

Tourism NT

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Output Group		
Tourism	37 154	38 356
Total Expenses	37 154	38 356
Output Appropriation	35 637	35 855
Capital Appropriation	77	77

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;
- travel industry – to influence and coordinate partnerships with wholesalers, retail agents and airlines to facilitate the sale of the Territory's tourism product; and
- government – to provide policy advice to the Northern Territory Minister for Tourism and foster a collaborative approach to tourism growth and development across all levels of government.

Strategic issues facing the agency in 2006-07 include:

- continued rationalisation within the global aviation environment and the tourism travel agencies and wholesaling businesses;
- increased interest in developing Indigenous tourism ventures;
- impact of international events such as terrorism and disease on consumer confidence;
- increased competition from other destinations offering nature and culture holiday experiences;
- increased global competition for the business tourism market, particularly in neighbouring Asia; and
- rising use of the internet by consumers as a travel planning and booking tool.

Budget Highlights

Investing in the Future of the Territory tourism industry initiative will be established as an ongoing program with continuation of annual funding of \$10 million from 2006-07 distributed across Tourism NT's functions, including domestic and international marketing activities and development of tourism products. Marketing and industry support initiatives, including those funded through this increased allocation, are as follows:

- Funding of \$1 million to maximise opportunities presented by the commencement of low-cost airline carrier services to the Territory, including promotion of point to point travel in core source markets and increased cooperative marketing activities in key Asian markets.

- Global roll out of the Share Our Story campaign brand with \$16.5 million for all aspects of marketing activity including development and implementation of campaigns, promotions and products, particularly through online activities.
- Funding of \$2.8 million for attracting investment in, and developing, tourism infrastructure.
- \$0.8 million to foster regional development through Indigenous tourism opportunities.
- Encouraging industry to adopt best practice environmental, cultural and commercial approaches in developing and delivering products based on consumer research and target audience needs.
- \$2.5 million for the continued marketing of priority destinations through dedicated campaigns and programs.
- Funding of \$1 million to promote the Territory's business tourism assets and capabilities, particularly given the purpose-built Alice Springs Convention Centre and the anticipated completion of the Darwin Convention and Exhibition Centre in 2008.
- Continuing to work with airline carriers to address capacity, scheduling and competitive pricing issues.
- Increasing domestic and international visitation to the Territory in a highly competitive market, with particular emphasis on the non-peak tourist season.

Outputs and Performance

Output Group/Output	2005-06 Estimate	2006-07 Budget	Variation
	\$000	\$000	\$000
Tourism	37 154	38 356	1 202
Marketing	26 732	27 591	859
Destination Development	10 422	10 765	343
Total Expenses	37 154	38 356	1 202

Key Variations

The increase in 2006-07 is mainly due to the carry-over of funds for one delayed major infrastructure project and a one-off reduction in Territory Discoveries' operating subsidy in 2005-06 due to the retention of additional 2004-05 revenue. This has reduced the level of operating subsidy provided by Tourism NT in 2005-06.

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 to remain 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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Preference within interstate holiday markets to travel to the Territory ¹	16.6%	18.6%
	Intention within interstate holiday markets to travel to the Territory	5.6%	5.9%
	Interstate 'Spirited Travellers' ² visiting the Territory	53%	57%
	Cooperative advertising funding with national trade partners that promotes the Territory's six priority destinations	75%	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 ³	75%	80%
	Leverage gained from private sector partners through cooperative activities	1:2	1:2
<i>Timeliness</i>	Campaigns delivered on time, within budget and to agreed objectives	92%	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 market in the Australian marketplace.

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

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. Implement the Northern Territory Indigenous Tourism Strategy.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Private sector developers influenced ¹ to consider tourism infrastructure development in the Territory	4	10
	Operators provided advice and assistance to enhance product delivery ²	300	300
	Training and workshop programs to aid the development of tourism destinations, businesses and product	20	20
	Businesses influenced to join the Northern Territory Tourism Accreditation Program	12	15
<i>Quality</i>	Indigenous Tourism Strategy milestones achieved	85%	90%
	Success in attracting business tourism events	40%	42%
<i>Timeliness</i>	Service Level Agreement (with regional tourist associations, visitor information centres and others) services provided within agreed timeframes	70%	90%

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

2 Measure has been refined from last year to focus on specific development activities and projects and no longer includes one-off advice or phone calls.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Output revenue	35 637	35 855
Sales of goods and services	805	589
Interest revenue		
Goods and services received free of charge	1 299	1 269
Gain(+)/loss(-) on disposal of assets		
Other revenue		
TOTAL INCOME	37 741	37 713
EXPENSES		
Employee expenses	7 644	6 429
Administrative expenses		
Purchases of goods and services	22 983	25 076
Repairs and maintenance	8	9
Depreciation and amortisation	28	28
DCIS services free of charge	1 224	1 224
Other administrative expenses		
Grants and subsidies expenses		
Current	4 819	5 142
Capital		
Community service obligations	448	448
Interest expense		
TOTAL EXPENSES	37 154	38 356
NET SURPLUS(+)/DEFICIT(-)	587	- 643

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	617	2
Receivables	556	556
Prepayments	80	80
Inventories	393	393
Advances and investments	2 265	2 265
Property, plant and equipment	147	196
Other assets		
TOTAL ASSETS	4 058	3 492
LIABILITIES		
Deposits held		
Creditors and accruals	1 169	1 169
Borrowings and advances		
Provisions	786	786
Other liabilities		
TOTAL LIABILITIES	1 955	1 955
NET ASSETS	2 103	1 537
EQUITY		
Capital		
Opening balance	3 343	2 970
Equity injections/withdrawals	- 373	77
Reserves	3	3
Accumulated funds		
Opening balance	- 1 457	- 870
Current year surplus(+)/deficit(-)	587	- 643
Accounting policy changes and corrections		
TOTAL EQUITY	2 103	1 537

Cash Flow Statement

	2005-06 Estimate	2006-07 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	35 637	35 855
Other agency receipts	805	589
Interest received		
Total operating receipts	36 442	36 444
Operating payments		
Payments to employees	7 644	6 429
Payments for goods and services	22 916	25 040
Grants and subsidies paid		
Current	4 819	5 142
Capital		
Community service obligations	448	448
Interest paid		
Total operating payments	35 827	37 059
NET CASH FROM OPERATING ACTIVITIES	615	- 615
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	77
Advances and investing payments		
Total investing payments	77	77
NET CASH FROM INVESTING ACTIVITIES	- 77	- 77
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Capital Appropriation	77	77
Other equity injections		
Total financing receipts	77	77
Financing payments		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	459	
Total financing payments	459	
NET CASH FROM FINANCING ACTIVITIES	- 382	77
Net increase(+)/decrease(-) in cash held	156	- 615
Cash at beginning of financial year	461	617
CASH AT END OF FINANCIAL YEAR	617	2