



Department of State and
Regional Development



Annual Report **2005-2006**





Department of State and
Regional Development

Office of the
Director General

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The Hon Morris Iemma MP
Premier, Minister for State Development
and Minister for Citizenship
Level 39, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

The Hon Frank Sartor MP
Minister for Planning, Minister for Redfern Waterloo,
Minister for Science and Medical Research
and Minister Assisting the Minister for Health (Cancer)
Level 34, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

The Hon Sandra Nori MP
Minister for Tourism and Sport and Recreation,
Minister for Women and Minister Assisting the
Minister for State and Regional Development
Level 34, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

The Hon David Campbell MP
Minister for Water Utilities, Minister for Small Business,
Minister for Regional Development and
Minister for the Illawarra
Level 36, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Ministers

In accordance with the *Annual Reports (Departments) Act 1985*, it is my pleasure to submit, for your information and presentation to Parliament, the Annual Report of the Department of State and Regional Development for the financial year ended 30th June 2006.

The Report incorporates the Annual Reports for Tourism NSW, the Major Events Unit and the Office for Science and Medical Research which were added to the Department in March 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Loftus Harris'.

Loftus Harris
Director General
27 October 2006



➤ www.business.nsw.gov.au

NSW Offices

Albury • Armidale • Broken Hill • Coffs Harbour
Dubbo • Kariang • Goulburn • Grafton
Lismore • Newcastle • Orange • Parramatta
Port Macquarie • Sydney • Tamworth
Tweed Heads • Wagga Wagga • Wollongong

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Charter and Legislation

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About the Department

History and Charter

The Department of State and Regional Development was established in 1995 as the New South Wales Government's key business development agency.

The Department provides expert advice and services to advance the economic development of metropolitan and regional New South Wales. The Department delivers programs and services to implement the NSW Government's commitment to winning new business activity for New South Wales and developing the capacity and productivity of the State's economy. Its corporate vision is to be recognised as the most effective and efficient business development agency in Australia.

The Department adopts a whole-of-government approach to its role and actively encourages collaboration with the business sector and the community in its work.

On 23 February 2006, the Premier's Economic and Financial Statement announced the addition of the Tourism Industry Division (Tourism NSW) and the Major Venues and Events Unit (now the Major Events Unit) of the former Department of Tourism, Sport and Recreation and the Ministry for Science and Medical Research (now the Office for Science and Medical Research) to the Department of State and Regional Development. The changes were formalised by Administrative Orders in March 2006.

This increased responsibility for the Department of State and Regional Development was consistent with the Government's determination to increase efforts to win new investment for New South Wales, creating jobs and boosting confidence in the NSW economy.

The expanded Department supports the Minister for State Development, the Minister for Science and Medical Research, the Minister for Tourism, the Minister for Small Business and the Minister for Regional Development.

Tourism NSW provides strategic direction and leadership to the NSW tourism industry to support the development of an appropriate range of tourism infrastructure, products and holiday experiences, to improve the industry's competitiveness and efficiency and to promote sustainable tourism industry growth.

The Office for Science and Medical Research aims to drive growth and innovation in science and medical research to improve the health, environment and economy of New South Wales.

The Major Events Unit provides secretariat services for the NSW Major Events Board which advises the NSW Premier on event opportunities, strategies and policies for both Sydney and New South Wales.

Legislation administered

The principal Acts administered by the expanded Department are:

- *Albury-Wodonga Development Repeal Act 2000 No 18*
- *Centenary Institute of Cancer Medicine and Cell Biology Act 1985 No 192*
- *Garvan Institute of Medical Research Act 1984 (NSW) No 106*
- *Human Cloning and Other Prohibited Practices Act 2003 No 20*
- *Innovation Council Act 1996 No 77*
- *New South Wales Cancer Council Act 1995 (repealed on 20 October 2005)*
- *Regional Development Act 2004 No 58*
- *Research Involving Human Embryos (NSW) Act 2003 No 21*
- *Retail Leases Act 1994 No 46*
- *Small Business Development Corporation Act 1984 No 119*
- *State Development and Industries Assistance Act 1966 No 10*
- *Tourism New South Wales Act 1984 No 46*
- *Very Fast Train (Route Investigation) Act 1989 No 44*

Corporate Framework

Mission

To advance the economic development of New South Wales and bring new business to the State by:

- providing leadership within government on business, economic issues, tourism, science and medical research, small business and regional development issues
- adopting a whole-of-government perspective with respect to the use of the State’s resources to facilitate investment
- supporting the interests of business and the community
- pursuing a balance between economic development and the variety of social, environmental and other challenges that confront a modern society.

Values

The Department gives effect to its mission and goals through the actions of its staff upholding corporate values of:

- integrity through honesty, consistency and fairness
- equity and social justice
- respect for the diversity of the State’s multicultural base
- achievement through diligence, industry, creative thought, consultation and teamwork
- accountability, efficiency and effective professional service provision.

The Department is fully committed to the principles of social justice, which include equal employment opportunity, ethical practice and ethnic affairs priorities. The Department strives to integrate social justice principles into its management and recruitment practices, its policy advice and its day-to-day dealings with clients.

Results

The Department’s activities contribute to the NSW Government’s commitment to creating a climate which promotes economic development. The Department’s clients span domestic and international companies of all sizes, industry peak bodies, professional associations, business advisers and government departments and authorities. Its services are delivered through a head office in Sydney and a network of 20 regional offices across New South Wales. Tourism NSW’ offices in Sydney, three regional and six overseas locations are part of the expanded department, as is the Office for Science and Medical Research’s Sydney office. The Department adopts a partnership approach, working in collaboration with business and other related agencies to strengthen NSW competitiveness internationally to increase investment and productivity and to build business capability in the State.

As set out in the three formerly separate agencies’ Results and Services Plans, during 2005-2006, the Department’s activities aimed to achieve the following results:

State and Regional Development	Tourism NSW and Major Events Unit	Office for Science and Medical Research
Results		
Increased investment	Sustainable growth of the tourism economy	Excellence in, and NSW’s position as a leader in, science and medical research recognised
Increased exports	New South Wales and Sydney’s position as Australia’s premier tourist destination maintained	Effectiveness of the NSW Government’s investment in science and medical research optimised
Increased growth through innovation	New South Wales and Sydney are a preferred locations for major and business events	Translation of research effort into policy and practice facilitated, addressing health, environmental and economic priorities
Improved business climate		New areas of science and medical research which may have applicability to New South Wales identified Collaborations and increased investment in science and medical research in New South Wales

Selected key results indicators are:

Value of investment and job impact	Total number of NSW visitor nights	Investment from all sources in science and medical research undertaken in New South Wales
	Number of direct jobs in tourism	NSW share of major Commonwealth grants in science, health and medical research
Value and growth of client exports	Tourism expenditure in New South Wales	Funds leveraged through grants programs and partnerships. Jobs created through grants programs
Business growth by clients in technology programs	Dollar value of publicity generated	Number and value of clinical trials undertaken in New South Wales
Small to medium business clients' employment growth	Value of industry contribution to cooperative marketing programs	Number of science research centres headquartered or with nodes in New South Wales
	Number of business events secured by Sydney Convention and Visitors Bureau	Membership rates of research hubs and networks
Clients satisfied with the Department's business development services	Stakeholder satisfaction with Tourism NSW	
	Number of major events secured	
	Estimated net economic impact of events	

During 2006-2007, the Department will review its Results and Services Plan to reflect its expanded functions and responsibilities.

Governance

The Department's corporate governance framework provides clear direction and transparency in decision-making across the organisation and supports its capacity to achieve its key results. In undertaking its activities, the Department works within the NSW Government's framework of reporting and accountability. This includes the government's major initiatives in areas such as information technology, State records, anti-corruption, privacy and financial reporting and its client service focus. The governance framework is supported by the operations of the Executive Management Committee and the Audit and Review Committee.

The Department has achieved a high level of performance by adopting the following management principles for improved performance:

- customer focus and extensive consultation with clients
- operating excellence
- financial effectiveness
- continuous improvement in systems, work practices and resource usage.

Operating Environment

The Department operates in an increasingly complex state and national economy that provides both challenges and opportunities to the economic growth of New South Wales. These include:

- an expanding global economy
- increasing competition from other investment attraction agencies and locations for footloose investment
- pressure to retain and expand skills for growth
- development of global supply chains across all sectors
- challenges to the manufacturing sector from China and other parts of Asia
- sustaining the NSW economy as a competitive business environment
- impact of the drought on the State's economy
- dynamic business client needs and expectations.

Performance Improvement and Program Review

The Department has achieved a high level of performance by adopting the following drivers or management principles for improved performance:

- customer focus and extensive consultation with clients
- operating excellence
- financial effectiveness
- continuous improvement in systems, work practices and resource usage
- improved project management skills.

The Department's activities and operations are regularly and rigorously reviewed through a variety of internal and external processes including:

- external financial audit
- internal and external performance audit
- internal audit and review committee
- internal managerial evaluation
- the Council on the Cost and Quality of Government, the Public Accounts Committee and the Treasury
- Ministerial oversight by four Ministers
- Parliamentary oversight through a variety of committees such as the Parliamentary Budget Estimates Committee.

Overview by the Director General



The Year 2005-2006 brought several changes for the Department of State and Regional Development.

The most significant of these was in February 2006, when the Hon Morris Iemma MP, Premier of New South Wales assumed the role of Minister for State Development taking over from Deputy Premier, The Hon John Watkins MP. We thank Minister Watkins for his support of the Department during his tenure as Minister.

In February 2006, the Premier, in his Economic and Financial Statement, announced that Tourism NSW, the Office for Science and Medical Research and the Major Events Board would be added to the Department.

In addition to the Premier as Minister for State Development, the Department reports to the Hon Frank Sartor MP as Minister for Science and Medical Research, the Hon Sandra Nori MP as Minister for Tourism and Minister Assisting the Minister for State Development, and the Hon David Campbell MP as Minister for Small Business and Minister for Regional Development.

The Department continues to deliver a range of programs and initiatives to support the economic development of the State.

The hosting of the 2005 Forbes Global CEO Conference in Sydney in August/September 2005 was the culmination of more than a year's effort. Over 400 of some of the world's most senior business people participated over a three-day period in this landmark event and saw first hand the investment and business opportunities in New South Wales. These delegates represented companies which collectively employ 2.5 million people and have a market capitalisation of \$2 trillion.

Small Business Month continues to play an important role in the annual calendar. Held each September, this year there were some 335 events attracting nearly 50,000 participants across the State. The feedback from small business is that they regard the information, expertise and networks they can access over this month as extremely valuable. Increasingly high impact programs include *Women in Business* and *Home-Based Business Week*.

Internationally, the Department has embarked on a range of new initiatives. In particular, country specific strategies target the fast growing markets of China and India while adopting more contemporary approaches to our traditional markets in the United States, United Kingdom, Europe and Japan. This new approach will also see strengthened partnerships with Invest Australia and Austrade to utilise and leverage their worldwide networks. We also implemented the Government's *Drive for Talent* program to attract skilled individuals from interstate and overseas to live and work in New South Wales.

In trade, the Department undertook 13 group international trade missions and assisted 33 companies on independent market visits. A total of 108 companies participated in the international trade missions and market visits program to 21 markets.

The Department has once again supported significant investment outcomes for New South Wales. Examples include international company CSC, which chose to leverage Sydney's skilled workforce to establish its nearshore project to source international contracts and international funds manager Fidelity with a new Asia-Pacific Regional Service Centre.

In regional New South Wales, Bemax Resources commenced a \$176 million mineral sands project in Broken Hill creating 199 full time jobs; the Costa Group completed stage one of its new state-of-the-art greenhouse facility for growing tomatoes at Guyra and commenced construction of stage two making the overall investment in the region over \$25 million; and Union Switch and Signal announced the establishment of a Railway Signalling and Technology Centre in Newcastle that will create 115 new jobs for the area.

The Department for the second year supported *Country Week* which attracted 8,500 visitors seeking to find out more about the benefits of living and working in regional New South Wales.

Regional firms throughout the State continue to display remarkable commitment to their communities in the face of terrible drought conditions in most of New South Wales.

This year was the first with Tourism NSW as part of the Department. This sector contributes around \$23 billion annually to the NSW economy and is an important part of our continuing economic prosperity. Tourism NSW built on its marketing campaign: – *New South Wales – There's no place like it* and *There's no place in the world like Sydney*. 2005 also marked the centenary of tourism promotion in New South Wales. Tourism NSW will continue to work with industry to maintain the position of New South Wales as Australia's major tourist destination.

The Office for Science and Medical Research also became part of the Department. Research and development plays a vital role in building a strong economy and promoting new industry and jobs growth. In 2005-2006, over \$30 million was provided in direct funding for science, medical research and commercialisation programs. In addition to continued work in biotechnology, the Premier announced the establishment of the *NSW Science Leveraging Fund* in his February Statement. This fund will provide \$40 million over four years to leverage Commonwealth and international funding for research and development, infrastructure and capacity building in New South Wales.

This ongoing strategic investment will help drive innovation, create new and value-added industries, skills and jobs growth and provide competitive advantage across a range of sectors, such as advanced manufacturing, biotechnology, defence and aerospace, health and security, and ICT.

Following the success of the 2000 Olympic and 2003 Rugby World Cup business programs, New South Wales has built a new export industry in sports infrastructure and services. Events such as Beijing Olympics 2008, Delhi Commonwealth Games in 2010 and the London 2012 Olympic Games are providing good opportunities for NSW companies. In Beijing, Architects Bligh Voller Nield, PTW Architects and Contemporary International were involved in further venue design and overlay development. In collaboration with the Victorian Department of Innovation, Industry and Regional Development, the Department established the Australian International Sporting Events Secretariat to target major events globally.

Major Events continue to be an important element of the State's economic strategy with the Major Events Board playing a leading role. Following the Forbes Conference, we look forward to SIBOS, a leading international business conference which is expected to attract over 6,000 delegates in 2006, the Rotary International Convention in 2014 which will attract up to 22,000 delegates from all corners of the world, as well as international events such as ballet, football, golf, surfing and theatre.

This year the Department concluded its review of the *Retail Leases Act, 1994* which resulted in the enactment of the *Retail Leases Amendment Act, 2005*.

The Department has played an important role in the Government's Small Business Regulation Review Taskforce announced by the Premier in January. The Department supports the Taskforce whose role it is to identify red tape on an industry by industry basis and make recommendations aimed at reducing the time, effort and money that small business spends on complying with various regulations. The first of the reviews, which covered motor dealers, repairers and fuel retailers, made a number of recommendations which will make a significant difference in the day-to-day running of businesses in the motor vehicle sector.

The Department has also moved from its long-time Sydney premises in Grosvenor Place and Governor Macquarie Tower to consolidate its operations at the MLC Centre in Martin Place. The Trade and Investment Centre/Country Embassy has been re-established and continues to be one of the State's premier business venues. I would like to particularly thank all the staff for the efforts and support during the relocation and the transition to the expanded Department.

As in previous years, I welcome this opportunity to recognise the dedication, energy and professionalism of all the staff of the Department, without whom these results would not have been possible. I extend my admiration and thanks to all of them for their efforts.



Loftus Harris
Director General

Objectives and Results

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Highlight Results of the year

Increased investment

Intermediate results	Key indicators
<p>Increased investment into NSW</p> <p>Investors view NSW more favourably than other States and countries</p> <p>More potential investors are targeted</p> <p>NSW competitive strengths are identified</p> <p>Regional businesses strengthened</p> <p>Regional communities offer more business opportunities</p>	<p>Secured 135 investment projects across NSW with investment close to \$2 billion. Secured the creation/retention of 6,329 jobs.</p> <p>Undertook 13 trade and investment missions in support of NSW business.</p> <p>Secured 121 projects with an investment of \$1.64 billion in regional NSW. Helped create/retain 4,609 jobs in regional NSW.</p> <p>Secured five major infrastructure projects with an investment of \$1.36 billion which lead to the creation/retention of 547 jobs.</p> <p>Business migrants sponsored by the Department and approved by the Commonwealth Government are forecast to invest \$42 million in the State and to create over 620 jobs.</p>

Increased exports

Intermediate results	Key indicators
<p>NSW export values grow</p> <p>NSW businesses win more international business</p> <p>Exporters enter new markets</p> <p>More firms start to export</p> <p>Local suppliers win against imports</p> <p>More firms participate in international trade forums</p> <p>Greater awareness of export as growth strategy for business</p>	<p>A total of 108 companies participated in 13 group trade missions and market visits and 33 individual market visits.</p> <p>Companies reported sales of \$803,000 during the missions and visits with a further \$34 million projected in the following 12 months.</p> <p>SME clients of the Department's export development programs reported an increase of \$165 million in total exports between 2004-2005 and 2005-2006.</p> <p>The NSW Exporters Network grew to 697 members, a 14 per cent increase on last year.</p> <p>The 823 clients under management by specialist Regional Export Advisers across NSW achieved sales of \$8.6 million. The Advisers exceeded contract targets and signed on 82 new exporters under the <i>TradeStart Program</i>, and 48 companies which achieved an export sale were exited from the program.</p> <p>NSW companies and organisations exhibiting at BIO2006 conference in Chicago reported \$4 million in sales and over a \$100 million in potential business outcomes, including co-development, licensing and investment opportunities.</p> <p>52 companies were assisted with individual export development projects under the <i>New Export Opportunities (Export Development) Program</i> and received financial support of \$470,000. Ten seminars and workshops were provided for 620 exporters of services.</p> <p>Co-sponsored CeBIT Australia in May 2006. The event is the Asia-Pacific element of the world's largest ICT trade show network. The event attracted 700 exhibitors including 140 from overseas, 30,000 visitors. Companies on the Department stand reported \$5 million in prospective sales out of their exhibition at the trade show.</p>

Growth through innovation

Intermediate results	Key indicators
<p>Increased business expenditure on research and product development</p> <p>New technologies and practices adopted by business</p> <p>Research centres seed and support businesses</p> <p>More innovations turn into new businesses</p> <p>Greater awareness of innovation as growth strategy for business</p>	<p>Australian technology Showcase (ATS) members attributed \$40.6 million in investments, exports and domestic sales, directly or indirectly to their membership.</p> <p>Approved 24 new technologies for admission to the ATS program.</p> <p>Four Innovation Advisory Centres provided 1,577 services to inventors and small business innovators. The Centres held six promotional seminars attracting more than 100 attendees.</p> <p>The Online Innovation Advisory Service attracted 15,063 user sessions, including 498 users of the proprietary self-assessment software and 15 virtual exhibitor applicants.</p> <p>Funding was provided to 14 research and development organisations in NSW to increase the capacity and capability of the State's research and development facilities and enhance industry's access to advanced technologies.</p> <p>NICTA Australia (NICTA) maintains 65 per cent of its research projects within NSW, engaging more than half of its research resources across two laboratories in Sydney.</p> <p>NICTA established new research collaborations with Daintree Networks US, Ericsson Sweden, NTT Data Japan, NEC Australia and Japan, Qualcomm US and ST Microelectronics US, in addition to their existing collaborations with IBM, Microsoft and Nortel Networks.</p> <p>\$41 million investment attracted by BioFirst Biotechnology Precinct companies in 2005.</p> <p>Offered assistance of \$760,000 to 38 NSW biotechnology companies under the <i>High Growth BioBusiness Program</i>, and \$759,000 to 50 companies under the <i>Non-research Establishment Costs Program</i>, to assist with intellectual property protection, regulatory approval, legal costs, business process development and market development.</p> <p>Neuromonics Pty Ltd was awarded the 2006 BioFirst Commercialisation Award at a ceremony at Government House on 15 May 2006. The company is rapidly expanding in the US market.</p>

Improved business climate

Intermediate results	Key indicators
<p>Business confidence is high in NSW</p> <p>NSW seen as business friendly location</p> <p>Business grows strongly in NSW</p> <p>Better business infrastructure in NSW</p> <p>Whole-of-government approach to development practised</p> <p>More sustainable businesses start and grow</p> <p>High quality policy advice given to Government</p> <p>Regional New South Wales business supported</p> <p>Retail landlords and tenants supported with bonds scheme and mediation service</p>	<p>Clients of the Department's business development program for small and medium enterprises reported average growth of 15 per cent in employment from 2004-2005 to 2005-2006.</p> <p>Two Innovation Clusters held 22 events involving 442 participants, to provide continuous learning forums to growing firms.</p> <p>Conducted 113 business seminars, attended by 3,527 people.</p> <p>Assisted 72 communities under Community Economic Development programs helping create 68 jobs and leverage \$4.3 million in funds.</p> <p>Provided advice for the Director General and the Department's four Ministers on economic, legislative, science and business development issues.</p> <p>Prepared 51 detailed economic evaluations, the majority assessing the financial viability and economic impact of proposed projects.</p> <p>Introduced reforms to the <i>Retail Leases Act</i> to increase certainty in the relationship between retailers and landlords, reduce red tape and introduce clearer requirements for the leasing of retail premises.</p> <p>The Retail Tenancies Unit managed 328 formal and 496 informal mediations and responded to 8,232 enquiries.</p> <p>The Industry Capability Network achieved \$180 million in import replacement work for NSW firms, an increase of \$13 million from last year. This resulted in the creation of 3,600 jobs in NSW, including 2,397 in regional NSW.</p> <p>The Business Advisory Services delivered a total of 214,378 services, including 98,623 in regional NSW, and 536 workshops in areas including marketing, business planning and financial management for over 6,000 attendees.</p> <p>Under the <i>Drive for Talent Program</i>, attracted over four hundred visa applications for State sponsorship which will bring skills to the State in identified areas of shortage.</p> <p>The <i>Business Clusters Program</i> continued to support the progression of groups of businesses from alliances to fully functioning commercial entities with seven business clusters receiving assistance of \$62,000.</p> <p>The Indigenous Advisory team provided individual support to 121 Aboriginal businesses. Twenty one partnerships were formed through the <i>Budyari Ngalaya Program</i> promoting links between large firms and Aboriginal enterprises and communities. Over 100 employment outcomes were achieved as a result of Aboriginal business programs.</p> <p>Delivered 21 <i>Home-Based Business Action Programs</i> on business planning and marketing to 249 participants. Ninety five per cent of participants reported an increase in their business skills.</p> <p>A total of 794 businesswomen attended 17 <i>Women in Business Growth Strategy Workshops</i>, with eight held in Sydney and nine in regional NSW.</p> <p>Supported 25 inbound delegations/visits, and prepared business briefings on 27 countries to support the NSW Premier and Government Ministers in meetings with overseas visitors and dignitaries.</p>

Grow the NSW Tourism Economy

Intermediate results	Key indicators
<p>Sustainable growth of the NSW tourism</p> <p>Maintenance of NSW and Sydney's position as Australia's premier destination is assisted</p> <p>NSW, Sydney and regional destination awareness and interest are maintained</p> <p>Tourism destinations meet visitor needs</p> <p>Improved tourism industry effectiveness and government planning</p> <p>Secretariat services to Major Events Board</p> <p>Acquisition of major events</p>	<p>Over 23.8 million domestic visitors stayed in NSW overnight. NSW received 34.1 per cent share of visitors and 29.9 per cent share of nights in Australia, being the largest player in Australia. NSW received nearly 2.8 million international overnight visitors, a share of 54.8 per cent of visitors to Australia. Visitors spent over 48.7 million nights in NSW, a share of 36 per cent share of total nights in Australia.</p> <p>Six NSW and Sydney brand television commercials, promoting holidays to five million people, reached the audience an average of ten times while magazine and newspaper advertising reached more than 7.3 million people, an average five times.</p> <p>Continued <i>Sydney Summer</i> and <i>Sydney Winter</i> campaigns and launched the new Easter campaign, <i>Autumn in Sydney</i>. There were 80 media familiarisation tours for the Sydney campaigns, resulting in 1,430 editorial pieces on television, in newspapers, magazines and websites, with a circulation 185 million people.</p> <p>Completed a successful trial of this new program in the North Coast region and commenced rollout of workshops in partnership with other regional organisations.</p> <p>Trained more than 3,000 retail and wholesale travel consultants on Sydney and NSW products and experiences.</p> <p>Arranged 218 domestic media familiarisation tours and provided extensive assistance for domestic media inquiries.</p> <p>Coordinated visits to Sydney and NSW for 158 international media organisations and 497 independent media worldwide.</p> <p>Conducted workshops in the Capital Country, Mid North Coast NSW and the Snowy Mountains, bringing together Tourism NSW, local government, and regional tourism organisations and operators to discuss ways to increase the visitor appeal of their destinations.</p> <p>Co-sponsored Australia Week in Los Angeles in January 2006, attracting over 7,000 attendees to 17 events aimed at showing Australia as an investment and tourism destination. Continued to work closely with the Sydney Convention and Visitors Bureau to attract international conferences and events to NSW.</p> <p>Provided support for 19 conference bids during the year. Won 99 bids to hold international and national events in Sydney and regional New South Wales up to 2014.</p> <p>The Major Events Board completed a review of its business plan, reviewed its target list of events and further developed its event assessment guide.</p> <p>Assisted the successful bid by the New South Wales' Government, the Catholic Archdiocese of Sydney, and the Sydney Convention and Visitors Bureau for World Youth Day 2008.</p>

Promote Science and Medical Research

Intermediate results	Key indicators
<p>Necessary infrastructure in place and investment effectively applied</p> <p>An enabling environment for research and its translation</p> <p>Connectivity to maximise resources and achieve critical mass</p>	<p>Production and release of <i>The State of Research: the Directories of Science and Health and Medical Research in New South Wales</i> which lists over 500 public research institutions based in NSW, providing a comprehensive overview of the diversity and scope of research underway.</p> <p>Establishment of eight of the ten designated research hubs and six clinical research networks, and reviews of six research-enabling platforms.</p> <p>Conclusion of a Memorandum of Understanding on Cooperation in Science, Technology and Innovation between NSW and China to increase collaboration on research and development projects.</p> <p>Organisation of major seminars and events, including a two day exhibition showcasing the possibilities of science at the annual <i>Science EXPOsed</i> event at Parliament House.</p>

Year Ahead

During the 2006-2007 year, the Department will continue to undertake its core functions of promoting investment and economic growth for metropolitan and regional New South Wales, including boosting exports, encouraging innovation and improving the State's business climate and competitiveness, sustaining growth of the tourism economy, maintaining New South Wales and Sydney as a preferred location for major events, and optimising the effectiveness of the NSW Government's investment in science and medical research.

These functions will contribute significantly to the State's ability to improve living standards and create new employment opportunities by attracting and developing new business and supporting the expansion of existing firms within New South Wales.

In particular, the Department will focus on delivering the priorities identified in the State Plan, and in the Department's Results and Services Plan for 2006-2007.

Promote investment

- attract and facilitate investment across New South Wales to maximise creation of new jobs and retention of existing jobs
- maintain Sydney's pre-eminence as the major finance and Information Communications and Technology (ICT) Centre in Australia
- secure projects embodying new technologies and new labour force skills to continue to build on and strengthen the international competitiveness of the State's economy
- develop opportunities in high value global shared services
- build regional business and investment through capacity building and market initiatives in the film, logistics and food and wine sectors, and through assisting companies with preparation for equity raising
- promote New South Wales to potential business and skilled migrants
- deliver the NSW Pay-roll Tax Incentive Scheme to assist new and existing businesses to establish and grow in locations where unemployment is above the State average.

Encourage growth through innovation

- support innovation in small to medium enterprises as a strategy to boost productivity and growth
- position New South Wales as a biotechnology industry leader by working with industry allies to support the commercialisation and development of new biotechnology products and services, attracting new biotechnology businesses and assisting existing biotechnology businesses to grow and expand into international markets
- continue overall support to NSW companies in the Australian Technology Showcase through continued implementation of a range of existing and new promotional initiatives, including additional marketing support and special functions.

Boost exports

- continue to implement a targeted program of activities to secure business benefits for NSW industry from major sporting events, such as Beijing 2008, Delhi 2010 and London 2012
- target services exports in sectors with specific trade opportunities in major markets to promote NSW capability
- continue to work with regional firms to identify and pursue new domestic markets as an important ingredient in building export activity.

Improve the business climate

- create an environment in which small and large business and investment can flourish through a number of new initiatives and changes designed to improve business growth in New South Wales
- encourage greater entrepreneurship among small business owners
- continue to implement a range of programs in support of regional businesses and communities as required.

Grow the tourism industry

- build and convert awareness of NSW destinations in target markets. This will be achieved by consolidating and extending the reach of Sydney and NSW brands, increasing the use of the internet, strengthening relations with emerging markets, and investing in content assets and related systems and processes
- share the Department's knowledge and expertise to improve industry effectiveness and stimulate investment by expanding the use of research and insights, and increasing communication with industry and stakeholders
- developing private and public sector partnerships to grow and manage tourism by leveraging new media partnerships.

Build NSW research capacity

- attract investment and maximise research infrastructure by targeting support and facilitating a regulatory environment conducive to research and development in NSW
- expand the skills base by promoting science education and undertaking initiatives to train, attract and retain high quality researchers
- position NSW as a leading centre for coordinating and undertaking clinical trials and as the conduit from the Asia-Pacific region to the regulatory systems and markets of the US and Europe
- foster national and international collaborations and research-industry partnerships to commercialise research outcomes
- build on NSW strengths in sustainable energy research that will promote adoption of new technologies and strengthen the NSW economy
- continue to promote the strengths, capacity and value of the NSW research sector.

Support major events

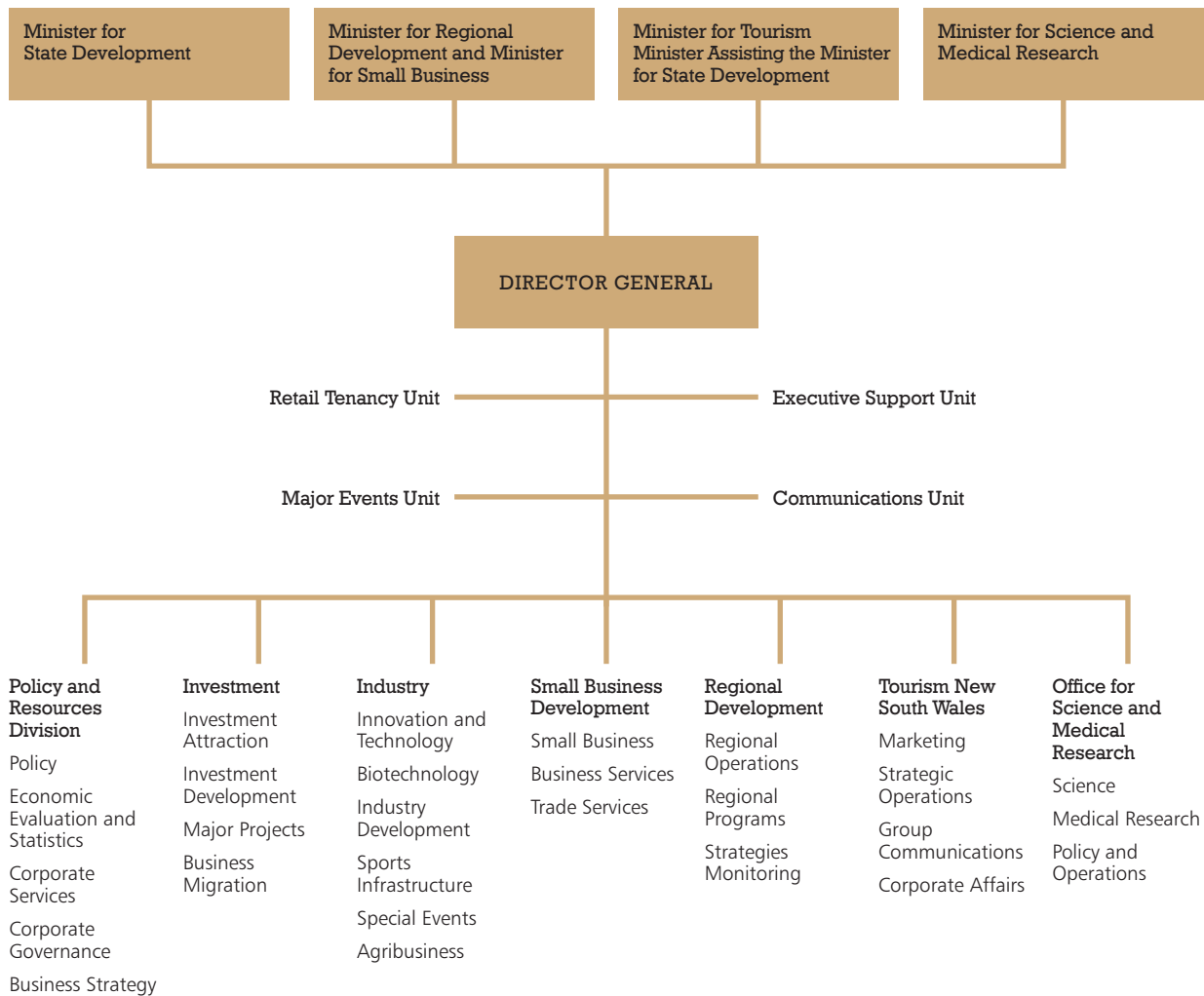
- work with NSW agencies and stakeholders to deliver and leverage major events and conferences including APEC 2007, AusBiotech 2006, Australian Fashion Week, Australia Week in the US, CeBit Australia 2007, International Aids Society 2007 International Conference, RWC2007 and Wine Australia International
- continue to support the Major Events Board in attracting major events that can provide economic and other benefits for the State
- regularly review the Major Events Board's target list of events across a range of sectors
- further develop whole-of-government support for events through the Event Liaison Group and the Business Events Liaison Group.

Organisation and Functions

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Department Functional Structure



Senior Management

Director General

Loftus Harris *BA*

Policy and Resources Division

Perce Butterworth *PSM, M Sc Ag, M Ed, B Ec, Dip Agr Econs, Dip Ed*
Executive Director
Retired 16 December 2005

Janine Ricketts *BA (Hons), Grad Dip Lib Sci*

Executive Director
Appointed 19 December 2005

Industry Division

Michael O'Sullivan *B Ec*
Executive Director

Investment Division

Warwick Glenn *B Sc (Eng)*
Executive Director

Small Business Development Division

Julie Scott *B Bus*
(acting Executive Director from 16 August 2004 – appointed 20 February 2006)

Regional Development Division

Michael Cullen *B Com (Ec)*
Executive Director

Executive Support Unit

Gary Offner *Dip Law (BAB), MBA*
Director

Communications Unit

Leanne Joyce *Grad Dip Pub Pol*
Director

Retail Tenancy Unit

Ken Carlsund *Dip Law (SAB), MBA*
Registrar
Candace Barron
(acting Registrar 1 May 2006 onwards)

Tourism NSW

Executive Director and General Manager

John O'Neill *BA (Hons)*

Chief Operating Officer

Lyndel Gray *GAIDC*
Marketing Director

Corporate Affairs

Carolin Lenahan *BA Communications*
(acting) Director

Strategic Operations

Dominica Nelson *BA, Grad Dip (Communications)*
(acting) Director

Group Communications

Catriona Fraser
Director

Major Events Unit

Director

Kevin Simmonds *BA (Hons)*

Office for Science and Medical Research

Executive Director

Kerry Doyle, *PSM, BA (Hons)*

Science

Dr Derek Van Dyk, *PhD*
Director

Medical Research

Prof. Maree Gleeson, *PhD*
Director

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The Industry Division works closely with businesses, industry associations and other government agencies, advises on policy and industry development issues, and initiates business development programs to facilitate industry growth in key industry sectors. These include advanced manufacturing, agribusiness, biotechnology, culture, defence, fashion and textiles, forestry, information and communications technology, recreation, sports infrastructure and services, and tourism.

Additionally, the Division is responsible for supporting cross-sectoral activities, such as innovation, research and development, and commercialisation.

Highlights of initiatives for industry development during 2005-2006 include:

- CeBIT Australia 2006 held at Darling Harbour 9-11 May 2006, with the Department again a major sponsor. The event attracted more than 30,000 visitors and 700 exhibitors (including over 140 international exhibitors from 22 countries). The Department showcased 18 innovative ICT firms. The event contributed more than \$12 million to the NSW economy and the Department sponsored exhibitors have predicted early sales of over \$5 million
- the BioFirst Biotechnology Precinct at the Australian Technology Park reported that the 15 start-up companies housed at the precinct attracted \$41 million in new investment and had 23 patents and eight trademarks approved over 2004 and 2005
- the ICNNSW posted its second consecutive record result in 2005-2006, with Australian manufacturers securing \$180 million in contracts with \$141 million in contracts win for regional firms
- in conjunction with the Australia-India Council and Victoria, the Industry Division facilitated a major games business forum and workshop targeting the Delhi 2010 Commonwealth Games, with presentations by 18 Australian companies

- the Division is working with a number of other NSW Government agencies and the Blue Mountains City Council to build the Blue Mountains Cultural Centre, with the NSW Government allocating \$7.3 million to this project
- the progress of National ICT Australia in filing new patents, spinning out three companies and extending international research collaborations.

Innovation and technology

The Innovation and Technology Unit provides high level advice on industry innovation and development, and manages key programs and initiatives designed to enhance the State's innovation and commercialisation capabilities.

Australian Technology Showcase

The Australian Technology Showcase promotes innovative Australian technologies to the international market.

At end of June 2006, there were 460 NSW member technologies assisted through the program from a total of over 600 technologies in the program nationally.

The showcase's networking, export support, and promotional and marketing activities have already contributed to more than \$609.4 million in new sales, exports and investments for NSW member technologies since the program's inception.

During 2005-2006, 24 new members were recruited and export support grants totalling over \$294,932 for 60 members were approved.

Those 60 companies have generated \$40.6 million in investments, exports and domestic sales directly as a result of these grants.

Examples of the Australian Technology Showcase member successes during the year include the 2004 and 2005 winner in the NSW Government's Western Sydney Industry Awards, ASP Plastics. In March 2006, ASP plastics reported a \$25 million contract, won with Australian Technology Showcase program support, to supply health care products to the UK.

Another Sydney based medical device manufacturer, Portland Orthopaedics, continued to expand internationally during 2005-2006, reporting a major distribution deal in the US in partnership with the US subsidiary of the world's sixth largest joint implant company, Plus Orthopaedics AG.

In response to its international sales, Portland Orthopaedics increased their number of employees from 17 to 27 and attributes the NSW Government Australian Technology Showcase and BioBusiness support as keys to securing its US market success.

An extensive events program during 2005-2006 focussed on areas of strategic priority such as health and environment technology, as well as events addressing member information and business development needs:

- the *Australian Technology Showcase Health Technology Exhibition* was opened in April 2006 by the Minister for Small Business, the Minister for Regional Development and the Minister for the Illawarra. A total of 72 NSW exhibitors of cutting edge health technologies attracted over 500 invited industry, research and government visitors. Exhibitors reported sales and investment leads totalling \$2 million and 79 potential new business partnerships arising from the exhibition
- the *September 2005 Australian Technology Showcase (ATS) national PitchFest*, organised by the NSW Australian Technology Showcase, attracted over 100 national contestants. The event encourages small to medium enterprises to address the important issues for investors in their assessment of a business. Dynamic Axtion Pty Ltd, a prosthetics business at Green Point on the Central Coast, was the winner.

The Australian Technology Showcase program also provided promotional support to members for major national and international industry events:

- thirty technology companies attended the Commonwealth Games Technology Exhibition in Melbourne which attracted 1,200 specially invited national and international guests
- six member companies were showcased at CeBIT Australia 2006.

Support for research and development

The Innovation and Technology Unit supports the research and development of new ideas and technology products and services by:

- supporting leading edge research and development organisations
- providing business and industry links for NSW research centres and NSW innovators to help them explore opportunities for investment or partnering to commercialise research outcomes
- assisting NSW business access national and international funding opportunities.

The Division and the Office for Science and Medical Research work closely with the NSW research community to identify opportunities for stronger links with industry, particularly small to medium enterprises. In 2005-2006, this support included hosting a follow-up series of business roundtables for industry and the State's research and development organisations. This was to help both groups identify areas for partnering and practical ways to enhance industry capabilities around the cutting edge research being undertaken by the State's world leading research facilities.

National ICT Centre of Excellence

The development of the National ICT Australia (NICTA) Centre of Excellence enhances NSW's position as a leading information and communication technology hub in the Asia-Pacific.

Outcomes in 2005-2006 included:

- filing three patents and one international patent under the Patent Cooperation Treaty, bringing the total to 21 patents, 15 of which are for research carried out in New South Wales
- successfully establishing new research links with NSW-based firms, such as Axogenic, Epiphany Games, MedCare Systems, Trantek, and Wilcom International
- establishing new research collaborations with Daintree Networks US, Ericsson Sweden, NEC Australia and Japan, NTT Data Japan, Qualcomm US, and ST Microelectronics US, in addition to their existing collaborations with IBM, Microsoft and Nortel Networks.

There are now 180 NSW-based staff at the Australian Technology Park and the University of NSW, representing more than half of NICTA's staff nationally. This includes world class researchers who have joined NICTA in New South Wales from Canada, Germany, Israel, South Africa and the US. The number of students supported by NICTA in New South Wales has reached 285.

Smart internet technology

The Smart Internet Technology Cooperative Research Centre specialises in high-value, internet-based technologies, solutions and services that can be commercialised internationally.

During 2005-2006, the Department helped the research centre engage with key NSW Government agencies, such as the Department of Education and Training and the Department of Natural Resources to identify innovative use of information and communication technologies in delivering essential public services. The Department also supported the research centre's bid to secure the next round of Commonwealth funding.

Major National Research Facilities

Through the Department, the NSW Government continued to support four of the State's six major national research facilities with a total of \$7.1 million over 2001-2006.

The four supported facilities were the:

- Australian Proteome Analysis Facility
- Australian Synchrotron Research Program
- Bandwidth Foundry
- Nanostructural Analysis Network Organisation.

During 2005-2006, the Nanostructural Analysis Network Organisation continued its collaboration with BHP Billiton to develop techniques to characterise porous minerals, and received an added boost in the form of Australian Research Council Linkage Project grant funding to assist the rapid uptake of this technology by project partner, BHP Billiton.

Centres of Excellence

Through the Department, the NSW Government continued to support the nine Australian Research Council (ARC) Centres and Centres of Excellence in New South Wales with \$5 million from 2003-2004 to 2006-2007. The supported Centres are:

- Centre of Excellence for Quantum Computer Technology
- Centre of Excellence for Advanced Silicon Photovoltaics and Photonics
- Centre for Ultrahigh-Bandwidth Devices for Optical Systems
- Centre of Excellence in Autonomous Systems
- Centre of Excellence in Biotechnology and Development
- Centre of Excellence for Nanostructured Electromaterials
- Centre for Complex Dynamic Systems and Control
- Centre of Excellence for Integrative Legume Research (NSW node)
- Centre of Excellence for Mathematics and Statistics of Complex Systems (NSW Node).

Major highlights for 2005-06 included:

- the ARC Centre for Excellence in Advanced Silicon Photovoltaics and Photonics partnering with Suntech-Power in the development of new solar cell technology that is now being rolled out into large scale production. Sales of the new technology are expected to approach \$1 billion in 2007. Several other companies are also negotiating licences for the use of this technology
- the ARC Centre of Excellence for Autonomous Systems, working with the Electrolux Product Design Centre in Sydney on a number of intelligent kitchens systems
- the ARC Centre of Excellence for Quantum Computer Technology continuing its partnerships with NSW-based company, Peregrine Semiconductors, on a joint project in advanced manufacturing. It also continued its research collaboration with the US Government security agencies and IBM Corporation in control electronics.
- six business skills development workshops with more than 230 cluster members participating, covering topics such as marketing, selling to government, effective networking, and preparing for export
- 88 members receiving daily customised communication technology tender notifications covering Australia, New Zealand and Singapore through the subscribed Tenderlink service
- the www.wsitc.com.au website continued to develop as a primary resource for members seeking online information on industry and upcoming events
- providing expert speakers to two Western Sydney Manufacturing Week events in August 2005 and May 2006, and participating in several successful seminars that targeted the manufacturing sector. Several members reported successful linkages arising from these opportunities
- one-on-one meetings with all new members that provided a forum for discussion and identification of their growth strategies and ways the cluster and the Department could best support their business priorities

Western Sydney IT Cluster

The Western Sydney IT Cluster program has more than 240 members and strong ties with over 30 partners, including industry associations, government agencies, research and educational institutions, private sector sponsors, trade organisations, major user groups and leading international clusters and industry affiliates. The program facilitates growth in the capacity of Western Sydney information and communication technology firms to enter and grow new markets.

Features of the 2005-2006 program included:

- seven hot topic forums with more than 450 participants that provided knowledge, skills and industry intelligence, as well as networking opportunities for cluster members and stakeholders. Feedback indicated a satisfaction rating, on average, in excess of 95 per cent for all hot topic forums
- six bi-monthly e-newsletters to more than 1,500 subscribers, providing news, profiles of members, industry issues discussions, upcoming events and new business opportunities

During 2005-2006, members generated more than \$50 million in new business/sales. Collectively, members turned over more than \$500 million for the local economy.

CeBIT Australia 2006

The Department was again a major sponsor of CeBIT Australia 2006 at Darling Harbour in May. CeBIT Australia attracted more than 30,000 visitors with 700 exhibitors, including over 140 international exhibitors from 22 countries. The Department showcased 18 innovative information and communication technology companies, including six NSW Australian Technology Showcase companies, six Western Sydney IT Cluster companies, four small business division client companies, and two regional clients from Newcastle and Wollongong.

The event contributed more than \$12 million to the NSW economy. The Department sponsored exhibitors have predicted early sales of over \$5 million.

An information and communications technology growth industry profile was released by the NSW Premier at CeBIT in May 2006 to showcase the achievements of the NSW sector and promote business and research alliances.

Biotechnology business programs

The Biotechnology Unit implements the *BioBusiness* programs of the NSW Government's BioFirst Strategy to assist biotechnology businesses in commercialising new products and services, developing managerial skills, attracting investment, and expanding into international markets by:

- providing financial support to early stage research companies to help commercialise their research through the NSW proof of concept program
- supporting the attendance of NSW companies at major international trade and investment conferences, such as BIO in the US and Medica in Germany
- supporting the incubation of biotechnology start-up companies through the BioFirst biotechnology precinct at the Australian Technology Park
- delivering presentation training and negotiating pitching opportunities for NSW companies seeking venture and development finance

- hosting and supporting professional development seminars and workshops to enhance business management skills
- supporting AusBiotech, the national industry association, through co-funding the AusBiotech NSW Executive Officer position and a joint program of industry development seminars
- coordinating New South Wales' participation in promotional programs of the Australia New Zealand Biotech Alliance
- facilitating investment opportunities between international and local investors and start-up companies.

During 2005-2006, Professor Michael Vitale of the Australian Graduate School of Management was commissioned to review the impact of three major *BioBusiness* programs on the NSW biotechnology industry. The study showed the government had received a significant return on its \$9 million investment through the three programs. Companies assisted through the programs generated:

- \$30 million in additional revenues from biotechnology products and services, developed after receiving *BioBusiness* support
- at least \$114 million in additional investment from the public and private sectors, which created more than 175 new jobs.

In 2005-2006, it was reported that the 15 start-up companies housed at the BioFirst biotechnology precinct at the Australian Technology Park attracted \$41 million in new investment and had 23 patents and eight trademarks approved over 2004 and 2005.

Business conferences

The division works with the Sydney Convention and Visitors Bureau to attract selected conferences and events to New South Wales. A total of 99 events worth over \$841 million have been secured for Sydney and regional New South Wales by the Bureau between 2006 and 2014.

Major conferences held in 2005-2006 included the 2005 Forbes Global CEO Conference, XVIII World Congress of Neurology 2005, and the 15th International Society of Developmental Biologists Congress.

The Department provided support for bids for Sydney to host 19 conferences in future years. Should these be won, they will generate up to \$63.5 million in direct spending and create up to 420 jobs.

Australia Week in Los Angeles 2006

Australia Week, held in Los Angeles in January 2006, was coordinated by the Australian Consulate-General in Los Angeles, with the support of Austrade, Qantas and Tourism Australia. The Department was one of the four state government sponsors. The key theme for the week was 'Australia- A great place to do business, service products, invest and visit'. Seventeen events attracted more than 7,000 attendees. These included the food and beverage trade day, an Australia-California business briefing, financial incentives seminar breakfast, the Australian designer showcase, the Forbes CEO dinner, and the Australian Football League match between the Sydney Swans and the North Melbourne Kangaroos. Media reach from print and electronic coverage of these events in the US was estimated at 100 million persons.

Culture and recreation

The Culture and Recreation Unit supports the NSW film, digital content and other cultural industries. The Unit jointly administers the Film and TV Industry Attraction Fund with the NSW Film and TV Office. It also oversees the agreement between Fox Studios Australia Pty Ltd and the Ministerial Corporation for Industry.

During 2005-2006, the Film and TV Industry Attraction Fund was successful in attracting the production of *Superman Returns* which generated expenditure of over \$110 million and created around 800 full-time equivalent jobs including up to 8,500 extras.

The Unit is also working with a number of other NSW Government agencies and the Blue Mountains City Council to build the Blue Mountains Cultural Centre that will comprise a cultural centre, retail area and car park. The NSW Government has allocated \$7.3 million to this project and the development agreement was signed in December 2005 by the Minister for State Development.

Agribusiness

Strong international interest in New South Wales as a reliable source for premium quality, innovative food and fashion products continued. The Department assisted in providing tailored itineraries, business matching, briefings and product evaluations for a number of international buyers who visited New South Wales during the year including:

- forty international food retailers, distributors and food service operators who visited Sydney for the major trade exhibition, *Fine Food 2005*
- Figleaves, a major UK-based online retailer of fashion and related accessories
- Royal Co. Ltd, the second largest food service operator in Japan
- Sainsbury, one of the largest UK supermarket chains
- San Miguel Corporation, one of South East Asia's largest and most diversified food processing companies.

Twenty-two NSW food and beverage suppliers took part in the Department's Fine Food international buyer business matching program. Of these, 74 per cent expressed a high level of satisfaction with the exercise. Comments included:

"...without this opportunity, we would not even have crossed paths with these people"

and

"...sufficient buyers to make worthwhile ... (the format) enabled me to focus on buyers without distractions".

The business matching program generated 47 positive export leads. Five suppliers estimated potential export sales totalling between \$485,000 and \$735,000 over the next 12 months.

The Department supported several overseas promotional initiatives designed to showcase the capabilities of our food and fashion industries, including:

- Australia Week 2006 in Los Angeles
- the Bemco/Cold Storage supermarket promotion in Thailand.

These initiatives were valuable, both in terms of generating immediate sales for participating suppliers, and raising overseas consumers' awareness of the quality and diversity of products available from Australia and NSW, and for generating interest in Australia and NSW as a tourism destination.

The Department also undertook a range of domestic market development activities, particularly on behalf of smaller, regional food and wine suppliers. These included:

- sponsoring the 2005 NSW Wine Awards and launching the top 40 NSW wines at Parliament House
- sponsoring the inaugural Oysters in the House promotion at Customs House
- sponsoring the Winefest promotion staged by Kenvale College of Tourism and Hospitality Management
- sponsoring the 2005 Organic Wine Awards
- supporting the 2005 Organics Expo at Darling Harbour, which attracted 80 exhibitors and 6,000 consumer visitors

- hosting the Tamburlaine Wines Taste of Hunter wine tasting
- hosting the Tasting Orange dinner, in support of the food and wine producers in the region.

A range of conferences, seminars and workshops were organised or supported for the food and fashion industries. Topics focussed primarily on export marketing and innovation and were attended by an estimated 800 industry participants.

Functional foods

A key driver of food industry innovation and growth over coming decades will be functionality, or the capacity of foods to provide a health benefit beyond basic nutrition. Support was given to:

- a National Food Industry Strategy market development project in the UK. A series of industry briefings and product evaluations led to the project featuring 30 NSW suppliers as part of a cluster of well-being foods in the leading supermarket chain, Sainsburys
- the National Centre of Excellence in Functional Foods, based at the Smart Food Centre at the University of Wollongong by linking the Centre with NSW companies interested in product development, market opportunities, and collaborative research and development in this field. The Department hosted the Centre's conference on opportunities in appetite control in June 2006, and a State-wide audit of research and development capabilities and projects in the functional food field is planned
- plans for an Omega 3 Centre, based around the potential offered by this functional food ingredient, by hosting a strategic planning workshop for around 60 companies in March 2006.

The Department took part in several initiatives to improve the business environment for the agribusiness sector, including:

- identifying and addressing issues, opportunities and constraints affecting the development of key sectors, including intensive agriculture, oysters, pork, wine and culinary tourism
- providing input into the NSW Government's submission to Food Safety Australia and New Zealand on country-of-origin labelling of fresh and processed foods.

Ten editions of the Department's food e-newsletter, Food Bytes, were issued during 2005-2006. The publication has become the primary tool for disseminating information to clients and other interested parties on upcoming events, promotional opportunities, industry developments, new programs and success stories. Around 1,200 food companies and industry stakeholders now subscribe to *Food Bytes*.

Fashion

The Department continued its support for the State's fashion industry with a range of promotional and management development activities, including exhibitor training workshops for companies involved with Australian Fashion Week, breakfast seminars covering exporting and innovation with Fashion Group International (Sydney), and the launch of a new industry body, the Australian Fashion Council, in New South Wales.

Major developments announced during 2005-2006 included a new four-year, \$1 million NSW Government sponsorship agreement with the new organisers of Australian Fashion Week, IMG Asia-Pacific. This secures Sydney's position as the leading centre for fashion in the region. Another development was a successful bid by Fashion Group International (Sydney) to host the Fashion Group International Conference in Sydney in 2007.

Manufacturing

During the year, the Department worked closely with companies, industry groups and other organisations to promote industry capabilities and business opportunities, especially through National Manufacturing Week and the Industry Capability Network in NSW.

The Division and the Industry Capability Network in NSW (ICNSW) work with NSW companies to promote their capabilities and products to support their participation in major business projects involving competition from international firms, where there are positive business outcomes in creating and retaining jobs for the State.

Results in 2005-2006 include \$180 million in project wins for NSW-based companies, with regional firms engaged in import replacement work worth close to \$141 million.

Supply chains and logistics

The Department co-funds and works with the Air Freight Council (AFC) and the Sea Freight Council (SFC) to bring together the broad spectrum of services providers and their diverse clients involved in supply chain management, transport, distribution and logistics.

This cooperation facilitates more efficient use of resources in warehousing, distribution and transport logistics and improved access to international freight and transport logistics by NSW businesses and exporters.

The AFC has embarked on a project to improve cargo security both on the ground and in the air and attracted more than 50 participants to the inaugural workshop conducted by security specialist consultants. The workshop also provided an opportunity for freight forwarders and transport companies to adopt new and innovative New South Wales-developed security technologies.

The Department works with the SFC to qualify and quantify the need of New South Wales and Sydney for a new inter-modal terminal and to advance the government's goal of increasing freight on rail and decreasing road congestion.

The Department supports the councils in preparing electronic and printed marketing material to publicise and promote the councils' work and achievements, communicate outcomes from research undertaken, and attract further comments and contributions from those involved in supply chain management, transport, distribution and logistics.

Sports infrastructure and services

NSW expertise was actively promoted to the Melbourne 2006 Commonwealth Games and Beijing 2008 Olympic and Paralympic games organisers. Important promotional programs were undertaken in relation to the Guangzhou 2010 Asian Games, the Delhi 2010 Commonwealth Games, and the London 2012 Olympic and Paralympic Games, as well as support for companies involved in contracts for the Winter Olympic Games, Torino 2005. Support was also provided to the Doha 2006 Asian Games and the Vancouver 2010 Winter Olympics.

During 2005-2006, opportunities were tracked across a broad range of forthcoming international games and events, with particular focus on master-planning, architectural design, games planning, environment planning and technologies, security, communications and IT, public health and food safety, and training. Companies are also being progressively introduced to appropriate officials and business contacts in Guangzhou for the 2010 Asian Games, in Delhi for the 2010 Commonwealth Games, and in London for the 2012 Olympic and Paralympic Games.

In collaboration with Victorian Department of Innovation, Industry and Regional Development, the Department announced it had established the Australian International Sporting Events Secretariat, designed to target business opportunities associated with Olympic and Commonwealth Games and similar major sporting events globally.

Case Study

Significant biotechnology therapies come to town

Sydney biotechnology company, G2 Therapies Limited and global healthcare leader, Novo Nordisk, announced one of Australia's most significant biotechnology licensing agreements in February 2006.

G2 Therapies Limited and Novo Nordisk will collaborate to develop, manufacture and commercialise new anti-inflammatory therapies based on antibodies first developed by Professor Mackay at the Garvan Institute of Medical Research. The G2 Therapies Limited antibody therapies have potential application across a number of different areas, including rheumatoid arthritis and other auto-immune diseases.

The terms of the deal include an upfront payment of US\$6 million to G2 Therapies Limited and a commitment to success-based payments worth up to a further US\$105 million. The development of the G2 Therapies Limited antibody therapies was supported by a NSW Proof of Concept grant.

Investment Division

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The Investment Division promotes New South Wales as an attractive investment location that offers access to Australian, Asia-Pacific and global markets, as well as a skilled multilingual workforce. The Division's primary objectives are to win employment generating investment for New South Wales, attracting business migrants and boosting the number of migrants with skills in demand. The Division competes with similar agencies from other countries, other states/territories/cities for investment projects.

Encouraging investment

During 2005-2006, the Division secured 23 projects involving \$1.5 billion in investment and generating employment for 3,173 people. To attract these projects, the Division's activities concentrated on a number of key industry sectors, including finance, business services, manufacturing, information and communications technology, and major projects.

Finance

Sydney's status as a major finance centre for the Asia-Pacific was reinforced by the Division's promotional activities and investment success in the sector during 2005-2006.

An example of the Division's achievement is the case of Fidelity International Limited. Fidelity International Limited is part of the world's largest independent funds management organisation. The Division worked with the organisation, persuading it to base its Asia-Pacific Regional Services Centre in Sydney, a move that will employ 100 people by the end of 2006 and will service markets in Hong Kong, Japan, Korea and Singapore. Further growth in the centre is expected.

Business services

Business and knowledge process outsourcing were targeted, concentrating on attracting projects that use the high value technical skills and multilingual skills of the State's workforce. Investment opportunities identified during 2005-2006 included a number by the Division's India desk which was established during the year.

Call centres continue to flourish in New South Wales with the Division's focus on attracting them to regional areas. During 2005-2006, Stellar expanded its Wollongong call centre to employ 114 extra people.

Manufacturing

Opportunities were pursued in high value manufacturing and defence related projects. Nine projects were attracted with a total investment of \$90.8 million and 1,813 new and retained jobs during 2005-2006.

The Division worked with the administrators of ION Automotive Systems to help secure the purchase of the company's Albury operation as a going concern by Drivetrain Systems International, resulting in the retention of 500 jobs. Other notable projects included Byron Aviation, which will involve an investment of \$6 million and the creation of 150 jobs to produce ground-based equipment to service the Airbus A380, the world's largest passenger aircraft.

Information and communications technology

Information and communications technology projects attracted during 2005-2006, involved investment of \$19.7 million and the creation of 335 jobs.

Fujitsu Australia Limited will establish a regional product integration support centre in Sydney, which is an example of the high end, internationally focussed opportunities being pursued by the Division in this sector.

Major projects

The Division's Major Projects Unit works with the proponents of projects involving high capital investment and complex issues by acting as a single point of contact to deliver a whole-of-government approach to expediting resolution of issues and approvals processes.

Six major projects were secured during 2005-2006, involving investment of more than \$1.4 billion and employing 547 people. These projects came from a range of sectors, including agribusiness, film, logistics, mining, and tourism. Allied Mills' flour milling operation near Picton involved an investment of \$85 million and created 77 jobs.

Forum on Economic Development

The *CEOs' Forum on Economic Development* was established in 2004-2005 to bring together the CEOs of NSW Government agencies in a whole-of-government approach to handling major investment projects and issues affecting economic development. The forum, which is chaired by the Premier's Department and convened by the Department of State and Regional Development, held four meetings during the year with proponents of major investment projects and to review the range of major investment projects being dealt with across government.

Forbes Conference

The State's joint host sponsorship with Invest Australia of the Forbes Global CEO Conference provided an opportunity to showcase Sydney and New South Wales as an international investment and tourist destination.

Over 400 delegates attended the Forbes Conference, representing companies which employ 2.5 million people and have a market capitalisation of \$2 trillion. Of the total 250 delegates from overseas, 75 per cent represented companies with no presence in Australia. These are potential new investors to whom New South Wales gained access through hosting the conference, and who may consider investing in the State in the future.

Direct benefits arising from the conference include investment, tourism and trade opportunities identified in discussions with delegates. These opportunities were not limited to those identified by State agencies, such as the Department of State and Regional Development and Tourism NSW. Other sponsors, including Invest Australia and Macquarie Bank, also identified new business opportunities with delegates. A survey of Australian participants showed that 20 reported obtaining business leads with five of these putting the value of those leads at over \$5 million.

International market services

The Premier announced in his Economic and Financial Statement in February 2006 a re-invigoration of the Government's promotion of trade and investment to attract and retain investment and jobs in New South Wales.

In response, the Department implemented a new and more contemporary approach to servicing overseas markets through electronic communication and more frequent market visits while freeing up resources to better target these markets. As part of this new approach, the Department closed its Tokyo office in April and its London office in June 2006.

The new approach will also see strengthened partnerships with Invest Australia and Austrade by utilising their world-wide networks instead of duplicating them. The Department negotiated a Memoranda of Understanding with Austrade and Invest Australia to better leverage these networks.

As part of the new approach, focus on the emerging markets of China and India increased with dedicated desks established in the Division with staff with relevant language skills.

Two projects were attracted from China during the year. GM Pharmaceuticals (Australia) Pty Ltd committed to invest \$50 million and employ 23 people in a clinical trial centre in Sydney. The Centre will carry out clinical research into herbal medicines designed to treat a number of viral illnesses. Zensun Pty Ltd will invest \$6 million and employ 14 people in a clinical trials centre in Sydney to test new drugs to treat chronic heart failure.

Two missions to India were undertaken in 2005-2006. The first in October, as part of a delegation led by the Commonwealth Minister for Communications, Information Technology and the Arts, involved meetings with representatives of major Indian companies and identifying investment opportunities. The second mission was undertaken in April visiting Bangalore, Hyderabad and Mumbai to target companies in information technology and communication, pharmaceuticals, biotechnology and advanced manufacturing. Both missions identified investment opportunities which are being pursued.

The Division also participated in a trade and investment mission to the United Arab Emirates in July 2005, meeting senior government officials and senior executives of companies to explore the potential for investment in New South Wales. A meeting with Emirates Resorts and Hotels was held to help progress a proposed ecotourism resort in New South Wales.

In April 2006, the Division supported a mission to France and Italy by the New South Wales Premier. During this mission an agreement was signed with Union Switch and Signal to establish a railway signalling and technology centre in Newcastle. A Memorandum of Understanding was also signed by the Premier with the Lazio region of Italy to promote trade and investment.

Drive for talent

The Premier announced the Government's *Drive for Talent* program in November 2005. The program attracts skilled individuals to live and work in metropolitan and regional New South Wales, including Australian expatriates to return to Australia. These skilled individuals are being sought from overseas and interstate to settle in New South Wales.

Specialisation is increasing in the Australian labour market with Sydney emerging as the place to pursue advanced careers in finance, information and communication technology, and bioscience. The *Drive for Talent* program aims to attract people with skills demanded by these industries. For regional areas, skills in demand identified by local business development authorities, including engineering, medical, town planning and trade skills, were also targeted under the program.

In support of the program, the Division promoted New South Wales at *Australia Needs Skills* expos in Hong Kong and the Philippines in May 2005, Germany and the Netherlands in October 2005, China and Taiwan in November 2005, and the UK in March 2006. Arising from these promotions and other initiatives, the Division attracted over 400 visa applications for State sponsorship.

The Division also promoted New South Wales to skilled workers at career and employment expos in Adelaide, Brisbane, Canberra and Melbourne during the year.

Business migration

Eligible overseas business people looking to establish businesses and to migrate to the State are sponsored by the Department. Promotional missions to China and Taiwan resulted in increased interest from prospective migrants. State sponsorships were granted to 324 applicants for Commonwealth business migration visas. Business migrants who are sponsored by the Department and subsequently approved by the Department of Immigration and Multicultural Affairs during 2005-2006 are expected to invest over \$42 million and create over 620 jobs in New South Wales.

Interstate Agreement on Investment Attraction

All signatory States and Territories have renewed their commitment to the *Interstate Agreement on Interstate Investment* for a further five years.

This agreement was established by New South Wales and Victoria in 2001. All States and Territories except Queensland signed the agreement in 2003. It provides a mechanism for participating State agencies to limit the ability of companies to leverage financial incentives from the States and/or to consult in cases where more than one State or Territory is seeking to attract a project.

During 2005-2006, cases of companies attempting to leverage the States were few. The frequency of cases is significantly less than in the initial years of the Agreement.

Case Study

Sensation yachts

New Zealand's Sensation Yachts builds luxury super yachts, many around 50 metres in length and mostly for export to an exclusive international market. The company is one of the world's top 10 makers of luxury super yachts.

In 2006, the company established Australian operations at the Carrington shipyard in the Hunter where it commenced operations with over 30 people. The campaign is expected to increase its workforce to 190 by mid 2007.

Sensation Yachts signed a 20-year lease with Newcastle Port Corporation in February 2006. Newcastle was chosen for its natural deep harbour, inexpensive land, and the presence of a large, skilled workforce that was readily available following the recent completion of a major maritime defence project.

This new luxury super yacht business strengthens New South Wales' position in super yacht building, refit and repair as well as enhancing Newcastle Port's reputation as a boat building hub with world-class maritime skills. Sensation

Yachts' presence also provides opportunities for other local businesses and contractors to grow.

Sensation Yacht's workforce will be trained in new yacht building methods and technologies, with around 20 per cent of the workforce being trainees and apprentices.

This project was won against competition from alternative locations in Queensland and Singapore.



The Major Events Unit provides secretariat services for the New South Wales Major Events Board which advises the Premier on event opportunities, strategies and policies for Sydney and New South Wales.

The secretariat is coordinated by the Unit's Director who also provides additional support to the Board. The Unit's role is to:

- coordinate the feasibility assessment of event proposals
- maintain a target list of potential events over an approximate 20-year horizon
- make recommendations to the Board and NSW Government on events support
- take a lead role and/or contribute to the development of event-related policy and strategy in consultation with key agencies
- coordinate bids and lobbying support for events
- coordinate post-event evaluations
- represent the Board's interests on government event forums
- liaise with public sector agencies on coordinated support for events.

Major Events Board

The Major Events Board is chaired by Sir Nicholas Shehadie AC OBE and, on 30 June 2006, comprised:

- Mr David Baffsky AO, Chairman, Accor Asia-Pacific
- Mr Phillip Coles AM, Chairman, NSW Institute of Sport and International Olympic Committee Member in Australia
- Mr Richard Colless, AM, Chairman, Sydney Swans
- Mr Jon Donohoe, Chairman, Westpac Helicopter Rescue Service
- Mr Loftus Harris, Director General, Department of State and Regional Development
- Mr Peter O'Connell, Chief Executive, Babcock and Brown Wind Partners
- Ms Margy Osmond, Chief Executive, Sydney Chamber of Commerce
- Mr Alan Whelpton AM, Chairman, NSW Sports Advisory Council
- Ms Sandra Yates AO, Director, Saatchi and Saatchi Australia.

Major Events Unit's role

Activities

During 2005-2006, a number of activities were undertaken by the Unit, including:

- assisting the successful bid by the NSW Government, the Catholic Archdiocese of Sydney and the Sydney Convention and Visitors Bureau for World Youth Day 2008
- negotiating a package of Socceroos matches over 2006-2009 as part of the Major Events Board's football strategy. The package was announced by the Premier and the Chief Executive of Football Federation Australia in May 2006 and includes Asian Cup qualifiers, World Cup qualifiers and friendly internationals
- undertaking a detailed feasibility study on a bid for the 2011 Presidents Cup of Golf in cooperation with the PGA Tour of Australasia. Following a recommendation from the Board, the government gave in-principle support for a bid along with a support package in the event of a successful bid
- negotiating an agreement with IMG Fashion Asia-Pacific for the NSW Government to become a premium sponsor of the Australian Fashion Week spring/summer collections over 2006-2010 and to annually present the Australian Fashion Laureate, a new national industry award
- facilitating NSW Government financial support which led to the Sydney Convention and Visitors Bureau securing the 2014 Rotary International Convention which is expected to attract over 20,000 delegates
- finalising negotiations to stage a round of the A1 Grand Prix of Nations (World Cup of Motor Sport) at Eastern Creek International Raceway in November 2005
- providing advice on government support for a bid by Cricket Australia and New Zealand Cricket for the 2011 Cricket World Cup.

Major Event advocacy

During 2005-2006, the Unit led or participated in a number of policy initiatives including:

- chairing the Event Liaison Group, a monthly forum through which key public sector agencies consider coordinated support for events in Sydney and New South Wales
- representing the Major Events Board's interests on the Central Sydney Operations Group and its executive committee which are chaired by the Office of Protocol and Special Events, Premier's Department
- developing a generic Event Assessment Guide with the Office of Protocol and Special Events, Premier's Department to assist organisations or individuals wishing to submit event proposals to the Major Events Board and the government
- developing a generic Event Cycle Document with the Office of Protocol and Special Events in Premier's Department that sets out a process for stakeholder consideration of event proposals received by the Major Events Board or other government agencies
- assisting the Office of Protocol and Special Events in Premier's Department in a continuing review of the NSW Government policy on the application of user charges for special events
- assisting the Sydney 2009 World Masters Games Organising Committee to regularly review its administrative and operational policies.

Event funding support

During 2005-2006, funding support was provided for a number of events including:

- \$1.5 million for the Socceroos FIFA World Cup playoffs against the Solomon Islands and Uruguay
- \$500,000 for the International Cricket Council (ICC) Super Series test match between Australia and an ICC World XI
- \$415,000 for the Autumn in Sydney marketing campaign coordinated by Tourism NSW
- \$200,000 for the Canoe Slalom World Championships
- \$200,000 for the East Coast Surf Lifesaving Championships in Port Macquarie
- \$130,000 for Surfest in Newcastle
- \$100,000 for the Ironman Triathlon Australia in Port Macquarie
- \$50,000 for the NSW Men's Open Golf Championships
- \$40,000 for the World Duathlon Championships in Newcastle
- \$25,000 for New Mardi Gras
- \$5,000 for the Round Australia Sailing Challenge
- \$4,950 for the Sydney Invitational Pro-Am Golf championship.

Future event funding support

Following recommendations from the Major Events Unit in 2005-2006, funding was approved for the following future events:

- \$1.25 million for Australian Fashion Week spring/summer collections over 2006-2010
- \$350,000 for the Australian Men's Open Golf Championships in 2006
- \$250,000 for the Australian Women's Open Golf Championships in 2007
- \$250,000 for the Paris Opera Ballet in 2007
- \$150,000 for the Havaianas Beachley Classic in 2006
- \$150,000 for the NSW Women's Open Golf Championships over 2006-2008
- \$100,000 for the World Dragon Boat Racing Championships in 2007
- \$50,000 for the NSW Men's Open Golf Championships in 2006
- \$20,000 for the Maccabi Australian International Games in 2006
- \$10,000 for the World Conference on Women and Sport in 2010.



The Office for Science and Medical Research promotes growth and innovation in science and medical research to achieve better economic, technological, health and environmental outcomes for the people of New South Wales.

Working closely with business, the higher education sector, the scientific, health and medical research communities, the Office fosters and supports research and commercialisation, helping to position New South Wales as the leader in science, innovation and medical research.

Developing a business environment conducive to research and development

The Office aims to develop a business environment that is conducive to research and development in New South Wales through targeted grants programs, developing and providing advice on legislative, regulatory and policy initiatives impacting on science and medical research, as well as promoting the strengths and value of science and medical research in the community.

In 2005-2006, the Office provided over \$30 million in direct funding for research programs and capital grants, as well as business and operational assistance to universities, Cooperative Research Centres and medical research institutes.

Program funding

During 2005-2006, the Office's main funding programs were:

Spinal Cord Injury and Neurological Conditions research

The *Spinal Cord Injury and Related Neurological Conditions Grants Program* provides financial assistance for research programs, research projects and travel scholarships that will lead to discoveries that have a positive impact on the lives of people with spinal cord injuries and other neurological conditions.

In 2005-2006 spinal research grants worth over \$3 million were awarded. These include a program grant of \$1.5 million to researchers at the Prince of Wales Medical Research Institute for a groundbreaking study into changes to nerve and muscle function following a spinal cord injury, six project grants worth almost \$1.6 million, and three travel scholarships enabling post-doctoral students to present their research to international audiences.

The *Spinal Exchange Program* is designed to bring an internationally renowned clinician, practitioner or clinical researcher to take up a Visiting Fellowship in New South Wales for a period of up to six months.

Since the program commenced in 2005, two of the UK's leading experts on spinal cord injury have been invited to New South Wales as Visiting Fellows. Dr Paul Kennedy of the Stoke Mandeville Hospital visited Sydney in August and September 2005, and Professor Peter Ellaway of the Imperial College in London worked in January and February 2006. During their stay, they collaborated on local clinical research and applications, and ran training and expert seminars, enabling NSW medical professionals to learn from new techniques and approaches used in the UK, and to build on existing expertise.

Dr Edelle Field-Fote of the Miami Project to Cure Paralysis was selected as the next Visiting Fellow and will visit New South Wales in 2007.

The *Spinal Exchange Program* is run in partnership with the Motor Accidents Authority of NSW, WorkCover NSW, and the Rehabilitation Studies Unit at the University of Sydney.

Medical research support

The *Medical Research Support Program* provides medical research institutes in New South Wales with the operational infrastructure required to conduct research. In June 2006, funding of \$58 million over three years was granted to 11 NSW medical research organisations.

The program helps meet the hidden costs attached to major research grants. Research infrastructure, such as laboratory equipment, subscriptions to gene databases, computer equipment, and human resource costs are not covered by major research grants. By providing this funding, the *Medical Research Support Program* enables scientists to focus on research.

The program replaces the *Infrastructure Grants Program* which was reviewed between 2005-2006.

NSW BioFirst

In June 2006, the NSW Government announced a further round of funding for biotechnology, worth an additional \$25 million over the next five years. This builds on the government's \$68 million investment, *BioFirst*, announced in 2001. The additional funding followed a 2005-2006 review of *BioFirst*, which found a ten to one return on investment from private sector and Commonwealth Government funding to the NSW biotechnology sector in 2001-2005.

Under the program, the Office administered in 2005-2006:

- the *NSW BioFirst Awards*, a \$6 million program of innovative and prestigious awards to attract leading biotechnology researchers to New South Wales. Three *BioFirst Awards* were granted in 2005-2006, bringing to 13 the total of awardees since the program's inception in 2003
- the *NSW Converging Technologies Program*, a \$1.6 million program that provides high-bandwidth and fibre optic infrastructure to five public research institutes to improve the quality and speed of their data communication links with other research organisations. This program will be completed in 2006-2007

- BioLink, a business development company established to assist member organisations to commercialise their biotechnology intellectual property. Funding of \$2.8 million over five years has been provided to assist the start-up phase. Members include universities and research institutes.

The *BioFirst Program* has been successful in mobilising significant human and capital resources. The 2005-2006 review of the program found that \$6 million allocated over four rounds of award funding for a six-year period attracted 13 senior researchers with specialist biotechnology research expertise to New South Wales from positions interstate or overseas.

This resulted in the establishment and/or expansion of nine laboratories and the attraction of a further 39 people to research teams that did not exist prior to the *BioFirst Awards*. Research groups funded under this program subsequently produced 62 published papers and leveraged \$6.7 million in research funding from the Commonwealth Government.

Science

In February 2006, the NSW Premier announced the Science Leveraging Fund to boost research and development capacity by providing \$40 million over four years to increase the competitiveness of New South Wales applications to national and international funding programs.

The fund, to be administered by the Office for Science and Medical Research and the Industry Division, will support research groups and centres seeking funding from specific Commonwealth programs.

Business case support

NSW applicants for funding in the Commonwealth Government's Cooperative Research Centre Program can apply for assistance from the Office for Science and Medical Research.

Individual grants of up to \$30,000 are available to assist NSW applicants in development of their full business cases, which is a requirement of the Commonwealth's funding program.

During 2005-2006, the Office provided financial support totalling \$140,000 to five Cooperative Research Centres to assist in the development of their business cases.

Synchrotron support

The Office for Science and Medical Research, along with the Industry Division, played a key role in providing funding to the NSW Synchrotron Consortium and developing an agreement between the NSW Government and the consortium.

The NSW Government \$1 million grant and the \$4 million in funding from 13 university partners will be used to invest in the Australian Synchrotron, opening up access for NSW scientists and enabling them to have a role in determining future directions for this important facility.

Other support

In 2005-2006 the Office provided \$10 million in capital funds to the Victor Chang Cardiac Research Institute and \$5 million to the Woolcock Institute of Medical Research to bring together leading researchers in upgraded facilities and to boost productivity.

A grant of \$620,000 was also made to the Garvan Institute of Medical Research in support of the development of the NSW BioResource Centre.

The Office for Science and Medical Research also directly supports award programs which encourage innovation and excellence and provide recognition and support to the next generation of scientists and researchers. These include:

- The Australian Museum Eureka Prizes
- The Young Scientist Awards
- Young Tall Poppies Awards.

Award recipients are all involved in new and exciting research into treatments for major disease and injury, and applications of new technologies that can revolutionise medicine, agriculture and work conditions.

The full list of all funding recipients in 2005-2006 is in Appendix 10.

Regulation, review and relationships

The Office advises the Government on regulatory and legislative issues relating to science and medical research, undertakes planning, consultation and review on issues pertinent to the sector, and develops collaborations and strategies for the long-term future of science and medical research in New South Wales.

In 2005-2006, eight medical research hubs were established to facilitate research collaboration and aggregation in defined geographical locations across New South Wales.

The Office has also assisted with the establishment of a number of clinical and population research networks, and provided funding to three networks to undertake training and education activities, develop research tools and collaborations, and attract investment. These were the NSW Aboriginal Health Research Network, the NSW Stem Cell Network, and the NSW Vascular Research Network.

In July 2005, the Office hosted a national clinical research forum, *Breaking down the Barriers*. The forum led to the formation of the National Clinical Research Steering Committee, which is developing a national framework for clinical research. The Office provides secretariat support to the committee.

Throughout 2005-2006, the Office and Industry Division have organised forums involving the NSW research sector in order to achieve a coordinated and well positioned NSW landscape within the National Collaborative Research Infrastructure Strategy.

In February 2006, the NSW Premier and the Chinese Minister for Science and Technology signed a NSW-China Memorandum of Understanding on Cooperation in Science, Technology and Innovation. The agreement will promote projects and initiatives in science, technology and innovation of mutual interest to government, industry, educational institutions and research organisations in New South Wales and China.

During 2005-2006, the Office undertook consultations, provided advice or support and made submissions on a range of issues, including:

- capital development of the medical research institutes across New South Wales
- development of a BioResource animal facility in New South Wales
- an audit with the NSW Cancer Institute of research infrastructure for proteomics, genomics, imaging and biobanks
- review of the National Statement on Ethical Conduct in Research Involving Humans
- review of the Commonwealth Prohibition Against Human Cloning Act 2002 and the Research Involving Human Embryos Act 2002
- the Productivity Commission's review of public support for science and innovation in Australia
- review of the scientific research undertaken across NSW Government
- National Collaborative Research Infrastructure Strategy.

Promoting the strengths and value of science and medical research in the community

The Office conducted science awareness activities, such as resources for students and teachers, public seminars and conferences, and an annual careers expo, Science EXPOsed, which attracts over 1,000 high school students from over 40 schools across New South Wales.

In addition to continually updating and improving its website at www.osmr.nsw.gov.au and the Making Connections website and e-newsletter at www.spinalinfo.nsw.gov.au, the Office undertook a number of science and medical research information and awareness activities in 2005-2006 including:

- The *State of Research: 2006 NSW Science Directory* and *The State of Research: 2006 NSW Health and Medical Research Directory* were launched in October 2005 and produced in print, on CD-Rom and a website, providing a comprehensive guide to publicly funded research being undertaken in New South Wales
- information in the *Science Directory* ranges from fundamental science, biological science and biotechnology to engineering, advanced materials and manufacturing. *The Health and Medical Research Directory* outlines publicly funded health and medical research in the State, with chapters based around research hubs and networks in New South Wales, and search facilities on disease-specific research
- the *Roadmap for Research on Life Sciences* is a searchable website and CD-Rom that provides a comprehensive introduction to the regulatory framework applicable to life sciences-based research, innovation and product development in New South Wales. It will provide a resource for scientific researchers in all fields of biology, and companies involved in the development and production of biologically based scientific and medical products, including medical devices. The guide addresses not only the legislation and regulation with which a life sciences researcher must comply, but also the laws and official guidelines that facilitate research
- Science EXPOsed is an annual event designed to raise awareness among high school students of science and the various career opportunities studying science can offer. The event in October 2005 attracted more than 1,000 students from across the State who attended science shows, workshops, panel discussions and an expo at NSW Parliament House and the Hyde Park Barracks.

- A number of seminars and forums were organised during 2005-2006, including:
 - *Striving for Excellence*, featuring 2005 Australian of the Year Dr Fiona Wood at Parliament House in July 2005
 - *BioFirst Awardees Showcase*, featuring a selection of Award recipients who showcased research undertaken through the NSW Government's *BioFirst Awards* at Parliament House in August 2005
 - *Young Minds, New Ideas*, part of the Watts n' Drops expo, showcasing early-career researchers investigating challenges and solutions to our water and energy at the Powerhouse Museum in September 2005
 - *Public Perceptions and the Science of Stem Cell Research*, featuring leading stem cell scientists, science communicators, and moderated by SBS television's Jenny Brockie at Parliament House in March 2006
 - *Re:Connections*, featuring leading Australian and international researchers, and people with spinal cord injury and other neurological conditions at the Sydney Convention Centre in May 2006.
- During 2005-2006, the Office also sponsored a number of organisations, conferences, events and the establishment of networks related to science, health and medical research, including:
 - Royal Australian Chemical Institute – 6th Australian Conference on Vibrational Spectroscopy in September 2005
 - Innovation Dynamics – BioBusiness Forum in September 2005
 - ParaQuad NSW - Spinal Cord Injury Awareness Week in November 2005
 - the University of Sydney School of Chemistry – International Conference on Neutron Scattering in November 2005
 - ANZAC Research Institute – 4th Annual Symposium Focus on Ageing in November 2005
 - Department of Ageing, Disability and Home Care – International Day of People with a Disability in December 2005
 - Concord Hospital – fundraiser for cancer research in December 2005
 - National Heart Foundation – conference and scientific meeting, in March 2006
 - Australian Society for Medical Research – Medical Research Awareness Week in March 2006
 - Australian Technology Park – Commercialisation Expo in April 2006
 - Multiple Sclerosis Society – Prevention Possibilities in Multiple Sclerosis Conference in June 2006
 - Powerhouse Museum – National Science Week in August 2006
 - CSIRO – National Science Week in August 2006
 - 39th World Heart Federation – 10 day teaching seminar in August 2006
 - ATP Innovations - Successful Innovation course in September 2006
 - Children's Medical Research Institute – Australian Telomere Workshop in October 2006
 - Research Australia – Thank You Day in October – November 2006
 - the University of Sydney – 5th National Emerging Researchers in Ageing Conference in November 2006
 - BioInformatics Australian Organising Committee – National Conference in November 2006
 - Macarthur Cancer Support Group – 24 hour Fight against Cancer in 2006
 - the University of Sydney – BioFutures Forum in January 2007
 - Cystic Fibrosis Australia – Australia New Zealand Cystic Fibrosis Conference in August 2007.

Case Study

A milestone in medical research

Three years after the late Christopher Reeve visited Sydney for the Making Connections Conference, New South Wales once again hosted an important milestone in medical research.

The *Re:Connections* forum at Darling Harbour in May 2006 was organised by the Office for Science and Medical Research to showcase the latest research into spinal cord injury and conditions. Over 300 delegates, including 75 people with spinal cord injury and conditions, attended the free one-day event.

Research teams funded by the Office for Science and Medical Research Spinal Grants program, first announced by the NSW Premier at the 2003 Making Connections forum, explained their work and preliminary findings to an audience of leading Australian and international researchers, clinicians, people with spinal cord injury and other neurological conditions, their families and carers.

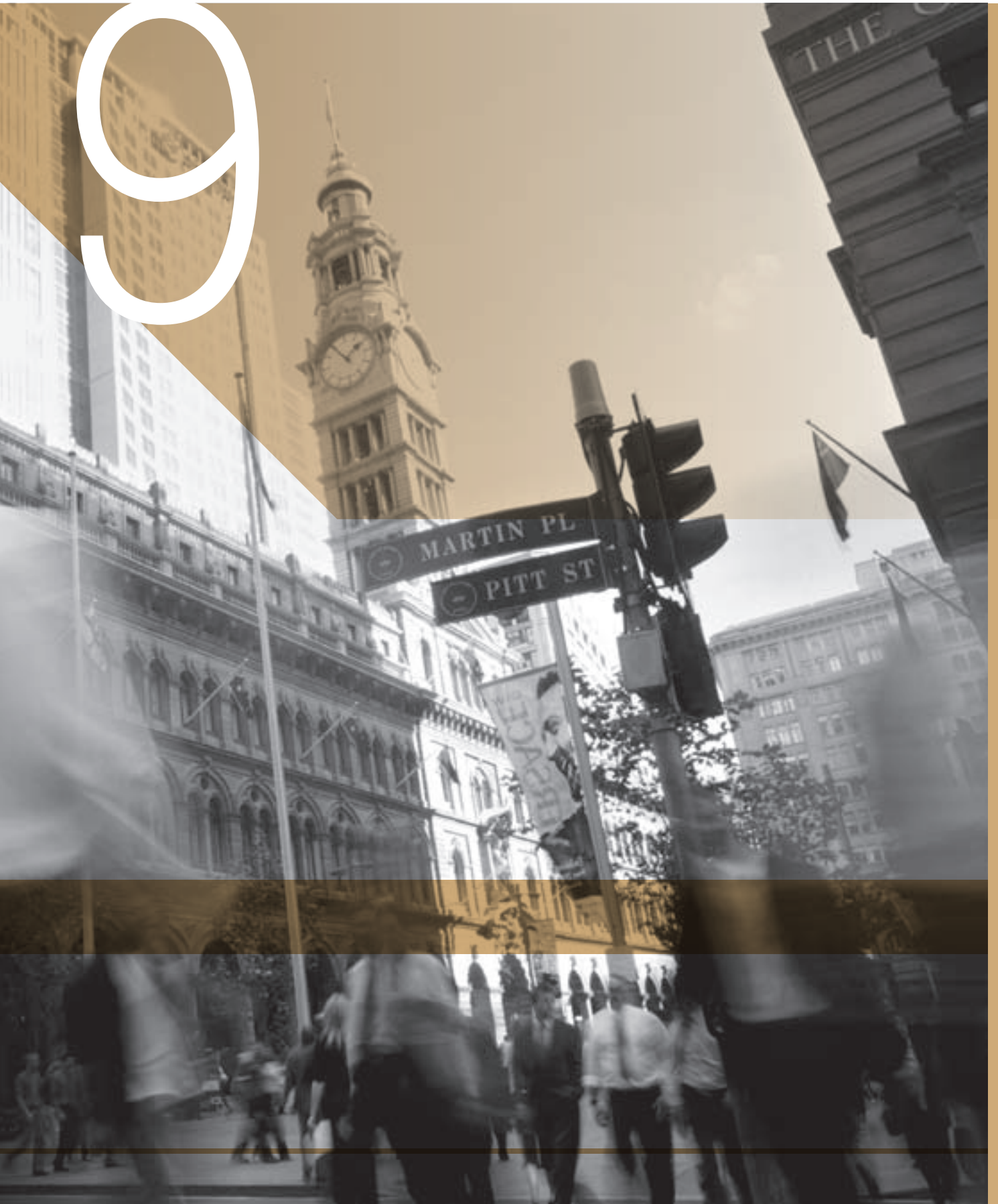
Since Making Connections, exciting progress has been made in many areas of research. Keynote speaker Professor James Fawcett, Chairman of the

Cambridge University Centre for Brain Repair, and Director of Medical Studies at King's College, Cambridge, discussed his groundbreaking work that could potentially help spinal regeneration.

Re:Connections was followed the next day by a national workshop that led to the establishment of the Australasian Spinal Cord Injury Network. The network will promote research and coordinate multi-centre clinical trials relating to spinal cord injury and associated neurological conditions.

Policy and Resources Division

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The Policy and Resources Division supports the Department's operations through a diverse range of services which include all aspects of resources management, and strategic advice to Ministers and the executive management team on economic development in New South Wales.

The Division is responsible for policy advice and economic and statistical analysis including assessing the impact of major investments by the private sector into NSW, and monitoring the performance of New South Wales as a business destination.

The Division coordinates financial management, human resources, information management, legal services, business governance and property administration across all units.

Major achievements during the year included the relocation of the Department's two main Sydney offices to the MLC Centre, preparation of amendments to the *Retail Leases Act 1994*, extensive changes to corporate governance and service arrangements to include the Office for Science and Medical Research, the Major Events Unit and Tourism NSW in the Department's structure, and a broadening of the policy and economic analysis role to encompass the new functions of the Department.

Policy advice

The Policy Unit is responsible for policy advice on the development of industry and business in New South Wales.

The Unit advises the Director General and the Department's Ministers on economic and business development issues that impact across the portfolio, and works closely with other NSW agencies, governments in other jurisdictions and industry and business groups to promote the State's business interests.

During 2005-2006, the Unit contributed advice on a number of issues including manufacturing, metropolitan development and planning, skills shortages and innovation. The Unit also represented the Department on interdepartmental and intergovernmental working groups.

The Unit provided secretariat support for Ministerial attendance at Commonwealth and State and Territory meetings of Trade Ministers and managed freedom of information requests, Foreign Investment Review Board proposals, Cabinet Minute briefings and legislative matters.

During 2005-2006, the Unit:

- provided advice for the Department's Ministers on economic, legislative and business development issues
- worked closely with the Commonwealth and State and Territory Governments on trade initiatives to enhance market access for NSW exporters. This included promoting New South Wales' interests in the Commonwealth's Free Trade Agreement negotiations, including observer status at the fourth round of negotiations for the Australia - China Free Trade Agreement
- participated in the *National Manufacturing Summit and the National Manufacturing Forum*. The forum worked on a *National Manufacturing Strategic Action Plan* to support the growth of Australia's manufacturing sector
- collaborated with the Department of Planning in the development of the economic and employment aspects of the *Sydney Metropolitan Strategy*, promoting the need for flexible employment lands across the Sydney region. Following approval of the strategy by Government, the Unit is continuing to work on implementation of the six initiatives in which the Department has the lead role
- supported the Government's skills initiatives, in particular working to maximise NSW share of the Commonwealth Government's *Targeting Skills Needs in Regions Program*.

Economic evaluation and statistics

The Economic Evaluation and Statistics Unit is the principal source of research and analysis provided by the Department in support of the Government's business development objectives and programs. The Unit evaluates the impact on the State's economy of projects relating to the whole range of the Department's results areas, which include investment, research, science, tourism and events. The Unit supports decision-making in the Department with economic and statistical advice, investment analysis, and comparison of the State's industries' performance with competitor markets.

During 2005-2006, 51 economic evaluations were prepared by the economic evaluation team. These evaluations provided quantitative estimates of projects' potential to add value and generate employment and growth in the State and, where relevant, included analysis of the industry, skills and cluster development contribution of a project.

Projects were in the industries of manufacturing, agribusiness, finance and business services, film and television and major conferences and special events. The Unit also prepared complex information briefs for the NSW Government on business and infrastructure issues, including biofuels, electricity generation and taxation.

The Unit's economic statistics team is responsible for providing commentary and analysis of all major business climate indicators, including employment, trade and investment to the Department's Ministers, divisional managers and other NSW Government agencies. Data and information on the State is disseminated through publications and the Department's website. In 2005-2006 the Unit produced the *NSW Competitiveness Report 2006*, the Department's widely distributed publication detailing the State's competitive advantages, and worked with other Divisions on *Growth Industry Profiles* for financial services and information and communications technology.

Finance management and property administration

The Finance and Property Administration Unit is responsible for financial and budgetary management, coordination and review of financial statements and reporting requirements, strategic financial advice, coordination of the internal audit function across the Department and the management of the Service Partnership Agreement with the Department's contracted corporate services provider.

The Unit also has responsibility for property services which includes lease negotiation and management for the 37 leases over the accommodation for the Department's metropolitan and regional operations, and service provision to all sites by contractors. During the year, new team members joined the Unit from the former Tourism, Sport and Recreation shared services group.

The major achievements of the Unit during the year included:

- relocation of the Grosvenor Place and Governor Macquarie Tower operations to the MLC Centre
- development of financial structures and procedures to transition the operations of Tourism NSW, the Major Events Unit and the Office for Science and Medical Research to the enhanced Department of State and Regional Development
- development of financial procedures and policies to ensure the maintenance and accuracy of financial information associated with the investment of retail security bonds lodged with the Department
- management and oversight of the closure of the Department's Tokyo Office in April 2006 and London Office in June 2006. This included an audit of the Department's Tokyo Office prior to its closure, and management of an external review of the closure of the London Office. The Unit ensured appropriate arrangements were established for the disposal of office furniture and equipment and the transfer of funds from these offices to the Department's Head Office account.

Business strategy

During the year there were organisational changes to the management of the Department's governance and industry strategy support, with the incorporation of the Business Strategy Unit into the Division in December 2005. The core activities of the Unit are to ensure alignment of programs and services with the Department's strategic objectives, manage reporting on governance issues to central agencies, update and review corporate policies and procedures, and manage the program of the Department's Audit and Review Committee.

Achievements during 2005-2006 included the review and dissemination of a range of policies and guidelines, including:

- privacy and spam guidelines for staff
- guidelines for engaging and using consultants and contractors
- protected disclosures policy and procedures
- protocol for acceptable use of the internet and electronic mail
- use of communication devices policy and guidelines
- code of conduct
- guarantee of service
- client feedback: handling complaints, suggestions and compliments
- risk management plan.

The Business Strategy Unit conducted the annual client survey on a sample of over 700 clients, which found high levels of satisfaction with the knowledge and skills of Departmental staff, and coordinated amendments to the *Retail Leases Act 1994*, which were passed into legislation in November 2005.

The Unit also supported the Audit and Review Committee's schedule of audit, business program and business process reviews.

Legal services

The Department's Legal Counsel provides legal advice and representation to the Department's Divisions. Major initiatives undertaken in 2005-2006 included:

- review and refinement of the standard forms of contracts used by the Department
- development and implementation of contract management and legal awareness training.

Human Resources management

The Human Resources Unit is responsible for developing and implementing human resources policies for the Department's staff, as well as providing support and guidance to managers and staff on all human resource issues. These include conditions of employment, training, equity, occupational health and safety, workers compensation and rehabilitation, grievance resolution, organisational change and performance management, job evaluation and establishment. The Unit manages payroll services to all staff through the Department's outsourced service provider, Central Corporate Services Unit (CCSU).

The 2005-2006 year provided new challenges to the Human Resources team in managing organisational diversity and a sharp increase in staff volume with the merger between the Department, the Office for Science and Medical Research, the Major Events Unit and Tourism NSW in March 2006.

Divisional plans and staff performance agreements were used to identify development needs, including training programs, career mobility placements, career development placements, individual development plans and a structured training calendar.

Major achievements during the year included:

- managing the transition of the human resources function, in particular payroll services, for the Office for Science and Medical Research, Tourism NSW and the Major Events Unit staff to CCSU
- supporting staff during the relocation to the MLC centre. Injury prevention strategies were implemented, including information and advice relating on manual handling, correct lifting techniques and back care
- supporting the Young Professionals group in the Department through actively facilitating and coordinating breakfast forums
- strengthening the Department's *Graduate Program* through an active recruitment campaign, formal induction program and strengthened mentoring
- introducing long service awards to recognise the continuous service of staff who have completed 10 and 15 years of service in the Department
- developing and implemented an expanded training calendar including programs on awareness and diagnostic skills, project management, Ministerial writing skills for Departmental staff
- managing representation for the Department in both the Industrial Relations and Workers Compensation Commissions
- providing study assistance to eligible staff.

Reward and Recognition Program

The Department's *Reward and Recognition Program* recognises outstanding service to the Department. The awards are presented to individuals and teams who have contributed to: communication and teamwork, planning and risk management; improving organisational performance; and/or client services.

Award winners for 2005-2006 were:

- Staff member of the year: Roxanne Smith
- Team of the year: *Retail Leases Amendment Act* – Candace Barron, Tania Milavec, Georgia Read, George Totidis
- Individual Awards: Keith Cooper, Shannon Dearing, Anne Marie Dibowski, Anne Glover, Belinda Herdegen, Janet Higgins, Teago Sousa, Christine Stanberg, Graeme Varcoe
- Team Awards: Small Business Website Team – Jane Fitzpatrick, Sue Hooworth, Daniel Rachmat; Small Business September Team – Amanda Hainsworth, Joanna Hore, Katharine McKenzie, Gordana Mirkova, Steve Rank, Vince Smith, Rudi Tan; and Jetstar Project Team – Peter Armour, Anne Glover, Malcolm St Hill, Scott Tucker.

Information Management Services Unit

The Information Management Services Unit is responsible for management of the Department's information technology infrastructure and services, and for the knowledge and records management functions.

During 2005-2006 the Unit:

- managed a vast array of document, record and file movements with around 90 per cent of the Department's correspondence with business clients was conducted electronically
- introduced new file registration and document tracking software
- processed over 3,000 physical file creations
- managed over 100,000 virtual documents
- supported the Department's information management systems and technology infrastructure, hardware and software
- maintained a common content manager server and web host for the Department's websites
- further integrated and enhanced the Department's client relationship database structure, for the Investment, Small Business and Regional Development Divisions' client data
- upgraded and supported inventory, human resources and other related databases
- upgraded hardware to increase data security and better protect business continuity
- enhanced the Department's various websites and intranet
- continued to provide extensive staff training to improve staff skills and security
- updated documentation, including the Information Management and Technology Strategic Plan, to ensure Departmental best practice in information management.

Significant improvements and efficiencies were achieved in reducing the number of small database and website instances, consolidating web 'back-ends' and progressively moving websites to a single hosting environment. The improvements resulted in significant economies, which supported program delivery and allowed for the hosting of over a million public sessions on the websites.

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Through the Regional Development Division, the Department delivers programs and services designed to recruit new business investment, help businesses grow, assist communities in building capacity to attract investment and jobs, and to raise the profile of regional New South Wales as a business location.

Economic conditions in regional New South Wales are varied. Drought continued to have a major effect on many inland areas. As in the wider economy, skill shortages have impeded the speed of business growth in a number of sectors.

More heavily industrial regions such as the Hunter and Illawarra are experiencing a gradual long-term adjustment away from traditional industry sectors to growth in environmentally friendly-related businesses and other niche small to medium enterprises.

Mining is in a growth phase, increasing the demand for skilled labour and support services. Horticultural developments are a valuable diversification in the agricultural sector.

To assist business development in regional New South Wales, the Department's focus is on harnessing business opportunities and developing solutions to overcome impediments to individual businesses.

A continuing priority for the Department is building the capacity of regional local government and business organisations to support existing and prospective business.

Investment and industry restructuring initiatives

Through business investment programs, the Department looks to secure new investment by businesses contemplating establishment or expansion in regional New South Wales. The *Regional Business Development Scheme*, *Hunter Advantage Fund* and *Illawarra Advantage Fund* are regional programs designed to secure new investment.

In addition, the Department works with regional communities adversely impacted by major business closures due to structural adjustment. Continued industry restructuring in vulnerable sectors, such as meat processing, timber processing and automotive components often have a disproportionately negative impact on regional towns. These restructuring pressures have been exacerbated by severe and prolonged drought in much of regional New South Wales.

Industry restructuring initiatives through the *Regional Economic Transition Scheme* and the *Business Drought Program* aim to attract new investment and sustainable jobs in regions affected by structural adjustment and/or drought.

During 2005-2006, the Department's business investment programs and services facilitated 121 investment projects in regional New South Wales. These projects represented capital investment of \$1.63 billion and are expected to create or retain 4,609 jobs over the life of the projects.

Regional Business Development Scheme

The *Regional Business Development Scheme* encourages growth by attracting firms from domestic and offshore locations to start-up, expand in, or relocate to regional New South Wales. Examples of assistance in 2005-2006 through the scheme included:

- Flipscreen Pty Ltd developing a revolutionary method of separating and recycling construction materials with a modular screening unit that can be fitted to most forms of earthmoving equipment. The invention appeared in 2004 on the ABC television program, *The New Inventors*, and the project involved establishment of a manufacturing plant in Wagga Wagga, which involved an initial investment by the company of \$500,000 and creation of 10 jobs

- expanding manufacturing facilities for a leading-edge surveillance and weapon fire control system for land and naval applications in Queanbeyan. Fire Control Systems Pty Limited, which is the military products research, development and now manufacturing entity of the Electro Optic Systems group of companies, is experiencing an increase in export market demand for the company's Electro-Optic Fire Control System – Thermal product. The project involved an investment of \$2 million by the company and the creation of an additional 42 local jobs.

Hunter Advantage Fund

The *Hunter Advantage Fund* is designed to attract new investment and jobs to the Lower Hunter region including the Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens local government areas and encourages diversification of these local economies.

The fund supports both new projects and expansion of existing businesses. Each project is considered on its merits and assistance is linked to achievement of employment and capital investment milestones.

Examples of projects supported under the fund in 2005-2006 include:

- establishment of a Railway Signalling and Technology Centre in the Hunter by Union Switch and Signal, part of the worldwide Ansaldo Signal group of companies. This project will create 115 jobs and generates \$2.6 million investment
- relocation and expansion of the communications service provider, Pacific Internet Limited, to Newcastle's CBD. The new technical support centre will have capacity to service customers across Australia and the Asia-Pacific. A total of \$825,000 was invested by the company and it is estimated that 27 people would be employed in the centre by mid 2007.

Illawarra Advantage Fund

The *Illawarra Advantage Fund* helps offset potential cost barriers for eligible businesses considering establishment or expansion into the Illawarra region.

Examples of projects assisted under the fund in 2005-2006 include:

- establishment of a manufacturing facility at the Illawarra regional airport for the Sadler Vampire sports aircraft by Aero V Australia, representing an investment of \$400,000 and the creation of 10 full-time positions
- establishment of a permeable paver manufacturing facility in Wollongong by Pellis Pty Ltd (PermaPave Illawarra), representing an investment of over \$600,000 and the creation of seven new full-time positions.

Regional Economic Transition Scheme

This scheme addresses the adverse impacts of structural adjustment in regional communities by assisting the development of more diverse regional economies and attracting new investment and sustainable jobs.

There are currently 23 locations covered by the scheme and examples of projects undertaken in 2005-2006 include:

- assistance to Kyogle Shire Council to guide operations of a tourist centre and a study to examine the feasibility for a technology and training centre, following the destruction by fire of the Norply factory, which was the town's main employer
- establishment of a new surfboard manufacturing facility at Nambucca Heads Industrial Estate that will create seven new jobs and represent an investment of over \$300,000 by the company.

Industry restructuring business initiatives

Business drought assistance

The *Business Drought Assistance Program* has two components: payroll tax relief for regional firms to retain skilled workers for the duration of the drought, and business recovery and improvement assistance for small to medium enterprises impacted by drought to access independent expertise or to help diversify their operations.

Activity included 133 offers of assistance to businesses in the four financial years to 2005-2006 under the *Small Business Drought Assistance Program* and 78 offers of payroll tax assistance. The program has supported the retention of over 1,800 jobs since its inception.

Business growth

An important focus for activities in regional New South Wales is the delivery of programs and services which enhance the competitiveness and growth of existing enterprises. The regional office network delivers the full suite of small business programs administered by the Department.

In addition, the Department delivers specific programs to assist the growth of regional enterprises. These include the *New Market Expansion Program*, the *Travelling Experts Program* and a range of business seminars and workshops. In 2005-2006, the Department delivered the pilot phase of the *Capital Raising Program*, with four introductory *Funding Business Growth* workshops.

During 2005-2006, 113 workshops with a total of 3,527 participants were conducted on topics that will assist regional businesses grow and become more competitive.

New market expansion

The New Market Expansion program helps companies pursue new markets by providing assistance for targeted marketing of new opportunities. During 2005-2006, 97 companies were assisted to enter new markets, for example through:

- development of a website and promotional materials on Byron Bay Coffee which formed part of a broader marketing push by the company into the South Australian market. The company is targeting gourmet, deli, gift hamper, food service and mail order channels
- assistance to an Armidale-based grain and commodity trading company, Broun and Co, to expand its client base outside its region through a comprehensive website, which includes marketing and pricing information, weather information, and the latest commodity news, as well as members' pages where firm offers and bids on grain commodities may be made. The company expects the site to enable them to significantly expand their access to grain producers across the State
- assistance to the Broken Hill-based Oasis Hydroponics to develop a marketing plan to promote its unusual brand of tomato to the Adelaide and Mildura markets. Oasis Hydroponics is one of only three growers in Australia that produces this type of tomato which has outstanding qualities for fresh, pulp, and paste uses.

The program assisted regional firms to showcase their capabilities at two key trade shows. This included showcasing 10 companies at the Pacific 2006 International Maritime Expo. Seventeen firms were showcased at the Fine Food Australia show in Sydney in September 2005, producing immediate sales of nearly \$100,000.

Travelling experts seminars

These seminars provide regional businesses with access to expert speakers on current business issues. In 2005-2006, 23 travelling expert seminars were conducted with attendance of almost 1,145 people across regional New South Wales. Topics included marketing and succession planning.

Regional and community economic development

The Department offers a range of programs designed to help communities build their economic capacity to harness business opportunities and be better placed to respond to business needs. Programs delivered at regional and local levels also provide an important base for the Department to leverage business opportunities by engaging with key partners, such as local government, business associations and regional development organisations.

The *Main Street/Small Towns and Towns and Villages Futures Programs* are the main tools for assisting community economic development. During 2005-2006, 71 regional communities were assisted, and the programs helped communities to create 68 jobs and leverage \$4.3 million in project funds. In addition, 46 community economic development workshops were conducted with 1,780 people attending from regional New South Wales.

Main street/small towns

The *Main Street/Small Towns Program* helps communities with populations over 2000 to take a strategic and proactive approach to their economic development. During 2005-2006, 56 projects were offered assistance for activities in 47 different regional communities including:

- depicting the history and aspects of life today in Kurri Kurri and the surrounding villages through more than 35 murals covering buildings in the town centre and surrounding villages. Bus tours to view the murals bring up to 150 visitors weekly, generating income for local businesses. Towns With Heart Inc was offered funding towards promotion of a murals coffee table book and an *Ask me I'm a Local Mural Walk Guide* booklet, as well as assistance for training local volunteers as mural guides

- almost doubling membership of Outback Beds Inc, a network of accommodation providers by careful planning and marketing initiatives. Outback Beds Inc was the winner of the *Business Enterprise Award* category of the *2005 Regional Achievement and Community Awards*. Funding assisted with an update of the network's business marketing plan
- over 300 people attending the first Organic Livestock Conference in Balranald in the Murray Region to assist and encourage pastoralists to establish a viable organic lamb industry.

Towns and Villages Futures

The *Towns and Villages Futures Program* assists economic growth and job creation in regional communities with a population of less than 2,000. Help is available for the development of new products or services, locating new markets for existing products and services, and tourism development activities. During 2005-2006, 26 projects were offered assistance towards activities, including:

- marketing the natural assets, outdoor activities and unique businesses in the Bulaheleh area in a visitor promotion campaign. Local businesses will also benefit from workshops to hone their business and marketing skills prior to Bulaheleh being bypassed by the Princes Highway
- conducting Coolah's Jazz in the Tops in March 2006. This event attracted 2,150 attendees and generated approximately \$115,000 expenditure in the area. Funding was provided towards the marketing and coordination of the event
- development of Wee Jasper's community strategic plan and tourism marketing plan.

Community Economic Development Conference

The Department hosts a regular State Community Economic Development Conference to share knowledge and explore the latest developments in promoting sustainable economic growth in regional communities. In October 2005, the conference was held in Thredbo, attracting over 150 community, business and local government representatives. The conference featured leading experts and practitioners in regional community economic development.

A regional forum was held in the Hunter/Central Coast region with 60 community representatives attending.

An enterprising communities bus tour took place in the western region of New South Wales in June with 17 participants. Feedback was extremely positive, with many particularly impressed by the showcasing of smaller communities. Gulargambone and Coolah were repeatedly mentioned as "truly inspirational and showing great community spirit".

Developing regional resources

The *Developing Regional Resources Program* provides support for local or regional organisations, including development agencies and alliances of firms, to investigate economic opportunities and pursue innovative approaches to economic development.

The program aims to develop best practice, innovative methods, techniques and approaches in the field of local and regional development which, in turn, strengthen regional economies through value-adding resources and diversifying the existing economic base. Examples of projects assisted in 2005-2006 include:

- providing support for Tweed Shire Council to employ an Industry Development Officer to implement the Tweed Heads Town Centre Masterplan by facilitating investment in major projects. Several major tourism, commercial and residential projects are under construction or seeking development approval since investment facilitation commenced, including a planned expansion of the Southern Cross University Campus and construction of a Tweed Clinical Training and Research Institute at the Tweed Hospital
- assisting the Bermagui Fishermen's Co-operative in the preparation of a business plan to help the Co-operative identify and improve operational efficiency that will secure its position as a key service provider to the local fishing industry at a time of significant change within the industry.
- the Hunter Economic Development Corporation's Realising the Hunter River Flats Potential Project, which aims to investigate the economics of intensive grain and seed crops, including adzuki and navy beans and other specialised seed crops, on the Hunter River flats. The project will provide information on assessing and analysing issues that affect the plantation and production of new crops
- the Riverina Regional Development Board's C-Change Initiative which offers local government areas an opportunity to showcase their town in metropolitan shopping centres as well as other selected events that will promote careers and lifestyles in their areas.

Regional Development Advisory Council

The NSW Regional Development Advisory Council was established to provide advice to the Minister for Regional Development on regional development issues in New South Wales.

The Council brings together the Chairs of the State's 13 Regional Development Boards to advise on:

- promoting economic and employment growth in regional New South Wales
- assisting regional communities to capitalise on their regional strengths, broaden and re-position the industry base, and develop new products and new markets
- developing regional or local solutions for regional or local business development problems
- identifying opportunities to fill gaps left by the market system.

Regional development and innovation

The Department supports a network of 13 Regional Development Boards across the State. These boards provide a strategic framework for economic growth and play a critical role in local collaborative efforts to attract business investment that will deliver sustainable long-term employment and regional prosperity.

Through the *Regional Development Board Innovation Program*, Regional Development Boards are assisted to pursue economic development opportunities in their regions.

During 2005-2006, 34 board projects were assisted, including:

- the Northern Rivers Regional Development Board's Marine Industry Supply Chain Capability Analysis and Action Plan (Stage 1) which aims to develop a supply chain capability analysis and establish an action plan for boatbuilding and related businesses from Yamba in New South Wales to the Gold Coast and Redland Councils in Queensland

Promoting regional New South Wales

A series of events are held to promote regional New South Wales as a viable destination for business activities. Key activities during 2005-2006 included:

- conducting the Capital Region and Snowy Mountains Film and Television Tour in October 2005, which took 12 film industry representatives to the Capital Region to showcase potential filming locations. The aim was to attract footloose film and television projects to the region
- conducting the third Building Regional Towns Tour to Gloucester, Nambucca and Wellington to showcase property development opportunities. Preliminary results indicated \$6 million in anticipated investment with a further \$10 million under negotiation
- holding the second Regional Food Tour in May 2006, which took 16 food buyers and industry experts to the Coffs Mid North Coast and Northern Rivers regions to showcase regional food capabilities and to match potential business opportunities with regional producers
- sponsoring the second Country Week Expo in August 2005 to showcase to Sydneysiders the opportunities and benefits of relocating to country New South Wales. The Expo attracted 8,500 visitors
- helping regional centres promote their natural advantages as warehousing and distribution hubs through the release of marketing materials for Albury, the Central Coast and Tamworth as part of the Regional Distribution Centres Attraction Strategy.

Regional Development Board Websites

	Regional Development Board	Website
1	Capital Region Development Council (joint initiative of the NSW and ACT Governments)	www.capitalregion.org.au
2	Business Central Coast	www.cconline.com.au
3	Central Western Regional Development Board	www.centralwest.com
4	Far Western Regional Development Board	www.farwesterndevelopment.com.au
5	Hunter Economic Development Corporation	www.hunterregion.com
6	Illawarra Regional Development Board	www.illawarrainvest.com
7	Mid North Coast Regional Development Board	www.betterbusiness.nsw.gov.au
8	Murray Regional Development Board	www.mrdb.nsw.gov.au
9	New England-North West Regional Development Board	www.nio.com.au
10	Northern Rivers Regional Development Board	www.investnorthernrivers.com.au
11	Orana Regional Development Board	www.ordb.com.au
12	Riverina Regional Development Board	www.rrdb.com.au
13	Greater Western Sydney Economic Development Board	www.gws.org.au

Case Study

Trussmaster

Trussmaster Pty Ltd manufactures pre-fabricated timber frames and trusses to customers' specifications for use primarily in domestic housing construction. The organisation will invest \$7.6 million to establish a timber frame and truss manufacturing facility at Somersby to provide its first entry into the NSW market. Trussmaster uses advanced computer-aided design capabilities and sophisticated production planning techniques to minimise timber waste during manufacture and shorten time from order to dispatch.

The Department successfully assisted the firm to work with local government and other authorities to obtain the relevant development approvals. It also provided valuable on the ground support, such as providing meeting facilities during the planning phase of the project, and later assisting Trussmaster locate the temporary office it needed during the construction phase.

The Trussmaster project will provide 100 new direct jobs to the region. In addition to this direct benefit, the project will purchase the majority of its manufacturing support services such as raw material from New South Wales, including Central Coast based firms and other nearby regional suppliers, providing significant indirect employment opportunities in the region and surrounding areas.

Small Business Development Division



The Division works to promote a vibrant, growing, profitable and competitive small business sector in New South Wales. The Division's programs assist firms at critical stages of the business cycle and support the special needs of particular categories of small business operators, such as indigenous persons, women, and those who operate a business from home.

Programs and services are designed to engender entrepreneurship, managerial and technical innovation and best business practice in small to medium enterprises, particularly in promoting exporting as a business growth strategy, due to limitations on the size of Australia's domestic market. In terms of outcomes, the Division's programs and activities seek to bring about positive improvement in three key areas of business performance: sales, employment and exports.

In addition, the Division has a role in guiding small business policy through providing advice to the Minister, support to the Small Business Development Corporation, and involvement in the Small Business Regulation Review.

Achievements

A number of results were achieved in 2005-2006, including:

- the Division worked with 2,430 firms to improve sales, employment and exports
- over 214,300 business information services were delivered by the Business Advisory Services across the State
- assistance was provided to over 1,700 home-based business operators
- individual support was provided to 121 Aboriginal business people, while over 100 employment outcomes were achieved as a result of Aboriginal business programs overall
- a total of 108 firms were assisted to enter new overseas markets or expand existing ones through international trade missions, market visits and exhibitions. This was achieved by identifying new export sales, which translated into \$34 million

- over 1,500 free or subsidised services were provided to help inventors test, develop and commercialise their ideas
- a new initiative, the *Western Sydney Manufacturing Week*, was held with 37 events for over 2,000 participants
- more than 49,000 people attended 335 events during *Small Business September 2005*.

Small business

Business Advisory Services

Eighteen Business Advisory Services throughout the State provide a one-stop-shop for anyone considering starting a business or developing an existing one. Individuals can access a range of information resources, receive personal advice from a business advisor, and participate in low-cost business training workshops. Most of the Business Advisory Services have offices in several locations and offer outreach services to remote parts of their services areas.

In 2005-2006, the Business Advisory Services delivered 214,378 information services, including 98,623 in regional New South Wales. Business Advisers delivered 22,480 guidance services, including 13,892 in regional areas. They collectively held 536 business workshops for 6,089 participants on a variety of topics, including budgeting and cash flow management business planning, financial statements, legal issues, marketing and sales and record keeping.

Women in business

Key elements of the *Women in Business Program* are individual and group mentoring by experienced business operators, and a series of growth strategy workshops aimed at fostering business skills, confidence and networking among women business operators.

In 2005-2006, 110 women business owners participated in six individual mentor programs. Five were held in Sydney and one in the Hunter region. Ninety-six per cent of the mentorees reported a significant improvement in their business skills as a result of their participation.

A further 141 women graduated from five regional group mentoring programs in Bega, Broken Hill, Lismore, Shoalhaven and Wagga Wagga. The program in Broken Hill succeeded in creating 22 new employment opportunities.

Seventeen Growth Strategy Workshops were held in various locations throughout New South Wales and attended by 794 businesswomen.

As part of the *Western Sydney Manufacturing Week* in August 2005, 50 women attended an inaugural Women in Manufacturing luncheon. This led to the establishment of a Women in Manufacturing Network and a second event which was held in May 2006 with 48 attendees.

Home-based businesses

Home-based businesses are among the fastest growing segment of the small business sector with an estimated 282,400 businesses operating from home in New South Wales. During 2005-2006, the Division directly assisted 1,727 such businesses.

There were 249 operators who participated in the 21 *Home-based Business Action Programs* across the State, each consisting of four business skills development workshops and one group review clinic. Ninety-five per cent of participants reported significantly improved business skills as a result. A further 32 operators attended a workshop on website development.

The second *Home-based Business Week* was held in May 2006 with 1,446 people attending the 26 workshops and seminars on offer. Topics included marketing, networking for success, financing, e-commerce, pricing and costing of products and services, and public relations and promotion.

Aboriginal business development

The Department's Indigenous Advisory Service Team provided individual support to 121 Aboriginal business people during 2005-2006.

Twelve business workshops and five industry networking sessions for the tourism, art and oyster industries were held during 2005-2006 throughout New South Wales and were attended by 398 participants from Aboriginal enterprises.

Two Aboriginal business mentor programs were delivered in Bourke and the Hunter region with a total of 33 participants.

Twenty-nine Aboriginal business enterprises were assisted with a business review consultancy and a further 29 enterprises received financial assistance to engage external consultants for specialist business advice in areas, such as financial planning, product development, marketing, information technology and exporting.

The *Aboriginal Business Link Program* provided support to 55 Aboriginal enterprises to participate in a number of trade shows during the year, including the *Australian Gift and Homewares Show*, the *Australian Tourism Exchange*, *Sydney Aboriginal and Oceanic Art Fair*, the *Sydney Good Food and Wine Show*, and *Sydney on Sale*.

Under the *Budyari Ngalaya: First People's Partnership Program*, 21 business partnership projects between Aboriginal enterprises and the private sector were formed. Among the outcomes was the awarding of a sub-contract worth over \$1 million to a Penrith-based Aboriginal building company, the employment of 35 Aboriginal people on a construction project in Redfern, and jobs for 25 Aboriginal people in the mining industry in the Hunter region.

The Department worked on a range of economic actions under the *NSW Aboriginal Affairs Plan*, developed and implemented an *Aboriginal Business Development Strategy* as part of the Redfern Waterloo Redevelopment Project, and was a sponsor of the 2005 *Aboriginal Employment and Business Awards* in November 2005.

A new business tool, *Guide to Developing Aboriginal Business*, was produced to assist Aboriginal people in New South Wales identify and evaluate business opportunities and establish and operate a small business.

Western Sydney Business Centre

The Western Sydney Business Centre's multi-media meeting and conference facilities hosted numerous business events for the Department and other agencies and organisations, particularly during *Small Business Month* and *Home Based Business Week*. The Department hosted 135 business seminars, with 4,362 participants.

The Centre was at the forefront of the Department's work with partner organisations, such as the Australasian Production and Inventory Control Society, Sydney Lean Network, Department of Environment and Conservation, the Office of the Minister of Western Sydney, and a number of western Sydney councils.

The Business Centre undertook a major new initiative, *Western Sydney Manufacturing Week*, which was conducted twice in August 2005 and May to June 2006. More than 2,000 participants from the region's manufacturing sector attended 37 events.

The Centre worked with existing and potential exporters by conducting a series of workshops on export markets, including China, India and Vietnam. Seminars were also conducted on export market entry strategies and e-commerce tools for exporting.

The Greater Western Sydney Economic Development Board, located in the Business Centre, partnered the Department in initiating, developing and implementing projects to assist jobs growth and investment in the region. These included:

- the Metro Strategy sub-regional planning
- the Regional Economic Profiles 2006
- the Skills Development Taskforce
- the Western Sydney Leaders in Manufacturing Forum.

Small Business September 2005

The Division managed *Small Business September 2005*, which featured 335 events hosted by the Department and 132 partner organisations. As in previous years, the month-long program aimed to raise general awareness of the achievements of small business and its importance to the New South Wales economy, as well as promoting skills development, networking and linkages for small business growth.

The sponsors of *Small Business September 2005* were Austrade, Australia Post, Australian Business Limited, eBay, Small Business Awards NSW/ACT, TAFE Plus, Telstra, and Westpac. Partner organisations included industry associations, chambers of commerce, State and Commonwealth government agencies, local government, community business organisations and private sector organisations.

More than half (179) of the month's 335 events were held in regional New South Wales. Major themes were innovation and technology, marketing, finance, growth and business processes, and people management. A total of 49,591 people participated across all events.

Small Business Development Corporation

The Small Business Development Corporation is a policy advisory body responsible to the Minister for Small Business and is constituted under the *Small Business Development Corporation Act 1984*. The Corporation was reconstituted in July 2004 for a three-year term and consists of up to 13 members.

Corporation members are appointed by the Governor and are drawn from small business. The Department's Director General represents the Department. The Corporation's membership and primary objectives are detailed under Appendix 3 – Controlled Entities.

The Corporation held six formal meetings, including a regional meeting with local businesses in Queanbeyan.

Policy development work in 2005-2006 included:

- providing a detailed submission to WorkCover's review of the *Occupational Health and Safety Act 2000*
- participating on the Minister for Commerce's panel to develop a definition for a 'worker' and recommending improvements to the wage audit system
- contributing to the government's red tape reduction agenda by providing comments on issues that impact small businesses in meeting compliance requirements
- briefing the Minister for Small Business concerning Goods and Services Tax on deposits and its impact on small businesses
- briefing the Minister for Small Business on the Australian Taxation Office tax debt collection process and its impact on small businesses.

Small business website and online resources

During 2005-2006, new content was added to the small business website at www.smallbiz.nsw.gov.au. This included the business tool, *Risk Management Guide for Small Business*, which helps small businesses identify common risks and understand the risk management process.

Some 562,290 visits were recorded during 2005-2006, an increase of 10 per cent since the redesigned website was launched in the previous year.

A redesigned Smallbiz e-newsletter was launched in November 2005 to ensure the Department's small business network was informed about current small business issues and events. A total of 3,987 people registered to receive the small business newsletter by email.

Review of small business regulation

The Small Business Regulation Review was introduced by the Premier in January 2006 as part of the NSW Government's strategy to reduce red tape. The review is being conducted under the guidance of a taskforce chaired by the Director General and reports to the government through the Minister for Small Business. The Division provides secretariat support to the taskforce which comprises senior representatives from relevant industry associations and government agencies.

The review aims to reduce the administrative burden faced by small firms as a result of:

- unnecessary or overly complex regulation
- duplication across agencies and across governments
- inconsistencies in regulation, interpretation or advice
- excessive compliance requirements, such as paperwork, reporting times and frequencies, reporting formats or processes.

A series of rolling, sector-based reviews included extensive consultations with individual businesses and industry associations to examine regulation from the perspective of a small business operator. The first sector review, covering the motor vehicle retailing and services sector, commenced in February 2006. A final report containing a number of recommendations was submitted to the government for consideration at the end of June 2006.

Business services

Export development

The *New Export Opportunities Program* assists small businesses to commence export preparation and develop export market entry strategies.

In 2005-2006, the Division's business development managers worked with 52 companies planning to enter new export markets or expand existing ones. Support worth \$469,845 was offered to these companies to identify and develop strategies to pursue new export opportunities.

Business clusters

The *Business Clusters Program* helps groups of companies build scale and access new domestic and international markets by providing assistance for early stage clusters to conduct feasibility studies, or existing clusters to become sustainable commercial entities. The program creates momentum, and offers guidance on market entry, improvement and growth strategies. It helps overcome obstacles and opens up new commercial opportunities.

Seven business clusters received assistance of \$62,043 during 2005-2006. They span a range of sectors including manufacturing, signage, tourism, wine, yacht maintenance and high performance automotive industry.

Stepping-up program

The *Stepping-Up Program* provides access to a mentor for owners of businesses that are established for at least two years and are committed to growing their business. The program has two core components, 10 hours of small group workshops on current business growth issues, such as cash flow management, pricing and costing, marketing, risk management, and strategic planning and innovation, as well as 10 hours of mentoring with an experienced business person to help develop strategies, overcome hurdles and pursue opportunities.

The *Young Entrepreneur Stepping-Up Program* is aimed at entrepreneurs aged between 18 and 35, who have been running their own business for at least a year. The program provides participants with a mentor, workshops and the opportunity to network and learn from each other.

During 2005-2006, \$237,777 was provided to assist over 220 people participating in all aspects of the program.

A specialised stepping-up program, *Stepping-Up Advanced*, launched during 2005-2006, is designed to assist the growth of innovation and exporting in established firms by providing knowledge and assistance specific to their needs and/or respective industry sector and market. This program is delivered by industry experts or professional mentors over a minimum of 10-hour of workshops.

BioBusiness program

As part of the government's *BioFirst Strategy*, the Division delivered the *High Growth BioBusiness* and *Non-research Establishment Costs* programs.

The *High Growth BioBusiness* element assists established companies while the *Non-research Establishment Costs* element helps start-up businesses. Both programs focus on closing the gap between basic research and development and commercialisation.

During the reporting period, 38 companies received assistance under the *High Growth BioBusiness Program*, totalling \$759,218. Assistance was primarily aimed at export market development. Fifty companies received assistance totalling \$759,465 under the *Non-research Establishment Costs Program*. Assistance primarily focused on intellectual property protection.

In November 2005, Professor Michael Vitale of the Australian Graduate School of Management carried out independent research on the effectiveness of the *BioBusiness Program*. His report estimated that the *Non-research Establishment Costs Program* created additional revenue of \$4.7 million and additional investment of \$39 million and that the *High Growth BioBusiness Program* created additional revenue of \$14.2 million and additional investment of \$16.9 million.

Innovation services

Four *Innovation Advisory Services* in Newcastle, Penrith/Parramatta, Sydney and Wollongong helped inventors and small business innovators across the State to test, develop and commercialise their ideas.

A total of 1,577 free or subsidised services were provided, including 32 low-cost technical and market assessments.

Six promotional seminars were held, attracting more than 100 attendees. Two innovation days were also held at the St George/Sutherland Business Enterprise Centre. Two regional innovation advisory services took place in Coffs Harbour and Lismore, attracting 65 attendees and providing 28 face-to-face services.

Innovators also used the Department-supported online innovation advisory service at www.ausinvent.com for information on advisory services and self-assessment software. The service also provides a virtual exhibition, relevant links, news and events. This online service attracted 15,063 user sessions during 2005-2006.

The contracts for hosting the Hunter, Illawarra and Western Sydney Innovation advisory centres were each extended by one year, while the contract for the Sydney Innovation Advisory Centre was awarded to Business Enterprise Centre Northside in June 2006 for two years.

Innovation clusters

In 2005-2006, innovation clusters placed greater emphasis on dissemination of current best practices and sharing of experiences among progressive New South Wales firms in targeted industry sectors.

Two innovation clusters, based in Newcastle and Western Sydney, provided continuous learning forums for 442 business participants through 22 seminars, including nine on-site visits. Forums covered a wide range of topics which were chosen by members. The Newcastle cluster was specific to the building and construction sector while the Western Sydney cluster drew membership from a range of industries.

Six issues of the *Technology & Innovation Newsletter* were published, reaching over 1,000 readers per issue.

Technology diffusion

The Department continued to provide support to the Welding Technology Institute of Australia for its three-year technology diffusion program in New South Wales. The support, which supplemented Commonwealth funding, started on 1 September 2003 and finished on 30 June 2006.

In the three years, the Institute provided 1,356 telephone technical advice and support services, and 542 on-site and/or more in-depth technical support and technology development visits to NSW companies. It also provided 127 technology demonstration awareness events involving 2,797 attendees from the construction, defence, mining, pipeline, pressure equipment, transport and water sectors.

Eight expert technology tools, including CDs, notes, papers and journals were produced for industry and training, while 42 technical and technology guidance notes were finalised for downloading free-of-charge from the Institute's website.

Sustainable business

Profits from *Cleaner Production*, the self-help tool for small business that is available from the Department's small business website, continued to help businesses adopt environmentally sustainable practices. About 25 people attended the workshop, *Profiting from Cleaner Production*, held in conjunction with other government agencies during *Small Business September 2005*, and 75 people attended another event, *Sustainability in Manufacturing*, during the *Western Sydney Manufacturing Week* in May-June 2006.

Trade services

International missions, visits and exhibitions

During 2005-2006, the Division organised 10 international trade missions and New South Wales stands in three international trade exhibitions. In addition, 33 companies were assisted to undertake independent overseas market visits.

A total of 108 companies participated in these programs, visiting 21 international markets. Participating companies realised immediate results with new export sales of \$802,819 and projected new export sales of \$33.9 million in the ensuing 12 months.

Regional Export Advisers Network

Specialist Export Advisers are located in Bathurst, Gosford, Nowra, Parramatta, Port Macquarie, Tamworth and Wagga Wagga to deliver practical, hands-on exporting advice to regional companies. In 2005-2006, they provided advice to 823 companies which collectively reported new export sales of \$8.6 million.

The Export Advisers (with the exception of Parramatta) are contracted to Austrade for 50 per cent of their time to deliver the *Commonwealth's Tradestart Program* in their regions. Eighty-two companies were signed to the program in 2005-2006 while 48 companies in the program achieved an export sale during the year.

Services exports

During 2005-2006, seven specialised workshops and three seminars were conducted for 620 exporters of services from the architectural, design, finance and legal services sectors, and information communications and technology. In addition, 91 representatives from the private sector, government and universities attended two workshops and two information sessions on how to win procurement business from international financial institutions and development agencies, such as the Asian Development Bank, AusAid, United Nations agencies, and the World Bank.

NSW Exporters network

The NSW Exporters Network is a web-based club at www.export.nsw.gov.au, which facilitates networking among exporters throughout New South Wales and the sharing of advice, information and skills among members. The network also hosts regular events at which members can discuss trade topics, share experiences and market knowledge, and benefit from the advice of specialists on topics, such as export finance, legal issues, insurance and transport. There were 697 registered company members of the network in 2005-2006, an increase of 14 per cent over 2004-2005.

The Trade Services Branch of the Small Business Development Division, in conjunction with the Exporters Network and other partners including Austrade, the Australian Institute of Export, Australia Post, and various industry and bilateral associations, delivered 76 exporter development seminars in 2005-2006, which were attended by 5,172 people. Thirty-four of these events were delivered during *Small Business September 2005*.

International services

The Trade Services Branch delivers a range of services to the NSW Government and businesses to maximise business outcomes from high-level visits to and from New South Wales. It also provides a point of contact for the NSW Government's international sister states and other international business partners.

During 2005-2006, the International Services Unit:

- supported visits to New South Wales by 25 overseas business delegations
- prepared briefings for meetings attended by the NSW Premier, NSW Ministers and 56 international dignitaries from 27 countries
- provided briefings and logistical support for 10 outbound official visits from New South Wales.

The International Services Unit was designated to coordinate NSW Government activities for the *Japan-Australia Year of Exchange* in 2006. The Unit acted as a contact point for enquiries and referrals in New South Wales. It also organised meetings for NSW Government agencies interested in Japan. This was aimed at identifying opportunities for the NSW Government's involvement in the Year of Exchange. The Unit also provided support to the Department of Foreign Trade and Economic Cooperation of the Chinese Province of Guangdong, a Sister province of New South Wales, for a major China/Guangdong-Australia

Business Conference in Sydney in November 2005. The conference was attended by 1,800 delegates, including 200 from China.

New South Wales-Asia Business Advisory Council

The New South Wales-Asia Business Advisory Council plays a vital role in the Government's multicultural business development strategy. The Division provides secretariat support to the Council, which has 14 members and is chaired by the Parliamentary Secretary Assisting the Premier on Trade and Investment.

The Council met four times during 2005-2006. Activities during the reporting period included:

- co-hosting with the Department a settlement briefing for business migrants to NSW in October 2005, and providing input to the Department's submission to the Commonwealth Government's Business Skill Visa Process Review
- Council Member Mr Douglas Park acting as the leader of a NSW trade mission to Korea in November 2005
- commissioning a study on the workings of the NSW-Guangdong sister state relationship as a demonstration of best practice for achieving economic outcomes from international sister relationships.

As part of the *Japan-Australia Year of Exchange*, the Council together with the Japan Chamber of Commerce and Industry, Sydney Inc, and the Australia-Japan Society of NSW Inc, hosted a NSW-Japan business forum and dinner at Parliament House in May 2006. Over 100 delegates attended the forum, which included a keynote address by Dr George Olcott of the University of Cambridge.

Tokyo Office

The Department's representative office in Tokyo, previously managed through the Division, ceased operations on 28 April 2006. However, the Department's full range of business services will continue to be available to Japanese companies through the Department's Sydney Head Office and through the Memorandum of Understanding with both Austrade and Invest Australia which will give the Department access the Australian Government's global network of offices.

Case Study

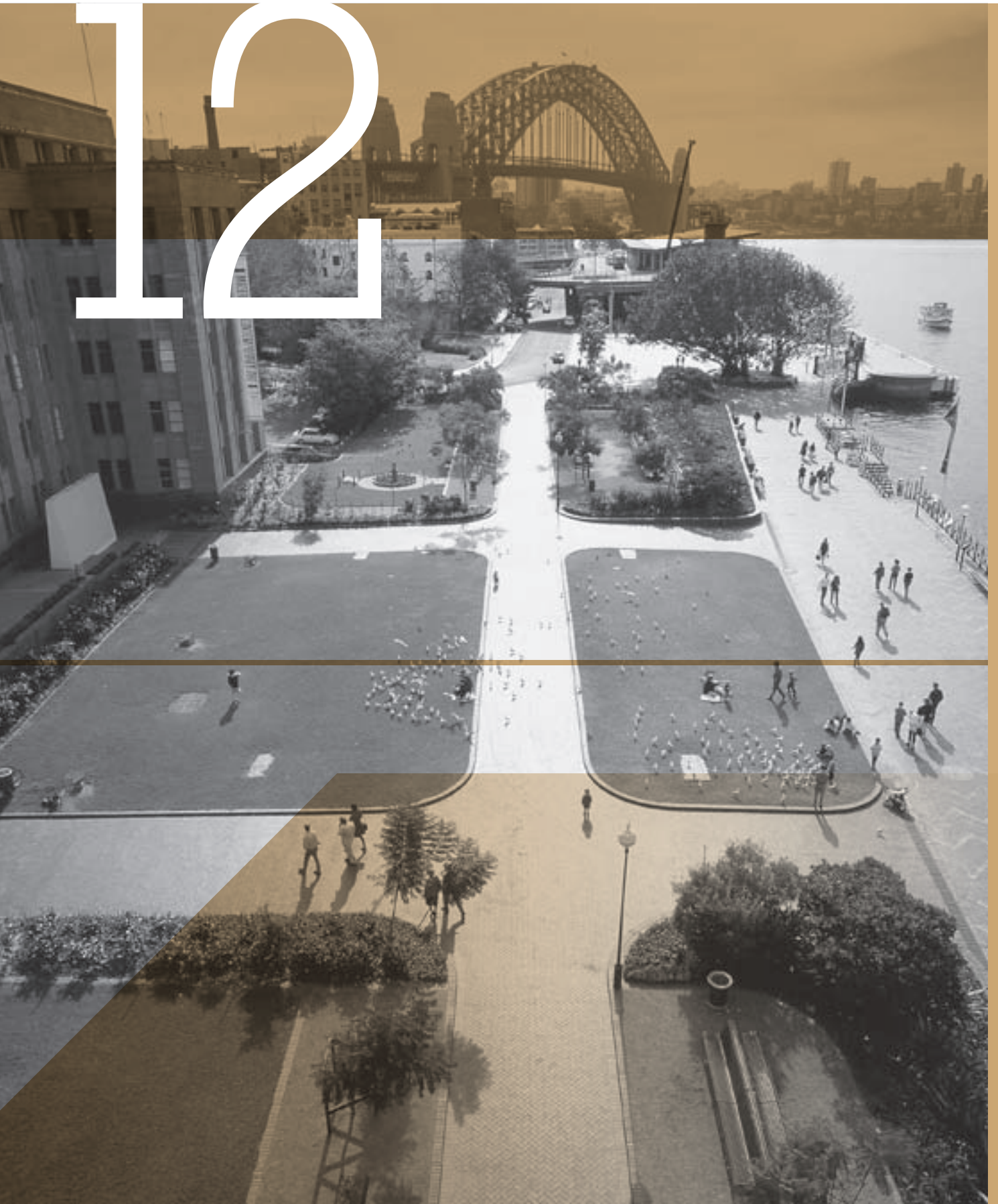
Water a watershed

John and Louise West's business at Loftus, Watershed West, specialises in delivering one-stop water and energy solutions for homes and businesses, such as rainwater tanks, plumbing, greywater systems, pumps and solar hot water systems for managing rainwater and main water supplies.

John and Louise needed a plan for sustainable growth and to implement a consistent marketing plan. They enrolled in the Department's *Stepping-Up Program*, delivered through the St George and Sutherland Business Enterprise Centre. The program gave them access to an experienced business mentor who helped them develop strategies as well as access to small group workshops on business growth issues.

Watershed West's client base and turnover significantly increased following implementation of the company's marketing strategy. To cope with the growth of the company, John and Louise have since recruited two additional staff members. Discussions are being held with a potential investment partner on further expansion.

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Growing a sustainable tourism economy

During 2005-2006, Tourism NSW built on its comprehensive tourism marketing campaigns – *New South Wales – There's no place like it* covering seven regional areas, and *There's no place in the world like Sydney* to maintain Sydney's position as Australia's premier visitor destination.

Tourism NSW's marketing of Sydney was recognised by the Pacific Asia Travel Association as one of the two best Government destination promotion campaigns in the Asia-Pacific last year.

The year saw a tight market for domestic tourism due to factors, such as increased fuel prices, low cost international air fares, reluctance to use holiday leave and competition for discretionary income. Tourists from within Australia account for around 90 per cent of the NSW market and this is where Tourism NSW places the most emphasis.

Domestic tourism figures for the year ended June 2006 show a national decline of around 0.3 per cent in trips taken and a 3.2 per cent decline in visitor nights. However, New South Wales maintained its market share in this declining market and was overwhelmingly the largest player with 33.7 per cent share of visitors and 29.9 per cent share of nights. New South Wales received 24.4 million domestic visitors in the year ended December 2005.

Internationally, the market has been stronger for Australia. In the year ended June 2006, Australia received 5.037 million international visitors, and again New South Wales was the largest player with 54.4 per cent share of visitors. International visitors are also staying longer with visitor nights increasing by 12.4 per cent for New South Wales in the same year.

Statistics reflect the extraordinary growth in visitor numbers and associated spending from the developing tourism markets of China and India.

Overall, international visitors to New South Wales are expected to increase at an average annual rate of 5.5 per cent over the next 10 years to five million in 2015. Tourism NSW's focus is on attracting visitors from those high spending international markets.

The year 2005 marked the centenary of tourism promotion in New South Wales and Tourism NSW used this milestone to coordinate a series of celebratory events and activities to promote the value and size of the tourism industry in New South Wales. This celebration of the past, present and future acknowledged tourism as a major industry and significant contributor to the State's economy.

Through this major project, a legacy of research and historical accounts was created. More than 12,000 people researched this history online. A further 5,000 received copies of *State of Play*, a record of the events that have shaped this industry, edited by tourism historian Peter Spearritt. The Museum of Sydney staged a six-month display of historical memorabilia, and more than 50,000 people attended various events over the year-long celebrations.

Tourism NSW Board and management

Under the *Tourism New South Wales Act 1984*, the Board is appointed by the Governor of New South Wales and is accountable to the Minister for Tourism and Sport and Recreation. Executive and staff are appointed under the *Public Sector Employment and Management Act 2002* through the NSW Department of State and Regional Development.

The Board makes recommendations on Tourism NSW policy and programs to the Minister for Tourism and Sport and Recreation. The Director General, Department of State and Regional Development, and Executive Director and General Manager Tourism NSW, regularly brief the Board on aspects of state development and tourism activities and performance, and seek guidance on policy and operational direction. The Executive Director and General Manager updates the tourism executive on Board recommendations.

Under the Act, the Board consists of not fewer than seven and no more than nine members. Currently, it has nine members, eight part-time and one full-time, the Executive Director and General Manager of Tourism NSW. Members bring their skills and experience to Tourism NSW and to the tourism industry and are appointed for a term not exceeding five years, but are eligible for reappointment.

John Ward, whose term on the Board expired on 30 September 2005, made a significant contribution to tourism in NSW during his six-year tenure and was recognised for his service to the industry at the *2005 NSW Tourism Awards* and by the Australian Tourism Export Council in April 2006. Narendra Kumar joined the Board in November 2005, bringing extensive experience in regional aviation. Bob Adby in his capacity as Director-General, Department of Tourism, Sport and Recreation, departed as an observer on the Board in March 2006. Loftus Harris joined as an observer in his capacity as Director General, Department of State and Regional Development in March 2006.

Board meetings

The number of Board meetings members were eligible to attend and the number of meetings attended by each member during 2005-2006 are:

Board member	Board meetings	
	A	B
Maurice Newman AC	5	6
Bob Adby	3	5
Les Cassar AM	6	6
Ruth Fagan	5	6
Loftus Harris	1	1
Narendra Kumar	3	3
John O'Neill	6	6
Nick Papallo OAM	4	6
Denis Pierce	5	6
John Thorpe AM	3	6
Charlotte Vidor	6	6
John Ward	2	2

A = number of meetings attended.

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

Pecuniary interests

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

Message from the Chairman, Tourism NSW Board

Tourism as an industry in New South Wales often struggles for the recognition it deserves. It is a very important industry for the State, contributing \$23 billion per year and carrying responsibility for around 250,000 jobs.

In an increasingly competitive market, Tourism NSW has achieved positive results, considering its limited resources. With around 90 per cent of the tourism industry consisting of small business, it is essential that Tourism NSW continues to lead the industry.

Tourism NSW has taken a strong direction in the brand positioning of the State, and the Board considers this a long-term strategy. The constant reinforcement of the brand in the marketplace is essential to grow knowledge of the destination.

The Board meets with a range of operators when it travels around the State for its meetings. Six Board meetings were held this year, two of which were held in regional NSW - Snowy Mountains and Northern Rivers. The Board appreciates the opportunity to visit these areas and the hospitality of the local tourism industry makes our visits an important part of our Board meetings.



Maurice L Newman, AC
Chairman

Promoting Sydney and regional New South Wales

Through marketing and communication activities, Tourism NSW works to increase the demand for NSW tourism experiences, which in turn drives business, investment and the creation of jobs. Tourism NSW ensures potential visitors from both within Australia and overseas are informed about New South Wales and the different products and experiences on offer.

Marketing New South Wales within Australia

Marketing activity within Australia has centred around six New South Wales and Sydney brand television commercials, along with print, online and public relations promotions.

Television advertising throughout 2005-2006, which promoted holidays in New South Wales reached five million people an average of 10 times, while magazine and newspaper advertising reached more than 7.3 million people, on average five times.

During 2005-2006, a key focus was the continued roll-out of our Sydney and NSW brand trademarks, integrating them throughout our marketing activity and those of our partners. New images of NSW destinations and experiences were acquired, resulting in more than 300 new branded images for Sydney and regional New South Wales, plus 38 minutes of new audio-visual footage, which will dramatically refresh how the State is presented to the world.

The *NSW Uncovered* and *Sydney Uncovered* monthly newsletters provided fresh story ideas, facts and figures, and travel deals to over 300 travel media.

Marketing regional New South Wales

For regional New South Wales, promotion of destinations within seven campaign zones continued; the North Coast of NSW, South Coast of NSW, Outback NSW, Heart of Country NSW, Lord Howe Island, Snowy Mountains in the NSW High Country and Sydney's surrounds. Tourism NSW and Tourism Victoria worked in partnership on a brand campaign for the Murray to be launched in 2006-2007.

Integrated marketing campaigns, including television advertising, print advertising, and public relations as well as online marketing, were developed for regional New South Wales. These included brand and tactical initiatives, with partners contributing to components of the campaign.

The first two in a suite of seven holiday planners were launched for the North Coast of NSW and Lord Howe Island. These holiday planners were created in conjunction with Regional Tourism Organisations to increase awareness of the campaign zone and help people plan their trip and book directly with NSW tourism operators.

Work continued with the media to promote regional New South Wales by arranging 218 domestic media familiarisation tours and providing extensive assistance for domestic media inquiries. This resulted in 1,084 editorial pieces on television and in print, magazines and on websites, representing the equivalent of \$26.3 million in advertising space with a circulation of 360 million people.

Marketing Sydney

The seasonal marketing approach for Sydney continued through *Sydney Summer* and *Sydney Winter* campaigns. An expanded Easter campaign, *Autumn in Sydney*, was launched with the tagline, *Autumn in Sydney gets your heart racing*, and included two 15-second television commercials which ran in Brisbane, regional New South Wales and Western Australia. A 24-page magazine was inserted into newspapers in Brisbane, Perth, and regional New South Wales, supported by a range of other print advertising, promotions and e-marketing.

Seasonal platforms give Tourism NSW the ability to capitalise on Sydney's year-round major events program, which constantly refreshes potential travellers' ideas of the city and entices new and repeat visitors.

Tourism NSW's successful campaign strategy gained international recognition in 2005-2006, with *Sydney Winter 2005* gaining a Gold Award from the Pacific Asia Travel Association, in the national category.

Public relations activity for Sydney campaigns included 80 media familiarisation tours, resulting in 1,430 editorial pieces on television, in newspapers, magazines and websites with a circulation of 185 million people and representing the equivalent of \$14 million in advertising space.

A range of arts, culture and event listings, food and wine features, and 20 magazine features on Sydney as a destination were produced and distributed to Australian travel and lifestyle media.

A promotional highlight in October 2005 was Sydney's hosting of the Australian Society of Travel Writers Annual General Meeting with a Sydney-themed event for more than 100 travel writers and tourism business partners. Forty-eight of Australia's leading travel writers took advantage of post-touring activities to the Hunter, the Illawarra, Port Stephens, South Coast, Southern Highlands and Sydney.

NSW Holidays continued to operate under licence to Australian Outback Travel, packaging and promoting holidays in New South Wales to the domestic market.

Marketing New South Wales overseas

The Division's six overseas offices in Hong Kong (covering north Asia), London, Los Angeles, New Zealand, Singapore (covering south Asia) and Tokyo worked to ensure that overseas visitors become more familiar with experiences and products offered by both Sydney and New South Wales.

Emphasis was on strong representation of New South Wales in the marketing activities of Tourism Australia, educating overseas travel wholesalers and retail travel agents about New South Wales, and developing and brokering partnerships with industry in each market to supplement these activities.

In 2005-2006, Tourism NSW trained more than 3,000 retail and wholesale travel consultants on Sydney and New South Wales products and experiences. A total of 580 international travel brokers experienced the State on familiarisation tours. Additionally, 51 trade familiarisation tours were hosted for 601 international trade delegates.

Tourism NSW attended 15 international trade and consumer shows to expand the distribution of NSW tourism products and ensure they feature prominently in promotions in key overseas markets. As a result, the agency brokered business relationships between overseas distributors and 190 NSW companies.

Work continued with the NSW Japan Industry Forum to refresh marketing and promotion of Sydney in this market. Representatives of the NSW tourism industry with an interest in Japan, including members of the influential Yonsha kai Japanese inbound tour operators, and Federal and State government agencies met in May 2005 to discuss activities for the upcoming year.

A wide range of tactical promotions in target markets occurred throughout 2005-2006. An example is a Chinese-language self-drive guide book developed by Tourism NSW and the Hong Kong Economic Times, which was launched in Hong Kong in February 2006 and features the increasingly popular self-drive holidays in Sydney and regional New South Wales.

An international promotion in Paris in October 2005 was staged with designer Collette Dinnigan as an ambassador for Sydney. The event corresponded with the Collette Dinnigan 10th show anniversary and included production of a limited edition book about Sydney that was distributed to 500 of the world's top media who attended the show. UK and European media also attended a personal briefing on Sydney, delivered by Ms Dinnigan.

In June 2006, Tourism NSW showed a strong presence at the Australian Tourism Exchange in Adelaide where operators were assisted by facilitating meetings with key international wholesalers and providing advice on marketing strategies. Operators confirmed significant business interest and secured new leads for sales from the world's travel brokers. The Tourism NSW's stand provided a hub for interaction between almost 200 NSW travel product sellers and international buyers from Asia, Japan, Europe, the Gulf Countries, India, New Zealand and North America.

Capitalising on the Department's sponsorship of the Forbes Global CEO conference in August and September, Tourism NSW coordinated a Supported Partners program whereby 50 delegates and partners extended their stay in Sydney and the Blue Mountains. Tourism NSW also co-hosted a media event, distributed 200 kits at the media centre, and included visitor information in 400 delegate kits.

During 2005-2006, visits to Sydney and New South Wales were coordinated for 158 international media organisations with media coverage generated in international print editorial and television programming reaching a combined circulation of 368 million people, representing the equivalent of \$78 million in advertising space.

Sydney Beaches Campaign

Tourism NSW took a major coordinating role in a \$250,000 community campaign welcoming people to Sydney's beaches. On behalf of the Premier's Department the agency developed and executed the Sydney Beaches campaign in December 2005 and January 2006.

This campaign was part of the Government's business recovery plan for Cronulla, Brighton-Le-Sands and other Sydney beaches to help increase business at hotels, restaurants and retail outlets.

Sports stars and Sydneysiders appeared in the print and radio advertising. Andrew Ettingshausen, Hazem El Masri, Susie Maroney, Catriona Rowntree, Jason Stevens, Mark Ella, Craig Foster, Nick Davis and Keysar Trad lent their support. Tourism NSW held discussions with the Sutherland Shire Council and Rockdale City Council and local businesses to develop the campaign.

Additional media promotions and articles then followed.

Business tourism

During 2005-2006, Tourism NSW continued to be a major contributor to the operations of the Sydney Convention and Visitors Bureau through a financial allocation of \$2.3 million. The Bureau was successful in securing 42 future international and national business events for Sydney and New South Wales, including the 2008 World Youth Day and the 2014 Rotary International Convention. Tourism NSW and the bureau will continue to work together to ensure the continuing success of Sydney and New South Wales as the leading destination for business tourism within Australia.

The online environment

Increasing numbers of visitors are using the internet for travel research as it enables them to quickly and easily find out about New South Wales and plan their itinerary. In response to this trend, greater emphasis was placed on online marketing, and as a result information and services was provided to more than 1.6 million people, including half a million business leads directly to NSW operators listed on the State Tourism Data Warehouse (STDW).

The STDW is a comprehensive listing of 10,000 products, including accommodation, attractions, events, tours, and hire. It serves Tourism NSW's consumer websites, www.visitnsw.com.au, www.seesydney.com.au and www.sydneyaustralia.com. It also serves Tourism Australia's www.australia.com and commercial websites, promoting holiday destinations for which Tourism NSW has content sharing arrangements.

A major content development program was commenced to better present destination and product information through the websites. Tourism NSW compiled more than 1,000 pages of new content for a revamped www.visitnsw.com.au scheduled for release in 2006-2007.

The *Escapes* e-newsletter was launched, providing an e-marketing tool for tourism operators to reach potential customers. *Escapes* forms part of the Sydney and regional NSW marketing campaigns. With six editions released and more than 50 industry partners participating, it targeted 70,000 people from the consumer database.

Supporting the NSW tourism industry

Online newsletter

The agency's weekly e-newsletter, *Insights*, was distributed to over 3,000 registered contacts with information on the activities and opportunities offered by Tourism NSW and its partners.

Tourism Industry Forum

Tourism NSW chairs the Tourism Industry Forum, which promotes collaboration and communication between industry associations, relevant government stakeholders and Tourism NSW. The roundtable forum, which comprises senior representatives from 42 associations and government bodies with a tourism focus, meets every two months to present and discuss non-marketing tourism issues and opportunities.

NSW Tourism Awards

The *2005 NSW Tourism Awards* undertaken in partnership with the NSW Tourism Industry Council, attracted 150 tourism operator entries and resulted in 28 winners, four awards of distinction, three awards of encouragement, and three individual achievement awards. John Ward, former Board member of Tourism NSW, won Outstanding Contribution by an Individual; Wincen Cuy, General Manager of the Outback Regional Tourism Organisation, won the Outstanding Contribution to Regional Tourism by an Individual; and Caroline Stallion, Tourism Marketing Officer, Newcastle Tourism, was awarded the Wendy O'Donohue Young Achiever in Tourism award.

Around 800 industry representatives attended the annual awards dinner and presentation evening, which Tourism NSW themed around the *100 Years of Tourism* celebrations.

Minister's Awards

Tourism NSW supports activities aimed at encouraging young people to enter the industry. The agency managed the Sam Fiszman Trainee of the Year Award in March 2006 for Tourism NSW trainees and the Minister's Student Achiever Awards in April 2006 for students undertaking tertiary tourism studies.

Danielle Robinson was Trainee of the Year, one of 20 trainees to graduate from the Tourism NSW traineeship program. The Sam Fiszman Award for Trainee of the Year was created in memory of a former Chairman of Tourism NSW, Sam Fiszman, who had a strong commitment to training and giving young people the opportunity to enter the tourism industry. Sam Fiszman was Chairman of Tourism NSW from 1995 to 2002 and this was the fourth year of the Award.

Since 1996, Tourism NSW has trained around 260 young people as part of their Traineeship Program with a 95 per cent graduation rate. Around 90 per cent of graduates are retained in the tourism industry.

The 12 students awarded a Minister's Student Achiever Award in 2006 were selected for their sustained academic achievement and for demonstrating the capabilities and personal qualities that would make a significant contribution to the tourism industry in New South Wales.

Tourism research and insights

Throughout New South Wales, a range of research and insights for informing and promoting the tourism industry is provided by Tourism NSW.

In partnership with the Cooperative Research Centre for Sustainable Tourism, an update commenced on the Tourism Satellite Accounts for New South Wales to provide information on the value of tourism to the economy and employment.

A regular series of data snapshots were produced and developed for stakeholders by Tourism NSW, along with summaries of state and regional tourism statistics to aid industry and government business decisions. These are freely available on the www.tourism.nsw.gov.au corporate website.

Tourism Masterplan

A mid-term review of *Towards 2020: The NSW Tourism Masterplan*, the whole-of-government road map to build sustainable tourism in the State commenced. As part of the review, Tourism NSW consulted with 44 government agencies, 150 local councils and industry associations on the development of tourism over the next 15 years.

Supporting wine tourism

Tourism NSW and the Industry Division worked with the Wine Federation of Australia and the NSW Wine Industry Association to generate tourism promotion and business benefits arising from the NSW Government's support of Wine Australia International, held in Sydney in July 2006. Activities for the show included a comprehensive program of workshops and seminars, a Wine Australia exhibition stand for New South Wales, promotional collateral, website marketing, media promotions and events.

In partnership with the Winemakers' Federation of Australia, a series of wine tourism workshops were funded to educate wineries about tourism and the successful cellar door experience. Workshops were held in Mudgee and Orange/Cowra.

Destination development

The *Destination Development Program* features a series of regional workshops which bring together Tourism NSW, local government, and regional tourism organisations and operators to analyse ways to increase the visitor appeal of their destinations. Workshops help operators to identify the key experiences and attractions that potential visitors are expecting at each destination and then match tourism products with consumer needs.

During 2005-2006 the agency conducted workshops in the following regions:

- Capital Country, including Bowral, Goulburn and Yass
- Mid North Coast NSW, including Coffs Harbour, Forster-Tuncurry, Nelson Bay and Port Macquarie
- Snowy Mountains, including Jindabyne and Tumbarumba.

With guidance from Tourism NSW, participants developed shared action plans for tourism marketing and development and received the StartSmart guide which helps businesses and local government understand the industry and tourism operations.

Local Government Tourism Conference

Working with the Local Government and Shires Association, the agency was a major partner of the *Local Government and Shires Associations Tourism Conference* at Penrith in March 2006. The conference attracted 170 delegates with a total attendance of more than 200, including mayors and councillors, council staff, speakers, trade exhibitors and other representatives. The theme was *Destination NSW – Sustaining Local Government Tourism*.

Visitor services

In 2005-2006, Tourism NSW continued to manage the *Visitor Information Centre Network Accreditation Program* across the State. The network consists of 171 accredited centres in New South Wales, and was marketed through a range of initiatives aimed to raise consumer awareness of the italicised blue and yellow 'i', with the slogan of *i ... will take you there*.

A total of 20 trainees were provided a program of work in Visitor Services and other parts of Tourism NSW, combined with TAFE study. The program has a 90 per cent success rate of trainees gaining future employment in the tourism industry.

Case Study

Promoting Aboriginal tourism experiences

Tourism NSW demonstrated its commitment to developing Aboriginal tourism products through the launch of two publications, the first ever *Aboriginal NSW Product Manual* and the *Principles for Developing Aboriginal Tourism*.

The product manual highlights more than 50 Aboriginal tourism products across the State and allows travel wholesalers and inbound operators to identify Aboriginal tourism products and business information according to location and market readiness.

Each product is presented on a single page with a short description of what is on offer, how long the business has been running, and the number of visitors received per year.

Importantly for travel brokers, every product is also described in one of three categories emerging, up and coming, and signature. Signature products are export-ready for international sales while up-and-coming products may find an international marketplace, but require more support from inbound travel brokers due to the operators' limited international experience. Emerging products may already have a domestic market, but are usually still developing unique experiences, often with the support of government agencies.

The manual is supported by a guide on working with Aboriginal tourism operators, *Principles for Developing Aboriginal Tourism*.

The publications are supporting Aboriginal tourism operators by taking advantage of the growing interest in Aboriginal culture. Presented to inbound tour operators at two major travel expos, two export-ready operators listed in the product manual have already succeeded in initiating international business through this initiative.

Communications Unit,
Executive Support Unit,
Retail Tenancy Unit

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Communications Unit

The Communications Unit is responsible for developing and implementing corporate marketing and media strategies and materials to promote business in Sydney and regional New South Wales.

During the year the Unit pursued a busy program of providing strategic advice and assistance to all divisions on media, marketing, advertising, events and sponsorship issues.

The Unit provided support for securing a number of major investment projects and a range of industry events, as well as promotional support for the Department's small business, regional development and industry programs and initiatives.

Attracting business investment and promotion

A major initiative in 2005-2006 was the preparation and launch of the *NSW We Mean Business* campaign to promote New South Wales as a leading location for business investment. Spearheading the campaign were television and print advertisements promoting a range of successful NSW business case studies which ran in June and July 2006, with a second phase proposed for late 2006. The campaign highlighted the opportunity for business success in New South Wales and encouraged contact with the Department for business assistance.

The Forbes Global CEO Conference, held in August 2005, was another major focus of international business promotion. A series of full page advertisements ran in *Forbes* magazines in the US, Europe and Asia to promote Sydney and New South Wales as an investment destination. A range of marketing and media materials were also produced around the conference. In addition, two promotional events in the US were held with Forbes CEO Steve Forbes to promote the conference to key business audiences.

The Communications Unit also played a key role in a campaign to promote changes to the *Retail Leases Act 1994*, including the introduction of a retail lease bond scheme across New South Wales, as well as the introduction of a payroll tax incentive scheme to promote employment in key areas.

Overall, more than 780 media releases, 318 speeches and ministerial messages were prepared, and 170 media opportunities were generated to provide State-wide media exposure and promotion of the Department's activities, initiatives and successes. Marketing collateral included the production of 64 publications.

Trade and Investment Centre and Country Embassy

The NSW Trade and Investment Centre and Country Embassy is the NSW Government's premier events venue for business facilitation.

A new Trade and Investment Centre and Country Embassy was established in the Department's new premises on Level 47 of the MLC Centre in Martin Place and continues to provide a high level of service to the Department and its clients.

During 2005-2006, over 25,000 people visited the facility and over 1,500 business events were held, despite the centre being closed in May and June 2006 due to the relocation.

In 2005-2006, business briefings on the NSW economy were delivered to over 4,000 international guests and delegations from Argentina, Chile, China, Czech Republic, France, Indonesia, Italy, Japan, Kazakhstan, Singapore, Thailand and Turkey.

The NSW Trade and Investment Centre and Country Embassy also provides a Sydney CBD base for NSW regions to promote their products, services and capabilities. Regional event highlights in 2005-2006 included the launch of a NSW Department of Agriculture Workshop for NSW farmers and events by the NSW Wine Association, Orange Food and Wine Regional Tourism Group, Country Mayors Association, Regional Tourism Organisation, and Association of NSW Regional Conservatoriums of Music.

Executive Support Unit

The Executive Support Unit provides high level administrative and policy support to the Director General and senior management. The Unit manages ministerial and departmental information and correspondence, is a point of liaison between the Department and its four Minister's offices, and works cooperatively with other government agencies.

In 2005-2006, a total of 3,513 matters were managed in addition to the Ministerial briefings associated with the Parliament.

The Unit also played an important role in integrating administrative functions following the Department's merge with Tourism NSW, the Major Events Unit and the Office for Science and Medical Research. These changes have seen a significant increase in matters managed by the Unit.

In 2005-2006, the Unit also:

- supported the Department's move from Governor Macquarie Tower and Grosvenor Place to the MLC Centre
- maintained job and investment data
- supported Parliamentary proceedings
- maintained a program of staff development opportunities.

Retail Tenancy Unit

The Retail Tenancy Unit provides free information and advice to people involved in retail leasing, including retailers, landlords, solicitors and real estate agents. It also offers cost-effective resolution processes to parties in dispute, allowing them to reach agreement and avoid time consuming and expensive litigation.

On 1 January 2006, substantial legislative amendments to the *Retail Leases Act 1994* took effect. Developed in consultation with the retail industry, the major changes affected areas such as pre-lease negotiations, the operation of the lease, market rent review, lease assignment and dispute resolution.

Of particular note was the introduction of a secure, independent scheme to safeguard the collection and management of cash bonds. The *Retail Bond Scheme* provides tenants with certainty about where their bond is lodged, and reduces red tape for landlords by eliminating the need to administer a separate bank account. It also provides a simple and quick way to claim back the bond back at the end of the lease. A comprehensive education program was run to raise awareness of the new scheme with tenants, landlords and industry professionals.

Under the *Retail Leases Act 1994*, parties in dispute must attempt mediation before their matter can proceed to the court or tribunal systems. In 2005-2006, the Unit administered the mediation of 824 disputes, compared to 765 in the same period in 2004-2005, representing an 8 per cent increase. Issues related to rents, the condition of properties and terminations made up the largest number of applications. Informal or formal mediation closed 322 disputes, achieving a success rate of 81 per cent. Twelve per cent of mediations were arranged at a venue outside the Unit's Sydney office while interpreter services were arranged for 13 mediations.

During 2005-2006, the Unit responded to a significantly increased number of enquiries, which rose to 8,232 from 7,148 in the previous year.

Assisting people to explore non-legal remedies to resolve disputes resulted in substantial savings to the NSW retail industry in litigation fees, and avoided thousand of hours being wasted in pursuing matters in the court system.

The Unit also conducted presentations in 2005-2006 to increase awareness of its services, and continued to meet with businesses and relevant industry and professional associations, including the Australian Property Institute, Australian Retailers Association NSW, Law Society of NSW, Property Council of Australia, Real Estate Institute of NSW, and the Shopping Centre Council of Australia.

Audited Financial Statements

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Department of State and Regional Development

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Department of State and Regional Development (the Department):

- presents fairly the Department's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 45E of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and Director General's Responsibility

The financial report comprises the operating statement, statement of changes in equity, balance sheet, cash flow statement, program statement - expenses and revenues, summary of compliance with financial directives and accompanying notes to the financial statements for the Department, for the year ended 30 June 2006.

The Director General is responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

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

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Director General in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Department,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'S R Stanton'.

S R Stanton CPA
Director, Financial Audit Services

SYDNEY
20 October 2006

Department of State and Regional
Development

Financial Report
for the year ending 30 June 2006

**STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT**

Pursuant to section 45F of the Public Finance and Audit Act 1983, I state to the best of my knowledge and belief:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the Public Finance and Audit (General) Regulation (as applicable) and Treasurer's Directions;
- b) the Financial Statements exhibit a true and fair view of the financial position of the Department of State and Regional Development as at 30 June, 2006 and for the operations for the year then ended;
- c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Loftus Harris
Director General

19/10/06

Department of State and Regional Development
Financial Statements

Operating Statement

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	32,155	32,448	28,681
Other operating expenses	2(b)	33,594	34,831	16,747
Depreciation and amortisation expenses	2(c)	2,027	1,518	1,700
Grants and subsidies	2(d)	42,077	21,511	19,139
Other expenses	2(e)	22,375	28,433	24,576
Total Expenses excluding losses		132,228	118,741	90,843
Less:				
Revenue				
Sale of goods and services	3(a)	358	446	149
Investment income	3(b)	986	750	877
Grants and contributions	3(c)	1,635	2,268	586
Other revenue	3(d)	2,169	751	591
Total Revenue		5,148	4,215	2,203
Gain / (loss) on disposal	4	(411)	–	(4)
Other gains / (losses)	5	41	–	–
Net Cost of Services	24	127,450	114,526	88,644
Government Contributions				
Recurrent appropriations	6	113,727	101,004	83,859
Capital appropriations	6	113	113	110
Acceptance by the Crown Entity of employee benefits and other liabilities	7	1,823	1,688	3,281
Total Government Contributions		115,663	102,805	87,250
SURPLUS / (DEFICIT) FOR THE YEAR		(11,787)	(11,721)	(1,394)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		-	-	-
Surplus / (Deficit) for the year		(11,787)	(11,721)	(1,394)
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	19	(11,787)	(11,721)	(1,394)

The accompanying notes form part of these financial statements.

Department of State and Regional Development
Financial Statements

Balance Sheet

as at 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	10	20,105	22,872	19,816
Receivables	11	8,107	7,565	5,053
Other	15	200	53	–
Total Current Assets		28,412	30,490	24,869
Non-Current Assets				
Financial assets at fair value	12	459	459	–
Other financial assets		–	45	–
Property plant and equipment	13			
Plant and Equipment	13	4,543	2,866	2,647
Intangible assets	14	631	4	4
Other	15	735	–	–
Total Non-Current Assets		6,368	3,374	2,651
Total Assets		34,780	33,864	27,520
LIABILITIES				
Current Liabilities				
Payables	16	5,729	4,575	2,580
Provisions	17	4,780	4,213	2,536
Other	18	926	1,320	141
Total Current Liabilities		11,435	10,108	5,257
Non-Current Liabilities				
Provisions	17	860	1,279	1,073
Other	18	735	45	–
Total Non-Current Liabilities		1,595	1,324	1,073
Total Liabilities		13,030	11,432	6,330
Net Assets		21,750	22,432	21,190
EQUITY				
Accumulated funds	19	21,750	22,432	21,190
Total Equity		21,750	22,432	21,190

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2006

Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related	(29,664)	(30,901)	(26,496)
Grants and subsidies	(42,076)	(26,325)	(19,069)
Other	(64,259)	(63,550)	(55,533)
Total Payments	(135,999)	(120,776)	(101,098)
Receipts			
Sale of goods and services	12	446	458
Interest received	740	750	787
Other	12,760	8,119	8,146
Total Receipts	13,512	9,315	9,391
Cash Flows From Government			
Recurrent appropriation	6 113,727	101,004	83,859
Capital appropriation	6 113	113	110
Cash reimbursements from the Crown Entity	–	–	1,344
Cash transfers to the Consolidated Fund	–	–	(4,931)
Net Cash Flows From Government	113,840	101,117	80,382
NET CASH FLOWS FROM OPERATING ACTIVITIES	(8,647)	(10,344)	(11,325)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Plant and Equipment	2	–	1
Advance repayments received	130	130	130
Purchases of Plant and Equipment	(2,930)	(113)	(228)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(2,798)	17	(97)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and advances	(130)	–	(130)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(130)	–	(130)
NET INCREASE / (DECREASE) IN CASH			
Opening cash and cash equivalents	19,816	19,816	31,368
Cash transferred in (out) as a result of administrative restructuring	20 11,864	13,383	–
CLOSING CASH AND CASH EQUIVALENTS	10 20,105	22,872	19,816

The accompanying notes form part of these financial statements.

Department of State and Regional Development
Financial Statements

Program Statement – Expenses and Revenues

for the year ended 30 June 2006

	Program 1: Development of the New South Wales Economy*		Program 2: Development of the Tourism Industry*		Program 3: Science and Medical Research*		Not Attributable		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Agency's Expenses and Revenues										
Expenses excluding losses										
Operating expenses										
Employee related expenses	25,105	28,681	6,032	–	1,018	–	–	–	32,155	28,681
Other operating expenses	20,017	16,747	13,010	–	567	–	–	–	33,594	16,747
Depreciation and amortisation expenses	1,666	1,700	274	–	87	–	–	–	2,027	1,700
Grants and subsidies	12,791	19,139	1,609	–	27,677	–	–	–	42,077	19,139
Other expenses	22,375	24,576	–	–	–	–	–	–	22,375	24,576
Total expenses excluding losses	81,954	90,843	20,925	–	29,349	–	–	–	132,228	90,843
Revenue										
Sale of goods and services	81	149	277	–	–	–	–	–	358	149
Investment income	858	877	54	–	74	–	–	–	986	877
Grants and contributions	399	586	1,236	–	–	–	–	–	1,635	586
Other revenue	1,194	591	975	–	–	–	–	–	2,169	591
Total Revenue	2,532	2,203	2,542	–	74	–	–	–	5,148	2,203
Gain / (loss) on disposal	(409)	(4)	–	–	(2)	–	–	–	(411)	(4)
Other gains / (losses)	–	–	41	–	–	–	–	–	41	–
Net Cost of Services	79,831	88,644	18,342	–	29,277	–	–	–	127,450	88,644
Government contributions **							115,663	87,250	115,663	87,250
NET EXPENDITURE / (REVENUE) FOR THE YEAR	79,831	88,644	18,342	–	29,277	–	(115,663)	(87,250)	11,787	1,394

* The name and purpose of each program is summarised in Note 9.

** Appropriations are made on an agency basis and not to individual programs.
Consequently, government contributions must be included in the 'Not Attributable' column.

Summary of Compliance with Financial Directives

for the year ended 30 June 2006

	2006				2005			
	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act	92,891	77,926	113	113	106,489	89,386	110	110
• s24 PF&AA – transfers of functions between departments	17,729	17,729	–	–	–	–	–	–
	110,620	95,655	113	113	106,489	89,386	110	110
OTHER APPROPRIATIONS / EXPENDITURE								
• Treasurer's Advance	500	500	–	–	–	–	–	–
• Transfers to / from another agency (s28 of the Appropriation Act)	26,339	26,339	–	–	–	–	–	–
	26,839	26,839	–	–	457	457	–	–
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	137,459	122,494	113	113	106,946	89,843	110	110
Amount drawn down against Appropriation		122,494		113		89,843		110
Liability to Consolidated Fund		–		–		–		–

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

The net claim on Consolidated Fund is less than budget appropriation due to less than forecast expenditure in program activities including Regional Headquarters Tax Concessions, Katoomba Echo Point Development, Illawarra Advantage Fund, Regional Development Assistance, BioFirst Projects and Spinal Grants Program.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies

(a) Reporting Entity

The Department of State and Regional Development (hereafter the "Department") is a separate reporting entity. There are no other entities under its control.

The Department of State and Regional Development is a NSW government department. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Tourism Industry Division was transferred from the former Department of Tourism, Sport and Recreation to the Department of State and Regional Development in accordance with the Public Sector Employment and Management (General) Order 2006, with effect from 3 March 2006. The expenses and revenues for the Tourism Industry Division prior to 3 March are reported in Note 9.

The Office for Science & Medical Research was transferred from the former Ministry for Science and Medical Research to the Department of State and Regional Development in accordance with the Public Sector Employment and Management (General) Order 2006, with effect from 3 March 2006. The expenses and revenues for the former Ministry for Science & Medical Research prior to 3 March are reported in Note 9.

The financial report for the year ended 30 June 2006 has been authorised for issue by the Director-General on 19 October 2006.

(b) Basis of Preparation

The agency's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standard (AEIFRS));

- the requirements of the *Public Finance and Audit Act 1983* and Regulation;
- UIG Interpretations and other authoritative announcements; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

In the absence of a specific Accounting Standard, the hierarchy of pronouncements as outlined in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors is considered.

Property, plant and equipment and financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

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

This is the first financial report prepared based on AEIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Reconciliations of AEIFRS equity and surplus or deficit for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in Note 27.

(d) Administered Activities

The Department does not administer any activities on behalf of the Crown Entity.

(e) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the agency obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment income

Interest revenue is recognised using the effective interest method as set out in AASB 139.

(f) Employee Benefits and Other Provisions

- (i) **Salaries and Wages, Annual Leave, Sick Leave and On-Costs**
Liabilities for salaries and wages (including non-monetary benefits), annual leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

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.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies (cont'd)

(f) Employee Benefits and Other Provisions (cont'd)

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

(ii) Long Service Leave and Superannuation

The agency's liabilities for long service leave and superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities". Prior to 2005/06 the Crown Entity also assumed the defined contribution superannuation liability.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 06/09) to employees with 5 or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions are recognised when: the agency 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.

(g) Insurance

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

(h) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

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

(i) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is 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 Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure – Note 1(u)).

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

(j) 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.

(k) Revaluation of Property, Plant and Equipment

As the Department does not own Land, Building or Infrastructure assets, it considers it not-cost-efficient to carry out a revaluation of physical non-current assets every five years, unless it becomes aware of any material difference in the carrying amount of any class of assets.

The Department's assets are short lived and it is considered by management that the written down value of its non-current assets would approximate their fair value.

(l) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Agency is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies (cont'd)

(m) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the agency.

Depreciation Rates	% Rate
Plant & Equipment	
Office furniture and fittings	10
Office equipment	14.28
Computer equipment and software	25
Leasehold improvement	20.77

(n) Restoration Cost

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

(o) Maintenance

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

(p) Leased Assets

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(q) Intangible Assets

The agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency 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.

The useful lives of intangible assets are assessed to be finite.

As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The agency's intangible assets are amortised using the straight line method over a period of 6 years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the agency is effectively exempted from impairment testing.

(r) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less any provision for doubtful debts. Any changes are accounted for in the Operating Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(s) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit and loss, transaction costs. The Department determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss –

The Department subsequently measures investments classified as "held for trading" or designated "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the Operating Statement.

(t) Trust Funds

The agency receives monies in a trustee capacity for various trusts as set out in Note 25. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

(u) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners by NSWTPP 06/07 and are recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Urgent Issued Group Interpretation 1038 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the assets were recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(v) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies (cont'd)

(w) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial statements (rather than carried forward estimates).

(x) Comparative Information

Comparative figures have been restated based on AEIFRS with the exception of financial instruments information, which has been prepared under the previous AGAAP as permitted by AASB 1.36A. The transition to AEIFRS for financial instruments information was 1 July 2005.

The comparative figures disclosed in the financial statements do not include comparative figures for these Divisions transferred to the Department as a result of the administrative changes referred to in Note 1 (a).

(y) New Australian Accounting Standards issued but not effective

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the Department. The following is a list of these standards:

AASB 7 – Financial Instruments: Disclosure (issued August 2005)

AASB 119 – Employee Benefits (issued December 2004)

AASB 2004-3 – Amendments to Australian Accounting Standards (issued December 2004)

AASB 2005-1 – Amendments to Australian Accounting Standards (issued May 2005)

AASB 2005-5 – Amendments to Australian Accounting Standards (issued June 2005)

AASB 2005-9 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2005-10 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2006-1 – Amendments to Australian Accounting Standards (issued January 2006)

Notes to the Financial Statements

for the year ended 30 June 2006

2 Expenses Excluding Losses

	2006 \$'000	2005 \$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	26,337	23,738
Superannuation – defined benefit plans	655	667
Superannuation – defined contribution plans	1,728	1,344
Long service leave	1,087	1,149
Workers compensation insurance	229	139
Payroll tax and fringe benefit tax	1,995	1,523
Payroll tax employer's superannuation contribution	124	121
	32,155	28,681
(b) Other operating expenses		
Auditor's remuneration – audit of the financial reports	103	80
Bad and doubtful debts	52	–
Other expenses	3,427	1,323
Miscellaneous Fees	4,377	2,948
Building Occupancy Charges	7,777	6,692
Staff Development	454	258
Publication and advertising costs	9,962	1,119
Telecommunication expenses	751	694
Insurance	98	119
Industry Networking	450	689
Payments to contractors	2,641	775
Printing and stationery	713	419
Travel expenses	1,274	650
Motor vehicles expenses	565	582
Consultancies	521	147
Maintenance expenses	429	252
	33,594	16,747
(c) Depreciation and amortisation expenses		
Depreciation		
Plant and Equipment	805	650
Total Depreciation	805	650
Amortisation		
Leasehold improvements	1,164	1,048
Intangible	58	2
	2,027	1,700

Notes to the Financial Statements

for the year ended 30 June 2006

2 Expenses Excluding Losses (cont'd)

	2006 \$'000	2005 \$'000
(d) Grants and subsidies		
Industry Capability Network (NSW)	1,195	1,195
Hunter Valley Research Foundation	150	150
Illawarra Regional Information Service	150	150
Hunter Advantage Fund	1,194	1,340
Regional Development Boards	1,688	1,699
Regional HQ Tax Concessions	40	171
Newcastle Centre for Excellence	–	2,000
Katoomba/Echo Point Development	1,106	10
Illawarra Advantage Fund	661	740
Australian Research Centres of Excellence	1,246	1,406
Mount Panorama Precinct Upgrade	–	5,000
Smart Internet Technology CRC	361	278
ICT Centre For Excellence	5,000	5,000
Science and Medical Research	27,677	–
Tourism Industry	1,609	–
	42,077	19,139
(e) Other expenses		
NSW High Growth Business Program	672	826
Small Business Development	5,547	5,652
Biotechnology Initiatives	4,555	4,612
Regional Development Assistance	11,601	13,486
	22,375	24,576

Notes to the Financial Statements

for the year ended 30 June 2006

3 Revenues

	2006 \$'000	2005 \$'000
(a) Sale of goods and services		
Retail Tenancies Disputes fees	46	101
Other	312	48
	358	149
(b) Investment income		
Interest	986	877
	986	877
(c) Grants and contributions		
NSW Budget Sector Entities	84	125
Commonwealth	287	419
Other State Governments	1	40
Local Government	-	2
Other Private Sector	1,263	-
	1,635	586
(d) Other revenue		
Sponsorship	99	278
Other	527	313
Assets Acquired free of liability	650	-
In kind sponsorship	893	-
	2,169	591

4 Gain / (Loss) on Disposal

Gain / (loss) on disposal of plant and equipment		
Proceeds from disposal	2	1
Written down value of assets disposed	(413)	(5)
Net gain / (loss) on disposal of plant and equipment	(411)	(4)

5 Other Gains / (Losses)

Increment on shares held	41	-
Other gains / (losses) total	41	-

Notes to the Financial Statements

for the year ended 30 June 2006

6 Appropriations

	2006 \$'000	2005 \$'000
Recurrent appropriations		
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	122,494	89,843
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	–
	122,494	89,843
Comprising:		
Recurrent appropriations (per Operating Statement)	113,727	83,859
Transfer payments (Note 8)	8,767	5,984
	122,494	89,843
Capital appropriations		
Total capital drawdowns from NSW Treasury (per Summary of Compliance)	113	110
Less: Liability to Consolidated Fund (per Summary of Compliance)	–	–
	113	110
Comprising:		
Capital appropriations (per Operating Statement)	113	110
Transfer payments (Note 8)	–	–
	113	110

7 Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity:		
Superannuation	655	2,011
Payroll tax	116	121
Long service leave	1,052	1,149
	1,823	3,281

8 Transfer Payments

Transfer payments to the Ministerial Corporation for Industry comprise amounts administered by the Corporation relating to Assistance to Industry.		
The Corporation controls the identification of recipients, the amount and timing of payments and the conditions under which payments are made to the recipients. The Corporation draws funds from the Department only to the extent necessary to meet current cash requirements for expenditure.		
Transfer payments		
Small Business Development Corporation of NSW	40	78
Ministerial Corporation for Industry	8,727	5,906
	8,767	5,984

Notes to the Financial Statements

for the year ended 30 June 2006

9 Programs / Activities of the Agency

(a) Program 1 – Development of the New South Wales Economy

Objective(s): To advance the economic development of New South Wales by securing sustainable economic and business growth in metropolitan and regional areas.

Program Description: The provision of business information on Government policies applying to industries. Marketing regional and metropolitan New South Wales as an investment location. Project facilitation and the provision of limited financial assistance. Provision of business counselling and consultancy assistance to small and medium enterprises. Assisting the development of enterprises. Promoting exports and co-ordinating public sector exports. Encouraging and promoting innovation. Acting as an advocate for business within Government.

(b) Program 2 – Development of the Tourism Industry

Objective(s): To grow the New South Wales tourism economy for the benefit of the people of New South Wales.

Program Description: Marketing New South Wales destinations and working with and providing advice to industry, government agencies and other key stakeholders about the development of sustainable destinations.

(c) Program 3 – Science and Medical Research

Objective(s): To drive growth and innovation in science and medical research to achieve better health, environmental and economic outcomes for the people of New South Wales.

Description: Policy formulation, strategic review of funding programs and projects, industry and infrastructure support, management of grants, awards and fellowships.

Reconciliation of Program 2 transferred during the year

	TSR	DSRD	2006	2005
	Development of the Tourism Industry 1 July to 2 March	Development of the Tourism Industry 3 March to 30 June	Development of the Tourism Industry	Development of the Tourism Industry
	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses				
Operating expenses				
Employee related	9,696	6,032	15,728	15,754
Other operating expenses	14,261	13,010	27,271	27,026
Depreciation and amortisation	558	274	832	1,117
Grants and subsidies	3,388	1,609	4,997	5,196
Other expenses	–	–	–	–
Total expenses excluding losses	27,903	20,925	48,828	49,093
Retained Revenue				
Sale of goods and services	658	277	935	703
Investment income	126	54	180	89
Grants and contributions	4,817	1,236	6,053	6,108
Other revenue	21	975	996	804
Total Retained Revenue	5,622	2,542	8,164	7,704
Gain / (loss) on disposal	–	–	–	–
Other gains / (losses)	–	41	41	–
Net Cost of Services	22,281	18,342	40,623	41,389

The Development of the Tourism Industry Program was transferred from the former Department of Tourism, Sport and Recreation (TSR) to Department of State and Regional Development as a consequence of a restructuring of administrative arrangements with effect from 3 March 2006. The above table summarises the expenses and revenues, recognised by the former Department of Tourism, Sport and Recreation (up to date of transfer) and Department of State and Regional Development (from date of transfer to year end) for the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2006

9 Programs / Activities of the Agency (cont'd)

Reconciliation of Program 3 transferred during the year

	MSMR	DSRD	2006	2005
	Science and Medical Research 1 July to 2 March	Science and Medical Research 3 March to 30 June	Science and Medical Research	Science and Medical Research
	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses				
Operating expenses				
Employee related	1,616	1,018	2,634	2,448
Other operating expenses	781	567	1,348	1,571
Depreciation and amortisation	176	87	263	152
Grants and subsidies	2,867	27,677	30,544	4,173
Other expenses	–	–	–	–
Total expenses excluding losses	5,440	29,349	34,789	8,344
Retained Revenue				
Sale of goods and services	–	–	–	–
Investment income	174	74	248	167
Grants and contributions	–	–	–	220
Other revenue	–	–	–	53
Total Retained Revenue	174	74	248	440
Gain / (loss) on disposal	–	(2)	(2)	(27)
Other gains / (losses)	–	–	–	–
Net Cost of Services	5,266	29,277	34,543	7,931

The Science and Medical Research Program was transferred from the former Ministry for Science and Medical Research (MSMR) to the Department of State and Regional Development as a consequence of a restructuring of administrative arrangements with effect from 3 March 2006. The above table summarises the expenses and revenues, recognised by the former Ministry for Science and Medical Research (up to date of transfer) and the Department of State and Regional Development (from date of transfer to year end) for the reporting period.

10 Cash and Cash Equivalents

	2006 \$'000	2005 \$'000
Cash at bank and on hand	20,105	19,816
	20,105	19,816
Cash and cash equivalents (per Balance Sheet)	20,105	19,816
Closing cash and cash equivalents (per Cash Flow Statement)	20,105	19,816
Unused credit standby facilities		
Credit card facilities	773	442
Interest bearing repayable Treasury advance	1,885	–

Notes to the Financial Statements

for the year ended 30 June 2006

11 Receivables

	2006 \$'000	2005 \$'000
Current Receivables		
Sale of goods and services	1,717	1,583
Recoverable Advances	–	130
Accrued Interest	647	401
GST receivable from Australian Taxation Office	5,009	1,659
Prepayments	773	1,280
	8,146	5,053
Less: Provision for doubtful debts	39	–
	8,107	5,053

12 Financial Assets at Fair Value

Non-current		
CRC for Sustainable Tourism Pty Ltd Shares	415	–
Australian Tourism Data Warehouse Pty Ltd shares	44	–
	459	–

13 Non-Current Assets – Plant and Equipment

	\$'000
At 1 July 2005	
At Fair Value	10,439
Accumulated depreciation and impairment	(7,792)
Net carrying amount	2,647
At 30 June 2006	
At Fair Value	15,469
Accumulated depreciation and impairment	(10,926)
Net carrying amount	4,543

Reconciliation

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

Notes to the Financial Statements

for the year ended 30 June 2006

13 Non-Current Assets – Plant and Equipment (cont'd)

	\$'000
Year ended 30 June 2006	
Net carrying amount at start of year	2,647
Additions	2,930
Disposals	(413)
Acquisitions through administrative restructures	1,348
Depreciation expense	(1,969)
Net carrying amount at end of year	4,543
At 1 July 2004	
At Fair Value	10,653
Accumulated depreciation and impairment	(6,531)
Net carrying amount	4,122
At 30 June 2005	
At Fair Value	10,439
Accumulated depreciation and impairment	(7,792)
Net carrying amount	2,647

Reconciliation

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

	\$'000
Year ended 30 June 2005	
Net carrying amount at start of year	4,122
Additions	228
Disposals	(5)
Depreciation expense	(1,698)
Net carrying amount at end of year	2,647

Notes to the Financial Statements

for the year ended 30 June 2006

14 Intangible Assets

	Software \$'000
At 1 July 2005	
Cost (gross carrying amount)	36
Accumulated amortisation and impairment	(32)
Net carrying amount	4
At 30 June 2006	
Cost (gross carrying amount)	822
Accumulated amortisation and impairment	(191)
Net carrying amount	631
Year ended 30 June 2006	
Net carrying amount at start of year	4
Additions acquired separately	650
Acquisitions through administrative restructures	35
Amortisation (recognised in depreciation and amortisation)	(58)
Net carrying amount at end of year	631
At 1 July 2004	
Cost (gross carrying amount)	36
Accumulated amortisation and impairment	(30)
Net carrying amount	6
At 30 June 2005	
Cost (gross carrying amount)	36
Accumulated amortisation and impairment	(32)
Net carrying amount	4
Year ended 30 June 2005	
Net carrying amount at start of year	6
Amortisation (recognised in depreciation and amortisation)	(2)
Net carrying amount at end of year	4

Notes to the Financial Statements

for the year ended 30 June 2006

15 Assets – Other

	2006 \$'000	2005 \$'000
Current		
Lease Incentive	200	–
	200	–
Non-current		
Lease incentive	735	–
	735	–

16 Payables

Current		
Accrued salaries, wages and on-costs	849	295
Creditors	4,880	2,285
	5,729	2,580

17 Provisions

Current		
Employee benefits and related on-costs		
Recreation leave	3,970	2,485
Payroll tax	810	51
	4,780	2,536
Non-Current		
Employee benefits and related on-costs		
Payroll tax	312	407
Workers' Compensation Insurance	38	156
	350	563
Non-Current		
Other provisions		
Restoration costs	510	510
Workers' Compensation Insurance	510	510
	860	1073
Aggregate employee benefits and related on-costs		
Provisions current	4,780	2,536
Provisions non-current	350	563
Accrued salaries, wages and on-costs	849	295
	5,979	3,394

Notes to the Financial Statements

for the year ended 30 June 2006

18 Liabilities – Other

	2006 \$'000	2005 \$'000
Current		
Repayable Advances	11	141
Lease incentive	200	–
Fees received in advance	715	–
	926	141
Non-current		
Lease incentive	735	–
	735	–

19 Changes In Equity

	Accumulated Funds	
	2006 \$'000	2005 \$'000
Balance at the beginning of the financial year	21,190	22,584
Changes in equity – transactions with owners as owners		
Increase / (decrease) in net assets from equity transfers (note 20)	12,347	–
Total	12,347	–
Changes in equity – other than transactions with owners as owners		
Surplus / (deficit) for the year	(11,787)	(1,394)
Total	(11,787)	(1,394)
Balance at the end of the financial year	21,750	21,190

Notes to the Financial Statements

for the year ended 30 June 2006

20 Increase / Decrease in Net Assets from Equity Transfers

	2006 \$'000	2005 \$'000
Assets		
Cash	11,864	–
Receivables	2,204	–
Property, plant and equipment	1,384	–
Other	418	–
	15,870	–
Liabilities		
Payables	(1,603)	–
Employee entitlements	(1,920)	–
	(3,523)	–
Total	12,347	–
Assets transferred from the former Department of Tourism, Sport and Recreation		
Cash	6,232	–
Receivables	1,761	–
Property, plant and equipment	913	–
Other	418	–
Assets transferred from the former Ministry for Science and Medical Research		
Cash	5,632	–
Receivables	443	–
Property, plant and equipment	471	–
	15,870	–
Liabilities transferred from the former Department of Tourism, Sport and Recreation		
Payables	1,459	–
Employee entitlements	1,612	–
Liabilities transferred from the former Ministry for Science and Medical Research		
Payables	144	–
Employee entitlements	308	–
	3,523	–

Notes to the Financial Statements

for the year ended 30 June 2006

21 Commitments for Expenditure

	2006 \$'000	2005 \$'000
(a) Other Expenditure Commitments		
Aggregate other expenditure for the acquisition of goods and services contracted for at balance date and not provided for:		
Not later than one year	5,857	3,691
Later than one year and not later than five years	3,301	6,568
Total (including GST)	9,158	10,259
The total other expenditure commitments above include input tax credits of \$833,000 (30 June 2005 \$933,000) that are expected to be recovered from the ATO.		
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	5,630	6,625
Later than one year and not later than five years	14,522	1,858
Later than five years	2,680	–
Total (including GST)	22,832	8,483
The total operating lease commitments above include input tax credits of \$2,028,000 (30 June 2005 \$771,230) that are to be recovered from the ATO.		
(c) Grants and Subsidies Commitments		
Regional Headquarters Tax Concessions	–	44
Small Business Development	267	286
Regional Development Assistance	13,346	12,276
Hunter Advantage Fund	2,933	2,390
NSW High Growth Business	652	378
Regional Economic Transition Scheme	1,650	1,515
Country Lifestyles Program	–	693
Australian Technology Showcase	164	461
Illawarra Advantage Fund	1,407	2,933
Biotechnology Initiatives	2,025	4,127
Australian Research Centres of Excellence	1,370	2,742
ICT Centre for Excellence	5,500	11,000
Smart Internet Technology CRC	880	1,320
Business Drought Assistance	22	1,312
Science & Medical Research	62,137	–
Tourism Industry	30,964	–
Total (Including GST)	123,317	41,477
Payment Schedule		
Not later than one year	52,479	29,632
Later than one year and not later than five years	65,708	11,845
Later than five years	5,130	–
Total (including GST)	123,317	41,477

The total grants and subsidies commitments above include input tax credits of \$11,211,000 (30 June 2005 \$3,771,000) that are expected to be recovered from the ATO.

Notes to the Financial Statements

for the year ended 30 June 2006

22 Contingent Liabilities and Contingent Assets

The Department is not aware of any contingent liabilities associated with its operations.

23 Budget Review

Net cost of services

The actual Net Cost of Services was greater than budget by \$12,924,000. Major components of this variation include:

- (a) Actual Other Operating Expenses were less than budget by \$1,237,000 due to less than budgeted project and program operating expenditure across the Department's program areas.
- (b) Actual Grants and Subsidies expenditure was greater than budget by \$20,566,000. This increase was primarily due to the negotiation and payment of several specific Science and Medical Research grants in the last quarter of the financial year.

- (c) Actual Other Expenses were less than budget by \$6,058,000. This is primarily due to less than budgeted expenditure in program activities including Regional Development Assistance and Biotechnology initiatives, as a result of cash flow variations in approved program projects and activities.

- (d) Actual Revenue was greater than budget by \$933,000. This is primarily due to notional revenue of \$650,000 associated with the acquisition of an intangible asset.

Assets and liabilities

There was minimal variation between actual and budgeted Net Assets at year end. Actual Total Assets were less than budget by \$916,000. Current Asset Cash was \$2,767,000 less than budget primarily due to the use of cash for the Department's relocation to a new CBD accommodation.

Actual Non Current Assets were \$2,994,000 greater than budget. A major component of the increase over budget was the capitalisation of leasehold improvements associated with the Department's new CBD office accommodation.

Actual Current Liabilities were greater than budget by \$1,327,000. Major components include greater than budgeted current creditors at year end, greater than budgeted current component of employee recreation leave provisions, offset by less than budgeted other current liabilities.

Cash flows

Actual Net Cash Flows from operating activities were less than budget by \$1,697,000. This was due to greater than budgeted cash flows from Government of \$12,723,000, greater than budgeted receipts of \$4,197,000, offset by greater than budgeted total payments of \$15,223,000 in program areas including Science and Medical Research financial assistance.

Actual Net Cash Flows from investing activities were greater than budget by \$2,781,000. This was due to greater than budgeted investing activities of associated with leasehold improvements associated with the Department's new CBD office accommodation.

24 Reconciliation of Cash Flows from Operating Activities to Net Cost of Services

	2006 \$'000	2005 \$'000
Net cash used on operating activities	(8,647)	(11,325)
Cash flows from Government / Appropriations	(113,840)	(80,382)
Acceptance by the Crown Entity of employee benefits and other liabilities	(1,823)	(1,937)
Depreciation	(2,027)	(1,700)
Asset acquired free of liability	650	-
Decrease / (increase) in provisions	(111)	(103)
Increase / (decrease) in receivables and other assets	1,785	(373)
Decrease / (increase) in payables	(1,547)	7,050
Net gain / (loss) on sale of plant and equipment	(411)	(4)
Other gain / (loss)	41	-
Decrease / (increase) in other liabilities	(1,520)	130
Net cost of services	(127,450)	(88,644)

Notes to the Financial Statements

for the year ended 30 June 2006

25 Trust Funds

	2006 \$'000	2005 \$'000
(a) Retail Leases Security Bonds Trust Account		
The Agency holds money in the Retail Leases Security Bonds Trust Account. Retail Lease Security Bonds are lodged with the Director General of the Department of State and Regional Development in accordance with Section 16C of the <i>Retail Leases Act 1994</i> . These monies are excluded from the financial statements as the Department can not use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:		
Cash balance at the beginning of the financial year	-	-
Add: Receipts	64,153	-
Less: Expenditure	(2,108)	-
Cash balance at the end of the financial year	62,045	-
(b) Sydney Visitor Centre – Airport Travel Centre Trust Account		
The finances of the Sydney Visitor Centre – Airport Travel Centre are operated through a separate trust account as the funds are held in trust for clients. These monies are excluded from the financial statements as the Department cannot use the funds for the achievement of its objectives. The following is a summary of the transactions in the trust account:		
Cash balance at the beginning of the financial year	270	600
Add: Receipts	3,364	3,783
Less: Expenditure	(3,492)	(4,113)
Cash balance at the end of the financial year	142	270

26 Financial Instruments

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance its operations. The Department does not enter into or trade financial instruments for speculative purposes. The Department does not use financial derivatives.

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury. The average rate over the year was 4.54% (4.33% in 2005) and at year end the rate was 4.75% (4.5% at 30 June 2005).

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Recoverable Advances

All recoverable advances are recognised as amounts receivable at balance date. Collectability of recoverable advances is reviewed on an ongoing basis. The credit risk is the carrying amount which approximates the net fair value.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was applied during the year.

Repayable Advances

All repayable advances are recognised as amounts payable at balance date. Amounts payable are settled in accordance with the term as specified in deeds of agreement and other contractual correspondence associated with the advance.

Notes to the Financial Statements

for the year ended 30 June 2006

27 Impact of Adoption of AEIFRS

The Department of State and Regional Development has applied AEIFRS for the first time in its 2005/06 financial report. The key areas where changes in accounting policies have impacted the financial report are disclosed below. Some of these impacts arise because AEIFRS requirements are different from previous AASB requirements (AGAAP). Other impacts arise from options in AEIFRS that were not available or not applied under previous AGAAP. The Department has adopted the options mandated by NSW Treasury for all NSW public sector agencies. The impacts below reflect Treasury's mandates and policy decisions.

The impacts of adopting AEIFRS on total equity and surplus / (deficit) as reported under previous AGAAP are shown below. There are no material impacts on the Department's cash flows.

(a) Reconciliation – 1 July 2004 and 30 June 2005 Reconciliation of equity under previous Accounting standards (AGAAP) to equity under AEIFRS

	30 June 2005** \$'000	1 July 2004* \$'000
Total Equity under AGAAP	21,533	22,827
Recognition of restoration costs	(343)	(243)
Total equity under AEIFRS	21,190	22,584

* = adjustments as at the date of transition

** = cumulative adjustments as at date of transition plus the year ended 30 June, 2005

Reconciliation of surplus / (deficit) under previous AGAAP to surplus / (deficit) under AEIFRS

	\$'000
Year ended 30 June 2005	
Surplus / (deficit) under previous AGAAP	(1,294)
Recognition of depreciation and finance costs for the provision for restoration costs	(100)
Surplus / (deficit) under AEIFRS	(1,394)

Based on the above, application of AEIFRS in 2004/05 has increased the Net Cost of Services from \$88,544 to \$88,644.

i AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. This treatment was not required under previous AGAAP. As a result the provisions, net carrying amount of property, plant and equipment, depreciation expense and finance costs related to the unwinding of the restoration provision have all increased.

(b) Grant recognition

The Department of State and Regional Development, as a *not-for-profit entity* has applied the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the previous AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 *Financial Reporting by Local Governments* and ED 147 *Revenue from Non-Exchange Transactions (Including Taxes and Transfers)*. If the ED 125 and ED 147 approach is applied, revenue and / or expense recognition will not occur until either The Department of State and Regional Development supplies

the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied.

ED 125 and ED 147 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

28 After Balance Date Events

There are no events subsequent to balance date which affect the financial report.

(End of audited financial statements)



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT
Ministerial Corporation for Industry

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Ministerial Corporation for Industry (the Corporation):

- presents fairly the Corporation's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 45E of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and Minister's Responsibility

The financial report comprises the operating statement, statement of changes in equity, balance sheet, cash flow statement and accompanying notes to the financial statements for the Corporation, for the year ended 30 June 2006.

The Minister is responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

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

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Minister for State Development in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Corporation,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

Handwritten signature of Peter Achterstraat.

Peter Achterstraat
Auditor-General

SYDNEY
20 October 2006

Ministerial Corporation for Industry

Financial Report
for the year ending 30 June 2006

STATEMENT BY MINISTERIAL CORPORATION FOR INDUSTRY

In accordance with the Public Finance and Audit Act, 1983 as amended, I state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the Public Finance and Audit (General) Regulation (as applicable) and Treasurer's Directions;
- b) the Financial Statements exhibit a true and fair view of the financial position of the Corporation as at 30 June, 2006 and for the operations for the year then ended;
- c) At the date of this statement I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.


Morris Iemma
Ministerial Corporation for Industry
Minister for State Development
as Minister administering the
State Development and Industries Assistance Act, 1966

18/10/06

Ministerial Corporation for Industry
Financial Statements

Operating Statement

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
Expenses excluding losses				
Other operating expenses	2(a)	6,742	9,566	7,880
Total Expenses excluding losses		6,742	9,566	7,880
Less:				
Revenue				
Grants and contributions	3(a)	10,103	9,566	6,134
Total Revenue		10,103	9,566	6,134
Gain / (loss) on disposal	4	49	-	-
Net Cost of Services	17	(3,410)	-	1,746
SURPLUS / (DEFICIT) FOR THE YEAR		3,410	-	(1,746)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		–	–	–
Surplus / (Deficit) for the year		3,410	–	(1,746)
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	13	3,410	–	(1,746)

The accompanying notes form part of these financial statements.

Ministerial Corporation for Industry
Financial Statements

Balance Sheet

as at 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
ASSETS				
Current Assets				
Receivables	7	–	23	23
Non-current assets held for sale	11	1,669	–	–
Total Current Assets		1,669	23	23
Non-Current Assets				
Financial assets at fair value	8	–	–	–
Other financial assets	9	500	500	500
Property plant and equipment	10			
Land	10	2,635	3,198	3,198
Total Non-Current Assets		3,135	3,698	3,698
Total Assets		4,804	3,721	3,721
Current Liabilities				
Payables	12	468	2,795	2,795
Total Current Liabilities		468	2,795	2,795
Total Liabilities		468	2,795	2,795
Net Assets		4,336	926	926
EQUITY				
Accumulated funds	13	4,336	926	926
Total Equity		4,336	926	926

The accompanying notes form part of these financial statements.

Cash Flow Statement
for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Other		(9,069)	(9,566)	(6,231)
Total Payments		(9,069)	(9,566)	(6,231)
Receipts				
Other		10,126	9,566	6,231
Total Receipts		10,126	9,566	6,231
Cash Flows From Government				
Recurrent appropriation		-	-	-
Net Cash Flows From Government		-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	1,057	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Land		78	-	-
Purchases of Land		(1,135)	-	-
Advances made		-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,057)	-	-
NET INCREASE / (DECREASE) IN CASH				
Opening cash and cash equivalents		-	-	-
CLOSING CASH AND CASH EQUIVALENTS	6	-	-	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Ministerial Corporation for Industry (hereafter referred to as the "Corporation") is constituted under the *State Development and Industries Assistance Act, 1966*.

The Corporation's functions are:

To promote, encourage and stimulate:

- (a) the establishment, expansion or development of industries; and
- (b) the carrying out, by business undertakings and prescribed institutions, of projects that are likely to assist the establishment, expansion or development of industries.

The Corporation is a separate reporting entity. There are no other entities under its control.

As the Corporation is a single program entity the financial operations disclosed in the Operating Statement and Balance Sheet are identical to the Corporation's program. Accordingly a separate supplementary program statement has not been prepared.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial report for the year ended 30 June 2006 has been authorised for issue by the Minister for State Development, in the capacity of the Ministerial Corporation for Industry on 18 October 2006.

(b) Basis of Preparation

The agency's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS));
- the requirements of the *Public Finance and Audit Act 1983* and Regulation;
- UIG Interpretations and other authoritative announcements; and

- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

In the absence of a specific Accounting Standard, the hierarchy of pronouncements as outlined in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors is considered.

Except for land and investment in the Smart Internet Technology CRC, which is recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Administrative Support

The Department of State and Regional Development is responsible for administering the *State Development and Industries Assistance Act 1966* on behalf of the Corporation. The functions and activities of the Corporation are considered to be an integral part of the Department's core economic development activities and is not an entity that operates independently to the Department. The Department therefore does not separately cost administrative services.

(d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

Contributions from Other Bodies

Contributions from other bodies (including grants and donations) are generally recognised as income when the agency obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(e) Insurance

The Corporation's insurance activities are included in the Department of State and Regional Development's insurance coverage conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies.

(f) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is 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 Australian Accounting Standards.

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

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

(g) Revaluation of Land

Physical non-current assets are valued in accordance with the «Valuation of Physical Non-Current Assets at Fair Value» Policy and Guidelines Paper (TPP 05-3). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Land is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies (cont'd)

(g) Revaluation of Land (cont'd)

Fair value of land is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Corporation's physical non-current assets are represented by land held for sale for commercial or industrial development. Land is valued at market based value. Physical non-current assets are revalued every 5 years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

(h) Impairment of Land

As a not-for-profit entity with no cash generating units, the Corporation is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(i) Depreciation of Property, Plant and Equipment

Depreciation is not provided as the Corporation's non-current physical assets are non depreciable.

(j) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less any provision for doubtful debts. Any changes are accounted for in the Operating Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(k) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. A provision for doubtful debts is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

Any reversals of impairment losses are reversed through the Operating Statement, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(l) Non-current Assets Held For Sale

The Corporation has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

(m) New Australian Accounting Standards issued but not effective

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the Corporation. The following is a list of these standards:

AASB 7 – Financial Instruments: Disclosure (issued August 2005)

AASB 2004-3 – Amendments to Australian Accounting Standards (issued December 2004)

AASB 2005-1 – Amendments to Australian Accounting Standards (issued May 2005)

AASB 2005-5 – Amendments to Australian Accounting Standards (issued June 2005)

AASB 2005-9 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2005-10 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2006-1 – Amendments to Australian Accounting Standards (issued January 2006)

The initial application of these standards will have no impact on the financial results of the Corporation. The Standards are operative for annual reporting periods beginning on or after 1 January 2006.

(n) Grants, Subsidies and Industry Assistance

Payments for grants, subsidies and industry assistance are expensed at the time the Corporation becomes liable to make the payment. The approval of the grant, subsidy or assistance may cover a number of years, and it is not considered that a liability arises until conditions specified in the approval have been met and a claim for payment has been received. Grants, subsidies and assistance which have been approved but have not been paid or accrued have been included in commitments (Refer Note 14).

Notes to the Financial Statements

for the year ended 30 June 2006

2 Expenses Excluding Losses

	2006 \$'000	2005 \$'000
(a) Other operating expenses		
Auditor's remuneration – audit of the financial report	16	16
Consultancies	–	22
Contractors	–	53
Other expenses	–	5
Assistance to Industry	6,726	7,784
	6,742	7,880

3 Revenues

(a) Grants and contributions		
Department of State and Regional Development	10,103	6,134
	10,103	6,134

4 Gain / (Loss) on Disposal

Gain / (loss) on disposal of land and buildings		
Proceeds from disposal	78	–
Written down value of assets disposed	(29)	–
Net gain / (loss) on disposal of land and buildings	49	–

5 Programs / Activities of the Agency

The Corporation operates from within the Development of the New South Wales Economy program of the Department of State and Regional Development.

Program 1 – Development of the New South Wales Economy

Objective: To advance the economic development of New South Wales by securing sustainable economic and business growth in metropolitan and regional areas.

6 Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank, cash on hand. Total cash at 30 June 2006 as shown in the Statement of Cash Flows is nil, which is the same as the related item in the Balance Sheet.

7 Receivables

Current		
Amounts due on sale of land	–	23
	–	23

8 Financial Assets at Fair Value

Non-current		
Investment-equity in Smart Internet Technology CRC	1,202	961
Diminution of value of CRC shares	(1,202)	(961)
	–	–

Notes to the Financial Statements

for the year ended 30 June 2006

9 Other Financial Assets

	2006 \$'000	2005 \$'000
Non-current		
Loans to industry	3,323	3,548
Provision for Doubtful Debts	(2,823)	(3,048)
	500	500

10 Non-Current Assets – Land

	Land \$'000
At 1 July 2005	
At Fair Value	3,198
Net carrying amount	3,198
At 30 June 2006	
At Fair Value	2,635
Net carrying amount	2,635
Reconciliation	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.	
Year ended 30 June 2006	
Net carrying amount at start of year	3,198
Additions	1,135
Disposals	(29)
Transfer to non-current assets held for sale	(1,669)
Net carrying amount at end of year	2,635
At 1 July 2004	
At Fair Value	3,198
Net carrying amount	3,198
At 30 June 2005	
At Fair Value	3,198
Net carrying amount	3,198
Reconciliation	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.	
Year ended 30 June 2005	
Net carrying amount at start of year	3,198
Net carrying amount at end of year	3,198

Notes to the Financial Statements

for the year ended 30 June 2006

11 Non-Current Assets Held for Sale

	2006 \$'000	2005 \$'000
Land	1,669	–
	1,669	–

The Corporation is party to a joint venture development agreement with the Albury Wodonga Development Corporation to develop, market and sell industrial property at Albury. The Corporation contributed the industrial land with the Albury Wodonga Development Corporation responsible for development of the site. The Corporation's interest in the joint venture arrangement is calculated at 58.8%. The land was revalued in November 2004. The fair value of the land amounts to \$488,000.

12 Payables

Current		
Assistance to Industry	468	2,795
	468	2,795

13 Changes in Equity

	Accumulated Funds	
	2006 \$'000	2005 \$'000
Balance at the beginning of the financial year	926	2,672
Changes in equity – other than transactions with owners as owners		
Surplus / (deficit) for the year	3,410	(1,746)
Balance at the end of the financial year	4,336	926

14 Commitments for Expenditure

	2006 \$'000	2005 \$'000
a) Other Expenditure Commitments		
Industry Assistance Fund Commitments approved but not paid:		
Not later than one year	8,495	8,406
Later than one year and not later than five years	5,353	9,870
Later than five years	55	55
Total (including GST)	13,903	18,331

The total expenditure commitments above include input tax credits of \$1,264,000 (30 June 2005 \$1,667,000) that are expected to be recovered from the ATO.

Notes to the Financial Statements

for the year ended 30 June 2006

15 Contingent Liabilities and Contingent Assets

The Corporation is not aware of any contingent liabilities and / or contingent assets associated with its operations.

16 Budget Review

Net cost of services

The actual net cost of services was less than budget by \$3,410,000. This is primarily due to the contribution by the Department of State and Regional Development for the purchase of land and the cash received from the Department during 2005-06 that is recognised as revenue for grant expenses accrued for in the prior year.

Assets and liabilities

Actual Current Assets were greater than budget by \$1,646,000. This variation is due to greater than budgeted non current assets held for sale of \$1,669,000 (primarily due to land transferred from non current assets).

Actual Non Current Assets were less than budget by \$563,000. This variation is due to less than budgeted land of \$563,000.

Actual Current Liabilities were greater than budget by \$2,327,000. This is due to less than budgeted current payables at year end.

Cash flows

Actual Net Cash Flows from operating activities is greater than budget by \$1,057,000 primarily due to greater than budgeted receipts of \$560,000 and less than budgeted financial assistance payments of \$497,000. Actual receipts include a grant from the Department of State and Regional Development to enable the purchase of land associated with a specific development project.

Actual Net Cash Flows from investing activities are greater than budget by \$1,057,000 and is primarily due to the purchase by the Corporation of land for a specific development project.

17 Reconciliation of Cash Flows from Operating Activities to Net Cost of Services

	2006 \$'000	2005 \$'000
Net cash used on operating activities	1,057	–
Increase / (decrease) in receivables	(23)	(97)
Decrease / (increase) in payables	2,327	(1,649)
Net gain / (loss) on sale of plant and equipment	49	–
Net cost of services	3,410	(1,746)

18 Financial Instruments

The Ministerial Corporation for Industry's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations or are required to finance its operations. The Corporation does not enter into or trade financial instruments for speculative purposes. The Corporation does not use financial derivatives.

Loans to Industry

All loans are recognised as amounts receivable at balance date. Collectability is reviewed on an ongoing basis. The majority of loans are considered to be not collectable. As a result a large provision for doubtful debts has been raised. The credit risk is the carrying amount (net of any provision for doubtful debts). Security is generally in the form of mortgage over the company's assets or directors' guarantees.

Bank Overdraft

The Corporation does not have any bank overdraft facility.

Trade Creditors and Accruals

Liabilities are recognised for amounts due to be paid in respect of Industry Assistance Grants, where the performance criteria has been met, and the claim has been made prior to the end of the year.

Notes to the Financial Statements

for the year ended 30 June 2006

19 Impact of Adoption of AEIFRS

The Ministerial Corporation for Industry has applied AEIFRS for the first time in its 2005/06 financial report. The key areas where changes in accounting policies have impacted the financial report are disclosed below. Some of these impacts arise because AEIFRS requirements are different from previous AASB requirements (AGAAP). Other impacts arise from options in AEIFRS that were not available or not applied under previous AGAAP. The Corporation has adopted the options mandated by NSW Treasury for all NSW public sector agencies. The impacts below reflect Treasury's mandates and policy decisions.

The impacts of adopting AEIFRS on total equity and surplus / (deficit) as reported under previous AGAAP are shown below. There are no material impacts on the Ministerial Corporation for Industry's cash flows.

(a) Reconciliation – 1 July 2004 and 30 June 2005

Reconciliation of equity under previous Accounting standards (AGAAP) to equity under AEIFRS

	30 June 2005** \$'000	1 July 2004* \$'000
Total Equity under AGAAP	926	2,672
Adjustments to accumulated funds	–	–
Total equity under AEIFRS	926	2,672

* = adjustments as at the date of transition

** = cumulative adjustments as at date of transition plus the year ended 30 June, 2005

Reconciliation of surplus / (deficit) under previous AGAAP to surplus / (deficit) under AEIFRS

Year ended 30 June 2005

	\$'000
Surplus / (deficit) under AGAAP	(1,746)
Surplus / (deficit) under AEIFRS	(1,746)

(b) Grant recognition

The Ministerial Corporation for Industry, as a *not-for-profit entity* has applied the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the previous AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 *Financial Reporting by Local Governments* and ED 147 *Revenue from Non-Exchange Transactions (Including Taxes and Transfers)*. If the ED 125 and ED 147 approach is applied, revenue and / or expense recognition will not occur until either the Ministerial Corporation for Industry supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 and ED 147 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

20 After Balance Date Events

There are no events subsequent to balance date which affect the financial report.

(End of audited financial statements)



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Small Business Development Corporation of New South Wales

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Small Business Development Corporation of New South Wales (the Corporation):

- presents fairly the Corporation's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and Board's Responsibility

The financial report comprises the balance sheet, operating statement, statement of changes in equity, cash flow statement, and accompanying notes to the financial statements for the Corporation, for the year ended 30 June 2006.

The members of the Board of the Corporation are responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

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

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Corporation,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'S R Stanton'.

S R Stanton CPA
Director, Financial Audit Services

SYDNEY
20 October 2006

Small Business Development Corporation of
New South Wales

Financial Report
for the year ending 30 June 2006

SMALL BUSINESS DEVELOPMENT CORPORATION
OF NEW SOUTH WALES

STATEMENT BY MEMBERS

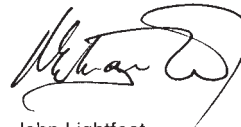
In accordance with the Public Finance and Audit Act, 1983 as amended, we state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the Public Finance and Audit (General) Regulation (as applicable) and Treasurer's Directions;
- b) the Financial Statements exhibit a true and fair view of the financial position of the Corporation as at 30 June, 2006 and for the operations for the year then ended;
- c) At the date of this statement we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Lyn Scott
Chairperson

19/10/06



John Lightfoot
Member

19/10/06

Small Business Development Corporation of New South Wales
Financial Statements

Operating Statement

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
Expenses excluding losses				
Other operating expenses	2(a)	40	50	78
Total Expenses excluding losses		40	50	78
Less:				
Revenue				
Grants and contributions		40	50	78
Total Revenue		40	50	78
		-	-	-
Net Cost of Services		-	-	-
SURPLUS / (DEFICIT) FOR THE YEAR		-	-	-

The accompanying notes form part of these financial statements.

Small Business Development Corporation of New South Wales
Financial Statements

Statement of Changes in Equity

for the year ended 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		-	-	-
Surplus / (Deficit) for the year		-	-	-
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	6	-	-	-

The accompanying notes form part of these financial statements.

Small Business Development Corporation of New South Wales
Financial Statements

Balance Sheet

as at 30 June 2006

	Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	4	–	–	–
Total Current Assets		–	–	–
Total Assets		–	–	–
LIABILITIES				
Current Liabilities				
Payables	5	5	5	5
Total Current Liabilities		5	5	5
Total Liabilities		5	5	5
Net Assets		(5)	(5)	(5)
EQUITY				
Accumulated funds	6	(5)	(5)	(5)
Total Equity		(5)	(5)	(5)

The accompanying notes form part of these financial statements.

Small Business Development Corporation of New South Wales
Financial Statements

Cash Flow Statement
for the year ended 30 June 2006

Notes	Actual 2006 \$'000	Budget 2006 \$'000	Actual 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Other operating expenses	(40)	(40)	(78)
Total Payments	(40)	(40)	(78)
Receipts			
Grants and Contributions	40	40	78
Total Receipts	40	40	78
NET CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
NET INCREASE / (DECREASE) IN CASH	-	-	-
CLOSING CASH AND CASH EQUIVALENTS	-	-	-
4	-	-	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2006

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Small Business Development Corporation of New South Wales (hereafter the "Corporation"), is constituted under the *Small Business Development Corporation Act, 1984*. The objectives of the Corporation are:

- (i) develop policy objectives for Government programs of assistance to the small business sector of the economy;
- (ii) to evaluate such Government programs in the light of these objectives;
- (iii) to make recommendations for improvement of such Government programs; and
- (iv) to assist the Government generally in matters relating to the development of the small business sector of the economy.

The Corporation is a separate reporting entity. As the Corporation is a single program entity, the financial operations disclosed in the Operating Statement and the Balance Sheet are identical to the Corporation's program. Accordingly, a separate supplementary program statement has not been prepared. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

This financial report for the year ended 30 June 2006 has been authorised for issue by the Board of the Small Business Development Corporation of New South Wales on 19 October 2006.

(b) Basis of Preparation

The agency's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS)); and
- the requirements of the *Public Finance and Audit Act 1983* and Regulations; and

- UIG Interpretations and other authoritative announcements;
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

In the absence of a specific Accounting Standard, the hierarchy of pronouncements as outlined in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors is considered.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The Corporation has voluntarily elected to comply with Treasury's Financial Reporting Code for the presentation of its financial report.

(c) Administrative Support

The Department of State and Regional Development is responsible for administering the *Small Business Development Corporation Act 1984*. The functions and activities of the Corporation are considered to be an integral part of the Department's core small business portfolio activities and is not an entity that operates independently to the Department. The Department therefore does not separately cost administrative services.

(d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

Contributions from Other Bodies

Contributions from other bodies (including grants and donations) are generally recognised as income when the agency obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(e) Insurance

The Corporation's insurance activities are included in the Department of State and Regional Development's insurance coverage conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies.

(f) New Australian Accounting Standards issued but not effective

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the Corporation. The following is a list of these standards:

AASB 7 – Financial Instruments: Disclosure (issued August 2005)

AASB 2004-3 – Amendments to Australian Accounting Standards (issued December 2004)

AASB 2005-1 – Amendments to Australian Accounting Standards (issued May 2005)

AASB 2005-5 – Amendments to Australian Accounting Standards (issued June 2005)

AASB 2005-9 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2005-10 – Amendments to Australian Accounting Standards (issued September 2005)

AASB 2006-1 – Amendments to Australian Accounting Standards (issued January 2006)

The initial application of these standards will have no impact on the financial results of the Corporation. The Standards are operative for annual reporting periods beginning on or after 1 January 2006.

Notes to the Financial Statements

for the year ended 30 June 2006

2 Expenses Excluding Losses

	2006 \$'000	2005 \$'000
(a) Other operating expenses		
Auditor's remuneration for audit of the financial report	5	5
Administration Expenses	3	1
Contractors	2	40
Training and development	-	1
Publications and advertising	2	-
Travel expenses	6	5
Printing	4	3
Other expenses	7	7
Meeting Fees and Expenses	11	16
	40	78

3 Programs / Activities of the Agency

The Corporation's functions are appropriated through the program, Development of the New South Wales Economy, a program of the Department of State and Regional Development.

Objective: To advance the economic development of New South Wales by securing sustainable economic and business growth in metropolitan and regional areas.

4 Current Assets – Cash and Cash Equivalents

The Corporation did not hold cash or cash equivalents as at 30 June 2006 (30 June 2005 Nil)

5 Current Liabilities – Payables

	2006 \$'000	2005 \$'000
Current Liabilities – Payables		
Creditors	5	5
	5	5

6 Changes in Equity

	Accumulated Funds	
	2006 \$'000	2005 \$'000
Entity		
Balance at the beginning of the financial year	(5)	(5)
Changes in equity – other than transactions with owners as owners		
Balance at the end of the financial year	(5)	(5)

Notes to the Financial Statements

for the year ended 30 June 2006

7 Commitments for Expenditure

Expenditure commitments as at 30 June 2006 for goods and services \$ Nil (30 June 2005 \$ Nil)

8 Contingent Liabilities and Contingent Assets

The Corporation is not aware of any contingent liabilities and / or contingent assets associated with its operations.

9 Budget Review

Net cost of services

The actual Net Cost of Services was lower than budget by \$10,000 primarily due to less than budgeted expenditure on members' meeting fees and other operating expenses.

Assets and liabilities

Net assets were in line with budget.

Cash Flows

Net cash flows from operating activities was zero.

10 Impact of Adoption Of AEIFRS

The Corporation has applied AEIFRS for the first time in its 2005/06 financial report. The key areas where changes in accounting policies have impacted the financial report are disclosed below. Some of these impacts arise because AEIFRS requirements are different from previous AASB requirements (AGAAP). Other impacts arise from options in AEIFRS that were not available or not applied under previous AGAAP. The Corporation has adopted the options mandated by NSW Treasury for all NSW public sector agencies. The impacts below reflect Treasury's mandates and policy decisions.

The impacts of adopting AEIFRS on total equity and surplus/(deficit) as reported under previous AGAAP are shown below. There are no material impacts on The Corporation's cash flows.

Reconciliation of equity under previous Accounting standards (AGAAP) to equity under AEIFRS

	30 June 2005 \$'000	1 July 2004 \$'000
Total Equity under AGAAP	(5)	(5)
Adjustments to accumulated funds	-	-
Total equity under AEIFRS	(5)	(5)

Reconciliation of surplus / (deficit) under previous AGAAP to surplus / (deficit) under AEIFRS

	\$'000
Year ended 30 June 2005	
Surplus / (deficit) under AGAAP	-
Surplus / (deficit) under AEIFRS	-

11 After Balance Date Events

There are no events subsequent to balance date which affect the financial report.

(End of audited financial statements)

Appendices, Access, Index

15

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Appendix 1

Engagement of Consultants

Consultants equal to or more than \$30,000

Category and name	Cost	Purpose
AMR Interactive	45,500	Client outcomes satisfaction survey
Dangar Research Group Pty Ltd	125,460	NSW business campaign research
Group GSA Pty Ltd	98,092	Architectural services for design fitout for Department's MLC Centre premises
Professor Jonathan West	65,598	Development of an innovation strategy
Jones Lang Lasalle (NSW) Pty Ltd	30,000	Report on the commercial and industrial leasing sectors in NSW
Medland Mitropoulos Pty Ltd	62,800	Design services for Department's MLC Centre fitout
NSW Department of Commerce	39,198	Implementation of Retail Tenancy Bonds Scheme
Uniqueworld Pty Ltd	34,500	Develop scope of Department's website
Total over \$30,000	501,148	

Consultants less than \$30,000

During the year, 37 other consultancies costing less than \$30,000 each were engaged in the following areas:

Category	Cost
Legal	18,476
Management Services	259,300
Organisational Review	45,313
Total under \$30,000	323,089
Total consultancies	824,237

Appendix 2

Consumer response

All requests made to the Department for information or assistance are met directly and promptly or referred to the most appropriate officer as required. The Department's stakeholders and the community have a number of avenues through which they can offer feedback regarding the level of consumer response and customer service including contacting the Department's principal office or regional offices or by providing comments in writing or by email.

The Department received one complaint relating to an information referral during 2005-2006. The complaint was fully examined, and while no wrongdoing was found, the Audit and Review Committee instituted improved referral procedures and updated the disclosures on emails as a result.

The Department's annual client survey was conducted in October 2005, with a sample of 762 clients who had received significant assistance during the previous year. A high level of satisfaction (85 per cent) with the Department's services was reported in the survey.

The Department remains committed to providing courteous and prompt assistance to its clients and the public in general.

Appendix 3

Controlled entities

The Department administers, but does not control, three entities as prescribed under Section 45A (1A) of the *Public Finance and Audit Act 1983*.

Ministerial Corporation for Industry

The Ministerial Corporation for Industry was established under the *State Development and Industries Assistance Act 1966 No 10*.

The Corporation's functions are to promote, encourage and stimulate the:

- establishment, expansion or development of industries
- carrying out, by business undertakings and prescribed institutions, of projects that are likely to assist the establishment, expansion or development of industries.

The Corporation acts as a vehicle for providing financial assistance to investors on a case-by-case basis following rigorous analysis of the projected impact on the NSW economy if a project were to proceed, including in relation to new technologies and skills. The financial statements for the Corporation are included in this report.

Small Business Development Corporation of New South Wales

The Small Business Development Corporation was established in 1984.

The Corporation's primary objectives are to:

- investigate matters relating to the small business sector of the economy as the Minister may refer to the Corporation
- exercise functions relating to the development of the small business sector of the economy as the Minister may confer
- investigate any other matters relating to the small business sector of the economy
- conduct enquiries into issues affecting small business.

Further details of the Corporation's activities for the year are described in the Small Business Development Division's section within this report. The financial statements for the Corporation are also included in the Financial Statements section.

NSW Innovation Council

Innovation is recognised as one of the key drivers of growth in jobs, investment and exports. Accordingly, the NSW Innovation Council, established by an Act of Parliament in December 1996, advises the Minister on programs and policies to raise the level of innovative activity in the NSW public and private sectors.

Appendix 4

Credit Card Use Certification

In accordance with the Treasurer's Direction 205.01, it is certified that credit card usage by all the Department's officers during 2005-2006 was in accordance with the appropriate Government policy, Premier's Memoranda and Treasurer's Direction.

The Corporation's membership for 2005-2006 comprised:

Ms Lynn Scott (Chair)	Managing Director, Creative By Design
Mr Robert Cowan	Managing Director, Cowan Manufacturing Pty Ltd
Mr Alan Eldridge	Managing Director, Eldridge and Co
Mr Loftus Harris	Director General, Department of State and Regional Development
Ms Lexie Hurford	Assistant General Manager, Hurford Group of Companies
Ms Beata Kade	Managing Director, Art of Multimedia Pty Ltd
Mr John Lightfoot	Managing Director, Lightfoot and Associates Pty Ltd
Ms Margaret Lomas	Director, Destiny Financial Solutions Pty Ltd
Ms Maree Lowe	Director, ASI Solutions
Ms Karen Howard	Managing Director, Nineways Business Centre
Mr Andrew Terry	Head of the School of Business Law and Taxation, University of NSW
Mr Mark Fawcett (part-year)	Managing Director, Herd Bars and Bodies Pty Ltd

Note: Mr Robert Cowan resigned from the Corporation in June 2006.

Appendix 5

Disability Action Plan

During 2005-2006, three Disability Action Plans operated within the Department, as the transfer of Tourism NSW and the Office for Science and Medical Research (OSMR) did not occur until March 2006.

Each of the plans identifies gaps in access and/or barriers to offices and services for people with disabilities. The plans provide open communication channels for feedback from all stakeholder groups and provide for the implementation of appropriate strategies to ensure equal access to all services for people with disabilities.

Action	Strategies	Outcomes
<p>Disability Action Plan</p>	<p>State and Regional Development (SRD) The Department's Disability Action Plan 2004-2007 continued to build on successes from previous years by integrating the principles and actions in the plan as part of ongoing business planning.</p> <p>Office for Science and Medical Research Disability Action Plan was developed and implemented.</p> <p>Tourism NSW Continued integration of principles and actions in the Disability Action Plan as part of ongoing business planning.</p>	<p>The plan was approved and submitted to the Human Rights and Equal Opportunity Commission in September 2005.</p>
<p>Physical Access</p>	<p>SRD The Department relocated to new premises and an access audit of the premises was completed. Changes to premises made as required to meet public and employee needs.</p> <p>OSMR Access audit of OSMR premises at 201 Elizabeth Street completed. Negotiations undertaken with building management and budget developed to address high cost changes that may be required. Changes to premises made as required to meet public and employee needs. Ensure conferences funded by OSMR are held in locations with access for people with disabilities.</p>	<p>The refurbishments completed and new premises provide access for people with disabilities. Induction loop installed in conference / meeting facilities for people with hearing impairment.</p> <p>Changes not completed, as OSMR will relocate to DSRD offices at MLC Centre during 2006-2007.</p> <p>OSMR funding guidelines updated to include this requirement.</p>

Appendix 5 (cont'd)

Action	Strategies	Outcomes
Promoting Positive Community Attitudes	<p>SRD Profiling people with disabilities who are in business included in departmental publications.</p>	Articles included in Departmental publications.
Employment and Training of Staff	<p>SRD Disability awareness training for staff, including the Department's obligations to provide access to all services and programs. Training programs for recruitment panel members to ensure staff awareness of merit based selection.</p> <p>OSMR Survey OSMR staff to obtain baseline data on disability awareness. Develop strategies to address gaps in awareness arising from survey, including disability awareness training sessions conducted.</p>	<p>Training programs for all new staff of the Department were implemented.</p> <p>Recruitment activities and training reflect merit based principles.</p> <p>Survey to be completed and outcomes reported to all staff in October 2006.</p> <p>Recommendations and strategies are developed and implemented.</p>
Information About Services	<p>SRD Development of Departmental policies, procedures and publications to incorporate the needs of staff with a disability.</p> <p>OSMR Monitor process and format of information about OSMR services, with reference to guidelines, to identify access gaps or barriers in provision of information for people with disabilities.</p>	<p>Policies, procedures and publications monitored and revised as necessary.</p> <p>All public information is appropriate and accessible to people with disabilities.</p>
Maintain and Promote the 'Making Connections' Website	<p>OSMR The Making Connections website was developed following the success of the 2003 Premier's Forum on Spinal Cord Injury and Conditions. OSMR is committed to maintaining and promoting the website as a valuable resource for all stakeholders.</p>	A comprehensive information resource for people with spinal cord injury, their families, carers, and spinal cord injury researchers and healthcare professionals.
Raising Awareness	<p>OSMR Supported Spinal Cord and Related Neurological Injury Awareness Week (13–20 November 2005). OSMR sponsored International Day of People with a Disability (3 December 2005).</p>	<p>Raised the profile of spinal cord injury in NSW, including the promotion of injury prevention strategies for young people.</p> <p>Greater recognition of the strengths and abilities of people with a disability to promote greater social acceptance and participation.</p>

Appendix 6

Equal Employment Opportunity

The Department is committed to implementing policies and practices, which meet legislative requirements in terms of Equal Employment Opportunity (EEO).

Significant Equal Employment Opportunity (EEO) outcomes for the year included:

State and Regional Development (SRD)

- development of an on-line EEO Survey which was made available to all staff to complete on a voluntary basis
- incorporation of an EEO and Anti-Discrimination session conducted by the Anti-Discrimination Board into the Department's Management Development Program incorporated an EEO
- promotion of the Department as an EEO employer, through advertising and promotional material
- identification of the needs of staff with carer responsibilities, including flexible work options, access to appropriate facilities, subscription to an advisory/referral service and employer sponsored child care
- provision of training for Aboriginal cultural respect and communication made available to all Departmental staff

- submission of an application for funding under the 2006-2007 *Elsa Dixon Aboriginal Employment Program* for an ATSI identified position on the Department's *Graduate Program*
- enhancement of processes that support diversity and equity in the composition of selection panels and the conduct of interviews
- provision of assistance to divisions/ staff through the *Personal Development Plans (PDP)* to identify employee training and career development needs.

Office for Science and Medical Research

- implementation of an EEO management plan during 2005-2006. The plan ensures that all staff have equal opportunities for career development, training and promotion
- promotion of flexible work practices and systems to ensure that working from home and other family-friendly practices are encouraged where appropriate.

Tourism NSW

- provision of an opportunity for female staff to attend the *Springboard Program*. An enthusiastic response was received from women occupying positions up to Clerk Grade 5/6 who recommended the program as a learning and development priority
- maintenance of a range of work and family initiatives, including an onsite Carer's Room and Childcare and Eldercare information kits

- the *Development Achievement Program* provided opportunities for managers to integrate EEO accountabilities with performance planning and evaluation processes and to identify individual training and career development needs.

Women's Action Plan

- there has continued to be an increase in the number of women employed by the Department, particularly at higher grades
- the Department's Spokeswomen Program, WISE, continued to run information sessions and programs for female.

Trends in the representation and distribution of EEO groups are shown in the following tables. The figures incorporate Tourism NSW, the Major Events Unit and the Office for Science and Medical Research.

A. Trends in the Representation of EEO Target Groups

EEO Target Group	% of Total Staff				
	Benchmark or Target	2003	2004	2005	2006
Women	50	48	49	52	63
Aboriginal people and Torres Strait Islanders	2	1	1	1.9	1.2
People whose first language is not English	19	15	16	18	16
People with a disability	12	6	5	5	5
People with a disability requiring work-related adjustment	7	1	1.1	0.5	1.1

Appendix 6 (cont'd)

B. Trends in the Distribution of EEO Groups

EEO Target Group	Distribution Index				
	Benchmark or Target	2003	2004	2005	2006
Women	100	83	86	87	84
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language is not English	100	96	96	96	92
People with a disability	100	n/a	n/a	n/a	101
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes

- staff numbers are as at 30 June 2006
- excludes casual staff
- a Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by the Office of the Director of Equal Opportunity in Public Employment (ODEOPE)
- the Distribution Index is not calculated when EEO group or non-EEO group numbers are less than 20.

Planned Activities for 2006-2007:

- develop an *Equity and Diversity Plan* which incorporates the EEO Management Plan, Ethnic Affairs Priority Statement, Disability Action Plan and Aboriginal Employment Strategy
- implement *Making it Our Business* strategies to improve recruitment, development and retention of Aboriginal people
- pilot *Respectful Workplace* training which combines appropriate workplace behaviour and diversity awareness training. This will coincide with revision and implementation of the Code of Conduct
- conduct an online staff survey to ensure currency of EEO data.

Appendix 7

Ethnic Affairs Priority Statement

The Department and its three formerly separate constituent agencies undertook initiatives in program and staffing areas to support its Ethnic Affairs Policy.

As the State's business development agency, one program it is responsible for is New South Wales' role in business and skilled migration to Sydney and regional New South Wales.

Business migration

Most business migrants to Australia require sponsorship from a State or Territory Government. Most business migrants initially enter New South Wales on a Provisional (Temporary Residence) visa for two to four years before applying for a visa as a Permanent Resident.

In 2005-2006, New South Wales received 431 applications for NSW State sponsorship and issued 324 sponsorships in support of visa applications to the Commonwealth. Seventy four applications for sponsorship were declined and 126 were pending as at 30 June 2006.

The Department of Immigration and Multicultural Affairs (DIMA) approved visas for 150 applicants sponsored by New South Wales and declined 20 applicants. The approved business migrants are expected to bring \$42 million in business fixed capital investment, create 623 new jobs and generate \$346 million in exports over five years.

Regional migration

New South Wales sponsors skilled migrants with skills in demand in regional New South Wales to migrate under the Skilled Independent Regional visa. Applications are assessed in NSW regional offices. These regional offices also certify some employer sponsored visa applications under other regional visa programs.

In 2005-2006, New South Wales supported 491 visa applications under various regional visa programs, an increase of 33 per cent over the previous year. These migrants will bring a range of skills in demand in regional New South Wales including welders, cooks, doctors, nurses and a range of other trades and professional occupations.

Skilled migration

In February 2006, New South Wales joined the State/Territory Nominated Independent (STNI) visa program. Under this program, NSW sponsors skilled migrants with skills in demand in the finance, information and communications technology, biotechnology and pharmaceutical industries to settle in Sydney and regional New South Wales.

In the last four months of 2005-2006, New South Wales issued 20 sponsorships for the STNI visa program. These included nine migrants with skills required in the pharmaceuticals sector, eight in ICT and three in finance. In 2006-2007, the first full year of operation, New South Wales expects to issue 150 sponsorships.

Progress and achievements

The Department has continued to support its commitment to our culturally diverse staff and community by:

- incorporating Ethnic Affairs Priority Statement (EAPS) accountabilities in all position descriptions
- stating EAPS accountabilities in SES Performance Agreements
- financially supporting staff to complete translator and interpreter qualifications
- including the capacity to collect client ethnicity data in recruitment and staff training databases
- promoting *Small Business Month* activities through ethnic community newspaper and radio stations
- increasing the ethnic community's representation on its boards and advisory Councils, by encouraging representation from ethnic communities and establishing ethnicity as a key criteria for membership, for example, the Small Business Development Corporation is a statutory advisory body with up to 13 members, one of which is from a non-English speaking background. The NSW-Asia Business Advisory Council currently has 14 members, 13 of whom are from a non-English speaking background
- surveying the number of participants from a non-English speaking background attending *Women in Business Growth Strategy* workshops. In 2005-2006, 25 per cent of participants at metropolitan workshops were from a non-English speaking background and 12 per cent at regional workshops

- conducting seminars and workshops targeting Arabic, Chinese and Vietnamese participants
- producing and distributing brochures in Arabic and Korean about the Department's programs.

Office for Science and Medical Research

The Office recognises and upholds the principles of a culturally diverse society and is committed to their ongoing implementation within the workplace and with stakeholders within the community. The Office ensures that staff are employed according to the merit principle and the requirements of the *Anti-Discrimination Act 1977*.

Tourism NSW

The focus of Tourism NSW during 2005-2006 was to consolidate systems to support the implementation of EAPS and to establish and maintain a consistent EAPS status across the agency. The Forward Plan centred on three EAPS activity areas, namely planning and evaluation, staffing and communication.

During 2005-2006, Tourism NSW worked to:

- embed EAPS within the corporate and business planning processes
- refine data collection systems and better use of client data in determining priorities in relation to ethnic affairs initiatives
- incorporate cross-cultural issues into relevant training programs, particularly for staff with customer service responsibilities
- support staff successfully assessed for the CLAS program and monitor the use of languages other than English in client communication.

In addition, Tourism NSW developed a cooperative marketing campaign with the NSW Ski Resorts (Perisher Blue, Thredbo and Selwyn) to promote snow holidays to the Vietnamese and Chinese communities in Sydney, using newspaper and radio advertisements in Mandarin, Cantonese and Vietnamese.

Tourism NSW acknowledges the rich benefits that cultural, linguistic and religious diversity bring to the NSW community and affirms its commitment to provide opportunities for all people to participate in and contribute to the agencies services.

Appendix 8

Freedom of Information

The following information is set out in accordance with the format prescribed in the Premier's Department *Freedom of Information (FOI) Procedure Manual, 1994*.

Statement of Affairs

Under the *Freedom of Information Act 1989*, each agency is required to publish an annual Statement of Affairs. The Statement describes the structure and functions of the agency and lists the categories of documents held by the agency. It also sets out how to obtain documents that are eligible for public scrutiny under legislation. The following information satisfies the legislative requirements of the Act.

Structure and functions

The Department was created in December 1995 following the amalgamation of the Department of State Development and the Department of Business and Regional Development. The Department is the New South Wales Government's principal economic and business development agency.

On 23 February 2006, the Premier's Economic and Financial Statement added Tourism NSW and the Tourism Industry Division of the former Department of Tourism, Sport and Recreation, the Ministry for Science and Medical Research (now the Office for Science and Medical Research) and the Major Events Unit to the Department of State and Regional Development.

Tourism NSW provides strategic direction and leadership to the New South Wales tourism industry to support the development of an appropriate range of tourism infrastructure, products and holiday experiences to improve the industry's competitiveness and efficiency and to promote sustainable tourism industry growth.

The Office for Science and Medical Research was established to drive growth and innovation in science and medical research to achieve better economic, technological, health and environmental outcomes for the people of New South Wales.

The Department's expanded structure, functions and charter are detailed at the beginning of this report.

Effect of functions on members of the public

Much of the Department's work had an indirect impact on the general public. By encouraging investment, exports, industry development, tourism and science and medical research activities, sustainable jobs were created for the people of New South Wales.

The Department's target market is the business, tourism and science and medical communities on which it had a direct affect by:

- assisting major commercial projects through the approvals process, and providing key business information and statistics and assisting existing businesses with projected expansion and new domestic projects
- providing advice and access on business development, encouraging the development of exports and the provision of support for selected international trade exhibitions
- developing and implementing strategic frameworks for the State's research sector
- managing and administering medical research grants programs
- promoting New South Wales destinations to international and domestic visitors.

Arrangements for public participation in policy formulation

The Department invites public participation in policy formulation through private sector membership on Advisory Committees and Development Boards, including the Small Business Development Corporation, Regional Development Boards, the Tourism NSW Board, the Major Events Board, the Ministerial Advisory Council on Medical and Health Research, business forums, research and other non-profit organisations.

Categories of documents held

In accordance with the *Freedom of Information Act 1989*, the Department holds the following categories of documents:

- correspondence with other governments, local councils, community groups, the private sector
- briefing papers and advice to Ministers, departments and authorities

- plans, sketches, diagrams and photographs relating to projects and programs
- overseas travel arrangements
- consultants' reports
- documents relating to committees serviced by the Department
- internal administration, including recruitment and accommodation, staff and establishment, financial and expenditure, management and audit, records management
- itineraries and programs for visiting trade delegations and other designated significant visitors.

All policy documents of the Department are published every six months in the Summary of Affairs in the NSW Government Gazette.

Specific documents and publications

The Department maintains a number of policy documents and produces a number of publications relating to its functional role. A full list of documents published is listed in this Report. Copies can be obtained free of charge by contacting the Communications Unit at the following address:

NSW Department of State and Regional Development
Level 47, MLC Centre
19 Martin Place
SYDNEY NSW 2000
Tel: (02) 9338 6859
Fax: (02) 9338 6890
Email: businessweb@business.nsw.gov.au
Hours:
Monday-Friday 9.00am-5.00pm.

Archives

Out of date or inactive files, as classified by the Department's disposal schedule (approved by the State Records Authority) in accordance with the *State Records Act, 1998*, are stored at the Government's Record Repository in Kingswood, Sydney.

Computer-based information

The Department maintains a number of websites and related information tools that provide up to date business information to the public.

Appendix 8 (cont'd)

Access arrangements, procedures and points of contact

An application and \$30 fee should accompany requests for access to documents under the FOI Act. An application is available from the FOI Coordinator. Upon receipt of a request, the applicant will be advised of the outcome of the application within 21 days, subject to the provisions of the Act.

Requests for access to documents should be made to:

FOI Coordinator
NSW Department of State and Regional Development
Level 49
MLC Centre
19 Martin Place
SYDNEY NSW 2000
Telephone: (02) 9338 6600
Facsimile: (02) 9338 6830
Email:

businessweb@business.nsw.gov.au

Rebates of 50 per cent are offered on all charges:

- for pensioners
- for non-profit organisations
- when a public interest can be demonstrated.

Freedom of information statistics for 2005-2006

Note: the following statistics incorporate Tourism NSW, the Major Events Unit and the Office for Science and Medical Research.

Section A

Numbers of new FOI requests

FOI Requests	Personal	Other	Total
A1 New (including transferred in)	-	7	7
A2 Brought forward	-	-	-
A3 Total to be processed	-	7	7
A4 Completed	-	6	6
A5 Transferred out	-	1	1
A6 Withdrawn	-	-	-
A7 Total processed	-	6	6
A8 Unfinished	-	-	-

Section B

What happened to completed requests?

Result of FOI Request	Personal	Other
B1 Granted in full	-	-
B2 Granted in part	-	2
B3 Refused	-	4
B4 Deferred	-	-
B5 Completed	-	6

Section C

Ministerial certificates

C1 Ministerial Certificates issued	-
------------------------------------	---

Section D

Formal consultations	Issued	Total
D1 Number of requests requiring formal consultation(s)	-	-

Section E

Amendment of personal records

Result of Amendment Request	Total
E1 Result of amendment – agreed	-
E2 Result of amendment – refused	-
E3 Total	-

Appendix 8 (cont'd)

Section F

Notation of personal records

F1 Number of requests for notation	-
------------------------------------	---

Section G

FOI requests granted in part or refused – Basis of disallowing access – Number of times each reason cited in relation to completed requests granted in part or refused.

Basis of disallowing or restricting access	Personal	Other
G1 Section 19 (application incomplete, wrongly directed)	-	-
G2 Section 22 (deposit not paid)	-	4
G3 Section 25 (1) (a1) (diversion of resources)	-	-
G4 Section 25 (1) (a) (exempt)	-	-
G5 Section 25 (1) (b), (c), (d) (otherwise available)	-	-
G6 Section 28 (1) (b) (documents not held)	-	-
G7 Section 24 (2) – deemed refused, over 21 days	-	-
G8 Section 31 (4) (released to Medical Practitioner)	-	-
G9 Totals	-	4

Section H

Costs and fees of requests processed – does not include costs and fees for unfinished requests. (Results for these are included in Line A8).

	Assessed costs	FOI fees received
H1 All completed requests	-	\$180

Section I

Discounts allowed

Type of discount allowed	Personal	Other
I1 Public Interest	-	-
I2 Financial Hardship – Pensioner/Child	-	-
I3 Financial Hardship – Non-profit organisation	-	-
I4 Totals	-	-
I5 Significant correction of personal records	-	-

Appendix 8 (cont'd)

Section J

Days to process – calendar days

Elapsed Time	Personal	Other
J1 0 – 21 days	–	2
J2 22 – 35 days	–	4
J3 Over 35 days	–	–
J4 Totals	–	6

Section K

Processing time – (A4) by hours taken to process (completed)

Processing Hours	Personal	Other
K1 0 – 10 hrs	–	4
K2 11 – 20 hrs	–	2
K3 21 – 40 hrs	–	–
K4 Over 40 hrs	–	–
K5 Totals	–	50

Section L

Reviews and appeals – number finalised during the period

L1 Number of internal reviews finalised	–
L2 Number of Ombudsman reviews finalised	–
L3 Number of Administrative Decisions Tribunal appeals finalised	–

Details of Internal Review Results – in relation to internal reviews finalised during the period

Basis of Internal Review	Personal		Other	
	Upheld*	Varied*	Upheld*	Varied*
L4 Access refused	–	–	–	–
L5 Deferred	–	–	–	–
L6 Exempt matter	–	–	–	–
L7 Unreasonable charges	–	–	–	–
L8 Charge unreasonably incurred	–	–	–	–
L9 Amendment refused	–	–	–	–
L10 Totals	–	–	–	–

*Relates to whether or not the original agency decision was upheld or varied by the internal review.

Appendix 9

Government Energy Management Policy

As a result of the transfer during the reporting year of Tourism NSW, the Major Events Unit and the Office for Science and Medical Research (OSMR) to the Department of State and Regional Development, it is not possible to accurately present the energy savings achieved by the expanded Department. Tourism NSW energy savings have been incorporated as part of the Department of Sport and Recreation's 2005-2006 return. Similarly, OSMR energy savings data is not included as OSMR does not have a separate history of energy use with which to determine energy savings.

Therefore, Tourism NSW, the Major Events Unit and OSMR have had their energy usage figures included in this return, however, the energy savings quoted are for the State and Regional Development arm of the Department only.

Corporate Commitment

The Department of State and Regional Development is committed to reaching the government's energy management goal of reducing greenhouse emissions arising from its operational activities.

Planning

The Department has entered into Greenpower electricity supply contracts which account for over 6 per cent of total electricity used.

Towards the end of 2005-2006, the State and Regional Development areas of the Department consolidated from two head office sites into one site at the MLC Centre. The construction of the premises allowed the Department to install a range of energy saving devices as well as consolidate the number of office machines. The new premises have been designed to achieve a 4.5 star rating under the Australian Greenhouse Buildings Rating Scheme.

During 2005-2006, the Department's State and Regional Development arm achieved greater fuel efficiency in its fleet by reducing the number of vehicles and progressively replacing existing vehicles with more fuel efficient cars overall with a smaller engine capacity. The Department's current Environmental Performance Score (EPS) of 10.8 exceeds the Government's 2005-2006 target of 10. All additional vehicles under order will meet or exceed the 2006-2007 EPS target of 11.

Implementation

The Department's energy management goals are contained in an Energy Management Plan for its five Sydney CBD (prior to the Department's consolidation at the MLC Centre), one metropolitan and 20 regional offices.

During 2005-2006, the Department used 9,544 gigajoules of energy, which generated 1,451 tonnes of Carbon Dioxide. For the State and Regional Development arm of the Department, this represented an overall decrease in energy consumption of 1,351 gigajoules per annum from the 1996-1997 base year, which is a 14.38 per cent reduction in energy consumption.

Performance against goals

During the year the Department achieved:

- a reduction in fuel and electricity consumed which meant that the Department generated 14.38 per cent less greenhouses gases in comparison to the 1996-1997 base year
- of the 139,774 litres of fuel used, 8,668 litres were the more environmental friendly LPG
- for the State and Regional Development arm of the Department, total fuel consumption by fleet vehicles was reduced by 21.35 per cent on the 1996-1997 base year.

Future direction

The Department will continue to use Best Practice Standards in the acquisition of replacement of fleet vehicles and the purchase of new office equipment wherever possible.

The Department will also continue to target opportunities to increase the energy efficiency of its leased premises.

Appendix 10

Grants to Non-Government Organisations

Organisation	Project	Amount
Country Lifestyles Program		
Promotes the benefits of regional centres, to attract investment and key skills to these centres.		
Albury Wodonga Business	Survey of Albury Wodonga Businesses	\$2,000
Bland Shire Council	Labour Force Expansion Program	\$5,000
Boorowa Shire Council	Investment Prospectus 2004	\$2,500
Bourke Shire Council	Promoting Job Opportunities in Bourke	\$3,000
Central Coast Tourism Inc	Ettalong Beach Economic Impact Study	\$1,000
Clarence Valley Business Enterprise	Skills Audit	\$5,000
Cowra Tourism Inc	Japanese Tourism Brochure	\$978
Forbes Shire Council	Promotional material	\$3,377
Gloucester Gourmet Foods Cooperative	Promotional Material and launch of Essentially Barrington	\$2,000
Great Lakes Council	Career Link in Community Services Program	\$300
Gunnedah Shire Council	Employment and Skills Survey	\$2,940
Gwydir Shire Council	Promotion and marketing material	\$5,000
Hay Tourism & Development Inc	Sponsorship of Business Awards	\$400
Hunter Economic Development Corporation	Hunter Biotechnology Showcase	\$2,545
Hunter Economic Development Corporation	Energy Lecture Series	\$1,750
Hunter Manufacturers' Association	Manufacturing Innovation Awards	\$5,000
Hunter Region Business Enterprise Centre Inc	Lower Hunter Business Awards	\$500
Industry Capability Network (NSW) Ltd	Defence Headquarters Joint Operations Command promotional material	\$2,000
Inverell Shire Council	Skills Audit and Business Attraction Prospectus	\$2,730
Local Government Association of NSW	Implementation of Community Mentoring Project	\$42,250
Mid North Coast Regional Development Board	Mid North Coast Innovation Showcase	\$1,364
Murray Shire Council	Goal Achievement Training Program	\$500
Muswellbrook Shire Council	Promotional material	\$2,051
Orange City Council	Promotional material	\$3,510
Orange Region Vignerons Association	Wine Australia	\$1,500
Riverina Regional Development Board	Business Plan for C-Change Bureau Proposal	\$10,000
Riverina Regional Development Board	Skilled Migration Project Officer	\$42,430
Tumut Shire Council	Strategic Planning 2004	\$7,470
Uralla Shire Council	Promotional and Marketing Material for Attraction of Skilled Labour	\$5,000
Weddin Shire Council	Skills Attraction Initiative	\$1,478
Developing Regional Resources		
Provides funding for local or regional organisations investigating economic opportunities and pursuing innovative approaches to economic development.		
Albury Wodonga Equestrian Centre	Feasibility Study and Business Plan	\$11,100
Armidale Dumaresq Council	Strategy and Prospectus for High Growth Business Clusters	\$5,000
Back O'Bourke Centre Ltd	Development of an Educational and Merchandising Exhibition Centre	\$30,000
Brewarrina Business Co-operative Ltd	Ongoing Development of Yamagurra Student Enterprise Centre	\$8,000
Broombrush Industry Group Inc	Strategic Planning	\$4,000
Central Coast Area Consultative Committee	CATALYST Project	\$5,000
Central Coast Community Environment Network Inc	Central Coast Community Environmental Network	\$10,000
Central Murray Area Consultative Committee	Regional Economic Impact and Employment Study	\$6,000
CENTROC	Employment of Film Central Project Officer	\$36,000
Clarence Valley Council	Strategic Plan Consultant	\$30,000

Appendix 10 (cont'd)

Organisation	Project	Amount
Coffs Harbour City Council	Promotional and Marketing Material / Activities for Investment Attraction	\$40,000
Cooma Monaro Shire Council	Develop and Market Heritage Tourism Packages	\$2,102
Cooma Monaro Shire Council	Growth Strategy / Economic Development Manager	\$30,000
Coonamble Shire Council	Employment of Economic Development Officer	\$6,000
Deniliquin Council	Deniliquin Air Service Commercial Feasibility Study	\$5,000
Eden Marine Centre Ltd and the Eden Whale Discovery Centre Research Trust	Feasibility Study and Business Plan	\$5,000
Eden Marine Centre Ltd and the Eden Whale Discovery Centre Research Trust	Eden Marine Centre Project Officer	\$6,000
Film Hunter	Film Hunter Office Operations	\$35,000
Film Hunter	Film & Television Office	\$9,000
Film Illawarra	Employment of Film Illawarra Project Officer	\$10,000
Forbes Shire Council	Demand Driven Farming Project	\$60,000
Forbes Shire Council	Business Prospectus and Improved Image Forbes	\$5,000
Great Lakes Council	Employment of Economic Development Officer	\$44,082
Great Lakes Council	Land Strategy	\$29,870
Greater Taree City Council	Marketing/Promotion	\$10,000
Griffith City Council	A Global Product Marketing Initiative	\$5,000
Hunter Net Co-Operative Ltd	'Model for Action' Coordinator and Reports	\$15,000
Hunter Economic Development Corporation	Upper Hunter Exporters' Network	\$21,000
Kempsey Shire Council	Employment of an Economic Development Officer	\$20,000
Kiama Show Society	Kiama Show Society	\$15,000
Lake Macquarie City Council	Ageing Population Business Opportunities Project	\$22,500
Lead on Australia	Engagement of Youth in Local Business Community	\$70,000
Mid North Coast Regional Development Board	Film Mid North Coast Film and TV Office	\$28,750
Moree Plains Shire Council	Retail Business Site Analysis	\$7,545
Native Fish Growers Co-operative Ltd	Business Plan and Feasibility Assessment	\$3,975
Newcastle Airport Limited	Newcastle Airport Master Plan	\$5,000
North Coast Entertainment Industry Association	Employment of Industry Development Officer	\$12,000
North Coast NSW Tourism Inc	Events Management Network	\$4,000
Northern Rivers Screenworks (AIDC)	Creative Industries Development / Locations Liaison Officer and Manager	\$20,000
Northern Rivers Screenworks (AIDC)	Creative Industries Project Manager	\$5,000
Northern Rivers Tourism Inc	Rainforest Way Project	\$15,000
Northern Rivers Visual Arts Network	Network Coordinator	\$6,250
NSW Farmers Association/Oyster Farmers Association of NSW Ltd	Report on Grading of Sydney Oysters	\$2,500
NSW Silver Perch Growers Association	Strategy to Develop Freshwater Fish Market	\$5,000
Port Stephens Council	Williamtown and Environs Land Use Strategy	\$15,000
Richmond Valley Business & Rural Financial Counselling Services Inc	Bundjalung Cultural Tours	\$12,000
Royal Agricultural Society	Analysis of Opportunities & Barriers to Export of Genetic Material and Seed Stock	\$12,000
Southern Highlands Vignerons Association Inc	Employment of Food and Wine Tourism Coordinator	\$16,000
Temora Shire Council	Plan for Temora Aviation Cluster 2004	\$7,460
Tenterfield Shire Council-MSc	Feasibility Study Urban & Rural Land Strategies	\$10,000
The Arts Council of NSW	Roundtable on Partnerships for Building Creative Regions	\$2,000
The Eden Whale Discovery Centre Research Trust	Community, Education and Research Project Officer	\$6,000
The Eden Whale Discovery Centre Research Trust	The Eden Whale Discovery Centre Research Trust	\$5,000
The Wetlands Centre, Australia	Tourism Development, Lower Hunter Estuary	\$21,065
Tourism Southern Highlands	Southern Highlands Food and Wine Strategy	\$6,000
Tumbarumba Shire Council	Medical Centre Prospectus and Main Street Design	\$24,500

Appendix 10 (cont'd)

Organisation	Project	Amount
Tumut Region Developing Naturally Inc	Chinese Medicinal Herbs Feasibility Study	\$5,250
Tweed & Coolangatta Tourism Inc	Promotion and Marketing for Taste the Tweed Project	\$10,000
Tweed Shire Council	Employment of Project Coordinator for Tweed Heads Masterplan - Implementation Phase	\$15,000
Tweed Shire Council	Tweed Heads Masterplan Coordinator	\$25,000
University of Wollongong	Film Illawarra	\$35,000
Youth Enterprise Services Inc	Employment of Coordinator for Youth Enterprise Service	\$20,000

Main Street/Small Towns

Assists communities to take a strategic and proactive approach to their economic development.

Albion Park Chamber of Commerce	Albion Park Cross Roads	\$20,000
Albion Park Chamber of Commerce	Business Retention and Expansion Survey, Planning Coordinator and Workshop	\$3,000
Armidale Dumaresq Council	Conference and Events Coordinator	\$15,000
Austinmer – Thirroul Lions Club	2006 Seaside and Arts Festival	\$5,000
Ballina Shire Council	Community Economic Development Officer	\$12,500
Bargo Chamber of Commerce	Strategic Planning Business Retention and Expansion Survey	\$2,600
Bargo Chamber of Commerce	Part-time Coordinator and Marketing Workshop	\$5,000
Bellingen Now Inc	Marketing and Revitalisation Project	\$4,000
Bombala Council	Platypus Country It's All Happening	\$3,000
Bowral Chamber of Commerce	Business Retention and Expansion Survey, Community Planning Project	\$4,500
Braidwood & District Chamber of Commerce	Employment of Economic Development Officer	\$4,573
Brewarrina Shire Council	Economic Development Officer	\$5,000
Brunswick Heads Chamber of Commerce	Marketing for the Simple Pleasures Campaign	\$15,000
Camden Haven Community College Inc (CHCC)	Camden Head Pilot Station Marketing Material	\$7,000
Carrathool Shire Council	Planning Project	\$10,000
Cessnock Chamber of Commerce	Make A Difference Youth Project	\$6,000
Clarence Valley Council	Economic Development Officer	\$22,500
Clarence Valley Council	Strategic Planning	\$1,500
Coffs Harbour Arts Council Inc	Cool Bananas Short Film Festival	\$2,000
Coolah District Development Group	Coolah Resource Centre Project Officer	\$3,000
Coolamon Shire Council	Coolamon on Display	\$5,000
Coolamon Shire Council	Economic Development Officer	\$5,000
Coolamon Shire Council	Economic Development Officer & Review of Community Economic Development Plan	\$6,500
Coonabarabran Shire Council	Baradine and Binnaway Website & Tourism Material	\$4,000
Coonamble Shire Council	Sense of Place Consultant	\$5,000
Corowa Shire Council	Business Development Manager	\$22,500
Deni – Play on the Plains Festival Inc	Deni Ute Muster Strategic Planning	\$6,000
Dungog Shire Council	Market Research for Tourism Strategy	\$7,000
Erina Chamber of Commerce	Strategic Planning Erina CBD Revitalisation Project	\$3,000
Eurobodalla Adult Education Inc	Business Retention & Expansion Survey	\$6,000
Eurobodalla Shire Council	Moruya River of Art Cultural Festival	\$4,000
Eurobodalla Shire Council	"Works in Winter" Workshops	\$4,575
Forbes Promotion & Development Inc-STC	Forbes Business Awards 2005	\$2,000
Forbes Promotion & Development Inc-STC	Mainstreet Coordinator	\$5,000
Glen Innes & District Chamber of Commerce	Marketing Strategy	\$4,300
Glen Innes Council	Business Retention and Expansion Survey	\$3,000
Glen Innes Council	Celtic Festival	\$5,000
Greater Hume Shire Council (formerly Hume Shire Council)	Weekend Wander 2005	\$4,860
Greater Hume Shire Council (formerly Hume Shire Council)	Festival of Holbrook	\$5,000
Illawarra ITeC Ltd	Employment of a Business Coordinator	\$12,500

Appendix 10 (cont'd)

Organisation	Project	Amount
Inverell Shire Council	"Inverell on Display"	\$5,000
Inverell Shire Council	Economic Development Officer	\$25,000
Jindabyne Chamber of Commerce	Lakeside Festival	\$2,652
Karuah Working Together Inc	Business/Tourism Development	\$12,370
Kendall Heritage Society Inc	Strategic Plan and Marketing Materials for Community Coop	\$8,250
Kiama Municipal Council	Growing Agribusiness Seminar	\$2,500
Kiama Municipal Council	Business Retention Expansion Survey	\$329
Kiama Municipal Council	Economic Development Officer	\$25,000
Kiama Municipal Council	Economic Development Strategy	\$1,400
Kyogle Chamber of Commerce	Promotional and Marketing Material Town Marketing Plan	\$5,250
Lions Club of Helensburgh and Surrounding Districts	Stanwell Park Festival of Flight 2005	\$10,000
Liverpool Plains Shire Council	Employment of Economic Development Officer	\$12,500
Mayfield Mainstreet	Mayfield on the Map	\$12,000
Morpeth Business Association	Romantic Getaway Brochure	\$5,000
Morpeth Business Association	Youth Theatre Training	\$3,205
Moruya Chamber of Commerce	Moruya on the Move Project	\$5,000
Moruya Chamber of Commerce	Moruya Area Guide	\$4,000
Moruya Chamber of Commerce	Moruya River of Art Festival	\$2,000
Mungo Festival Inc	Mungo Festival - Planning	\$7,500
Murray Shire Council	Cadell Country Fair	\$1,000
Narrandera Sense of Place	Sense of Place Project	\$40,000
Narromine Shire Council	Economic Development Strategy	\$4,500
Nelson Bay Town Management Inc	Township Marketing Plan	\$2,750
Nelson Bay Town Management Inc	Shopping Guide Map & Branding Project 2006	\$2,820
New Lambton Chamber of Commerce	Promotion of Village	\$7,000
Newcastle City Council	Promotion and Marketing Activities – Hamilton Business District Committee	\$10,145
Ngadri Ngalli Way	Yaamma Festival	\$25,000
Nimbin Community Development Association Inc	Strategic Event Coordinator	\$10,000
Nimbin Community Development Association Inc	Strategic Event Coordinator	\$5,000
Nosh on the Namoi	Nosh on the Namoi	\$10,000
Nowra Chamber of Commerce	Shoalhaven Business Expo September 2005	\$8,000
Pristine Waters Council / Clarence Valley Council	LGA Economic Development Coordinator	\$20,000
Scone Chamber of Commerce-STC	Buy Local Campaign	\$2,000
Shoalhaven Food & Wine Spectacular Inc	Employment of an Event Coordinator	\$5,000
Tamworth Regional Council	Manilla Community Strategic Planning	\$3,000
Tea Gardens Community Technology Centre	Business Retention and Expansion Survey	\$1,500
Temora Shire Council	Economic Development Officer	\$30,000
Tenterfield Shire Council-MSA	Promotional Resources Kits	\$3,750
The Two Bishops Trust (Samaritans Foundation)	Cessnock Hospitality Industry Preparation Scheme	\$4,199
Towns with Heart Inc	Kurri Kurri Murals Project Promotion	\$6,105
Towns with Heart Inc	Marketing Kurri Kurri	\$4,707
Towns with Heart Inc	Ask Me I'm A Local Volunteer Training Project	\$5,000
Tumbarumba Shire Council	Business Retention & Expansion Survey and Strategy to Attract Labour	\$4,500
Tumbarumba Shire Council	Employment of Economic Development Officer	\$15,000
Tweed Shire Council	Employment of Festival and Event Liaison Officer	\$11,364
Upper Lachlan Shire Council	Living House Expo	\$5,000
Upper Lachlan Shire Council	Economic Development Officer	\$3,616
Uralla Shire Council	Economic Development Officer	\$12,500

Appendix 10 (cont'd)

Organisation	Project	Amount
Uralla Shire Council	Business Retention & Expansion Survey / Strategic Economic Development Plan	\$6,000
Warrumbungle Shire Council	Economic Development and Tourism Marketing Strategic Plan	\$2,500
Wentworth Shire Council	Events Coordinator	\$5,000
Western Plains Regional Development Inc	Heart of NSW Festival	\$10,000
Wingecarribee Shire Council	Strategic Planning and Business Retention and Expansion Survey	\$6,500
Young Shire Council	Marketing Workshop for Local Business	\$3,000

New Market Expansion Program

Assists firms to pursue and take up new markets. 'New Markets' is defined as markets outside the respective regions from which the business operates.

Griffith BEC Expo	Griffith BEC Expo	\$5,000
Gunnedah Business Chamber of Commerce	Business Development Workshops for Retailers	\$3,070
Southern Highlands Vignerons Association Inc	Wine Australia 2004	\$1,600

Regional Business Development Scheme

Assists Sydney, interstate and overseas firms relocating to a regional NSW area. Assists firms in regional locations expanding or improving the competitiveness of existing businesses, and new business establishing in a NSW regional location.

Hunter Economic Development Corporation	Hunter Export Centre	\$15,000
Hunter Economic Development Corporation	Operational Funding 2006	\$45,000
Hunter Economic Development Corporation	Operational Funding 2005	\$45,000

Regional Development Board Innovation Program

This program aims to develop best practice, innovative methods, techniques and approaches in the field of local / regional economic development; assist Boards in responding to local / regional development needs; and assist Boards in addressing identified strategic priorities for their region.

Business Central Coast	Business Portal	\$20,000
Business Central Coast	Analysis of Economic Opportunities from Changing Demographic	\$5,000
Capital Region Development Board	Regional Production Liaison Officer	\$30,000
Capital Region Development Board	Agricultural Strategy	\$18,900
Capital Region Development Board	Regional Production Liaison Officer	\$17,150
Central Western Regional Development Board	Quarterly Business Surveys	\$3,750
Central Western Regional Development Board	Australian National Field Days in Orange	\$10,000
Central Western Regional Development Board	Film and Television Project	\$10,000
Central Western Regional Development Board	Small Business Month September activities 2005 and Australian National Field Days Project	\$7,372
Central Western Regional Development Board	Engineering and Trade Related Industry Network	\$30,000
Far Western Regional Development Board	Arts and Cultural Industries Research	\$5,000
Far Western Regional Development Board	Broken Hill Business Man and Woman of the Year 2005	\$3,000
Far Western Regional Development Board	Tourism Market Research Project	\$15,000
Greater Western Sydney Economic Development Board	Business Growth Strategy 2004	\$4,950
Greater Western Sydney Economic Development Board	Greater Western Sydney Business Growth Strategy 2005-2006	\$4,500
Greater Western Sydney Economic Development Board	Blue Mountains Artist Network	\$4,500
Greater Western Sydney Economic Development Board	Building Liverpool Youth Employment Project	\$5,000
Greater Western Sydney Economic Development Board	Hawkesbury Agricultural Retention Project	\$7,500
Greater Western Sydney Economic Development Board	Regional Programs Manager	\$62,500
Greater Western Sydney Economic Development Board	Community Economic Development Partnership Project	\$3,500
Greater Western Sydney Economic Development Board	Research and Events Assistant	\$25,000

Appendix 10 (cont'd)

Organisation	Project	Amount
Greater Western Sydney Economic Development Board	Hawkesbury Harvest	\$10,000
Greater Western Sydney Economic Development Board	Marketing Strategy 2005–2006	\$97,675
Greater Western Sydney Economic Development Board	Western Sydney Manufacturing Week	\$35,100
Hunter Economic Development Corporation	Advertising Campaign to attract Skilled Planners	\$8,400
Hunter Economic Development Corporation	Employment of a Trainee Receptionist	\$19,758
Hunter Economic Development Corporation	Hunter Export Centre	\$15,000
Hunter Economic Development Corporation	Operational Funding 2006	\$45,000
Hunter Economic Development Corporation	Operational Funding 2005	\$45,000
Hunter Economic Development Corporation	Hunter River Flats Potential Project	\$15,000
Hunter Economic Development Corporation	Regional Growth Strategy	\$32,500
Hunter Economic Development Corporation	Infrastructure Planning Project	\$50,000
Illawarra Regional Development Board	i3NET Business Development Manager	\$55,000
Illawarra Regional Development Board	Skills Shortages Research	\$19,115
Mid North Coast Regional Development Board	Employment of Industry Development Officer – 2002	\$8,546
Mid North Coast Regional Development Board	Marketing Community Skills Register	\$9,945
Mid North Coast Regional Development Board	World Class in the Mid North Coast Project	\$4,000
Murray Regional Development Board	Central Murray Horticultural Project	\$71,000
Murray Regional Development Board	Administrative Support for Murray Economic Development Alliance	\$2,500
Murray Regional Development Board	Development of Regional Profile and Promotional Material for Sunraysia Region	\$6,000
Murray Regional Development Board	Development of the International Technology Park	\$30,000
Murray Regional Development Board	Implementation Phase of International Technology Park	\$20,000
Murray Regional Development Board	User's Guide to the Murray	\$3,500
Murray Regional Development Board	Employment of a Business Development and Research Officer	\$9,525
Murray Regional Development Board	Telecommunications Demand Aggregation Project – 2004	\$28,000
Murray Regional Development Board	Murray Valley Field Station Feasibility Project	\$10,000
Murray Regional Development Board	Wordskill Project	\$10,000
Northern Inland Regional Development Board	Food and Wine Industry Development Officer	\$2,500
Northern Inland Regional Development Board	Visual Art Network	\$5,000
Northern Inland Regional Development Board	Business Networking Program	\$5,000
Northern Inland Regional Development Board	Interactive Educational and Promotional DVD	\$3,000
Northern Inland Regional Development Board	Food and Wine Industry Development Officer	\$2,500
Northern Rivers Regional Development Board	Marine Industry Supply Chain Capability Analysis	\$8,250
Northern Rivers Regional Development Board	Investment Project Officer	\$5,000
Northern Rivers Regional Development Board	Forestry Project – 2003	\$57,176
Orana Regional Development Board	Small Business September Activities	\$10,000
Orana Regional Development Board	Youth Leadership Program 2005	\$14,183
Orana Regional Development Board	Retirement Investment Tour	\$10,000
Orana Regional Development Board	Business Survey	\$7,500
Riverina Regional Development Board	Skilled Migration Project Officer	\$10,000
Riverina Regional Development Board	Riverina Agricultural and Special Interest Tours	\$11,000
Riverina Regional Development Board	Employment of Telecommunications Development Officer	\$10,000
Riverina Regional Development Board	C-Change Bureau	\$30,000
Riverina Regional Development Board	Riverina Highlands Rail Trail Feasibility Study	\$31,000

Appendix 10 (cont'd)

Organisation	Project	Amount
Regional Economic Transition Scheme (RETS)		
RETS provides assistance to projects in regional areas that have experienced sharp economic shocks as a result of structural adjustment or the loss of a major industry.		
Back O’ Bourke Centre Ltd	Tourism Development Operational Costs	\$12,000
Bega Valley Shire Council	Employment of Tourism Development Officer	\$25,000
Bourke Shire Council	Economic Recovery across the Shire	\$20,000
Brewarrina Shire Council	Employment of an Economic Development Officer	\$30,000
Forbes Shire Council	Forbes Midstate Livestock Exchange Infrastructure	\$72,500
Gloucester Shire Council	Employment Lands Strategy	\$20,000
Kyogle Council	Business Plan for Visitor Info Centre	\$2,500
Kyogle Council	Kyogle Technology and Enterprise Training Centre Feasibility Study	\$1,500
Town and Villages Futures Program		
This program enables communities (with populations of less than 2,500) to undertake a planning process and implement projects that have community support and will result in new economic activity.		
Cabonne Council	Project Coordinator and Advertising Costs	\$5,000
Central Coast Plateau Inc	Tourism Development	\$5,000
Coffs Harbour City Council	Strategic Planning Eastern Dorrigo Community	\$1,500
Collector Village Pumpkin Festival Committee	Pumpkin Festival	\$3,000
Comboyne Community Association	Community Planning	\$3,000
Comboyne Community Association	Employment of a Project Coordinator and Website Development	\$5,475
Coolah District Development Group	Coolah Jazz in the Tops	\$9,000
Corowa Shire Council	Development of a Community Strategic Plan for Howlong	\$6,000
Cudgegong Business Group Inc	Website / e-Commerce Online Business and Services Directory	\$1,600
Dalgety Chamber of Commerce	Employment of an Event Coordinator	\$6,000
Delegate Progress Association	Promotion and Marketing	\$3,925
Denman Chamber of Commerce	Upper Hunter Food and Wine Affair	\$4,675
Gresford Community Group Incorporated	Website Development	\$4,500
Gundagai Regional Enhancement Group	Promotion of the Region	\$3,500
Gunnedah Shire Council	Tambar Springs Tourism Plan	\$5,700
Kempsey Shire Council	Community Plan	\$2,700
Lower Lachlan Community Services Inc	Community Plan Update	\$1,500
Mungindi Progress Association	Employment of an Event Coordinator	\$5,000
Nabiac Chamber of Commerce and Tourism Inc	Strategic Planning	\$1,500
Nambucca Shire Council	Business Tourism Development	\$5,000
Nymboida Community Groups Inc	Community Planning Activities	\$2,100
Old Bar/Manning Point Chamber of Commerce	Community Planning Activities	\$2,300
Singleton Council	Employment of an Interim Project Coordinator	\$1,500
Singleton Council	Marketing and Branding Project	\$10,000
Tamworth Regional Council	Barmedman Tractor Pull Event	\$5,000
The Channon Trust	Employment of an Interim Coordinator	\$3,000
Tibooburra Village Committee Inc	Tibooburra Tourism Project – Coordinator and Community Planning	\$10,000
Tullamore Inc	Tullamore Irish Festival	\$6,500
Tumut Shire Council	Employment of Batlow Events Coordinator	\$11,000
Urana Shire Council	Rand Community Planning	\$7,500
Weereewa – A Festival of Lake George Committee Inc	Weereewa – A Festival of Lake George	\$7,000
Wollombi Valley Chamber of Commerce	Community and Strategic Planning Workshop	\$6,000
Woodburn Chamber of Commerce	Tourist Information Centre	\$2,000

Appendix 10 (cont'd)

Organisation	Project	Amount
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Regional Flagship Events Program

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

Ballina Shire Council	Ballina Rivafest	\$10,000
Bermagui Seaside Fair Inc	Bermagui Seaside Fair	\$10,000
Blue Mountains Folk Festival Association Inc	Blue Mountains Music Festival of Folk, Roots & Blues	\$20,000
Celtic Thunder	Celtic Thunder – Festival of the Celts	\$10,000
Glen Innes Council	Australian Celtic Festival	\$20,000
Goulburn Mulwaree Council	Australian Blues Music Festival	\$20,000
Griffith City Council	Griffith Festival of Gardens	\$10,000
Jenolan Caves Reserve Trust	Jenolan Caves Concerts	\$10,000
Lismore Arts Council Inc	Lismore Lantern Parade	\$20,000
Lovedale Vignerons Association Inc	Lovedale Long Lunch	\$10,000
Malee Hen Cooperation	Nymagee Outback Music	\$10,000
Murray River International Music Festival Inc	Murray River International Music Festival	\$10,000
Narrandera Visitor Information Centre	John O'Brien Bush Festival	\$20,000
Parkes Shire Council	Elvis Parkes Festival	\$20,000
The Armidale Women's Comedy Festival Group	The Armidale Women's Comedy Festival	\$10,000
The Entrance Town Centre Management Corporation	Central Coast Country Music Festival	\$20,000
The Fatherhood Project	Fatherhood Festival	\$20,000
The Inverell Cultural and Arts Council	Tom Roberts Festival	\$10,000
The Shoot Out	The Shoot Out Filmmaking Festival	\$20,000
Thredbo Chamber of Commerce	Thredbo Blues Festival	\$10,000
Tullamore Irish Festival	Tullamore Irish Festival	\$10,000
Tumut Shire Council	Tumut's Falling Leaf Festival	\$5,000

Regional Tourism Organisation Funding

The Regional Tourism Investment Program is facilitated by the Tourism NSW/Regional Tourism Organisation Funding Agreement which defines a transparent set of agreed activities, responsibilities, accountabilities and performance measures for both organisations to meet their obligations to the partnership.

Blue Mountains	\$111,000
Capital Country	\$111,000
Central Coast	\$111,000
Central NSW	\$140,000
Hunter	\$111,000
Illawarra	\$111,000
Lord Howe Island	\$45,000
Murray	\$125,000
New England North West	\$140,000
North Coast NSW	\$140,000
Northern Rivers	\$111,000
Outback NSW	\$140,000
Riverina	\$140,000

Appendix 10 (cont'd)

Visitor Information Centre Support

Visitor Information Centres and Regional Tourism Organisations that update the State Tourism Data Warehouse via the internet receive a performance-based payment on the number of updates made. A total of \$42,930 (GST excluding) was paid in 2005–2006 for the updating of 4,293 product records.

Organisations that received payments were:

Ballina Visitor Information Centre, Bathurst Visitor Centre, Blayney Shire, Blue Mountains Visitor Information Centre, Broken Hill Visitor Information Centre, Camden Visitor Information Centre, Campbelltown Visitor Information Centre, Casino Visitors Centre, Central Coast Tourism, Clarence River Tourist Association, Coffs Coast Visitor Information Centre, Cooma Visitor Information Centre, Coonabarabran Visitor Information Centre, Coonamble Visitor Information Centre, Cootamundra Visitor Information Centre, Corowa Visitor Information Centre, Cowra Visitor Information Centre, Destination Albury Wodonga, Dubbo Visitor Information Centre, Dungog Visitor Information Centre, Glen Innes Visitor Information Centre, Gloucester Visitor Centre, Goulburn Visitor Information Centre, Greater Hume Visitor Information Centre, Griffith Visitor Information Centre, Gundagai Visitor Information Centre, Gunnedah Visitor Information Centre, Harden Visitor Information Centre, Hume Visitor Information Centre, Inverell Visitor Information Centre, Jerilderie Visitor Information Centre, Kiama Visitor Information Centre, Lake Macquarie Visitor Information Centre, Leeton Visitor Information Centre, Lismore Visitor Information Centre, Maitland Visitor Centre, Manly Visitor Information Centre, Manning Valley Visitor Information Centre, Moree Visitor Information Centre, Mudgee Visitor Information Centre, Narrabri Visitor Information Centre, Narrandera Visitor Information Centre, Orange Visitor Information Centre, Parkes Visitor Information Centre, Parramatta Heritage and Visitor Information Centre, Penrith Valley Visitor Information Centre, Port Macquarie Visitor Information Centre, Port Stephens Visitor Information Centre, Queanbeyan Visitor Information Centre, Shoalhaven Visitor Information Centre, Singleton Visitor Information Centre, Snowy Region Visitor Information Centre, Tamworth Tourism, Temora Visitor Information Centre, Tumbarumba Visitors Centre, Tumut Region Visitor Information Centre, Tweed & Coolangatta Tourism, Wagga Wagga Tourism, Warialda Visitor Information Centre, Wentworth Shire Visitor Information Centre, Wollondilly Visitor Information Centre, Wollongong Visitor Information Centre, Yass Visitor Information Centre, Young Visitor Information Centre.

Organisation	Project	Amount
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BioFirst Award

Innovative and prestigious awards designed to attract leading biotechnology researchers to NSW.

Dr Colin Dunstan	ANZAC Health & Medical Research Foundation	\$50,000
Associate Professor Izuru Matsumoto	The University of Sydney	\$100,000
Associate Professor Paul Haynes	Macquarie University	\$100,000
Dr Andrew Mitchell	NSW Department of Primary Industries	\$100,000
Dr Bryce Vissel	Garvan Institute of Medical Research	\$100,000
Dr Naomi Rogers	Woolcock Institute of Medical Research	\$100,000
Dr Peter Currie	Victor Chang Cardiac Research Institute	\$100,000
Dr Shane Grey	Garvan Institute of Medical Research	\$100,000
Professor John Dalton	University of Technology	\$100,000
Professor Mats Olsson	University of Wollongong	\$100,000
Professor William Price	University of Western Sydney	\$100,000

BioLink Program

A Business development company established to assist member organisations to commercialise their biotechnology intellectual property.

Bio-link Partners	\$650,000
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Converging Technologies Program

Provides high-bandwidth and fibre optic infrastructure to five public research institutes to improve the quality and speed of their data communication links.

Newcastle Research Precinct	Hunter New England Area Health Service	\$109,762
Royal North Shore Research Hub – Northern Clinical School	The University of Sydney	\$176,055
Westmead Research Hub	The University of Sydney	\$292,245

Capital Funding

Aims to increase capacity and productivity of NSW research effort (one-off payments).

Garvan Institute of Medical Research	\$620,000
Victor Chang Cardiac Research Institute	\$10,000,000
Woolcock Institute of Medical Research	\$5,000,000

Appendix 10 (cont'd)

Organisation	Project	Amount
Awards Program		
Recognises and rewards leading (Eureka prize) and emerging (Young Scientist Awards, Young Tall Poppy Program) researchers in NSW.		
Australian Institute of Political Science	Second Instalment Young Tall Poppy program	\$15,000
Science Teacher's Association of NSW (STANSW)	Grant for 2006 Young Scientist Awards	\$10,000
The Australian Museum	2006 MSMR Eureka Prize and Contribution	\$25,000
Medical Research Support Program		
Provides essential research infrastructure. The program is designed to reward research excellence, build on and enhance existing research strengths, and promote opportunities for economic gain.		
ANZAC		\$430,000
Centenary Institute of Cancer Medicine and Cell Biology		\$760,000
Children's Cancer Institute Australia		\$470,000
Children's Medical Research Institute		\$450,000
Garvan Institute of Medical Research		\$2,070,000
Hunter Medical Research Institute		\$1,140,000
Northern Sydney Central Coast Health		\$880,000
Prince of Wales Medical Research Institute		\$760,000
Victor Chang Cardiac Research Institute		\$800,000
Sydney West Area Health Service		\$1,760,000
Woolcock Institute of Medical Research		\$480,000
Networks and Research Program		
Aims to increase connectivity of research effort and to promote opportunities for national and international research collaborations, clinical trials and investment in NSW.		
Centre for Complementary Medicine Research University of Western Sydney	Network Development and Support	\$50,000
National Heart Foundation of Australia	Network Development and Support	\$10,000
South Eastern Sydney and Illawarra Area Health Service	NSW Stem Cell Network Development and Support	\$20,000
The Sax Institute	Tools for Aboriginal Health Research Collaboration Project Network Development and Support	\$10,000
NSW Cooperative Research Centres (CRC) Business Case Support Grants Program		
Provides assistance for business case development in the application phase to secure Commonwealth funding under the CRC Program.		
Capital Markets CRC Limited		\$30,000
CRC Rim-sol Pty Ltd		\$20,000
Hear Works		\$30,000
Smart Internet Technologies CRC Pty Ltd		\$30,000
The University of New England		\$30,000
Spinal Exchange Program		
Provides grants for Visiting Fellowships to improve practice and optimise the physical wellbeing of people with spinal cord injury and other neurological conditions and their ability to maintain independent living within the community. This is a joint program between OSMR, WorkCover NSW & the NSW Motor Accidents Authority.		
Dr Paul Kennedy	Royal Rehabilitation Centre Sydney	\$35,350
Professor Peter Ellaway	University of New South Wales	\$26,100
Professor Peter Ellaway	Northern Sydney Central Coast Health	\$14,000

Appendix 10 (cont'd)

Organisation	Project	Amount
Spinal Cord Injury and Related Neurological Conditions Research Grants Program		
The program promotes research into spinal cord injury and related neurological conditions and seeks to develop and attract relevant research talent in NSW, and includes: Research Program Grants, directed at research undertaken by established senior researchers, Research Project Grants, directed at post-doctoral researchers within 5 years of their PhD award and Travel Scholarships directed at advanced PhD students to enable them to present their research at prestigious international conferences and/or institutions.		
Associate Professor Janet Keast	The University of Sydney	\$625,000
Brett Graham	University of Newcastle	\$8,340
Dr Bryce Vissel	Garvan Institute of Medical Research	\$100,000
Dr James Middleton	The University of Sydney	\$312,500
Dr Marcus Stoodley	Prince of Wales Medical Research Institute	\$71,808
Dr Matthew Kiernan	Prince of Wales Medical Research Institute	\$43,750
Dr Ostoja Vucic	Prince of Wales Medical Research Institute	\$6,000
Dr Penelope McNulty	Prince of Wales Medical Research Institute	\$75,000
Jennica Winhammer	The University of Sydney	\$4,200
Professor Elizabeth Burcher	University of New South Wales	\$62,500
Professor Elspeth McLachlan	University of New South Wales	\$93,750
Professor George Paxinos	Prince of Wales Medical Research Institute	\$100,000
Professor Iain Campbell	The University of Sydney	\$38,750
Professor John Pollard	The University of Sydney	\$187,500
Professor Max Bennett	The University of Sydney	\$62,500
Professor Phil Waite	University of New South Wales	\$300,000

Appendix 11

Guarantee of Service

The Department maintains its commitment to providing a high quality of service that meets the reasonable expectations of its clients. The *Guarantee of Service* explains what we do, our values and objectives, our service standards, how feedback can be given and our contact details. The *Guarantee of Service* is reviewed annually and a copy is available to the general public through the Department's main website www.business.nsw.gov.au

Appendix 12

Human Resources

Policies and practices

During 2005-2006, the Department reissued the following policies and/or guidelines:

- Flexible Working Hours Agreement
- Job Evaluation Policy
- Code of Conduct
- Study Assistance Policy.

Code of Conduct

The Department's Code of Conduct was reissued during the reporting period. Following the addition of Tourism NSW, the Major Events Unit and the Office for Science and Medical Research to the Department of State and Regional Development, work commenced on developing a single Code of Conduct for the expanded agency, which will be implemented by the end of 2006.

Industrial relations

The Department and the Public Service Association maintained strong relations through the Joint Consultative Committee.

The Department successfully defended an unfair dismissal claim in the NSW Industrial Relations Commission.

Movement in wages, salaries or allowances

The Crown Employees (Public Sector – Salaries January 2004) Award provided for a four per cent increase in salaries, effective from 1 July 2005.

Establishment at 30 June

Note: the 2006 figures include staff transferred from Tourism NSW, Tourism, Sport and Recreation Shared Services, the Major Events Unit and the Office for Science and Medical Research.

	2002	2003	2004	2005	2006
Establishment (i.e. number of positions – FTE)	281.2	313.7	296	297	493.5
Staff number of the Department (FTE)	268.3	299.1	276.5	274.2	411.7

For further information on Human Resources achievements please refer to the Policy and Resources Division section.

Appendix 13

Information and communication technology

The Department maintains and publishes information for clients and the public on the following websites. Sites are being consolidated where possible to improve administrative efficiency, accuracy, currency, and security.

URL/Address	Subject/Interest area
www.business.nsw.gov.au	Main DSRD site
www.tourism.nsw.gov.au	Tourism NSW corporate site
www.smallbiz.nsw.gov.au/hbb	Small Business Information
www.ats.business.gov.au	Australian Technology Showcase
www.events.nsw.gov.au	Joint portal to public events
www.osmr.nsw.gov.au	Main Office for Science and Medical Research website
www.osmr.nsw.gov.au/research	NSW Public Research Directories
www.retailtenancy.nsw.gov.au	Retail Tenancy Issues
www.sydneyaustralia.com	Tourism NSW international sites
www.visitnsw.com.au	Tourism NSW consumer site
http://weekender.visitnsw.com.au	Sydney Weekender
www.aboriginalbiz.nsw.gov.au	Aboriginal Business
www.biotechnology.nsw.gov.au	Biotechnology Directory
www.business.nsw.gov.au/biotech	Biotechnology and Pharmaceuticals
www.competitiveness.nsw.gov.au	NSW Competitiveness Data
www.export.nsw.gov.au	Export Business
www.food.nsw.gov.au	Food related Business
www.regionalcommunities.nsw.gov.au	Regional Communities
www.smallbiz.nsw.gov.au	Small Business
www.smallbiz.nsw.gov.au/hbb	Home-based Business
www.smallbiz.nsw.gov.au/makingit	Western Sydney Manufacturing Week
www.smallbiz.nsw.gov.au/wib	Women in Business
www.smallbusiness.nsw.gov.au	Small Business (alt URL)
www.smallbusinessmonth.nsw.gov.au	Small Business Month
www.spinalinfo.nsw.gov.au	Making Connections website
www.techshowcase.nsw.gov.au	Australian Technology Showcase (alt URL)
85 regional tourism consumer web sites	Various Regional Tourism Organisations, Visitor Information Centres and Local Councils

Department reports to Government included:
 – Information Management and Technology Strategic Plan

Appendix 14

Internal Audit Bureau

The Internal Audit Bureau is contracted by the Department to provide internal audit services and other special reviews. Audit activities are undertaken in accord with an agreed audit plan.

Recommendations arising from reviews are considered by management and implemented as appropriate.

Tourism NSW internal audit services were prepared under a contract for services that the former Department of Tourism, Sport and Recreation held with Deloitte Touche Tohmatsu.

Appendix 15

Land disposal

The Department, through the Ministerial Corporation for Industry, has responsibility for an industrial land bank that consists of sites located at Berkeley Vale (one site) and Albury (two sites). This stock of land is maintained for industrial development purposes. The Albury land is subject of a Joint Venture Operation with the Albury Wodonga Development Corporation.

During 2005-2006, contracts for the sale of two of the Albury Wodonga Joint Venture Operation sites were settled for a total contract value of \$155,000. The remaining two Albury sites are on the market for sale.

The Berkeley Vale site is currently subject to a contract for sale.

Appendix 16

Major assets

Major assets used by the Department include:

- Wide Area Network, incorporating desktop computers, laptops and other computer equipment including servers, modems, routers and printers
- improvements to leasehold premises
- photocopiers
- office furniture and equipment including a large range of audiovisual equipment.

Major asset additions during 2005-2006 included fit-out to the Department's new CBD accommodation in the MLC Centre, upgrades to the Department's computer network, the essential replacement of office equipment and digital telephone systems.

Appendix 17

Major works in progress

During the reporting year, the Department did not manage any major works.

Appendix 18

Overseas Travel

Name of Officer	Country Visited	Period of Travel	Purpose
Loftus Harris Warwick Glenn Eric Cantwell	UAE	8-14 July	Trade and investment mission
Kevin Simmonds	Canada	15 July-4 August	2005 World Masters Games
Oton Wu (HK)	Australia	1-5 August	Tourism promotion
Kate Strange (NZ)	Australia	11-14 August	Market familiarisation
John O'Neill	Germany	18-24 August	World Youth Day 2005
Kevin Simmonds	Japan	30 August-5 September	FISA World Rowing Championships
Brad Fitzmaurice (UK)	Germany	6-8 September	Meeting of Australian investment agencies
Rebecca Avent (NZ)	Australia	9-11 September	Market familiarisation
Ian Cameron	Singapore, India	13-23 September	Travel mission
Grace Tay (Singapore) Tan Siew Hoon (Singapore)	Australia	2-6 October 3-9 October	Sydney workshop
Brad Fitzmaurice (UK)	Netherlands, Germany	3-6 October	Australian Skilled Migration EXPO
Catriona Fraser	France, UK	7-13 October	Fashion promotion Brief UK PR agency
Warwick Glenn	India	20-28 October	Trade and investment mission
Kate Strange (NZ)	Australia	4-7 November	Market familiarisation
Rebecca Avent (NZ)	Australia	10-13 November	Market familiarisation
Angela Chong (HK)	Australia	13-16 November	Market familiarisation
Michael Dowson	Dubai	13-21 November	"Big 5" exhibition
Steven Kerlander Lorna Whitwell (UK)	Germany	13-22 November 15-18 November	Medica 2005
Meiling Chan (HK)	Australia	17-29 November	Market familiarisation
Sarah Austin (UK)	Australia	18-29 November	Corroboree Down Under
Tom McAlary	Taiwan, China	19-25 November	Business migration promotion
Oton Wu (HK) Takako Saito (Japan) Kate Strange (NZ) Tan Siew Hoon (Singapore) Russell Mills (UK) Irene Morgan (US)	Australia	23 November-3 December 23 November-7 December 24 November-2 December 24 November-2 December 26 November-6 December 26 November-18 December	New South Wales Tourism Awards
Ian Cameron	New Zealand	18-22 December	Strategy meeting
Loftus Harris David McGeachie	USA	14-20 January 18-25 January	Australia Week in LA
Takako Saito (Japan)	Australia	21-Current	Temporary appointment
Takeshi Teramoto (Japan)	Australia	31 January-6 February	Japan Australia Action Group
Takako Saito	Japan	16-27 February	Japan Australia Mission
Sally Williams	UAE, Bahrain	2-11 March	Trade and investment mission
Catriona Fraser	Hong Kong	3-5 March	Royal Easter Show promotion
Lorna Whitwell (UK)	Germany	7-9 March	CeBIT
Brad Fitzmaurice	Switzerland	7-9 March	Trade and investment mission
Brad Fitzmaurice	Sweden	23-24 March	Trade and investment mission
Oton Wu (HK)	Australia	11-18 March	Market familiarisation
Loftus Harris David McGeachie	Japan	14-17 March	Trade and investment mission
Angela Chong (HK)	Australia	20-28 March	Market familiarisation
Renato Rispoli	Singapore	22-27 March	Singapore Fashion Festival
Takeshi Teramoto (Japan)	Australia	26 March-2 April	Market familiarisation
John O'Neill	USA	29 March-2 April	Qantas inaugural Sydney-San Francisco flight
Phil Coles	Korea	31 March-7 April	Sport Accord Conference
Michael O'Sullivan	UK, USA	31 March-14 April	Olympics conference London Bio 2006 Chicago
Kevin Simmonds	Korea	1-7 April	Sport Accord conference

Appendix 18

Overseas Travel (cont'd)

Name of Officer	Country Visited	Period of Travel	Purpose
Oton Wu (HK)	Australia	2–8 April	Market familiarisation
Jan Ross	Singapore, Malaysia, Thailand	2–13 April	Asian Aviation Routes Conference
Malcolm Lemaire	New Zealand	3–6 April	Trade and investment mission
Leanne Joyce Kerry Doyle Dr Roseline Yardin	USA	3–15 April 6–14 April 7–14 April	Bio 2006
Loftus Harris	UK, Italy, France	4–12 April	Trade and investment mission
Helen Marinic	New Zealand	5–12 April	Oztalk
John O'Neill	Thailand	21–27 April	PATA Annual Conference
Robyn Faber	Singapore	23–28 April	Food & Hotel Asia exhibition
Warwick Glenn David Street	India	23–29 April	Trade and investment mission
John Grady David McGeachie	Japan	26–29 April	Closure of Tokyo office
Ian Cameron	UAE, Kuwait, China	30 April–17 May	Arabian Travel Mart Gulf Countries Roadshow
Jon Mason	USA	7–15 May	Electronic Entertainment Exposition (E3)
Tom McAlary	Hong Kong, Philippines	12–19 May	Business and skilled migration promotion
Christina Leong (Singapore)	Australia	12–20 May	Market familiarisation
Geoff Clarke	Vietnam	21–27 May	Trade and investment mission
Lyndel Gray	Japan	29 May–3 June	Japan Industry Monitoring Group
Jan Ross	Germany, UK	29 May–10 June	Co-op marketing meetings
Dr Roseline Yardin	Italy	12–22 June	AusBiotech 2006 conference
Rebecca Avent (NZ)	Australia	16–18 June	Market familiarisation
Oton Wu (HK) Russell Mills (UK) Takeshi Teramoto (Japan) Meiling Chan (HK) Tan Siew Hoon (Singapore) Irene Morgan (US) Christina Leong (Singapore) Kate Strange	Australia	12–29 June 12 June–11 July 13–21 June 13–22 June 14–21 June 14 June–15 July 16–20 June 18–28 June	Australian Tourism Exchange
Kevin Simmonds	Germany	16–24 June	FIFA World Cup
Grace Tay (Singapore)	Australia	19–28 June	Market familiarisation

Appendix 19

Payment of accounts

During 2005-2006, the Department maintained a policy of ensuring payment of accounts by the due date and took advantage of discounts where possible. The Department contracts the Central Corporate Services Unit (CCSU) to process payments in accordance with the Department's accounts payment policy. There were no instances during the year where interest was paid for late payment of accounts.

Performance Indicators and Target Levels

Aged analysis at the end of each quarter

Quarter Ended	Current (due within due date) \$	Less than 30 days overdue \$	Between 30 and 60 Days overdue \$	Between 60 days and 90 days overdue \$	More than 90 days overdue \$
September	880,289	46,638	7,251	–	–
December	79,521	595	402	–	–
March	1,150,604	–	–	–	–
June	702,653	–	–	–	–

Accounts paid on time within each quarter

Quarter Ended	Target %	Actual %	\$	Total Amount Paid \$
September	95	94	18,978,470	21,750,052
December	95	90	18,925,839	21,799,683
March	95	94	22,275,264	27,151,932
June	95	95	69,981,176	72,444,460

Action taken to improve payment of accounts on time

The percentage of accounts paid on time by quarter is considered reasonable in comparison to target.

The statistics disclosed in the above tables include account payment data for Tourism NSW, the Major Events Unit and the Office for Science and Medical Research, which were added to the Department in March 2006. In the period after the amalgamation to the Department and up to 30 June 2006, account processing services for Tourism NSW were provided by its former corporate services provider. The Office for Science and Medical Research was an existing client of the CCSU.

In conjunction with the Department's account processing service provider, the Department continues to examine procedures to improve account payment performance. With the movement of Tourism NSW to the CCSU service, it is anticipated that having all account payments processed by the one provider will ensure tighter control. To improve future performance, greater emphasis will be placed on enhancing electronic processing of invoices, together with increased use of purchase orders for recurring payments.

The 2006-2007 target for the percentage of accounts paid on time is to be maintained at 95 per cent.

Appendix 20

Privacy and personal information

The Department's Privacy Policy Statement and Privacy Management Plan were updated to incorporate legislative changes and contact information. These publications are available to all staff internally via the Department's intranet site and publicly available through the Department's main website www.business.nsw.gov.au.

The Department ensures the protection of the privacy of individuals through the ongoing privacy awareness training provided to staff. The Privacy Officer and the Privacy Resource Officers continue to be available to advise on privacy issues. The Communications Unit reviews printed and electronic newsletters prepared by the Department, in relation to the inclusion of privacy statements.

The Department was not required to undertake any internal reviews of the conduct of any officers in the Department, concerning privacy matters, during the reporting year.

In the coming year, the Department will continue to include privacy information in training programs for staff at two levels:

- induction programs for new staff
- management development programs for senior management.

Appendix 21

Publications and promotional material

Corporate publications

Annual Report 2004-2005
Doing Business in NSW
NSW Competitiveness Report 2006
NSW Trade and Investment (Japanese)
NSW Trade and Investment (Chinese)
Trade and Investment Centre Information flyer

Investment Division

Bring your talents to Regional New South Wales
Business Migration Doing Business in NSW (English and Chinese)
Business Migration (English and Chinese)
Business Owner (permanent) 892
Business Owner (provisional) 163
Financial Services – Growth Industry Profile
Living in NSW
NSW – First for Food and Beverage Processing
NSW – First for Manufacturing
NSW wants your expertise in pharmaceuticals and biotechnology
NSW wants your ICT expertise
New South Wales welcomes business migrants
Regional NSW Contact Centres – the Smart Choice
Sydney – A global city for the world of Business
Sydney and NSW: First for Information and Communications Technology
Sydney, Australia – Financial Services
Sydney Digital Media Hotspot
Sydney – Major Projects Unit
Sydney, NSW Analytics – India and New South Wales in partnership
Sydney, NSW – First for Foreign Exchange
Sydney, NSW – First for Funds Management
Sydney, NSW – First for India
Sydney, NSW – First for International Contact Centres
Sydney, NSW – First for Shared Services
Sydney wants your finance expertise
Sydney welcomes your expertise

Industry Division

ATS Health Technology exhibition booklet
ATS Patrons Award Booklet
Australian Technology Showcase Snapshot e-newsletter Australian Technology Showcase – where Australian innovation meets the world
AusBiotech 2006 Flyer
Beijing Olympics brief, newsletter
Biotechnology online Directory
Biotechnology e-newsletter, online
Biotechnology events email (monthly)
First for Aquaculture – Industry directory 2004, published 2004
First for Aquaculture – published 2004
Food Industry NSW – 2005-2006 Directory
FoodBytes – e-newsletter (ten issues in 2005-2006)
Information and Communications Technology: growth industry profile
Medica 2005 Exhibition Guide
NSW First for Aquaculture – case studies
NSW First for Aquaculture – investment brief
NSW First for Planted Forests
NSW Sports Capability Brochure
NSW Wine and Food map
Success Story: BTF Pty Ltd
Success Story: Cellabs Pty Ltd
Success Story: ObjectiVision
Success Story: Portland Orthopaedics
Success Story: Protech Research
Success Story: Ultraceuticals Pty Ltd
Success Story: Vast Audio
Success Story: Vertical Orthotics
Sydney and New South Wales: First for Life Sciences
Western Sydney IT Cluster – Members Update – email (weekly)
Western Sydney IT Cluster bi-monthly e-newsletter (5 issues)
Western Sydney IT Cluster – Working Together for Mutual Benefit flyer on membership and benefits
Western Sydney IT Cluster – Online Members Capabilities Directory
Western Sydney IT Cluster – 2005 Calendar of Forums, Workshops and Special events
Western Sydney IT Cluster new website

Regional Development

Community Economic Development Conference brochure and handbook 2005
Community Economic Development Success Story – Coolamon
Community Economic Development Success Story – Engaging business
Community Economic Development Success Story – Snowy River
Filming in Regional New South Wales, Australia
Funding Business Growth
Growing Success in Cooma
Main Street Small Towns Success Story – Mayfield
Merrima Small Towns Growth Strategy
NSW Payroll Tax Incentive Scheme brochure
Putting regional NSW on the menu
Regional Call Centres
Regional Capital Raising Program (pdf)
Regional Development Success Story – Greater Taree
Regional Distribution Centre Attraction Strategy flyers – Goulburn, Tamworth, Albury, Central Coast
Regional Film Tour flyer 2005
Regional Food Tour 2006
Right place at the right time – developing distribution hubs in regional NSW
Small Town – Big Growth
Strong Regions, Strong Future
Towns and Villages Futures Success Story – Milparinka
Your community – your future

Small Business Development Division

Aboriginal Business Newsletters (pdf)
Aboriginal Business Success Stories
– Murrin Bridge Wines
– Clarence Valley Aluminium and Steel
– Muru Mittigar Aboriginal Cultural and Education Centre
Better Solutions, Better Results (pdf)
Brief on Business Networks (pdf)
Brief on e-commerce (pdf)
Brief on Finance for Small Business (pdf)
Brief on Information Technology (pdf)
Business Advisory Services flyer
Business Advisory Services Banner Bug
Business Advisory Services small poster
Business in NSW (pdf)
Business Planning – Fact Sheet
Business Security – Fact Sheet
Business Structure – Fact Sheet
Buying a Business – Fact Sheet
Cleaner Production Self Help Tool (pdf)
Client Service – Fact Sheet
Commercial Leases – Fact Sheet
Debt Recovery – Fact Sheet

Appendix 21 (cont'd)

Small Business Development Division (cont'd)

Directory of Aboriginal Business & Employment Programs (pdf)
Directory of business services for Aboriginal People (pdf only)
Electronic Commerce – Fact Sheet
Employment Conditions – Fact Sheet
Exporters Network registration (pdf)
Exporting Newsletters (pdf)
Exporting Success Stories
– Intensive Reading Programs Pty Ltd
– Metz Pty Ltd
– Waterman AHW
Getting Started – Fact Sheet
Getting the Most from Advisers – Fact Sheet
Guide to Business Planning (pdf)
Guide to Developing Aboriginal Business
Helping People to Start, Manage and Grow Their Business
Home Based Business Action Program
Home-based Business Action Programs (pdf)
Home-based Business Success Stories (webtext)
– Fiona Weigall, Health and Safety Matters
– Liama Karklins, Events at Large
– Robyn Inglis, Live Free Gluten Free Mixes
Independent Market Visit Program
Information Technology Success Stories
– e-plants.com.au
– Kann Finch
Innovation Advisory Service – Help With Your Bright Ideas
Innovation Clusters Program
Innovation Success Stories (webtext) – Taylors Doors and Frames
Insurance – Fact Sheet
Insurance Finder Categories (pdf)
Intellectual Property – Fact Sheet
International Trade Missions and Market Visits Program, July 2005-June 2006
Manufacturing in Western Sydney
Marketing – Fact Sheet
NSW Clusters for Business Newsletter
Pricing and Costing: managing for a profitable business (CD-ROM)
Quick Guide to Small Business Services (pdf)
Raising Finance – Fact Sheet
Risk Management Guide
Securing Our Manufacturing Future (pdf)
Services Exports Toolkit (CD Rom)
Smallbiz e-news (pdf)
Small Business Banking Issues and Statistics (pdf)
Small Business September Calendar
Small Business September Update (email)
Stepping Up – Helping your small business grow
Stepping Up Mentor Application and Brochure (pdf)
Stepping Up: Contractor Information Pack
Surviving in Business – Fact Sheet

Taxation – Fact Sheet
Western Sydney Manufacturing Week 2005 Calendar
Western Sydney Manufacturing Week 2006 Calendar
Western Sydney Update (email)
Winning Exports Guide (pdf)
Women In Business Growth Strategies Workshop Programs (pdf)
Women In Business Mentor/Mentoree application forms (pdf)
Women In Business Participant Notes (pdf)
Women in Business – 2006 Women in Business Programs
Women in Business – 2006 Growth Strategies Workshops (February–June)
Women in Business – 2006 Growth Strategies Workshops (July–December)
Women in Business – 2006 Mentor Program
Women in Business – 2006 Regional Program
Women in Business Success Stories
– Paro Paru Shells
– Oh de Toilette
– Pat’s Place Coffee Lounge
Women in Manufacturing (DL Flyer)

Retail Tenancy Unit

Retail Leases Amendment Act 2005 brochure
Retail Tenants Guide
RTU – Dispute Resolution Kit

Tourism NSW

100 Years of Tourism Book
Aboriginal NSW Product Manual
Annual Report 2004-2005 (Department Tourism, Sport and Recreation)
Autumn in Sydney magazine
Destination Development Toolkit (Start Smart)
Indigenous Principles brochure
Lord Howe Island NSW Holiday Planner
North Coast of NSW Holiday Planner
NSW Tourism Awards program and winners book
Regional Events Calendar
Sydney Summer “Spotlight” magazine
Sydney Summer “Uncovered” magazine
Wine & Food brochure / map
World Masters Games brochure

The Office for Science and Medical Research

Annual Report 2004-2005
Challenge and Change – Report of the Independent Review into the Cancer Council
Inter-Jurisdictional Forum – Towards timely, efficient and effective review of multi-centre clinical trials
Making Connections promotional postcard
National Clinical Research Forum “Removing the Barriers” Background and Outcome Papers 7 June 2005
NSW commissioned by the Hon. Frank Sartor MP – August 2005
Positioning NSW as a Global Centre for Science, Technology and Medical Research: A Re:Connections forum flyers and program
Report from Consultations and Workshops Conducted by ATP Innovations on behalf of the Ministry for Science and Medical Research
Report of the Making Connections “Future Directions” Workshop
Science EXPOsed flyers and program
The State of Research: The 2006 Health and Medical Research Directory; (Book, CD and Interactive Website)
The State of Research: The 2006 Science Directory; (Book, CD and Interactive Website)

Appendix 22

Research and development

Throughout 2005-2006, the Department continued to provide funding support to the Hunter Valley Research Foundation and the Illawarra Regional Information Service. Each organisation received funding for the provision of regional information services which assist the Department's regional investment attraction efforts in the two regions. These services include data on the Hunter and Illawarra economies, business conditions, the labour market and other information relevant to the regions, and are highly valued by the Department and its clients in the business and investment communities.

Tourism NSW continued to provide research funding for a range of studies and surveys to support the activities of the Division. During the year, funding was provided for:

- National and International Visitor Surveys by Tourism Research Australia
- Regional and International data snapshots
- Sustainable Tourism Cooperative Research Centre projects
- Insights workshops.

The Office for Science and Medical Research provided funding to NSW research and development through a range of programs including:

- Medical Research Support Program
- NSW BioFirst Awards
- The NSW Converging Technologies Program
- BioLink
- Spinal Cord Injury & Related Neurological Conditions Research Grants Program.

Further information on these programs is included in Appendix 10 – Grants to Non-Government Organisations.

Appendix 23

Risk management and insurance

Risk management

The Department regularly reviews and updates its risk management policy. This enhances the achievement of the Department's objectives and service delivery through more effective staff involvement in applying risk management techniques and incorporating risk management into their daily responsibilities.

Insurance activities

The Department is insured through the Treasury Managed Fund, a self insurance scheme administered by the GIO and Allianz Australia. The coverage provided by the scheme is all inclusive, and policies are held for Workers Compensation, Commercial Motor Vehicles, Property, Miscellaneous and Public Liability.

A summary of claims paid by the Managed Fund during the 2005-2006 financial year follows:

Policy	No of Claims	Amount Paid \$	Reserve Balance \$	Recovered to date \$	Net Incurred \$
Workers Compensation	24	19,759	15,067	-	34,826
Motor vehicles	14	77,183	4,738	19,634	62,287
Property	2	45,928	15,642	-	61,570
Public Liability	1	10,704	-	-	10,704
Miscellaneous	1	590	-	-	590
Total	42	154,164	35,447	19,634	169,977

Appendix 24

Senior Executive Service (SES)

Each SES Officer develops an annual performance agreement which sets out their principal responsibilities and tasks for the year. Each SES Officer undergoes a formal assessment with the Director General of their outcomes against the performance agreement. The assessment also takes into account their personal contribution to achieving overall corporate objectives.

Senior Executive Service Officers as at 30 June 2006.

Name	Sex	Position Title	Level
Loftus HARRIS	M	Director General	7
John O'NEILL	M	Executive Director and General Manager, Tourism	4
Michael CULLEN	M	Executive Director, Regional Development Division	3
Warwick GLENN	M	Executive Director, Investment Division	3
Lyndel GRAY	F	Director, Strategic Operations, Tourism NSW	3
Michael O'SULLIVAN	M	Executive Director, Industry Division	3
Janine RICKETTS	F	Executive Director, Policy and Resources Division	3
Julie SCOTT	F	Executive Director, Small Business Development Division	3
Catriona FRASER	F	Director, Group Communications, Tourism NSW	2
Maree GLEESON	F	Director, Medical Research, OSMR	2
Leanne JOYCE	F	Director, Communications	2
Pauline MURPHY	F	Director, Policy and Special Projects	2
Derek VAN DYK	M	Director, Science Research, OSMR	2

Number of executive positions at each level	2004-2005	2005-2006
Level 1	0	0
Level 2	1	5
Level 3	5	6
Level 4	-	1
Level 5	-	-
Level 6	-	-
Level 7	1	1
Female executive officers		
Level 3	1	3
Level 2	1	4

Appendix 24 (cont'd)

Performance of SES officers Level Five and above

Name: Loftus Harris

Position: Director General

SES LEVEL: 7

Remuneration: \$358,838

Period of Review:

1 July 2005–30 June 2006

The Minister for State Development advised that Mr Harris met the performance criteria established for the position of Director General of the Department of State and Regional Development.

Specific achievements included:

- leading the amalgamation of the Department following the addition of Tourism NSW, the Major Events Unit and the Office for Science and Medical Research to the Department of State and Regional Development
- hosting the Forbes CEO Global Conference held in Sydney in August/September 2005
- leading the *NSW We Mean Business* promotional campaign
- developing and implementing strategies to attract international investment in NSW, specifically in the emerging markets of China and India
- implementing the *NSW Science Leveraging Fund* as announced by the Premier in his February 2006 Financial and Economic Statement
- managing the enactment of the *Retail Leases Amendment Act 2005* and the implementation of the *Retail Bond Scheme*
- facilitating the Small Business Regulations Review Taskforce as announced by the Premier in January 2006
- overseeing and implementing the NSW Government's *Drive for Talent Program* which aims to attract skilled individuals from overseas and interstate to live and work in New South Wales
- significant investment agreements with private sector firms in aerospace, defence, manufacturing and financial services which have resulted in economic benefit for the State
- continuation of effective overseas business missions to promote the State economy and put New South Wales exporters in direct contact with overseas clients
- managing and conducting negotiations with major film and digital media companies to support production and post-production expansion in NSW
- assessing the opportunities from a range of Free Trade Agreements for NSW
- ongoing promotion and support for small businesses in NSW including Aboriginal businesses
- ensuring the provision of quality services and support from the Department to the Minister for State Development, Minister for Regional Development and Minister for Small Business, Minister for Tourism and Minister for Science and Medical Research
- establishing and implementing processes to ensure the Department operated within its resource limitations.

Appendix 25

Significant committees membership

Name	Committee
Loftus Harris	National ICT Australia (NICTA) – representative member; Commonwealth Standing Committee on Regional Development; NSW Industry Capability Network – represent Minister for State Development; Small Business Development Corporation; State Inter-Agency Greenhouse Network; NSW Wine Industry R&D Advisory Council; Employment Lands Taskforce; CEO Metropolitan Strategy Committee; NSW Vice Chancellors' Strategic Initiatives Group; Small Business Regulation Review Taskforce; Premier's Business Roundtable; CEOs' Economic Development Forum; CEOs' Network; Chief Executives' Committee; State and Territory CEOs' Forum; NSW Information Industry Advisory Board; Hunter Advantage Fund Assessment Committee; Illawarra Advantage Fund Assessment Committee; Joint Consultative Committee; NSW Major Events Board
John O'Neill	Australian Standing Committee on Tourism (ASCOT); Australian Tourism Awards Management Board; Australian Tourism Data Warehouse Pty Ltd Board; Local Government and Shires Association Tourism Committee; National Tourism and Aviation Advisory Committee; Northern Rivers RTO Board; Snowy Mountains RTO Board; State Tourism Offices Chief Executive Officers Forum; Sydney Convention & Visitors Bureau Board; Tourism Industry Forum (Chair)
Janine Ricketts	State Contracts Control Board; DSRD Audit and Review Committee; NSW Property Council Economic Development Committee; Department of Commerce Central Corporate Services Unit Client Senior Officer Group; COAG Skills Recognition Steering Committee
Warwick Glenn	DSRD Audit and Review Committee
Michael O'Sullivan	Commonwealth, State and Territories Advisory Committee on Innovation; DSRD Audit and Review Committee, The Bandwidth Foundry, Australian Synchrotron Research Program
Michael Cullen	Illawarra Advantage Fund Assessment Committee; Hunter Advantage Fund Assessment Committee; DSRD Audit and Review Committee
Julie Scott	Small Business Ministerial Council Officials Standing Committee; Small Business Development Corporation; Indigenous Economic Development Cluster Committee; DSRD Audit and Review Committee; GROW Area Consultative Committee; GROW North Sydney 2010 Committee; Redfern Waterloo Authority Employment and Enterprise Committee; Welding Technology Institute of Australia Steering Committee; Regulation Reduction Taskforce
Lyndel Gray	Illawarra RTO Board; Japan Industry Monitoring Group; Korea Action Plan Implementation Group; OH&S Workplace Committee
Leanne Joyce	National Marketing Group conducted by Invest Australia
Catriona Fraser	Hunter RTO Board; Wine Australia 2004; Wine Australia Steering Committee 2006; Wine Press Club Australia
Maree Gleeson	Centenary Institute of Cancer Medicine and Cell Biology, Cancer Research Advisory Committee; NHMRC National Clinical Research Steering Committee; Northern Sydney Medical Research Hub Advisory Committee; UWS Medical School Expert Advisory Group; NSW Health Reference Group on Ethical Review of Multicentre Research
Derek Van Dyk	Commonwealth, State and Territory Advisory Council on Innovation (Observer); Environmental Trust Technical Committee; Science and Innovation Advisory Panel
Elisbeth Allen	NSW Marine Parks Advisory Council
Chris Armstrong	Science and Innovation Advisory Panel; Australian Institute of Marine Technology – NSW Working Group
Keith Baker	Capital Country RTO Board; Project SCAN
John Bates	National Inbound Tourism Compliance Taskforce; NSW Backpacker Working Group; South Coast RTO Board
Mandy Bellingham	National Tourist Signposting Reference Group; Tourist Attraction Signposting Assessment Committee
Michael Betteridge	Australian Tourism Data Warehouse Pty Ltd User Group; National Online Strategy Committee
Vicki Brown	Agribusiness Committee – Hunter
Grant Burrows	Manufacture Coffs Coast Committee; Nambucca Economic Development Committee; Nambucca Vehicle Body Manufacturing Cluster Committee
Paul Butler	NSW Greenhouse Network; Energy Directions Inter-Agency Group; Review of the NSW Greenhouse Gas Abatement Scheme Inter-Departmental Committee
Perce Butterworth	Joint Consultative Committee
Ian Cameron	Sydney Melbourne Coastal Drive Committee; Destination Australia Marketing Association (DAMA)
Paul Chamberlain	Statistical Coordination and Users Forum
Lee Clarke	Australian Tourism Export Council (NSW Branch)
Les Clements	Project Control Group for Blue Mountains Cultural Centre in Katoomba; Contract Management Committee for the Acquisition of Motor Vehicles
Geoff Coleman	The Biotechnology Liaison Committee
Shane Coombe	Committee for the Marketing of Australian Biotechnology (C-MAB); Australia – New Zealand Biotech Alliance Working Group; AusBiotech NSW Branch Committee; NSW Medical Device Network Committee
Justine Cooper	Central Sydney Operations Group; Events Liaison Group
Simon Cosier	OH&S Workplace Committee
Andrew Cutbush	OH&S Workplace Committee
Barbara de Rome	National Parks and Wildlife Service, Sydney District Advisory Committee; Quarantine Station Community Committee

Appendix 25 (cont'd)

Name	Committee
Kelli Dean	Event Liaison Group; 2006 Men's Australian Open Golf Organising Committee; 2005 Canoe Slalom World Championships Organising Committee
Lynnette Dorn	Women's Development Committee
Kerry Doyle	The Biotechnology Liaison Committee; Medical Devices Industry Action Agenda
Greg Dresser	Government Business Education Network (January–June 2006)
Sally Edwards	Joint Consultative Committee; OH&S Workplace Committee
Jodie Evans	Rainforest Way Executive Committee; Visual Arts Network – Northern Rivers; Regional Co-ordination Management Group – Hunter
Roger Evans	Tourism Research Committee
Reg Fisk	Joint Consultative Committee
Jaspreet Gill	OH&S Workplace Committee
Jeff Goodchild	Cooks Cove Project Control Group
John Grady	DSRD Audit and Review Committee
Jim Grant	Riverina Murray Softwoods Working Group; Riverina Murray Private Forestry Development Committee; Albury Wodonga Land Disposal Advisory Committee; Riverina Regional Development Board's C-Change Project Steering Committee
Belinda Green	Women's Development Committee
Melissa Green	ATEC Symposium 2007 Committee; Backpacker Operators Association (BOA); DSRD/NSW Food and Wine Committee (replacement of FAWTAC), Local Government and Shires Association Tourism Conference Steering Committee
Tony Green	Illawarra Regional Airport Management Committee
Toni Hannon	OH&S Workplace Committee
Jillian Hartley	Women's Development Committee
Vikki Hine	NSW AusBiotech Branch Committee, NSW Medical Device Network Committee
Sam Hudson	Murray Campaign Committee
Pat Hutton	Joint Consultative Committee
Heather Irvine	Board of Directors of Albury Wodonga Area Consultative Committee
Susan Jansen	Senior Officers Committee on Drugs and Alcohol
Craig Jenkins	The Northern Rivers Indigenous Reference Group
Henry Johnston	OH&S Workplace Committee
Paul Judge	NSW Intensive Agriculture Consultative Committee; NSW Pork Industry Taskforce; National Food Alliance; NSW Aquaculture Taskforce; Joint Consultative Committee; National Food Industry Strategy Market Development Group
Steven Kerlander	Committee for Marketing Australian Biotechnology (C-Mab); Australia~Chile Chamber of Commerce
Sumeet Kumar	National ICT Australia Centre of Excellence Liaison Committee; Commonwealth Government's eResearch Committee; Commonwealth Government's Online Communications Council Working Group; Committee for Marketing ICT Australia (CoMICTA); Northern Sydney ICT Cluster Steering Committee; NSW Net Cluster Steering Committee
Wayne Lange	New England/North West RTO Board
Rhonda Lawrie	Southern Highlands Food and Wine Association; Southern Highlands Manufacturers Cluster; Southern Highlands Business Women's Network; Southern Highlands 2006 Business Awards for Excellence
Bill Mabey	Blue Mountains RTO Board; Regional Co-Ordination Management Group – Northern Area; Southern Cross University Indigenous Tourism Diploma Advisory Panel
Susan MacNeill	OH&S Workplace Committee
Martin Mansfield	Government Business Education Network (July–December 2005)
Carolyn Maxwell	OH&S Workplace Committee; Women's Development Committee
Natalie May	Joint Consultative Committee; OH&S Workplace Committee; Women's Development Committee
Tom McAlary	Commonwealth/State Monitoring Group on Migration to Sydney and NSW; Commonwealth/States Working Party on Skilled Migration; NSW Government Immigration Settlement Planning Committee
Barry McDonald	Country Energy South East Regional Advisory Board
Alan McGuigan	Riverina RTO Board; Local Government and Shires Association Tourism Conference Steering Committee; Tourism Industry Forum
Nigel McKinnon	Illawarra Advantage Fund Assessment Committee
Colin McLean	Australian Regional Tourism Network; Mid North Coast RTO Board; Tri State Touring Alliance
Lindy McMicking	OH&S Workplace Committee
Jennifer McNeil	Joint Consultative Committee
Michelle Miran	Shoalhaven Area Consultative Committee; Shoalhaven City Council Industry Development and Employment Committee

Appendix 25 (cont'd)

Name	Committee
Dominica Nelson	Central NSW RTO Board
Cheryl Nicholas	Event Liaison Group
Margaret O'Dwyer	Regional Co-Ordination Management Group, Southern Area
Dianne Paine	Australian Tourism Data Warehouse Pty Ltd Classifications Sub-Committee
Suzanne Pope	45 & up Study; Child and Adolescent Mental Health Planning Group
Bronte Price	Smart Internet Technology Cooperative Research Centre; Commonwealth, State and Territory Advisory Council on Innovation; Australian Research Council Centre of Excellence for Complex Dynamic Systems and Control; National Committee, Australian Technology Showcase; The Warren Centre for Advanced Engineering Major Projects Committee
Alok Ralhan	National Executive of Small Business Agencies; Small Business Ministerial Council Standing Committee of Officials; Australian Bankers Association Small Business Forum
Renato Rispoli	Event Liaison Group; Central Sydney Operations Group
Karen Robertson	Women's Development Committee
Jan Ross	Central Coast RTO Board, Destination Australia Marketing Association (DAMA)
Susan Rowe	Hunter Community Renewal Scheme Directions Committee
Sue Ryan	Ballina Shire Economic Development Unit Management Board; Clarence Valley Economic Development Management Committee; Richmond Valley Economic Development Committee
Tony Sansom	Hunter Advantage Fund Assessment Committee; Upper Hunter Economic Forum; Lower Hunter Economic Forum; Hunter Regional Co-ordinator's Management Group; Central Coast Regional Co-ordinators Management Group
Caroline Seagrove	Australian Centre for Event Management
Carol Shaw	OH&S Workplace Committee
Robert Sidford	Secretariat for the Economic Development Executives Group, Broken Hill
Kevin Simmonds	Event Liaison Group (Chair); Central Sydney Operations Group; Central Sydney Operations Group Executive Committee; Sydney 2009 World Masters Games – Policy Review Committee; 2005 Canoe Slalom World Championships Organising Committee
Wayne Sonter	Joint Consultative Committee
Mangala Srinivasan	OH&S Workplace Committee; Women's Development Committee
Sarah Stevenson	Australian Society of Travel Writers
Christine Stewart	Joint Consultative Committee
David Street	OH&S Workplace Committee
Allen Treanor	Senior Trade Officials Group; National Manufacturing Forum; NSW Sustainable Development Network; NSW Government Interagency Working Group on Mobile Telecommunications
Rowena Tucker	NSW Health Capacity Building Infrastructure Grants Program Review Panel; Westmead Research Hub Council; Grants Assessment Committee for the Spinal Cord Injury & Related Neurological Conditions Research Grants Program; OSMR; Spinal Exchange Program Advisory Group
Kerrie-Ann Watson	PSA Committee
Jane Wightman	Australian Wine Tourism Alliance
Susan Wild	Sydney Unique Venue Association
Patricia Wilkinson	Outback RTO Board; Regional Co-Ordination Management Group–New England/North West; Regional Co-Ordination Management Group–Riverina; Regional Co-Ordination Management Group – Western Area
Trevor Wilson	Tweed Heads CBD Project Facilitation Team
Susie Wilson	Australasian Spinal Cord Injury Network Steering Committee
Julie Yeoh	Women's Development Committee

Significant committees abolished

National Clinical Research Forum Committee

Child and Adolescent Mental Health Planning Group convened by the Centre for Mental Health, NSW Health University Western Sydney Medical School Expert Advisory Group

Appendix 26

Waste Reduction and Purchasing Policy

Commitment to reduce waste sent to landfill

The Department is committed to meeting the NSW Government's waste reduction goals through the active management of waste disposal schemes and the mandatory use of recycled products.

Following the addition to the Department of Tourism NSW, the Major Events Unit and the Office for Science and Medical Research, the Department has implemented a centrally managed system of bulk ordering paper and envelopes for its head office, using only recycled content paper. It is anticipated that this will result in reduced waste and a further increase in the amount of recycled content paper used.

Consumables purchased and publications produced

During 2005-2006, the Department purchased, produced and distributed a total of 32,296 kilograms of paper. General use paper such as A4 and A3 white represented 65 per cent of this amount (20,992kgs) of the total, while publications represented the balance. Eighty two per cent of the general use paper had a recycled content, while approximately half of the Department's publications (46 per cent) were printed on recycled content paper.

Reducing the generation of waste

The majority of the Department's staff are now located within its new corporate headquarters in the MLC centre. As part of the refurbishment, recycling facilities were given priority in the design so recycling would be a high profile when staff disposed of waste. In addition the Department was able to consolidate the number of office machines into common areas. The majority of office machines are now capable of double sided printing.

The Department is also avoiding waste by reducing the total number of office machines. This decreases waste by reducing the amount of consumables required to maintain these machines.

Resource recovery

During 2005-2006, the Department purchased 266 printer toner cartridges. Of these, 70 per cent were recycled using RTS Imaging's recycling service.

Use of recycled material

The Department's purchasing policy requires business units to purchase general use paper with a recycled content and to purchase recycled toner cartridges wherever possible.

In the Department's new head office, all paper is purchased centrally to ensure all paper supplied contains recycled content. It is anticipated that this will result in significant savings in paper used, particularly for envelopes, as each unit will now maintain a minimum stock rather than ordering divisional supplies which can often be superseded before stocks have been fully used.

Appendix 27

Workers compensation and occupational health and safety

The Department continued to focus on providing a safe and healthy working environment for its staff. The Department's main goal is to prevent accidents and injuries through the systematic identification and control of hazards in the workplace and in work practice. Where a work related injury, incident or illness has occurred, the Department ensured the correct injury/incident management, reporting, investigation, and review procedures were followed and that employees were provided with appropriate training.

Achievements for the year included:

- quarterly meetings of the Department's OH&S Committee
- OH&S and Workers Compensation training including advice and procedures about the implications of legislation provided for supervisors and managers
- training on office ergonomics
- ongoing provision of individual workplace assessments for staff as required
- free flu vaccinations for staff
- training and appointment of First Aid Officers as required

- monitoring of OH&S Policy and Plan
- monitoring of Workers Compensation reports and procedures
- regular reviews with Allianz Australia
- comprehensive management of Workers Compensation claims and return to work program
- regular contact with staff and managers in the Workers Compensation claims process
- improved follow up of ergonomics assessments
- review of the five key improvement targets outlined in the Working Together: Public Sector OHS and Injury Management Strategy 2005-2008
- OH&S inspections of remote work locations
- in 2005, prior to the transfer, a working party was formed to facilitate the development of an Occupational Health and Safety and Injury Management Strategic Plan for the then Department of Tourism, Sport and Recreation. The working party developed an Occupational Health and Safety responsibilities document and a suggested approach to the Occupational Health and Safety and Injury Management Plan's development and implementation. These were referred to the Corporate Services Steering Committee of the Department of Tourism, Sport and Recreation for endorsement
- the Tourism NSW Occupational Health and Safety Workplace Committee was reconstituted and new members to the Committee attended training conducted by St John's Ambulance in addition to a First Aid audit.

The Department's Workers Compensation portfolio was transferred to Allianz Australia, effective 1 July 2005. The transitional arrangements included a handover claims review with GIO, the previous Funds Manager and a separate review with Allianz Australia. The Department continues to conduct quarterly reviews with Allianz Australia.

During the reporting period 19 new claims were lodged by the expanded Department. All claims notified were classified as non-significant, resulting in less than 22 days time lost from the workplace.

There were no WorkCover prosecutions during the reporting period.

Staff Support Services

The Department continued its sponsorship of the *Employee Assistance Program (EAP)* that provides a 24-hour, seven day a week, independent counselling service available to staff and their family members. The program provides assistance through a network of qualified counsellors to support staff through a variety of problems that may be home or work-related.

The Department continued to recognise and support the need for its staff to balance home and work responsibilities by providing flexible work options.

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Other Annual Report requirements

Total Cost: report preparation	\$44,035
Materiality	Complies
Table of contents	Complies
Logical sequence	Complies
Appropriate layout	Complies
Legibility	Complies
Appropriate captions	Complies
Size ISO A4	Complies
Extension of time granted	None
Exemptions from provisions of Act	None
Distribution to Parliament	Complies
Availability to the public	Complies
Price determinations	None
Delays to programs	None significant
Economic factors affecting achievement of objectives	None significant
Major problems and issues	None significant
Matters that could impact on the succeeding year	None significant

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