

Tourist Commission

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
Output Group		
Tourism	37 874	37 827
Total Operating Expenses	37 874	37 827
Output Appropriation	35 700	35 848
Capital Appropriation		77

2005-06 Staffing: 105.5

Agency Profile

The Northern Territory Tourist Commission (NTTC) markets and influences the development of the Northern Territory as a competitive tourism destination for the continuing benefit of Territorians.

The NTTC works with:

- the tourism industry – to market the Territory interstate and overseas as a tourist destination and facilitate appropriate tourism development;
- the travel industry – to influence and coordinate partnerships with wholesalers, retail agents and airlines to facilitate the distribution of the Territory's tourism product; and
- the Government – to provide policy and service delivery advice to the Minister for Tourism.

The NTTC sets the direction for industry by gathering market intelligence and predicting future trends in order to expand visitation and increase the Territory's market share.

Strategic issues facing the agency in 2005-06 include:

- increasing domestic and international visitation to the Territory in a highly competitive market, with particular emphasis on the non-peak tourist season;
- promoting the Territory's business tourism assets and capabilities, particularly given the anticipated completion of the Darwin Convention and Exhibition Centre in 2008;
- targeting high-yield markets that offer maximum return on investment; and
- encouraging industry to adopt best practice environmental, cultural and commercial approaches to developing and delivering products and services.

Budget Highlights

- Additional funding of \$27.5 million over three years was allocated in 2003-04 to implement the Investing in the Future of the Territory tourism industry program. Of this, \$10 million is allocated in 2005-06 for domestic and international marketing activities including destination marketing, branding campaigns, cooperative advertising and development of tourism products.
- Implementation of 'brand refresh' activities which began in 2004-05 will be enhanced in 2005-06 with destination-specific marketing of Darwin, Katherine, Kakadu, Alice Springs, Tennant Creek and Uluru.
- Implementation of the Indigenous Tourism Development Strategy will be further progressed in 2005-06.
- Continue lobbying airline carriers to increase direct international air access to the Territory.

Outputs and Performance

Output Group/Output	2004-05	2005-06	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Tourism	37 874	37 827	- 47
Marketing	28 447	28 404	- 43
Tourism Development	9 427	9 423	- 4
Total Operating Expenses	37 874	37 827	- 47

Key Variations

The reduction in 2005-06 is due to a range of one-off funding in 2004-05 including the Aviation Strategy.

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.

The outcome is 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 marketplaces through various marketing initiatives such as advertising, promotional campaigns and providing information.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Research projects	18	20
	Trade and media familiarisations undertaken	229	250
	Trade and consumer shows attended	82	85
	Cooperative advertising and marketing activities	190	190
	Marketing activities undertaken ¹	939	940
	Convention bids submitted	60	60
	Media articles promoting the Territory reported domestically	160	160
	Community service obligation payments to Territory Discoveries ²	\$0.45M	\$0.45M
<i>Quality</i>	Visitor satisfaction ³	60%	65%
	Value of free publicity generated internationally through familiarisation visits	\$69M	\$69M
	Target consumer intent to travel to the Territory ⁴	3.5%	5%
	Annual growth in international passengers to the Territory resulting from cooperative campaigns with airlines ^{5,6}		1%
	Proportion of 'spirited travellers' visiting the Territory ⁷	55%	60%
	Target consumer awareness of the ability to travel to the Territory during non-peak tourist season ^{5,8}		5%
<i>Timeliness</i>	Key activities delivered in accordance with planned timeframes	90%	90%

1 Marketing activities include brochures produced and advertising campaigns undertaken.

2 The community service obligation to Territory Discoveries is to provide support for operating costs incurred in assisting small tourism operators to access the national distribution chain, supporting tourism development and operating the Northern Territory Holiday Centre from Alice Springs.

3 An improved visitor satisfaction survey is being formulated, with the aim of establishing a reliable benchmark for visitor satisfaction in 2005-06.

4 This measure reflects survey results in select domestic and international markets.

5 These quality measures are new and commence from 1 July 2005. Thus estimates for 2004-05 are not available.

6 The increase in visitor numbers will be tracked for specific campaign periods.

7 This measure reflects survey results and is calculated as a proportion of the total interstate holiday visitor numbers to the Territory. 'Spirited traveller' refers to high-yield travellers from the domestic market.

8 The non-peak tourist season runs from November to March.

Tourism 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. Implement the Northern Territory Indigenous Tourism Strategy.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Major tourism 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	\$2.3M
	Major projects facilitated ³	20	20
	Research projects	4	4
	Educational projects ⁴	4	4
	Accredited visitor information service providers	5	7
<i>Quality</i>	Industry satisfaction	70%	75%
<i>Timeliness</i>	Key activities delivered in accordance with planned timeframes	90%	90%
	Northern Territory Indigenous Tourism Strategy activities delivered in accordance with timeframes ⁵		80%

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 aimed at encouraging industry to adopt best practice environmental, cultural and commercial approaches to providing products and services that match client needs and reflect the Northern Territory brand.

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

4 This includes educating tourism operators on the packaging and pricing of holidays and the development of Indigenous tours.

5 Northern Territory Indigenous Tourism Strategy activities include research, relationship building, promoting ecologically sustainable land use, attracting investors, training and appropriate marketing of existing product. Although the strategy commenced in 2004-05, this timeliness measure is new and commences from 1 July 2005. Thus estimates for 2004-05 are not available.

Statement of Financial Performance

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation revenue		
Grants and subsidies		
Current		
Capital		
Sales of goods and services		
Output revenue	35 700	35 848
Other agency revenue	784	627
Interest revenue		
Miscellaneous revenue		
Goods and services received free of charge	1 324	1 324
Profit/loss on disposal of assets		
TOTAL OPERATING REVENUE	37 808	37 799
OPERATING EXPENSES		
Employee expenses	6 775	7 021
Administrative expenses		
Purchases of goods and services	24 790	24 316
Repairs and maintenance	10	8
Depreciation and amortisation	28	28
DCIS services free of charge	1 224	1 224
Other administrative expenses	38	
Grants and subsidies		
Current	4 561	4 782
Capital		
Community service obligations	448	448
Interest expense		
TOTAL OPERATING EXPENSES	37 874	37 827
NET OPERATING SURPLUS	- 66	- 28

Revenue Administered for Central Holding Authority

OPERATING REVENUE		
Taxation revenue		
Grants and subsidies		
GST revenue		
Current		
Capital		
Sales of goods and services		
Fees from regulatory services		
Interest revenue		
Royalties and rents	62	62
Other revenue		
TOTAL OPERATING REVENUE	62	62

Statement of Financial Position

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
ASSETS		
Cash and deposits	152	152
Receivables	725	725
Prepayments	68	68
Inventories		
Advances and investments	1 360	1 360
Land and improvements	4	4
Plant and equipment	12	61
Other assets		
TOTAL ASSETS	2 321	2 370
LIABILITIES		
Deposits held		
Creditors and accruals	2 581	2 581
Borrowings and advances		
Provisions	676	676
Other liabilities		
TOTAL LIABILITIES	3 257	3 257
NET ASSETS	- 936	- 887
EQUITY		
Capital		
Opening balance	3 603	3 306
Equity injections/withdrawals	- 297	77
Reserves		
Accumulated funds		
Opening balance	-4 176	-4 242
Current year surplus(+)/deficit(-)	- 66	- 28
TOTAL EQUITY	- 936	- 887

Statement of Cash Flows

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current		
Capital		
Receipts from sales of goods and services		
Output revenue received	35 700	35 848
Other agency receipts	784	627
Interest received		
Total operating receipts	36 484	36 475
Operating payments		
Payments to employees	6 775	7 021
Payments for goods and services	24 700	24 224
Grants and subsidies paid		
Current	4 561	4 782
Capital		
Community service obligations	448	448
Interest paid		
Total operating payments	36 484	36 475
NET CASH FROM OPERATING ACTIVITIES		
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		77
Advances and investing payments		
Total investing payments		77
NET CASH FROM INVESTING ACTIVITIES		- 77
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Capital appropriation		77
Other equity injections		
Total financing receipts		77
Financing payments		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	297	
Total financing payments	297	
NET CASH FROM FINANCING ACTIVITIES	- 297	77
Net increase in cash held	- 297	
Cash at beginning of financial year	449	152
CASH AT END OF FINANCIAL YEAR	152	152