

MINISTER FOR SMALL BUSINESS AND MINISTER FOR TOURISM

OVERVIEW

<i>Agency</i>	<i>Budget 1998-99 \$m</i>	<i>Budget 1999-2000 \$m</i>	<i>Variation %</i>
Tourism New South Wales			
Total Expenses	44.6	48.6	8.9
Asset Acquisitions .....	...	1.6	n.a.
Total, Minister for Small Business and Minister for Tourism			
Total Expenses	44.6	48.6	8.9
Asset Acquisitions .....	...	1.6	n.a.

TOURISM NEW SOUTH WALES

Tourism New South Wales is responsible for marketing New South Wales as a holiday destination in the Australian domestic market and in the international markets of UK, Europe, North America, Asia and New Zealand. It also provides strategic direction and leadership to the New South Wales tourism industry to ensure that a wide range of tourism products and holiday experiences are available in the marketplace.

Expenditure Trends and Recent Developments

Total expenses for 1999-2000 are expected to increase by 8.9 percent over the 1998-99 Budget. This will support regional co-operative marketing in the Australian and key international marketplaces, the promotion of tourism attractions in regional New South Wales, tourism signposting strategies and the further development of experiences such as food and wine tourism.

In 1998-99, a key development was a review and update of the New South Wales Tourism Masterplan. After successful implementation of the first three year action plan, a second action plan for 1998-99 to 2001-02 was endorsed by Cabinet. The plan is a whole of Government blueprint for the successful development of tourism in partnership with the industry.

A successful first year for the "Experience it" advertising campaign was celebrated, with good results from promoting the holidays such as car touring, family holidays, short breaks, adventure and skiing, as well as the buzz and excitement of a Sydney holiday.

“New South Wales Holidays” also entered its fourth year as a major tourism wholesale program targeting travel agents throughout Australia. This program promotes holidays to visitors wanting Sydney, Short Breaks, Family Holidays, Beaches and Outback experiences.

Tourism New South Wales, with the Australian Tourist Commission, staged the Australian Tourism Exchange in May 1999. New South Wales tourism products were exposed to over 750 international buyers. Last year an estimated \$2.4 billion worth of contracts were written by Australian suppliers with international buyers. Throughout 1998-99, Tourism New South Wales also undertook targeted trade and media activity in key international markets, with a particular emphasis on UK and US to encourage increases in those markets while some Asian markets are soft.

During 1998-99 the new “Visit New South Wales Australia” web site, was a finalist in the prestigious Australian Financial Review/Telstra Internet Awards. The site is the most comprehensive of its kind in Australia and linked to the tourism product database Visnet.

Tourism New South Wales Special Events Unit continued its involvement in the development and promotion of a wide range of special events that drew visitors to Sydney and regional centres. During the year support was given to the staging of major events such as the Greg Norman Holden International, Mercedes Australian Fashion Week in Sydney, American National Football League Bowl Football, the 1999 Australian Springtime Flora Festival and the bid for the 2001 Australian Masters Games. The Feast of Sydney showcases New South Wales’ fine food and wine. The event is held annually in June and is developed and organised through Tourism New South Wales. In 1998 the event attracted 150,000 people. The Regional Flagship Events program supported 35 local events.

Tourism New South Wales continues to provide leadership to the Tourism Olympic Forum in order to maximise the tourism benefits from the Sydney 2000 Olympic and Paralympic Games. During the year, Tourism New South Wales commenced the planning and co-ordination of services for non-accredited Olympic media in the lead up to and during the Games period. These services are being delivered in partnership with other State and Federal government agencies and key Olympic sponsors.

Strategic Directions

The New South Wales Masterplan provides the framework within which the following objectives will be achieved:

- ◆ Industry development - key stakeholders committed to agreed tourism strategies and directions;
- ◆ Marketing - travel to and within New South Wales to be increased;
- ◆ Support - community, government, industry, and media support for tourism to increase; and
- ◆ Olympic Games Benefits - maximum tourism benefits to be achieved from the Sydney 2000 Olympic Games and the Paralympics.

A comprehensive review of the Masterplan is scheduled for 2000 to ensure it remains in tune with its external environment and relevant to the government and industry stakeholders it serves.

1999-2000 Budget

Total Expenses

Total expenses for Tourism New South Wales are estimated at \$48.6 million in 1999-2000, with the major components being:

- ◆ Over \$25 million for the further development and implementation of an integrated domestic marketing campaign within Australia; targeted international marketing programs in the UK, Europe, North America, Japan, Asia and New Zealand, and media services for non-accredited media in the lead up to and during the Olympic Games;
- ◆ Over \$2.5 million to support the development and promotion of major events in New South Wales, the Sydney Hallmark Events program and the Regional Flagship Events programs; and
- ◆ Over \$500,000 to new tourism product development and tourism industry sector development initiatives.

Asset Acquisitions

The asset acquisition program of Tourism New South Wales is \$1.6 million in 1999-2000, with the major components being:

- ◆ \$984,000 to fund an innovative project that will provide the infrastructure to enable Tourism New South Wales and three other Government agencies to jointly purchase the remote management and administration of computer network services, to share a range of IT services and achieve other organisational efficiencies in the future; and
- ◆ Funding of \$2 million over four years (\$0.5 million in 1999-2000) to support the development of six Gateway Visitor Information Centres at Tweed Heads, Tenterfield, Eden, Wollongong, Lithgow and Gosford, with the project commencing in 1999-2000.

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	1998-99		1999-2000
	Budget	Revised	Budget
	\$000	\$000	\$000
OPERATING STATEMENT			
Expenses -			
Operating expenses -			
Employee related	9,350	9,847	10,873
Other operating expenses	35,155	35,334	36,843
Depreciation and amortisation	130	465	882
Total Expenses	44,635	45,646	48,598
Less:			
Retained Revenue -			
Sales of goods and services	627	591	596
Investment income	300	260	250
Grants and contributions	5,867	5,535	5,500
Other revenue	315	579	530
Total Retained Revenue	7,109	6,965	6,876
NET COST OF SERVICES	37,526	38,681	41,722

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	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
CASH FLOW STATEMENT			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Related	8,801	8,974	10,151
Other	34,705	34,563	36,018
Total Payments	43,506	43,537	46,169
Receipts			
Sale of goods and services	627	611	596
Other	5,782	5,725	5,180
Total Receipts	6,409	6,336	5,776
NET CASH FLOWS FROM OPERATING ACTIVITIES	(37,097)	(37,201)	(40,393)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	...	...	(1,612)
NET CASH FLOWS FROM INVESTING ACTIVITIES	...	...	(1,612)
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriation	36,146	36,424	39,989
Capital appropriation	...	...	1,612
Cash reimbursements from the Consolidated Fund Entity	209	293	320
NET CASH FLOWS FROM GOVERNMENT	36,355	36,717	41,921
NET INCREASE/(DECREASE) IN CASH	(742)	(484)	(84)
Opening Cash and Cash Equivalents	2,127	1,826	1,342
CLOSING CASH AND CASH EQUIVALENTS	1,385	1,342	1,258
CASH FLOW RECONCILIATION			
Net cost of services	(37,526)	(38,681)	(41,722)
Non cash items added back	669	1,082	1,531
Change in operating assets and liabilities	(240)	398	(202)
Net cash flow from operating activities	(37,097)	(37,201)	(40,393)

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
STATEMENT OF FINANCIAL POSITION			
ASSETS -			
Current Assets -			
Cash	1,385	1,342	1,258
Receivables	450	684	784
Other	150	150	200
Total Current Assets	1,985	2,176	2,242
Non Current Assets -			
Property, plant and equipment - Cost/valuation	6,251	3,440	5,052
Accumulated depreciation	(1,498)	(1,087)	(1,969)
Total Non Current Assets	4,753	2,353	3,083
Total Assets	6,738	4,529	5,325
LIABILITIES -			
Current Liabilities -			
Accounts payable	435	880	848
Employee entitlements	584	650	680
Other	...	370	420
Total Current Liabilities	1,019	1,900	1,948
Non Current Liabilities -			
Employee entitlements	146	180	200
Other	...	780	660
Total Non Current Liabilities	146	960	860
Total Liabilities	1,165	2,860	2,808
NET ASSETS	5,573	1,669	2,517
EQUITY			
Accumulated funds	5,573	1,669	2,517
TOTAL EQUITY	5,573	1,669	2,517

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66.1 Development of the Tourism Industry

66.1.1 Strategic Planning

Program Objective(s): To improve the yield from tourism and the quality of its contribution to the future development of New South Wales through the development of the tourism industry as detailed in the New South Wales Tourism Masterplan.

Program Description: Generation of a broadly based tourism industry and government commitment to the strategies of the New South Wales Tourism Masterplan.

	Units	1996-97	1997-98	1998-99	1999-2000
<u>Outputs:</u>					
Tourism Masterplan actions initiated	no.	65	56	75	70
Key Government agencies implementing strategies which are consistent with Tourism Masterplan recommendations	no.	15	19	17	17
Funding Regional Tourism Plan implementation	no.	6	8	10	7
<u>Average Staffing:</u>	EFT	14	12	12	19

1998-99		1999-2000
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses -

Operating expenses -					
Employee related	880	893			1,025
Other operating expenses	1,023	1,101			1,258
Depreciation and amortisation	10	14			46
Total Expenses	1,913	2,008			2,329

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66.1 Development of the Tourism Industry

66.1.1 Strategic Planning (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services			
Rents and leases - other	6	66	66
Investment income	24	21	25
Grants and contributions	9	...	...
Other revenue	2	6	2
Total Retained Revenue	41	93	93

NET COST OF SERVICES	1,872	1,915	2,236
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66.1 Development of the Tourism Industry

66.1.2 Marketing

Program Objective(s): To drive demand for the sales of New South Wales tourism products to achieve economic benefit throughout the State.

Program Description: Promotion of tourism in New South Wales through fostering development of a greater range of tourism products and marketing systems, such as co-operative advertising with industry partners, with the aim of attracting high yield markets. Expansion of the knowledge and distribution of the New South Wales product through wholesaling initiatives to increase sales. Encouragement of a wider distribution of tourism benefits throughout New South Wales by implementing the Regional Tourism Strategy.

<u>Outcomes:</u>	Units	1996-97	1997-98	1998-99	1999-2000
Marketing funds contributed by the tourist industry -					
In-kind	\$m	5.0	5.0	5.2	5.2
Cash	\$m	4.8	4.5	4.5	4.5
Product sales wholesale	\$m	4.6	6.0	9.5	20.0
Value of publicity generated through media and visiting journalist program activities -					
International	\$m	20.0	34.9	37.0	45.0
Domestic	\$m	10.0	10.5	7.9	10.0
Conference bids won for Sydney -					
Conferences	no.	34	24	45	n.a.
Delegates	thous	70	28	46	n.a.
Delegate days	thous	329	144	191	n.a.
Estimated value of conferences to the economy	\$m	205	112	135	140
Estimated value of Meetings, Incentives and Exhibition bids	\$m	n.a.	n.a.	79	85
<u>Outputs:</u>					
Expenditure value of promotional activities					
	\$m	11.2	11.5	12.1	13.0
Visiting journalists hosted					
International	no.	350	380	296	400
Domestic	no.	140	150	114	125

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66.1 Development of the Tourism Industry

66.1.2 Marketing (cont)

New South Wales Conference - Delegates	no.	350	350	300	350
Usefulness of conference (rated good and excellent)	%	72	67	62	67
<u>Average Staffing:</u>	EFT	122	128	139	152

1998-99		1999-2000
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses -

Operating expenses - Employee related	8,470	8,954	9,848
Other operating expenses	34,132	34,233	35,585
Depreciation and amortisation	120	451	836
Total Expenses	42,722	43,638	46,269

Less:

Retained Revenue -

Sales of goods and services			
Rents and leases - other	69	69	69
Publication sales	2	1	1
Travel Centre commissions	550	455	460
Investment income	276	239	225
Grants and contributions	5,858	5,535	5,500
Other revenue	313	573	528
Total Retained Revenue	7,068	6,872	6,783
NET COST OF SERVICES	35,654	36,766	39,486

ASSET ACQUISITIONS	1,612
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