

# Tourism NT

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
<b>Output Group</b>		
Tourism	42 136	42 535
<b>Total Expenses</b>	<b>42 136</b>	<b>42 535</b>
<b>Appropriation</b>		
Output	39 172	39 331
Capital	77	77
Commonwealth		

**2009-10 Staffing: 95**

## Agency Profile

Tourism NT markets and influences the development of the Northern Territory as a competitive tourism destination for the continuing benefit of Territorians. Tourism NT works with the:

- tourism industry – to market the Territory interstate and overseas as a leisure and business tourist destination and to facilitate appropriate tourism development; and
- travel industry – to influence and coordinate partnerships with wholesalers, retail agents and airlines to facilitate the sale of the Territory's tourism product.

Strategic issues facing the agency in 2009-10 are:

- maximising opportunities from the current economic situation, which may see renewed interest in domestic travel by Australians, potentially including self-drive holidays, and reduced skill shortages in some areas of the tourism industry;
- continuing to attract business tourism events such as conferences to the Territory, in light of expected reduced profitability for organisers in the short term and increased competition between destinations;
- managing partnerships with airlines during a period of continual change within the aviation industry;
- rapid change in the way tourism products are distributed, notably the shift towards consumers using technology to find out about experiences offered by destinations and to book online in real time;
- a growing consideration of environmental and other sustainability factors in the decision-making process of travel consumers;
- increasing demand for authentic Indigenous tourism experiences; and
- change in booking patterns (duration of trip, lead times and tendency toward single destinations) as a result of time pressure, the developing low-cost carrier aviation scene and consumers holding off waiting for the best deal.

## Budget Highlights

During 2009-10, in response to the global financial crisis, Tourism NT will focus on stimulating demand for Territory tourism experiences and supporting local tourism businesses through:

- \$9.3 million (over two years: 2008-09 and 2009-10) for a Tourism Stimulus Response package for the local tourism industry, including in 2009-10:
  - \$2.2 million for contingency marketing campaigns in selected markets, initially focusing on the domestic market and promoting Darwin as a gateway opportunity in Asia. Tourism NT will work with national trade and local industry partners to bolster efforts to convert consumer interest into actual travel to the Territory;
  - \$0.4 million to assist up to 30 operators to improve their business operations with specialist advice from consultants for business plans, mentoring, suggestions for operational improvements etc;
  - \$0.35 million to develop and attract investment in themed experiential accommodation in key locations throughout the Territory (e.g. wilderness lodges in regional national parks) including identification of iconic sites and undertaking pre-feasibility studies;
  - \$0.12 million to fast-track the Going Green program to assist businesses to implement initiatives that will improve their 'green' credentials and reduce operating costs; and
  - \$90 000 in tourism accreditation fee subsidies by offering a \$200 reimbursement per operator to assist businesses with the cost of participating in a tourism accreditation program.
- \$2.25 million towards a global Kakadu marketing campaign stimulating demand for holidays in the Top End and promoting access through Darwin;
- \$2.1 million towards a global Red Centre Way (Get CeNTred) marketing campaign leveraging from the National Landscapes program and stimulating demand for holidays in Central Australia;
- \$1.6 million to build on Indigenous peoples' interest in tourism by developing new products from emerging Indigenous entrepreneurs, with the aim of increasing the number of Indigenous people employed in the tourism industry; and
- \$1.57 million for aviation to increase the Territory's competitive positioning in terms of access from key source markets.

## Outputs and Performance

Output Group/Output	2008-09	2009-10	Variation
	Estimate	Budget	
	\$000	\$000	\$000
<b>Tourism</b>	<b>42 136</b>	<b>42 535</b>	<b>399</b>
Marketing	30 754	30 568	- 186
Destination Development	11 382	11 967	585
<b>Total Expenses</b>	<b>42 136</b>	<b>42 535</b>	<b>399</b>

### Key Variations

The increase in 2009-10 is mainly due to an increase in Commonwealth project expenditure offset by an expected decrease in industry participation in trade shows and joint marketing programs.

### Output Group: Tourism

Provision of services that facilitate the growth of a viable tourism industry, through marketing and development activities, to provide visitors with a quality experience and support the Territory tourism industry in remaining competitive.

The outcome is increased tourism contribution to the Territory economy and supporting regional development.

## Marketing

Positioning the Territory and its tourism products in interstate and international marketplaces through various marketing initiatives such as advertising, promotional campaigns, public relations and providing information.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Preference within interstate holiday markets to travel to the Territory <sup>1</sup>	16.7%	15.2%
	Intention within interstate holiday markets to travel to the Territory <sup>1</sup>	5.4%	5.0%
	Interstate Spirited Travellers visiting the Territory <sup>2</sup>	57%	57%
	Cooperative advertising funding with national trade partners that promotes the Territory's six priority destinations	80%	80%
	Campaigns implemented that aim to encourage visitation during non-peak seasons	50%	50%
<i>Quality</i>	Tourism NT-initiated unpaid editorial coverage generated in preferred media <sup>3</sup>	80%	80%
	Leverage gained from private sector partners through cooperative activities <sup>4</sup>	1:2	1:2
<i>Timeliness</i>	Campaigns delivered on time, within budget and to agreed objectives	95%	95%

1 Preference measures a person's preference for a particular destination which they may choose to visit within a five-year timeframe, while intention measures a person's actual intent to undertake travel to that destination. This information is sourced from Roy Morgan Research's Holiday Tracking Survey. Tourism NT estimates a fall in both measures during 2009-10 due to the current environment of low consumer confidence and a downturn in national trends over recent years.

2 Proportion of interstate holiday visitors who meet the profile of a Spirited Traveller (a traveller who seeks a cultural or environmental experience), which is the Territory's priority target in the Australian marketplace. This information is derived from Roy Morgan Research's Holiday Tracking Survey.

3 Preferred media is defined as print and electronic media that has been identified as popular among the target audience.

4 For each \$1 spent by Tourism NT on joint marketing activities, \$2 is secured from private sector partners.

## Destination Development

Facilitate the development of tourism infrastructure and products relevant to consumer demand through market research and liaison with, and provision of advice to, industry, private sector entities and government partners.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Private sector developers influenced to consider tourism infrastructure development in the Territory <sup>1</sup>	12	12
	Operators provided with advice and assistance to enhance their product delivery	310	310
	Training and workshop programs to aid the development of tourism destinations, businesses and product	30	30
	Businesses influenced to join a Tourism Accreditation Australia Limited endorsed program <sup>2</sup>	35	100
<i>Quality</i>	Indigenous Tourism Strategy milestones achieved	90%	90%
	Success in attracting business tourism events <sup>3</sup>	45%	45%
<i>Timeliness</i>	Services provided within agreed timeframes <sup>4</sup>	90%	90%

1 Private sector developers are influenced through assisting, facilitating and providing information and advice.

2 Tourism Accreditation Australia Limited (TAAL) endorsed programs in the Territory are the Australia Tourism Accreditation Program (NT), Respecting Our Culture Indigenous Accreditation Program, Eco Certification Program and the Caravan Industry Australian Accreditation Program. Tourism NT works with individual businesses to identify the most appropriate accreditation program. The increase in 2009-10 is due to an increased emphasis on this area in the lead-up to the implementation of Tourism NT's new standards policy from 1 July 2010.

3 Business tourism is travel undertaken for the purpose of attending or participating in a convention, meeting, exhibition or incentive.

4 As outlined in service level agreements with regional tourist associations, visitor information centres and others.

## Operating Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
<b>INCOME</b>		
Taxation revenue		
Grants and subsidies revenue		
Current	756	736
Capital		
Appropriation		
Output	39 172	39 331
Commonwealth		
Sales of goods and services	1 009	714
Interest revenue		
Goods and services received free of charge	1 345	1 345
Gain(+)/loss(-) on disposal of assets		
Other revenue	43	43
<b>TOTAL INCOME</b>	<b>42 325</b>	<b>42 169</b>
<b>EXPENSES</b>		
Employee expenses	8 335	8 081
Administrative expenses		
Purchases of goods and services	26 147	27 514
Repairs and maintenance	20	21
Depreciation and amortisation	65	65
Services free of charge	1 345	1 345
Other administrative expenses		
Grants and subsidies expenses		
Current	5 391	4 606
Capital		
Community service obligations	833	903
Interest expenses		
<b>TOTAL EXPENSES</b>	<b>42 136</b>	<b>42 535</b>
<b>NET SURPLUS(+)/DEFICIT(-)</b>	<b>189</b>	<b>- 366</b>

## Balance Sheet

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
<b>ASSETS</b>		
Cash and deposits	598	297
Receivables	394	394
Prepayments	251	251
Inventories		
Advances and investments	3 200	3 200
Property, plant and equipment	104	116
Other assets	100	100
<b>TOTAL ASSETS</b>	<b>4 647</b>	<b>4 358</b>
<b>LIABILITIES</b>		
Deposits held		
Creditors and accruals	989	989
Borrowings and advances		
Provisions	960	960
Other liabilities		
<b>TOTAL LIABILITIES</b>	<b>1 949</b>	<b>1 949</b>
<b>NET ASSETS</b>	<b>2 698</b>	<b>2 409</b>
<b>EQUITY</b>		
Capital		
Opening balance	3 210	3 087
Equity injections/withdrawals	- 123	77
Reserves		
Accumulated funds		
Opening balance	- 578	- 389
Current year surplus(+)/deficit(-)	189	- 366
Accounting policy changes and corrections		
<b>TOTAL EQUITY</b>	<b>2 698</b>	<b>2 409</b>

## Cash Flow Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating receipts</b>		
Taxes received		
Grants and subsidies received		
Current	756	736
Capital		
Appropriation		
Output	39 172	39 331
Commonwealth		
Other agency receipts from sales of goods and services	1 052	757
Interest received		
<b>Total operating receipts</b>	<b>40 980</b>	<b>40 824</b>
<b>Operating payments</b>		
Payments to employees	8 127	8 081
Payments for goods and services	26 167	27 535
Grants and subsidies paid		
Current	5 391	4 606
Capital		
Community service obligations	833	903
Interest paid		
<b>Total operating payments</b>	<b>40 518</b>	<b>41 125</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>462</b>	<b>- 301</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investing receipts</b>		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
<b>Total investing receipts</b>		
<b>Investing payments</b>		
Purchases of assets	77	77
Advances and investing payments		
<b>Total investing payments</b>	<b>77</b>	<b>77</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>- 77</b>	<b>- 77</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Financing receipts</b>		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	77	77
Commonwealth		
Equity injections		
<b>Total financing receipts</b>	<b>77</b>	<b>77</b>
<b>Financing payments</b>		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	208	
<b>Total financing payments</b>	<b>208</b>	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>- 131</b>	<b>77</b>
Net increase(+)/decrease(-) in cash held	254	- 301
Cash at beginning of financial year	344	598
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>598</b>	<b>297</b>