney and NSW products and destinations to key Indian-based trade partners.	Australia	11.02.2023	22.02.2023
Pooja Razdan	Attended and coordinated Destination NSW's Focus on India program, a key trade engagement program designed to showcase Sydney and NSW products and destinations to key Indian-based trade partners.	Australia	11.02.2023	18.02.2023
Steve Cox	Travelled to Austin to attend SXSW. It provided an opportunity to attend conferences, exhibitions, talks, music events and to gain insights into experiences, audiences and operational expertise that will be of benefit in the development of the first annual SXSW Sydney event in October 2023.	USA	12.03.2023	19.03.2023
Julie Turpie	Attended the SXSW Conference to represent Destination NSW.	USA	13.03.2023	19.03.2023
Sue Doyle	Travelled to UK and Germany to represent and advocate for the NSW visitor economy. Met key industry partners and undertook negotiations to secure partnership agreements for FY24. Conducted interviews for country manager, Germany and France, and gained first-hand experience of market conditions.	UK and Germany	21.03.2023	31.03.2023
Irene Morgan	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	21.04.2023	05.04.2023

Operations CONTINUED

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Purpose of Visit	Country visited	From	To
Siobhan Shaw	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	10.05.2023
Daliah von Harten	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	6.05.2023
Jenny Kim	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	6.05.2023
Haruhiko Niihori	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	06.05.2023
Siew Hoon Tan	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	09.05.2023
Samar Chokshi	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	05.05.2023
Jennifer Tung	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	22.04.2023	05.05.2023
Samantha Cameron	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	23.04.2023	05.05.2023
Pooja Razdan	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	26.04.2023	05.05.2023
Celine Dong	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	26.04.2023	05.05.2023

Operations CONTINUED

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Purpose of Visit	Country visited	From	To
Michelle Fu	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	26.04.2023	05.05.2023
Nerissa Lee	Travelled to NSW and the Gold Coast to undertake business planning meetings at Destination NSW head office. Also attended familiarisation programs and Australian Tourism Exchange.	Australia	26.04.2023	05.05.2023
Chloe Chua	Travelled to NSW to represent Destination NSW in the Singapore Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from Singapore, and to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	21.05.2023	27.05.2023
Siew Hoon Tan	Travelled to NSW to represent Destination NSW in the Malaysian and Indonesian Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from Malaysia and Indonesia, and increase knowledge and awareness of NSW destinations, products and experiences.	Australia	25.05.2023	03.06.2023
Sam Cameron	Travelled to NSW to represent Destination NSW in the joint Air New Zealand and Destination NSW Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from New Zealand, to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	26.05.2023	28.05.2023
Jenny Kim	Travelled to NSW to represent Destination NSW in the South Korean Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from South Korea, to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	01.06.2023	06.06.2023
Haruhiko (Harry) Niihori	Travelled to NSW to represent Destination NSW in the Japan Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from Japan, to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	01.06.2023	11.06.2023
Celine Dong	Travelled to NSW to represent Destination NSW in the China Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from China, to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	04.06.2023	10.06.2023

Operations CONTINUED

Promotion

OVERSEAS VISITS BY EMPLOYEES AND OFFICERS				
Name of Officer	Purpose of Visit	Country visited	From	To
Michelle Fu	Travelled to NSW to represent Destination NSW in the China Trade Familiarisation Program to strengthen relationships with NSW product suppliers and international buyers from China, to increase knowledge and awareness of NSW destinations, products and experiences.	Australia	04.06.2023	10.06.2023
Steve Cox	Tourism Australia invited all CEOs from State Tourism Offices to participate in a China delegation, to show the strength of Australian tourism and demonstrate to the industry and consumers in China that Australia is open and welcoming. It also included meetings with key industry stakeholders and airlines.	China	25.06.2023	30.06.2023

Financial Management

Investment Performance

Refer Financial Statements: Financial Instruments Note 19.

Liability Management Performance

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

Implementation of Price Determination

Destination NSW is not subject to the Tribunal.

Other Information: Annual Report Costs

The Annual Report Costs are nil. The Annual Report is produced in-house by Destination NSW. All images and other collateral included in the document were sourced from the Destination NSW Content Library and existing resources. Printing of required compliance copies was undertaken in-house.



Look At Me Now Headland, Emerald Beach

Sustainability

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Policies and Programs

Work Health and Safety

Destination NSW is committed to ensuring the active participation of all employees in Workplace Health and Safety (WHS) matters and continues to ensure everyone has a safe and healthy workplace. The active WHS committee continues to promote and educate employees in the identification and management of WHS. There were no compensation cases or lost time injuries recorded in the 2022 – 2023 financial year.

Destination NSW has a strong commitment to providing employees with practical WHS advice. The Employee Assistance Program continues to be available for staff to provide support with strategies to improve health and wellbeing and in the management of challenging situations.

To ensure effective management of WHS, consultation is in progress on a new WHS and wellbeing strategy, which will be implemented by early 2024.

In consultation with the WHS Committee, WHS targets and actions for 2023 – 2033, in line with the new approach determined by the Secretaries Board, have been developed. Destination NSW is in the process of implementing various initiatives approved as part of WHS targets for 2023 – 2033. Focus areas include:

- Reducing WHS incidents
- Increasing employee awareness of WHS policies, procedures and best practices
- Training and clearer roles and responsibilities outlined within the Work from Home policy
- Updating exit procedures to ensure all vacant WHS roles are filled internally, including Fire Wardens, First Aid Officers and Mental Health First Aid officers (post MFHA training).

Disability Inclusion

Destination NSW is committed to providing an accessible and inclusive workplace and supports the employment of individuals with a disability. Destination NSW will continue to plan and implement inclusive events for people living with a disability through accessible events and experiences, including Vivid Sydney.

Destination NSW is developing a one-year Disability Inclusion Action Plan (DIAP) for the 2023 – 2024 financial year, which will be launched on 1 December 2023. Initiatives will be implemented in 2024, and a three-year DIAP will be developed thereafter.

Workforce Diversity

Destination NSW recognises that diverse workforces are more innovative, productive and increase high-quality outcomes. We will continue to support employees to acknowledge and celebrate diversity, with involvement in NAIDOC week, LGBTIQA+ celebrations, charity fundraisers, and promote behaviour in line with the Destination NSW values of excellence, collaboration, respect, agility, passion and ownership.

The following table outlines workforce diversity information for Destination NSW as of 30 June 2023.

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS

Workforce Diversity Group	Benchmark	2023	2022	2021
Women	50%	80%	79%	82%
Aboriginal and/or Torres Strait Islander People	3.3%	0.5%	0.5%	0.8%
People whose First Language Spoken as a Child was not English	23.2%	12%	3.5%	3.2%
People with Disability	5.6%	0.0%	0.0%	0.0%
People with a Disability Requiring Work-Related Adjustment	N/A	0.0%	0.0%	0.0%

In the 2022 – 2023 financial year, 80 per cent of Destination NSW's workforce were women, which exceeded the 50 per cent benchmark target in the trends in workforce diversity group for women.

Multicultural Initiatives

Destination NSW encourages staff to celebrate diversity and continues to advocate for the values of a multicultural society by showing respect; being inclusive of diverse backgrounds, experiences and perspectives. Destination NSW continues to follow the NSW Government guidelines regarding culturally and linguistically diverse communities and provides customised translations of its sydney.com website in key community and visitor languages such as Simplified Chinese, Mandarin, Japanese, Korean and German. Destination NSW will continue to explore opportunities to develop programs, initiatives and events that help people from culturally diverse communities achieve a high degree of social and economic participation. Destination NSW celebrates and encourages staff to participate in events such as Harmony Day, National Reconciliation Week and NAIDOC Week.

Modern Slavery

NSW Government agencies and local councils are required to take reasonable steps to ensure that the goods and services they procure are not the product of modern slavery. Destination NSW has a clause in its request for quotation/tender documents to respective applicants making them aware of complying with Modern Slavery legislation in NSW and Australia. Destination NSW's contracts of engagement also request goods and services suppliers to warrant contractually to Destination NSW that they will adhere to Modern Slavery legislation. Destination NSW also undertakes due diligence of goods and services supplier's including Australian Business Number register checks, court listing and judgment checks and financial checks. Goods and services suppliers to Destination NSW must also comply with a code of conduct and all relevant laws.

Destination NSW states no significant issues have been identified by the Anti-slavery Commissioner during the financial year 2022/2023 concerning the operations of Destination NSW.

Destination NSW monitors Modern Slavery legislation via its Legislative Compliance register.



Financial Performance

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Statement in accordance

DESTINATION NSW

Statement by the Accountable Authority

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'), I state that

- (a) these financial statements have been prepared in accordance with:
 - Australian Accounting Standards (which includes Australian Accounting Interpretations);
 - applicable requirements of the Act, the Government Sector Finance Regulation 2018; and
 - Treasurer's directions issued under the Act.
- (b) these financial statements present fairly Destination NSW's financial position as at 30 June 2023 and the financial performance and cash flows for the year then ended; and
- (c) there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

Sally Loane

Sally Loane
Chairman
06 October 2023



Steve Cox
Chief Executive Officer
06 October 2023

Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Destination NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Destination NSW (Destination), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of Destination and the consolidated entity. The consolidated entity comprises Destination and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of Destination and the consolidated entity.

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

Basis for Opinion

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

I am independent of Destination and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Auditor's Report CONTINUED

Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of Destination and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Mary Yuen
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

11 October 2023
SYDNEY

Financial Statements for the Year Ended 30 June 2023

Destination New South Wales

Statement of Comprehensive Income for the year ended 30 June 2023

Beginning of the audited Financial Statements

Description	Notes	Consolidated			Parent	
		Budget	Actual	Actual	Actual	Actual
		2023	2023	2022*	2023	2022
		\$000	\$000	\$000	\$000	\$000
Continuing Operations						
Expenses excluding losses						
Operating expenses						
Employee related	(2.a)	27,436	28,401	6,720	-	-
Personnel services	(2.b)	-	-	16,443	28,401	23,163
Other operating expenses	(2.c)	383,528	318,039	198,944	318,039	198,944
Depreciation and amortisation	(2.d)	498	501	1,548	501	1,548
Grants and subsidies	(2.e)	10,752	5,864	9,765	5,864	9,765
Finance Costs	(2.f)	-	-	41	-	41
Total expenses excluding losses		422,214	352,805	233,461	352,805	233,461
Revenue						
Grants and contributions	(3.a)	421,972	378,593	292,741	378,593	292,741
Other revenue	(3.b)	-	3,375	2,171	3,375	2,171
Acceptance by the Crown Entity of employee benefits and other liabilities	(3.c)	371	23	38	23	38
Total revenue		422,343	381,991	294,950	381,991	294,950
Operating result		129	29,186	61,489	29,186	61,489
Gain / (loss) on disposal		-	11	(1)	11	(1)
Other gains / (losses)						
Impairment gain on property, plant & equipment	(4)	-	-	35	-	35
Unrealised profit on foreign exchange	(4)	-	81	817	81	817
Derecognition of right-of-use assets and lease liabilities with Property NSW	(4)	-	-	579	-	579
Total gains / (losses)		-	92	1,431	92	1,431
Net result from continuing operations		129	29,278	62,920	29,278	62,920
NET RESULT		129	29,278	62,920	29,278	62,920
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income / (loss)		129	29,278	62,920	29,278	62,920

The accompanying notes form part of these financial statements.

*The consolidated results includes 12 months activity for the parent entity and 3 months activity for the Destination NSW Staff Agency that recommenced operations effective 01 April 2022. Refer to Note 1(a).

Financial Statements for the Year Ended 30 June 2023 CONTINUED

Destination New South Wales Statement of Financial Position as at 30 June 2023

	Notes	Consolidated			Parent	
		Budget	Actual	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	\$000	\$000	\$000
Assets						
Current Assets						
Cash and cash equivalents	(6)	12,172	126,215	100,141	126,215	100,141
Receivables and prepayments	(7)	2,832	19,372	8,507	19,372	8,507
Total Current Assets		15,004	145,587	108,648	145,587	108,648
Non-Current Assets						
Receivables	(7)	-	773	730	773	730
Property, plant and equipment	(8)	1,056	1,965	1,310	1,965	1,310
Right-of-use assets	(9)	-	-	-	-	-
Intangible assets	(10)	11	-	13	-	13
Total Non-Current Assets		1,067	2,738	2,053	2,738	2,053
Total Assets		16,071	148,325	110,701	148,325	110,701
Liabilities						
Current Liabilities						
Payables	(11)	19,780	48,875	41,091	48,875	41,091
Borrowings	(12)	7	-	-	-	-
Provisions	(13)	2,657	5,841	4,352	5,841	4,352
Total Current Liabilities		22,444	54,716	45,443	54,716	45,443
Non-Current Liabilities						
Provisions	(13)	3,639	561	1,488	561	1,488
Total Non-Current Liabilities		3,639	561	1,488	561	1,488
Total Liabilities		26,083	55,277	46,931	55,277	46,931
Net (Liabilities) / Assets		(10,012)	93,048	63,770	93,048	63,770
Equity						
Accumulated funds		(10,012)	93,048	63,770	93,048	63,770
Total Equity		(10,012)	93,048	63,770	93,048	63,770

The accompanying notes form part of these financial statements.

Financial Statements for the Year Ended 30 June 2023 CONTINUED

Destination New South Wales

Statement of Changes in Equity for the year ended 30 June 2023

Consolidated	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2022		63,770	63,770
Net result for the year		29,278	29,278
Total comprehensive income for the year		29,278	29,278
Balance at 30 June 2023		93,048	93,048
Balance at 1 July 2021		850	850
Net result for the year		62,920	62,920
Total comprehensive income for the year		62,920	62,920
Balance at 30 June 2022		63,770	63,770

Parent	Accumulated Funds \$000	Total \$000
Balance at 1 July 2022	63,770	63,770
Net result for the year	29,278	29,278
Total comprehensive income for the year	29,278	29,278
Balance at 30 June 2023	93,048	93,048
Balance at 1 July 2021	850	850
Net result for the year	62,920	62,920
Total comprehensive income for the year	62,920	62,920
Balance at 30 June 2022	63,770	63,770

The accompanying notes form part of these financial statements.

Financial Statements for the Year Ended 30 June 2023 CONTINUED

Destination New South Wales Statement of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated			Parent	
		Budget	Actual	Actual	Actual	Actual
		2023	2023	2022*	2023	2022
		\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
Payments						
Employee and personnel services expenses		(27,065)	(27,016)	(22,369)	(27,016)	(22,369)
Grants and subsidies		(10,752)	(5,864)	(9,765)	(5,864)	(9,765)
Finance Costs		-	-	(41)	-	(41)
Payments to suppliers		(382,528)	(336,213)	(191,181)	(336,213)	(191,181)
Total payments		(420,345)	(369,093)	(223,356)	(369,093)	(223,356)
Receipts						
Grants and contributions		420,972	365,276	286,417	365,276	286,417
Other		-	31,034	22,315	31,034	22,315
Total receipts		420,972	396,310	308,732	396,310	308,732
Net cash flows from operating activities	(18)	627	27,217	85,376	27,217	85,376
Cash flows from investing activities						
Purchases of property, plant and equipment		(230)	(1,143)	(982)	(1,143)	(982)
Net cash flows from investing activities		(230)	(1,143)	(982)	(1,143)	(982)
Cash flows from financing activities						
Repayment of borrowings		-	-	(1,796)	-	(1,796)
Net cash flows from financing activities		-	-	(1,796)	-	(1,796)
Net increase / (decrease) in cash and cash equivalents		397	26,074	82,598	26,074	82,598
Opening cash and cash equivalents		11,775	100,141	17,543	100,141	17,543
Closing cash and cash equivalents	(6)	12,172	126,215	100,141	126,215	100,141

The accompanying notes form part of these financial statements.

*The consolidated results includes 12 months activity for the parent entity and 3 months activity for the Destination NSW Staff Agency that recommenced operations effective 01 April 2022. Refer to Note 1(a).

Notes to the Financial Statements

1 Statement of Significant Accounting Policies

(a) Reporting entity

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

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

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The Group is consolidated as part of the NSW Total Sector Accounts and falls within the NSW Department of Enterprise, Investment and Trade Cluster (DEIT).

The Group's main aim is to achieve economic and social benefits for the people of New South Wales by developing tourism and securing major events.

Under the Destination NSW Act 2011, Destination NSW cannot employ any staff but may arrange for the use of the services of any staff (whether by way of secondment or otherwise) to enable the Group to exercise its functions. Accordingly, Investment NSW (INSW) provided employee services to Destination NSW up to 31 March 2022, and Destination NSW Staff Agency provided employee services to Destination NSW from 1 April 2022 due to Administrative Order dated 21 December 2021 mentioned below.

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

Where reference in these notes is made to 'Group' it refers to the total activities of Destination NSW and the Destination NSW Staff Agency. A reference to the 'Parent' relates to the activities of Destination NSW only.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Board on 06 October 2023.

For the period from 1 July 2022

Consolidated results includes 12 months activity for both the Parent and Destination NSW Staff Agency.

For the purposes of 2022 comparative

As per the Administration Order dated 26 March 2021, effective from 29 March 2021 the Destination NSW Staff Agency was abolished and staff were transferred to INSW. As per the Administration Order dated 21 December 2021, effective from 01 April 2022 Destination NSW Staff Agency recommenced operations and staff transferred from INSW to Destination NSW Staff Agency. As at 01 April 2022, \$1.688m of annual leave liabilities, \$2.321m of long service leave liabilities and associated on costs were transferred to the Destination NSW Staff Agency from INSW. Accordingly, employee costs incurred by the Destination NSW Staff Agency with effect from 01 April 2022 were disclosed in Note 2(a). Employee related provisions carried by the Destination NSW Staff Agency as at 30 June 2022 have been disclosed in Note 13. There were no other impacts to Destination NSW.

For the purposes of the Statement of Comprehensive Income, Statement of Cash Flows, and their related notes, the FY 2022 Consolidated results included 12 months activity for the parent entity and 3 months activity for the Destination NSW Staff Agency that recommenced operations as at 1 April 2022.

Commencing 1 May 2022, there were changes in the terms and conditions of employment for non-executive DNSW staff based in Australia due to implementation of the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009. Key changes include:

- The application of a 35-hour working week (replacing the previous 38-hour working week)
- Application of Extended Leave (previously, long service leave per NSW Act applies)
- The introduction of a Destination NSW Flexible Working Hours Agreement
- Payment of approved overtime and
- Payment of Leave Loading

Notes to the Financial Statements CONTINUED

1 Statement of Significant Accounting Policies (continued)

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act)
- Treasurer's Directions issued under the GSF Act.

Certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Key judgements, assumptions and estimates made by management are disclosed in the relevant notes to the financial statements.

Valuation of Long Service Leave is measured at present value in accordance with AASB 119 Employee Benefits as stated in Note 13.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's presentation and functional currency.

The entity's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The entity held cash on hand and at bank as at 30 June 2023 of \$126.215m. The entity receives annual grants from the NSW Government which are sufficient to fund its ongoing operations.

2022-23 going concern

The Group assessed the impact on the fair value of its financial assets and recognised a credit loss where considered appropriate. Fair value reflects historical cost evidence adjusted for forward looking economic outlook and conditions. No material credit loss was recognised during the current financial year. Therefore, it is appropriate for the 2022-23 financial statements to be prepared on a going concern basis.

(c) Statement of compliance

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

(d) Accounting for the Goods and Services Tax

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

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

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

(e) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

(f) Comparative Information

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

Notes to the Financial Statements CONTINUED

1 Statement of Significant Accounting Policies (continued)

(g) Changes in Accounting policies, including new or revised AASB

i. Effective for the first time FY2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2022-23:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual improvements 2018-2020 and other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

The application of the amendments and interpretations did not have a material impact on the financial statements of the entity.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS and amendments have not been applied and are not yet effective. The initial application of the AAS and amendments is not expected to have any material impact in the year of initial application, and impact will be assessed in the year of initial application.

Date Issued	Pronouncement	Effective for annual reporting periods beginning on or after
December 2014	AASB 2014-10 Amendments to Australian Accounting Standards- <i>Sales of Contribution of Assets between Investor and its Associate or Joint Venture</i>	1 January 2025
March 2020	AASB 2020-1 Amendment to Australian Accounting Standards - Classification of Liabilities as Current or Non-current	1 January 2023
March 2021	AASB 2021-2 Amendments to Australian Accounting Standard - <i>Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023
June 2021	AASB 2021-5 Amendments to Australian Accounting Standards - <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
March 2022	AASB 17 Insurance policy	1 January 2023
December 2021	AASB 2021-6 Amendments to Australian Accounting Standards - <i>Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	1 January 2023
December 2021	AASB 2021-7c Amendments to Australian Accounting Standards - <i>Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]</i>	1 January 2025
November 2022	AASB 2022-5 Amendments to Australian Accounting Standards - <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
December 2022	AASB 2022-6 Amendments to Australian Accounting Standards - <i>Non-current Liabilities with Covenants</i>	1 January 2024
December 2022	AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
December 2022	AASB 2022-8 Amendments to Australian Accounting Standards - <i>Insurance Contracts: Consequential Amendments</i>	1 January 2023
December 2022	AASB 2022-9 Amendments to Australian Accounting Standards - <i>Insurance Contracts in the Public Sector</i>	1 July 2026
December 2022	AASB 2022-10 Amendments to Australian Accounting Standards - <i>Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	1 January 2024
December 2021	AASB 2022-7b Amendments to Australian Accounting Standards - <i>Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [AASB 17 editorials]</i>	1 January 2023
March 2022	AASB 2022-1 Amendments to Australian Accounting Standards - <i>Initial Application of AASB 17 and AASB 9 – Comparative Information</i>	1 January 2023

Notes to the Financial Statements CONTINUED

1 Statement of Significant Accounting Policies (continued)

(h) Impact of COVID-19 on Financial Reporting for 2022-23

The entity has assessed the impact of COVID-19 on the fair value of its non-current physical assets and associated impairments, fair value of financial instruments, receivables and potential credit losses, provisions and other liabilities as well as revenue impacts from cancelled events.

The impact of COVID-19 has had no adverse impact on the above mentioned, particularly in the current year as the impacts of COVID-19 have largely reduced.

Given recent years experiences with COVID-19, management are equipped to work with suppliers, event co-ordinators and other NSW Government agencies to mitigate business disruptions, if required. Force majeure provisions are in place to ensure no contracts were onerous to DNSW.

Insurance recoveries in relation to cancelled events have been recorded in Note 3(b).

(i) Non-traded Investment

The Australian Tourism Data Warehouse (ATDW) is Australia's national platform for digital tourism marketing. ATDW is owned by Australian state and territory government tourism bodies.

Destination NSW considers that given the nature of ATDW, its shareholders and restrictions in the shareholder agreement, the shares have nominal value applying the definition in AASB 13 Fair Value Measurement of fair value. The standard defines 'fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

During June 2023, DNSW was notified by ATDW that a ATDW shareholder intended to divest its shareholding interest to remaining ATDW shareholders. DNSW made a subsequent share purchase in ATDW for a nominal value of \$1.00.

Notes to the Financial Statements CONTINUED

2 Expenses Excluding Losses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(a) Employee related expenses				
Salaries and wages (including annual leave)	24,371	5,411	-	-
Superannuation – defined benefit plans	24	11	-	-
Superannuation – defined contribution plans	1,680	256	-	-
Long service leave	540	571	-	-
Workers compensation insurance	93	-	-	-
Payroll tax and fringe benefits tax	1,693	422	-	-
Other – miscellaneous	-	49	-	-
	28,401	6,720	-	-

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(b) Personnel services				
Personnel services - INSW	-	16,443	-	16,443
Personnel services - DNSW Staff Agency	-	-	28,401	6,720
	-	16,443	28,401	23,163

As per the Administration Order dated 21 December 2021, effective from 01 April 2022 Destination NSW Staff Agency commenced operations and staff transferred from INSW to Destination NSW Staff Agency. Please refer to note 1(a) for details. This change has resulted in employee costs and employee liabilities and associated on costs recognised in Destination NSW Staff Agency as disclosed above.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(c) Other operating expenses include the following:				
Accommodation expenses	150	155	150	155
Administration fees	55	54	55	54
Advertising	51,600	43,358	51,600	43,358
Auditor's remuneration – audit of financial statements	116	114	116	114
Internal audit services	129	183	129	183
Consultancy	462	67	462	67
Contractors	10,567	13,168	10,567	13,168
Expense relating to leases	2,625	1,986	2,625	1,986
Fees – events	523	1,298	523	1,298
Fees – other	8,747	6,585	8,747	6,585
Maintenance	75	39	75	39
Motor vehicle expenses	-	4	-	4
Other operating expenses	10,748	10,189	10,748	10,189
Promotion	228,344	119,823	228,344	119,823
Purchases	795	681	795	681
Telecommunication	117	150	117	150
Travel	929	562	929	562
Visiting journalist accommodation and expenses	2,057	528	2,057	528
	318,039	198,944	318,039	198,944

Notes to the Financial Statements CONTINUED

2 Expenses Excluding Losses (continued)

Recognition and Measurement

Maintenance expense

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

Insurance

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

Lease expenses

The entity recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the year in which the event or condition that triggers those payments occurs.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(d) Depreciation and amortisation expense				
Amortisation – right-of-use asset	-	1,356	-	1,356
Depreciation – plant and equipment	488	178	488	178
	488	1,534	488	1,534
Amortisation of intangible assets	13	14	13	14
	13	14	13	14
Total depreciation and amortisation expense	501	1,548	501	1,548

Recognition and Measurement

Refer to Note 8,9 and 10 for recognition and measurement policies on depreciation and amortisation.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(e) Grants and subsidies				
Grant to other non-government bodies	5,864	9,765	5,864	9,765
	5,864	9,765	5,864	9,765
(f) Finance costs				
Interest expense from lease liabilities	-	41	-	41
	-	41	-	41

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the year in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

Notes to the Financial Statements CONTINUED

3 Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(a) Grants and contributions				
Grants – NSW Budget Sector Agencies	33,500	3,094	33,500	3,094
In kind sponsorship	4,878	4,382	4,878	4,382
Other grants and contributions with sufficiently specific performance obligations	6,831	3,575	6,831	3,575
Grants without sufficiently specific performance obligations – Principal Department	333,384	281,690	333,384	281,690
	378,593	292,741	378,593	292,741

Recognition and Measurement

Revenue from grants and contributions with sufficiently specific performance obligations is recognised as and when the entity satisfies a performance obligation by transferring the promised services. This mainly relates to joint promotional activities with the Industry.

The entity typically satisfies its performance obligations when the promotional activity is complete.

Revenue from these grants and contributions is recognised based on the contribution amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Total funding amount in a contract is allocated to distinct performance obligations for promotional activities. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Income from Government grants without sufficiently specific performance obligations is recognised when the entity obtains control over the granted assets (e.g. cash).

The Group receives funding under appropriations from the grant funding received from the cluster which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year.

Appropriations disclosure

The *Appropriation Act 2022 (Appropriations Act)* appropriates the sum of \$2.99 billion to the Minister for Department of Enterprise, Investment and Trade out of the Consolidated Fund for the services of the Department of Enterprise, Investment and Trade for the year 2022–23. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the Department of Enterprise, Investment and Trade and entities that it is administratively responsible for, including Destination NSW.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for Destination NSW, being the Minister for Department of Enterprise, Investment and Trade, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time Destination NSW receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by Destination NSW. These deemed appropriations are taken to have been given for the services of the Department of Enterprise, Investment and Trade.

In addition, government money that Destination NSW receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the GSF Amendment (Deemed Appropriations) Regulation 2023 was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the financial statements of the Annual Report of the Department of Enterprise, Investment and Trade. It has been prepared by aggregating the spending authorities of the Minister for Department of Enterprise, Investment and Trade for the services of the Department of Enterprise, Investment and Trade. It reflects the status at the point in time this disclosure statement is being made. Destination NSW's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for FY22/23 and FY21/22, authorising officers of Destination NSW to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of Destination NSW. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the Department of Enterprise, Investment and Trade to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Department of Enterprise, Investment and Trade.

The State Budget and related Appropriation Bill for year commencing 1 July 2023 has been delayed and is anticipated to be tabled in September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer has authorised the payment of specified sums out of the Consolidated Fund to meet the requirements of this period. The authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the 2023-24 annual Appropriation Act.

Notes to the Financial Statements CONTINUED

3 Revenue (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(b) Other revenue				
Miscellaneous – insurance refunds and other	3,375	2,171	3,375	2,171
	3,375	2,171	3,375	2,171

(c) 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 entities:

Superannuation – defined benefit	22	36	22	36
Payroll tax	1	2	1	2
	23	38	23	38

4 Other gains / (losses)

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Impairment gain on property, plant & equipment	-	35	-	35
Unrealised profit on foreign exchange*	81	817	81	817
Derecognition of right-of-use assets and lease liabilities with Property NSW**	-	579	-	579
	81	1,431	81	1,431

* Unrealised profit on foreign exchange include fair value gain on measurement of foreign exchange forward contracts of \$0.085m as at 30 June 2023 (2022: \$0.817m), please refer to note 7 for further details, and unrealised loss of \$0.004m (2022:nil) on revaluation of foreign currency bank account.

**Net gain is recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Please refer to Note 9 for further details on the derecognition.

The net gain from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	2022
	\$000
Right-of-use asset	
Gross carrying value	5,958
Less: accumulated depreciation and accumulated impairment provision	(4,478)
Net book value of ROU Asset derecognised	1,480
Amortised balance of incentives received	-
Lease liability derecognised	2,059
Net gain on derecognition	579

Recognition and Measurement

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Trade receivables and contract assets – Note 7

Property, plant and equipment – Note 8

Leases - Note 9

Intangible assets – Note 10

5 Service Groups of Destination NSW

Destination NSW has only one service group. Details of the expenses, income, assets and liabilities for this service group are available in the primary financial statements.

Notes to the Financial Statements CONTINUED

6 Current Assets - Cash and Cash Equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash at bank and on hand	126,215	100,141	126,215	100,141
	126,215	100,141	126,215	100,141

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash and cash equivalents (per statement of financial position)	126,215	100,141	126,215	100,141
	126,215	100,141	126,215	100,141

Refer to Note 19 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

7 Current/Non-Current Assets - Receivables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current Receivables				
Trade receivables from contracts with customers	9,812	1,555	9,812	1,555
Net GST	8,500	6,308	8,500	6,308
Other receivable	71	37	71	37
Accrued Income	867	600	867	600
Prepayments	122	7	122	7
	19,372	8,507	19,372	8,507

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Non-Current Receivables				
Other receivable*	773	730	773	730
	773	730	773	730

* The Group enters into foreign exchange forward contracts to manage its exposure to exchange rate risks. Such derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Destination NSW has not designated a hedging instrument. Accordingly, other receivables represents the fair value of the current and non-current portion of the unexpired foreign currency forward contracts as at 30 June 2023, which is \$0.071m and \$0.773m respectively. An unrealised profit of \$0.085m has been included in unrealised profit on foreign exchange. Please refer to note 4 for details, and a realised profit of \$0.011m has been included in gain / (loss) on disposal in the statement of comprehensive income for the year ended 30 June 2023.

Notes to the Financial Statements CONTINUED

7 Current/Non-Current Assets - Receivables (continued)

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the entity applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- Increased credit risk associated with debtors as a result of poor trading conditions.
- Higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment.
- Lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

Notes to the Financial Statements CONTINUED

8 Non-Current Assets - Property, Plant and Equipment

	Plant and Equipment		Total	
	Consolidated \$000	Parent \$000	Consolidated \$000	Parent \$000
At 1 July 2022 - fair value				
Gross carrying amount	5,995	5,995	5,995	5,995
Accumulated depreciation and impairment	(4,685)	(4,685)	(4,685)	(4,685)
Net carrying amount	1,310	1,310	1,310	1,310
At 30 June 2023 - fair value				
Gross carrying amount	7,138	7,138	7,138	7,138
Accumulated depreciation and impairment	(5,173)	(5,173)	(5,173)	(5,173)
Net carrying amount	1,965	1,965	1,965	1,965

Reconciliation

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

Consolidated and parent	Plant and Equipment \$000	Total \$000
Year ended 30 June 2023		
Net carrying amount at beginning of year	1,310	1,310
Purchases of assets	1,143	1,143
Depreciation expense – asset owned	(488)	(488)
Net carrying amount at end of year	1,965	1,965

Consolidated and parent	Plant and Equipment \$000	Total \$000
Year ended 30 June 2022		
Net carrying amount at beginning of year	501	501
Purchases of assets	981	981
Disposal	(1)	(1)
Depreciation expense – asset owned	(171)	(171)
Net carrying amount	1,310	1,310

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

Capitalisation thresholds

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

Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Notes to the Financial Statements CONTINUED

8 Non-Current Assets - Property, Plant and Equipment (continued)

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of property, plant and equipment

Except for certain non-depreciable 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 components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

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

Default asset class lives are:

Plant and equipment 1-8 years

Depreciation rates are reviewed and determined on an annual basis.

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13, AASB 116 and AASB 140 *Investment Property*.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

Notes to the Financial Statements CONTINUED

9 Leases

a. DNSW as lessee

The entity leases various motor vehicles. Lease contracts are typically made for fixed periods of 3 to 5 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The entity does not provide residual value guarantees in relation to leases.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of DNSW.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

There are no new right of use assets and lease liabilities recognised as at 30 June 2023. The right of use assets and lease liabilities were derecognised as at 30 June 2022. Please refer to details below.

Right-of-use assets under leases

	Buildings *	Plant & Equipment	Total
	\$000	\$000	\$000
Balance at 1 July 2022	-	-	-
Amortisation expense	-	-	-
Balance at 30 June 2023	-	-	-

Right-of-use assets under leases

	Buildings *	Plant & Equipment	Total
	\$000	\$000	\$000
Balance at 1 July 2021	2,801	7	2,808
Reversal of impairment	35	-	35
Amortisation expense	(1,356)	(7)	(1,363)
Derecognition of right-of-use-asset	(1,480)	-	(1,480)
Balance at 30 June 2022	-	-	-

* Please refer to the derecognition Note 9(v).

Notes to the Financial Statements CONTINUED

9 Leases (continued)

Lease liabilities

	2023 \$000
Balance at 1 July 2022	-
Additions	-
Balance at 30 June 2023	-

Lease liabilities

	Total \$000
Balance at 1 July 2021	3,855
Additions	-
Interest expenses	41
Payments	(1,837)
Derecognition of lease liabilities	(2,059)
Balance at 30 June 2022	-

The following amounts were recognised in the statement of comprehensive income for the year ended 30 June 2023 in respect of leases other than lease arrangements with Property NSW where DNSW is the lessee. Please refer to 9(v) for the derecognition of right of use assets and lease liabilities pertaining to lease arrangements with Property NSW as at 30 June 2022.

Consolidated/Parent	2023 \$000	2022 \$000
Depreciation expense of right-of-use assets	-	1,356
Interest expense on lease liabilities	-	41
Total amount recognised in the statement of comprehensive income	-	1,397

The entity had total cash outflows for leases including lease arrangements with Property NSW of \$Nil in FY2022-23 (FY2021-22: \$1.837m).

Recognition and Measurement

The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 5 years
- Motor vehicles and other equipment 3 years

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Financial Statements CONTINUED

9 Leases (continued)

i. Right-of-use assets (continued)

The right-of-use assets are also subject to impairment. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The entity's lease liabilities are included in borrowings.

iii. Short-term leases and leases of low-value assets

The entity applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment.

Notes to the Financial Statements CONTINUED

9 Leases (continued)

v. Derecognition of Right-of-Use Asset and Lease Liability effective 1st July 2022

During financial year ended 30 June 2022, Destination NSW has accepted changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the “substitution right” clause, that gives PNSW a right to relocate the entity during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are not accounted for as a lease within the scope of AASB 16. The office accommodation agreement with PNSW is no longer accounted for as a lease from 30 June 2022. This involves judgment that the “substitution right” clause in the agreement provides PNSW with a substantive substitution right. Management judgments include an assessment that PNSW can obtain benefits from exercising the substitution right through efficiencies in office accommodation at the whole-of-government level and/or its other service objectives. It is also considered practical for PNSW to exercise the substitution right, due to the non-specialised nature of the relevant office accommodation. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clauses. The net impact of the derecognition is recognised in “Other Gains/(Losses)” (refer to Note 4). From 1 July 2022, the accommodation charges are recognised as expenses when incurred over the agreement duration.

Destination NSW continues to be responsible to make good, and to control the fit-out during the remaining occupancy period, as the entity receives the economic benefits through using the fit-out, or through expected compensation from PNSW, if PNSW exercises its right to relocate the entity. Therefore, the entity's accounting treatment for its make-good provisions and fit-out costs in relation to the relevant accommodation remains unchanged.

The net gain from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

Right-of-use assets

	Land and Buildings \$000
Balance at 1 July 2021	2,801
Reversal of impairment	35
Depreciation expenses	(1,356)
Derecognition of right-of-use-asset (i)	(1,480)
Balance at 30 June 2022	-

Lease liabilities

	2022 \$000
Balance at 1 July 2021	3,855
Additions	-
Interest expenses	41
Payments	(1,837)
Derecognition of lease liabilities (ii)	(2,059)
Balance at 30 June 2022	-

	2022 \$000
Derecognition of right-of-use asset (i)	(1,480)
Derecognition of lease liabilities (ii)	2,059
Net gain on derecognition	579

Notes to the Financial Statements CONTINUED

9 Leases (continued)

Items recognised in the statement of comprehensive income in relation to Property NSW leases

Consolidated/Parent	2022 \$000
Depreciation expenses of right-of-use assets	1,356
Interest expense on lease liabilities	41
Gain or losses arising from derecognising right-of-use assets and lease liabilities with Property NSW	(579)
Total amount recognised in the statement of comprehensive income	818

10 Intangible Assets

Software	Consolidated \$000	Parent \$000
At 1 July 2021		
Cost (gross carrying amount)	140	140
Accumulated amortisation and impairment	(113)	(113)
Net carrying amount	27	27
Year ended 30 June 2022		
Net carrying amount at start of year	27	27
Amortisation (recognised in 'depreciation and amortisation')	(14)	(14)
Net carrying amount at end of year	13	13
At 1 July 2022		
Cost (gross carrying amount)	140	140
Accumulated amortisation and impairment	(127)	(127)
Net carrying amount	13	13
Year ended 30 June 2023		
Net carrying amount at start of year	13	13
Amortisation (recognised in 'depreciation and amortisation')	(13)	(13)
Net carrying amount at end of year	-	-
At 30 June 2023		
Cost (gross carrying amount)	140	140
Accumulated amortisation and impairment	(140)	(140)
Total comprehensive income / (loss)	-	-

Recognition and Measurement

The Group recognises intangible assets only if it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Group's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite. The Group's intangible assets are amortised using the straight line method over their useful lives.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Notes to the Financial Statements CONTINUED

10 Intangible Assets (continued)

Recognition and Measurement (continued)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

11 Current/ Non Current Liabilities - Payables

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Accrued salaries, wages and on-costs	625	344	625	344
Unearned income*	-	489	-	489
Creditors	48,250	40,258	48,250	40,258
	48,875	41,091	48,875	41,091

* Unearned income represents monies received for performance obligations not yet satisfied. Unearned income is expected to be recognised as revenue in the subsequent reporting period when the underlying performance obligations are satisfied.

Details regarding liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Group and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

12 Current / Non-Current Liabilities - Borrowings

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Current – Lease liability (see Note 9)	-	-	-	-
Non-Current – Lease Liability (see Note 9)	-	-	-	-
	-	-	-	-

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 19.

Recognition and Measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

The Group has entered into a number of FX forward contracts with NSW Tcorp to manage its exposure to foreign exchange rate arising from operational activities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The changes in fair value of liabilities designated at fair value through profit or loss are recorded in profit or loss with the exception that movements in fair value due to changes in the entity's own credit risk are recorded in other comprehensive income and do not get recycled to net result.

Notes to the Financial Statements CONTINUED

13 Current / Non-Current Liabilities - Provisions

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Employee benefits and related on-costs*				
Annual leave	2,777	2,023	-	-
Long service leave	2,952	2,301	-	-
Other on-costs	112	28	112	28
Personnel services provision	-	-	5,729	4,324
	5,841	4,352	5,841	4,352
Non-Current				
Employee benefits and related on-costs				
Non - Current long service leave obligations expected to be settled after 12 months	38	423	38	423
	38	423	38	423
Other Provisions				
Restoration Costs ¹	415	415	415	415
Other Provisions ²	108	650	108	650
Non-Current Other Provisions	523	1,065	523	1,065
Total Non-Current Provisions	561	1,488	561	1,488

Note:

1) Provision for Make Good: Destination NSW has exercised option to extend the lease for an additional 5 years from 30 June 2023.

2) Other Provisions are largely relating to Insurance Recovery for cancelled events.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Aggregate employee benefits and related on-costs				
Provisions – current	5,841	4,352	-	-
Provisions – non-current	38	423	-	-
Personnel services provision	-	-	5,879	-
Accrued salaries, wages and on-costs (Note 11)	625	344	625	-
	6,504	5,119	6,504	-

* As per the Administration Order dated 21 Dec 2021, effective from 01 April 2022 Destination NSW Staff Agency commenced operations and staff transferred from INSW to Destination NSW Staff Agency. Please refer to Note 1(a) for details. This change has resulted in employee costs and employee liabilities and associated on costs carried in Destination NSW Staff Agency as disclosed above.

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

Provision and Restoration Costs	Consolidated			Parent		
	Restoration Costs	Other provisions	Total	Restoration Costs	Other provisions	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at the beginning of financial year	415	650	1,065	415	650	1,065
Amounts used	-	(542)	(542)	-	(542)	(542)
Carrying amount at the end of financial year	415	108	523	415	108	523

Annual leave

The liability at 30 June 2023 was \$2.777m (2022: \$2.023m) as per above.

Long service leave

The liability at 30 June 2023 was \$2.990m (2022: \$2.724m) as per above.

Notes to the Financial Statements CONTINUED

13 Current / Non-Current Liabilities - Provisions (continued)

Recognition and Measurement

Employee benefits and related on-costs Salaries and wages, annual leave and sick leave

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

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

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.40% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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.

Long service leave and superannuation

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

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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

Consequential on-costs

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

Other provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

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

Notes to the Financial Statements CONTINUED

14 Equity

Accumulated funds

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

15 Commitments

(a) Capital commitments

As at 30 June 2023 Destination NSW had no capital commitments (2022: Nil).

16 Contingent Liabilities and Contingent Assets

The Group is not aware of the existence of any contingent liabilities or contingent assets as at balance date (2022: Nil).

17 Budget Review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net Result

The consolidated actual net result of \$29.278m for June 2023 has a favourable variance to the budget of \$29.149m. This was primarily due to lower than budgeted expenditure of \$69.409m and lower than budgeted revenue of \$40.352m. These factors were mainly attributable to timing of activities, planned events and payments.

Assets and liabilities

The net assets are \$103.060m higher than budgeted net liability position of \$10.012m. Total assets are \$132.254m higher than budget predominately due to higher cash and cash equivalents of \$114.043m and receivables of \$17.313m as a result of the timing of activities. Total liabilities are \$29.194m higher than budget due to higher current payables of \$29.095m, this is due to timing of payments incurred.

Cash flows

The net increase in cash of \$26.074m is significantly higher than the budgeted net increase of \$0.397m. This is primarily due to favourable net cash flows from operating activities variance of \$26.590m with activities budgeted at \$0.627m compared to actual of \$27.217m.

18 Reconciliation of Cash Flows from Operating Activities to Net Result

	Consolidated		Parent	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Net cash flows from operating activities	27,217	85,376	27,217	85,376
Depreciation and amortisation	(501)	(1,548)	(501)	(1,548)
Decrease in provisions	(561)	(5,424)	(561)	(5,424)
Increase in receivables	10,826	1,807	10,826	1,807
Decrease in creditors	(7,784)	(18,721)	(7,784)	(18,721)
Other gain	81	1,430	81	1,430
Net Result	29,278	62,920	29,278	62,920

Notes to the Financial Statements CONTINUED

19 Financial Instruments

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

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

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

(a) Financial instrument categories

Class	Category		Consolidated		Parent	
			Carrying Amount		Carrying Amount	
			2023	2022	2023	2022
Financial Assets			\$000	\$000	\$000	\$000
Cash and cash equivalents	6	N/A	126,215	100,141	126,215	100,141
Receivables ¹	7	Amortised cost	9,812	1,555	9,812	1,555
			136,027	101,696	136,027	101,696
Financial Liabilities			\$000	\$000	\$000	\$000
		Financial liabilities measured at				
Payables ²	11	amortised cost	48,875	40,602	48,875	40,602
			48,875	40,602	48,875	40,602

Notes

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

The Group determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Group has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Group's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

Notes to the Financial Statements CONTINUED

19 Financial Instruments (continued)

(c) Financial risks

(i) Credit risk

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

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

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

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. No interest is earned by Destination NSW on bank balances.

No interest is earned on the overseas advance accounts.

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

Authority Deposits

The Group has no funds placed on deposit with NSW TCorp.

Other Facilities

The Group has access to the following banking facilities:

	2023	2022
	\$000	\$000
Citibank	1,200	1,200
	1,200	1,200

(ii) Liquidity risk

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

During the current year and prior year, there were no defaults of borrowing. No assets have been pledged as collateral. The Group's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Board may automatically pay the supplier simple interest. The rate of interest applied during the year was 0% (2022: 0%).

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

Notes to the Financial Statements CONTINUED

19 Financial Instruments (continued)

(ii) Liquidity risk (continued)

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

Maturity Analysis and interest rate exposure of financial liabilities

Consolidated and Parent	Weighted Average effective interest rate	Interest Rate exposure			Maturity Dates		
		Nominal Amount	Fixed Interest Rate	Non- interest bearing	< 1 year	1-5 years	> 5 years
		\$000	\$000	\$000	\$000	\$000	\$000
2023							
Payables	-	48,875	-	48,875	48,875	-	-
Total		48,875	-	48,875	48,875	-	-
2022							
Payables	-	40,602	-	40,602	40,602	-	-
Total		40,602	-	40,602	40,602	-	-

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Group operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the financial position date. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

Notes to the Financial Statements CONTINUED

19 Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the entity's interest-bearing liabilities. As at 30 June 2023, there are no interest bearing liabilities and therefore there is no interest rate risk as at 30 June 2023. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Group does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income or available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

Group and Parent	Carrying Amount \$000	Profit -1.0% \$000	Equity	Profit +1.0% \$000	Equity
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2023

Financial assets

Cash and cash equivalents	126,215	(1,262)	(1,262)	1,262	1,262
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2022

Financial assets

Cash and cash equivalents	100,141	(1,001)	(1,001)	1,001	1,001
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Other price risk - NSW TCorp Hour Glass Investment facilities

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

Foreign exchange risk

Foreign exchange risk is the risk that a business's financial performance or position will be affected by fluctuations in the exchange rates between currencies.

Foreign exchange risk, if not identified and managed appropriately, can have significant financial impacts for Government Entities and the State as a whole. These impacts mostly flow from the sale or purchase of international goods or services due to the inherent volatility of foreign exchange markets.

The Group has entered into a FX forward arrangement to comply with TPP 21-14 Financial Risk Management Policy. The unrealised gain of \$0.081m has been disclosed in Note 4.

(d) Fair value measurement

i. Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

ii. Fair value recognised in the Statement of Financial Position

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements CONTINUED

20 Related Party Disclosures

During the year, the Group incurred \$0.759m (2022: \$0.761m) in respect of the key management personnel services that is provided by Destination NSW Staff Agency, a controlled entity of the Group.

	FY 2023	FY 2022
Key Management Personnel Services	\$000	\$000
Salaries	715	722
Non-monetary benefits	24	19
Post-employment benefits	20	20
	759	761

Except as disclosed, during the year the Group did not enter into any transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, DNSW entered into transactions with NSW Government related entities that are controlled, jointly controlled or significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the DNSW's receipt of services. These transactions are all at arm's length and in the ordinary course of the business of Destination NSW.

The transactions which are individually significant include:

- \$Nil Cluster grants received from Department Premier and Cabinet (2022: \$155.350m)
- \$333.384m Cluster grants received from Department of Enterprise, Investment and Trade (2022: \$126.340m)

Transactions that are not material by their nature, impact or value, in relation to Destination NSW's normal activities are not included in this note. This includes transactions relating to ATDW.

21 Events after Reporting Period

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

End of the audited Financial Statements





Sea Cliff Bridge, Clifton.



Destination
NSW