

Northern Territory Tourist Commission

EXPENSES AND APPROPRIATION SUMMARY

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
Output Group		
Tourism	38 211	37 803
Total Operating Expenses	38 211	37 803
<i>less</i>		
Depreciation and Amortisation	36	28
DCIS Services Free of Charge	1 293	1 298
Agency Revenue (a)	775	730
Use of Cash Balances	- 1 226	
Other Accrual/Non-cash Items	1 326	100
<i>equals</i>		
Output Appropriation	36 007	35 647
Capital Expenditure	12	
<i>equals</i>		
Capital Appropriation	12	

Total 2004-05 Staffing: 111

(a) Operating Revenue *less* Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets

Agency Profile

Overview

The Northern Territory Tourist Commission markets and influences the development and growth of the Northern Territory as a quality experiential tourism destination for the continuing benefit of Territorians. Key functional responsibilities include:

- increasing the Territory's market share as a leisure and business tourism destination;
- facilitating the development of a strong, competitive and professional Territory tourism industry; and
- advising the Minister on all matters relating to inbound tourism.

Strategic Issues

- Increase visitation from domestic markets via targeted marketing at key segments, through advertising campaigns, public relations activities, publication production and cooperative marketing initiatives with trade partners.
- Increase visitation from international key source markets. International activity will concentrate on public relations activities, online marketing initiatives and cooperative campaigns with industry partners.
- Improve air access, particularly direct access from priority international source markets.
- Facilitate development of tourism infrastructure and products relevant to consumer demand.
- Foster the development of nature-based and cultural (Indigenous, history and heritage) tourism products.
- Develop and further refine theme tourism drives throughout the Territory.

- Develop and utilise integrated technology, such as the Australian tourism data warehouse, to maximise information and product distribution to target consumers.

Budget Highlights

- Additional funding to implement the Investing in the Future of the Territory Tourism Industry program, aimed at increasing the marketing of the Territory in domestic and international markets and for the development of tourism in the Territory. Of this amount, \$7.5 million is allocated in 2003-04 to commence the initiatives, and \$10 million is allocated in 2004-05 for marketing activities (\$7.5 million), including destination marketing, branding campaigns, cooperative advertising, and development of tourism products (\$2.5 million).
- Ongoing brand and tactical marketing efforts will be enhanced in 2004-05 with destination-specific marketing for Darwin, Katherine, Kakadu, Alice Springs, the Barkly, Uluru and Kata Tjuta.

Outputs and Performance

OUTPUT COSTS

Output Group/Output	2003-04 Estimate	2004-05 Budget	Variation
	\$000	\$000	\$000
Tourism	38 211	37 803	- 408
Marketing	31 562	31 225	- 337
Tourism Development	6 649	6 578	- 71
Total Operating Expenses	38 211	37 803	- 408

Key Variations

- Funding increase of a further \$2.5 million in 2004-05, to progress the Investing in the Future of the Territory Tourism Industry initiative.
- Government contribution of \$1.5 million for Virgin Blue air services ceases at the end of 2003-04.
- One-off funding of \$1.5 million for additional marketing campaigns in 2003-04.

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.

Outcome

Increased tourism visitation and associated benefits to the Northern Territory economy.

Marketing

Positioning the Northern Territory and its tourism products in the domestic and international marketplace through various marketing initiatives such as market research, advertising and promotional campaigns, and the provision of information.

Performance Measures	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Research projects	18	18
Trade/media familiarisations undertaken	247	229
Trade/consumer shows attended	92	82
Cooperative advertising and marketing activities	190	190
Marketing activities undertaken ¹	936	939
Convention bids submitted	48	60
Media articles promoting the Territory reported domestically	143	160
Community service obligation payments to Territory Discoveries	\$0.45M	\$0.45M
<i>Quality</i>		
Visitor satisfaction	60%	60%
Value of free publicity generated internationally through familiarisation visits	\$69M	\$69M
<i>Timeliness</i>		
Key activities delivered in accordance with planned timeframes	90%	90%
<i>Cost</i>		
Average cost per research project	\$103 672	\$103 672
Average cost per convention bid submitted	\$33 673	\$26 939
Average cost for other services provided ²	\$17 462	\$17 339

¹ Marketing activities include brochures produced and advertising campaigns undertaken. This measure has changed from the previous year as cooperative advertising and marketing activities are measured separately.

² Services include items identified under the quantity measures excluding community service obligation payments, research projects and convention bids submitted.

Tourism Development

Facilitate the development of tourism infrastructure and products relevant to consumer demand, through liaison with industry, regional tourism associations, private sector entities and Government partners, and provision of advice to industry and other clients.

Performance Measures	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Major infrastructure project services provided ¹	5	5
Consultative industry seminars and workshops conducted	10	10
Advice provided to tourism operators ²	3 300	3 300
Business submissions developed for airlines	9	9
Grants to local visitor information service providers and regional marketing activities	\$2.0M	\$2.0M
Major projects facilitated ³	10	20
Research projects	4	4
Educational projects	4	4
<i>Quality</i>		
Industry satisfaction	70%	70%
<i>Timeliness</i>		
Key activities delivered in accordance with planned timeframes	90%	90%
<i>Cost</i>		
Average cost of major infrastructure project services provided	\$21 964	\$21 964
Average cost of business cases developed for airlines	\$29 702	\$29 702
Average cost of industry development projects ⁴	\$90 328	\$112 080
Average cost for other services provided ⁵	\$800	\$321

¹ This includes providing high level advice and business case assistance to developers such as major hotel chains.

² Advice includes one-on-one advice.

³ This includes liaising with industry and government agencies to facilitate development of local infrastructure and services identified by the industry.

⁴ Industry development projects include major projects facilitated, research projects and educational projects.

⁵ Services include items identified under consultative industry seminars and workshops conducted, and advice provided to tourism operators, excluding grants.

Statement of Financial Performance

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation Revenue		
<i>Grants and Subsidies</i>		
Current		
Capital		
<i>Sales of Goods and Services</i>		
Output Revenue	36 007	35 647
Other Agency Revenue	775	730
Interest Revenue		
Miscellaneous Revenue		
Goods and Services Received Free of Charge	1 393	1 398
Profit/Loss on Disposal of Assets		
TOTAL OPERATING REVENUE	38 175	37 775
OPERATING EXPENSES		
Employee Expenses	5 760	6 248
<i>Administrative Expenses</i>		
Purchases of Goods and Services	24 484	25 210
Repairs and Maintenance	11	10
Depreciation and Amortisation	36	28
DCIS Services Free of Charge	1 293	1 298
Other Administrative Expenses		
<i>Grants and Subsidies</i>		
Current	6 179	4 561
Capital		
Community Service Obligations	448	448
Interest Expense		
TOTAL OPERATING EXPENSES	38 211	37 803
NET OPERATING SURPLUS	- 36	- 28
AGENCY REVENUE FOR APPROPRIATION PURPOSES	775	730
(Operating Revenue less Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets)		

Northern Territory Tourist Commission

Revenue Administered for Central Holding Authority

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation Revenue		
<i>Grants and Subsidies</i>		
GST Revenue		
Current		
Capital		
<i>Sales of Goods and Services</i>		
Fees from Regulatory Services		
Interest Revenue		
Royalties and Rents	62	62
Other Revenue		
TOTAL OPERATING REVENUE	62	62

Statement of Financial Position

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
ASSETS		
Cash and Deposits	279	279
Receivables	3 088	3 088
Prepayments	117	117
Inventories		
Advances and Investments	1 222	1 222
Land and Improvements	5	5
Plant and Equipment	68	40
Other Assets		
TOTAL ASSETS	4 779	4 751
LIABILITIES		
Deposits Held		
Creditors and Accruals	4 432	4 432
Borrowings and Advances		
Provisions	609	609
Other Liabilities		
TOTAL LIABILITIES	5 041	5 041
NET ASSETS	- 262	- 290
EQUITY		
<i>Capital</i>		
Opening Balance	3 199	3 211
Equity Injections/Withdrawals	12	
Reserves		
<i>Accumulated Funds</i>		
Opening Balance	- 3 437	- 3 473
Current Year Surplus/(Deficit)	- 36	- 28
TOTAL EQUITY	- 262	- 290

Statement of Cash Flows

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
Taxes Received		
<i>Grants and Subsidies Received</i>		
Current		
Capital		
<i>Receipts from Sales of Goods and Services</i>		
Output Revenue Received	36 007	35 647
Other Agency Receipts	2 001	730
Interest Received		
Total Operating Receipts	38 008	36 377
Operating Payments		
Payments to Employees	5 760	6 248
Payments for Goods and Services	24 395	25 120
<i>Grants and Subsidies Paid</i>		
Current	6 179	4 561
Capital		
Community Service Obligations	448	448
Interest Paid		
Total Operating Payments	36 782	36 377
NET CASH FROM OPERATING ACTIVITIES	1 226	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing Receipts		
Proceeds from Asset Sales		
Repayment of Advances		
Sales of Investments		
Total Investing Receipts		
Investing Payments		
Purchases of Assets	12	
Advances and Investing Payments		
Total Investing Payments	12	
NET CASH FROM INVESTING ACTIVITIES	- 12	
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Proceeds of Borrowings		
Deposits Received		
<i>Equity Injections</i>		
Capital Appropriation	12	
Other Equity Injections		
Total Financing Receipts	12	
Financing Payments		
Repayment of Borrowings		
Finance Lease Payments		
Equity Withdrawals		
Total Financing Payments		
NET CASH FROM FINANCING ACTIVITIES	12	
Net Increase in Cash Held	1 226	
Cash at Beginning of Financial Year	- 947	279
CASH AT END OF FINANCIAL YEAR	279	279