

# Tourism NT

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
<b>Output Group</b>		
Tourism	38 802	39 401
<b>Total Expenses</b>	<b>38 802</b>	<b>39 401</b>
<b>Output Appropriation</b>	<b>34 887</b>	<b>35 672</b>
<b>Capital Appropriation</b>	<b>77</b>	<b>77</b>

2008-09 Staffing: 72

## 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 2008-09 include:

- rapid change in tourism distribution channels with increasing numbers of travellers using technology to find out about experiences offered by destinations and to book online in real time;
- a growing consideration of environmental sustainability factors in the decision making process of travel consumers;
- climate change and its impact on business development and investment decisions;
- increasing demand for authentic Indigenous tourism experiences;
- managing the impact of economic drivers including increased domestic interest rates, slowing global economic growth, rising oil prices, increased concerns regarding inflation and appreciation of the Australian dollar against the US dollar, which combined to constrain tourism exports and increase substitution of international travel for domestic travel by Australians; and
- increasing competition in global aviation markets and a lack of interlinking services between low cost and mainstream airline carriers, impacting on the attractiveness of Darwin as an international gateway to Australia.

## Budget Highlights

During 2008-09, Tourism NT will focus on building the supply side of tourism products. This will also assist marketing efforts, particularly internationally, as new and refreshed products enter the distribution chain. Budget highlights include:

- \$1 million to build on Indigenous people's 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;
- \$2 million for online marketing, including enhancements to Tourism NT's business tourism website to build demand in support of the Darwin and Alice Springs Convention Centres;
- \$0.6 million for an 'Australia the Movie' global marketing campaign to leverage interest from the Baz Luhrmann movie to be launched in late 2008, highlighting Darwin and the Territory as a tourism destination;
- \$1 million for a global Red Centre Way marketing campaign leveraging from the National Landscapes program and building tourism visitation to Central Australia;
- \$0.5 million for environmental sustainability initiatives including \$0.3 million for a 'Make the Switch' grants program to encourage use of sustainable energy sources in Territory tourism businesses and promotion of businesses utilising best practice initiatives;
- \$1.1 million for aviation to increase the Territory's competitive positioning in terms of access from key source markets; and
- ongoing concerted efforts to build increased investment in tourism infrastructure through partnerships with potential investors, key Government agencies and existing Territory tourism industry players.

## Outputs and Performance

Output Group/Output	2007-08	2008-09	Variation
	Estimate	Budget	
	\$000	\$000	\$000
<b>Tourism</b>	<b>38 802</b>	<b>39 401</b>	<b>599</b>
Marketing	28 609	29 105	496
Destination Development	10 193	10 296	103
<b>Total Expenses</b>	<b>38 802</b>	<b>39 401</b>	<b>599</b>

### Key Variations

The increase in 2008-09 is mainly due to one-off Commonwealth funding received towards the Indigenous Tourism Hub in Nhulunbuy and a transfer from 2007-08 to 2008-09 for the Tourism 'Make the Switch' grants program to encourage use of sustainable energy sources in Territory tourism businesses.

## 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 visitation and associated benefits to the Territory economy.

### Marketing

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

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Preference within interstate holiday markets to travel to the Territory <sup>1</sup>	16.7%	16.7%
	Intention within interstate holiday markets to travel to the Territory	5.4%	5.4%
	Interstate Spirited Traveller visiting the Territory <sup>2</sup>	57% 80%	57% 80%
	Cooperative advertising funding with national trade partners that promotes the Territory's six priority destinations	50%	50%
	Campaigns implemented that aim to encourage visitation during non-peak seasons		
<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 This measures a person's preference for a particular destination which they may choose to visit within a five-year timeframe.

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.

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		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Private sector developers influenced to consider tourism infrastructure development in the Territory <sup>1</sup>	10	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	20	30
	Businesses influenced to join a Tourism Accreditation Australia Limited endorsed program <sup>2</sup>	25	35
<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.

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

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
<b>INCOME</b>		
Taxation revenue		
Grants and subsidies revenue		
Current	89	150
Capital		
Output revenue	34 887	35 672
Sales of goods and services	946	779
Interest revenue		
Goods and services received free of charge	2 735	2 735
Gain(+)/loss(-) on disposal of assets		
Other revenue		
<b>TOTAL INCOME</b>	<b>38 657</b>	<b>39 336</b>
<b>EXPENSES</b>		
Employee expenses	6 815	6 595
Administrative expenses		
Purchases of goods and services	24 398	24 838
Repairs and maintenance	11	20
Depreciation and amortisation	25	65
DCIS services free of charge	2 735	2 735
Other administrative expenses		
Grants and subsidies expenses		
Current	4 025	4 315
Capital		
Community service obligations	793	833
Interest expense		
<b>TOTAL EXPENSES</b>	<b>38 802</b>	<b>39 401</b>
<b>NET SURPLUS(+)/DEFICIT(-)</b>	<b>- 145</b>	<b>- 65</b>

## Balance Sheet

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
<b>ASSETS</b>		
Cash and deposits	723	723
Receivables	567	567
Prepayments		
Inventories		
Advances and investments	3 055	3 055
Property, plant and equipment	158	170
Other assets		
<b>TOTAL ASSETS</b>	<b>4 503</b>	<b>4 515</b>
<b>LIABILITIES</b>		
Deposits held		
Creditors and accruals	1 171	1 171
Borrowings and advances		
Provisions	739	739
Other liabilities		
<b>TOTAL LIABILITIES</b>	<b>1 910</b>	<b>1 910</b>
<b>NET ASSETS</b>	<b>2 593</b>	<b>2 605</b>
<b>EQUITY</b>		
Capital		
Opening balance	3 059	3 208
Equity injections/withdrawals	149	77
Reserves		
Accumulated funds		
Opening balance	- 470	- 615
Current year surplus(+)/deficit(-)	- 145	- 65
Accounting policy changes and corrections		
<b>TOTAL EQUITY</b>	<b>2 593</b>	<b>2 605</b>

## Cash Flow Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating receipts</b>		
Taxes received		
Grants and subsidies received		
Current	89	150
Capital		
Receipts from sales of goods and services		
Output revenue received	34 887	35 672
Other agency receipts	946	779
Interest received		
<b>Total operating receipts</b>	<b>35 922</b>	<b>36 601</b>
<b>Operating payments</b>		
Payments to employees	6 786	6 595
Payments for goods and services	24 409	24 858
Grants and subsidies paid		
Current	4 025	4 315
Capital		
Community service obligations	793	833
Interest paid		
<b>Total operating payments</b>	<b>36 013</b>	<b>36 601</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>- 91</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		
Equity injections		
Capital Appropriation	77	77
Other 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		
<b>Total financing payments</b>		
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>77</b>	<b>77</b>
Net increase(+)/decrease(-) in cash held	- 91	
Cash at beginning of financial year	814	723
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>723</b>	<b>723</b>