

Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [4.27 p.m.]: I move:

That this bill be now read a second time.

I am pleased to introduce the Destination NSW Bill 2011. Tourism in New South Wales is worth \$28 billion to the State and supports more than 160,000 jobs, many of them in regional New South Wales. I seek leave to have the remainder of my second reading speech incorporated in *Hansard*.

Leave granted.

The New South Wales Government recognises that tourism and events are key drivers of the New South Wales economy and importantly, have the potential to generate even more economic returns and jobs for the people of New South Wales.

The New South Wales Government has announced the creation of Destination NSW, a new statutory authority that will be strongly resourced, better equipped and more focused on working with the State's tourism and major events sector to sell Sydney and New South Wales to the world.

Tourism policy in this State needs strategic direction. For too long the tourism sector has been underresourced. There has been a lack of cohesion between our event acquisition activities, our strategies to enhance events and our marketing and promotion activities in attracting visitors to New South Wales.

That is why the New South Wales Government is establishing Destination NSW.

The advice of industry and the community in shaping the future of our tourism sector will be critical and that is why we have also established the Visitor Economy Taskforce, to guide Destination NSW on tourism policy.

The Taskforce will be charged with developing a strategy to double tourism expenditure in New South Wales by 2020, measured by overnight visitor expenditure.

It will comprise the new Chief Executive of Destination NSW, once appointed, and three high-level industry representatives. It will be chaired by Russell Balding, AO, who will be shortly stepping down as CEO of Sydney Airport. He is, of course, also the former Chairman of the ABC and as such, has a unique skill-set for the position. His background encompasses the experience of running our most important piece of visitor infrastructure along with our pre-eminent media organisation.

Mr Balding will be supported by John King, AO, Chairman of the Australian Tourism Export Council and a global expert on sustainable tourism and the development of indigenous tourism ventures. Mr King recently chaired the previous Labor Government's Taskforce on International Education and Tourism.

The fourth member of the taskforce should need no introduction in this place. Mr Bruce Baird, AM, was, of course, the Minister for the Olympic Bid in the former Coalition Government and is the current Chair of the Tourism and Transport Forum. He was recently commissioned by the Federal Labor Government to conduct a review into issues surrounding international education following the unfortunate events with Indian students in Victoria.

The Visitor Economy Taskforce will be supported by a broad based advisory committee to include government and industry representatives and will be expected to deliver a long term strategy and work plan to the Minister for approval within 12 months.

The taskforce will also be providing advice on key supply side matters of importance to the future of tourism. For instance, the cruise industry is one of the fastest growing sectors in tourism and Sydney Harbour is one of the world's best cruise destinations. Ships are getting larger and the future need for cruise facilities in the harbour will need to be carefully considered by Government with input from across the board.

New South Wales offers a great diversity of wonderful tourism experiences and destinations that are found in the CBD of Sydney, our urban precincts across the greater Sydney area and of course regional New South Wales. Nature, food and wine, beaches, the arts and the unique culture and history of Aboriginal people are only some of our fine tourism assets.

That is why sustainable tourism will be an important area of focus for strategy development by the Visitor Economy Taskforce and for delivery by Destination NSW.

Australia is recognised globally as a world-leader in ecologically sustainable development in tourism and it is the Government's strong view that New South Wales will not only protect that reputation but enhance it.

The Coalition Government is determined to place Tourism and Events at the centre of our State's economic revival. To underline that commitment, we will be providing Destination NSW with an extra \$40 million over four years and a further \$5 million this year for regional tourism initiatives.

Destination NSW will be a marketing and promotional powerhouse selling Sydney and regional New South Wales to the world. The advertising campaigns undertaken by Destination NSW will be about attracting visitors and visitor expenditure to our State. It is about measurable results that make a positive economic impact.

Tourism branding and marketing is about creating sustainable jobs and especially jobs for the regions. It is about building a services economy. We advertise and promote our State to get more people here, to encourage them to spend more money, creating sustainable wealth across the State.

Importantly, we want interstate and international visitors to repeat their visits here across their lifetime. We want them to come, as young people, as backpackers and students.

We want them to come back with their families and partners for holidays, events and to visit their friends and relatives. We want them to come here for professional reasons such as conferences, business meetings and to invest. And we want them to come back in their retirement, to participate in activities as active or as passive as they choose.

In short, we want tourism in New South Wales to enhance our visitors' lives and in doing so,

to enhance ours.

The Bill Establishing Destination NSW

I now turn to more specific considerations of the bill we are considering today. It establishes a new statutory authority to be known as Destination NSW.

We have chosen a statutory authority structure because it is the most suitable structure for an organisation that has strong commercial interests, requires partnerships with private industry and manages valuable government collateral such as the Sydney and New South Wales brands.

The entity will:

- encompass the current functions of Tourism New South Wales;
- include the event acquisition, enhancement and marketing functions currently undertaken by Events New South Wales;
- take on the role previously assigned to the Greater Sydney Partnerships for marketing Brand Sydney; and
- deliver the approved strategies developed by the Visitor Economy Taskforce in conjunction with existing bodies such as Business Events Sydney and regional tourism organisations.

The Destination NSW Bill 2011 requires the abolition of the former corporation Tourism New South Wales, constituted under the Tourism New South Wales Act, 1984. Tourism New South Wales will become a division of Destination NSW. By separate process, we will also wind up Events New South Wales.

Members of the former Tourism and Events boards will be eligible to be appointed as members of the Board of Destination NSW at the discretion of the Minister.

The existing budgets of Tourism New South Wales and Events New South Wales, along with our additional funding of \$40 million over four years and \$5 million in 2011-12 for regional tourism organisations will provide resources of \$400 million over the next four years to this new organisation.

It is our intention to retain the skilled staff of Events New South Wales and Tourism New South Wales and add brand and marketing horsepower to the new entity.

We have established a transition group that includes Tourism New South Wales, Events New South Wales, department staff and the Department of Premier and Cabinet to ensure best practice approaches to change management and to make the transition as easy as possible for staff, and importantly—to make sure the business keeps being done.

We are also determined to eliminate any duplication of effort in back of house functions and to put any saving straight back into marketing and promoting New South Wales and acquiring events.

Destination NSW will be tasked with:

- brand, partnership and event marketing (including event leveraging and regional relationships);
- events acquisition, retention, enhancement and leveraging international operations;
- destination development;
- stakeholder management and communications; and
- management of "Brand Sydney" and a range of other initiatives which support Sydney's global positioning.

The bill will establish the Board of Destination NSW as a board of management. The board will be accountable for the operations of Destination NSW and the strategies, plans and actions that the organisation will implement to achieve its goals.

The board will have an independent chair and include the Chief Executive Officer of Destination NSW, the Director General of the Department of Trade and Investment, Regional Infrastructure and Services and industry representatives with the relevant skills and experience in tourism and events.

As Destination NSW will be responsible for events, product, destination, regional, investment and economic development programs, it is essential that it operates in the context of broader government priorities.

In addition, the organisation will control substantial collateral such as Brand Sydney and Brand New South Wales and substantial public funds.

It is therefore necessary for Government to have the power to direct the board on strategic issues, including the implementation of the strategies developed by the Visitor Economy Taskforce.

We will also implement the highest standards of governance, accountability and transparency.

The bill also provides that the Minister for Tourism can appoint the board of management and remove members from the board.

The Chief Executive of Destination will manage and control the organisation's affairs as directed by and in accordance with the general policies and strategic direction agreed by the board.

The Government Information (Public Access) Act will apply to Destination NSW. As a government entity, information, other than that which is against the public interest, would be available to the public.

As indicated in the legislation, Destination NSW will be expected to demonstrate its effectiveness. It will be required to prepare and deliver corporate and business plans approved by the Minister for Tourism and Major Events. The plans will outline the objectives of key activities and strategies including policies and budgets for achieving the targets and criteria against which the performance of Destination NSW will be assessed.

New South Wales now has a real chance to help the tourism and events sector in our State realise its potential and make a full contribution to the task of rebuilding the New South Wales economy.