

Tourism NT

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
Output Group		
Tourism	38 503	38 321
Total Expenses	38 503	38 321
Output Appropriation	33 635	35 106
Capital Appropriation	77	77

2007-08 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 2007-08 include:

- continued rationalisation within the global aviation environment and its effect on airline capacity into the Territory;
- developing effective marketing strategies to attract visitors in the context of global warming and the environmental impact of travel, and its effect on tourism and travel behaviour;
- growing demand for niche experiences by special interest groups and enthusiasts who travel for a specific purpose (for example, Indigenous culture seekers, wildlife enthusiasts and volunteer travellers);
- the impact of international events such as terrorism and disease on consumer confidence;
- increased competition world wide with more destinations accessible via 'low cost' airlines;
- 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

- Revision of the strategic plan for the Northern Territory tourism industry to guide the direction and growth of tourism for the next five years.
- Funding of \$1 million to maximise opportunities presented by existing and emerging aviation networks, and through cooperative marketing activities.
- Continuing to work with airline carriers to address capacity, scheduling and competitive pricing issues, including input into a revised aviation strategy.
- Developing a series of niche experience 'Dreaming Trails' networks that package nature and culture experiences for special interest groups and enthusiasts.
- Developing and marketing natural and cultural experiences along the Red Centre Way as part of the National Landscape initiative, in partnership with the Australian Government.
- Encouraging industry to adopt best practice environmental, cultural and commercial approaches, and to consider innovation in product development based on research findings.
- Funding of \$2 million for continued marketing of priority destinations, through dedicated campaigns and programs, to encourage increased visitation in regional areas.
- 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 Centre in 2008.
- Increasing domestic and international visitation to the Territory in a highly competitive market through targeted campaigns, such as Destination Darwin Tropical Summer, to emphasise the non-peak tourist season.
- Funding of \$0.8 million to foster regional development through Indigenous tourism opportunities.

Outputs and Performance

Output Group/Output	2006-07	2007-08	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Tourism	38 503	38 321	- 182
Marketing	28 447	28 317	- 130
Destination Development	10 056	10 004	- 52
Total Expenses	38 503	38 321	- 182

Key Variations

The decrease in 2007-08 is mainly due to one-off Australian Government funding received in 2006-07, partly offset by parameter growth in 2007-08.

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 provision of information.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Preference within interstate holiday markets to travel to the Territory ¹	16.7%	16.7%
	Intention within interstate holiday markets to travel to the Territory	5.9%	5.9%
	Interstate 'Spirited Travellers' ² visiting the Territory	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 ³	80%	80%
	Leverage gained from private sector partners through cooperative activities ⁴	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. The reduction from the original 2006-07 estimate of 18.6 per cent reflects a general national trend over several 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.

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. Implement the Northern Territory Indigenous Tourism Strategy.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Private sector developers influenced to consider tourism infrastructure development in the Territory ¹	10	10
	Operators provided with advice and assistance to enhance their product delivery	300	310
	Training and workshop programs to aid the development of tourism destinations, businesses and product	20	20
	Businesses influenced to join a Tourism Accreditation Australia Program ²	10	25
<i>Quality</i>	Indigenous Tourism Strategy milestones achieved	90%	90%
	Success in attracting business tourism events ³	43%	45%
<i>Timeliness</i>	Services provided within agreed timeframes ⁴	90%	90%

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

2 Accreditation Program currently being reviewed, with an increase in businesses joining the program expected due to the introduction of broader standards in 2007-08.

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

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Output revenue	33 635	35 106
Sales of goods and services	1 481	379
Interest revenue		
Goods and services received free of charge	2 771	2 771
Gain(+)/loss(-) on disposal of assets		
Other revenue		
TOTAL INCOME	37 887	38 256
EXPENSES		
Employee expenses	6 090	6 053
Administrative expenses		
Purchases of goods and services	24 831	24 228
Repairs and maintenance	16	11
Depreciation and amortisation	28	65
DCIS services free of charge	2 771	2 771
Other administrative expenses		
Grants and subsidies expenses		
Current	4 319	4 745
Capital		
Community service obligations	448	448
Interest expense		
TOTAL EXPENSES	38 503	38 321
NET SURPLUS(+)/DEFICIT(-)	- 616	- 65

Balance Sheet

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
ASSETS		
Cash and deposits	668	668
Receivables	246	246
Prepayments	7	7
Inventories	393	393
Advances and investments	2 851	2 851
Property, plant and equipment	113	125
Other assets		
TOTAL ASSETS	4 278	4 290
LIABILITIES		
Deposits held		
Creditors and accruals	887	887
Borrowings and advances		
Provisions	858	858
Other liabilities		
TOTAL LIABILITIES	1 745	1 745
NET ASSETS	2 533	2 545
EQUITY		
Capital		
Opening balance	2 974	3 051
Equity injections/withdrawals	77	77
Reserves	1	1
Accumulated funds		
Opening balance	97	- 519
Current year surplus(+)/deficit(-)	- 616	- 65
Accounting policy changes and corrections		
TOTAL EQUITY	2 533	2 545

Cash Flow Statement

	2006-07 Estimate	2007-08 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	33 635	35 106
Other agency receipts	754	379
Interest received		
Total operating receipts	34 389	35 485
Operating payments		
Payments to employees	6 090	6 053
Payments for goods and services	24 847	24 239
Grants and subsidies paid		
Current	4 319	4 745
Capital		
Community service obligations	448	448
Interest paid		
Total operating payments	35 704	35 485
NET CASH FROM OPERATING ACTIVITIES	- 1 315	
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		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES	77	77
Net increase(+)/decrease(-) in cash held	- 1 315	
Cash at beginning of financial year	1 983	668
CASH AT END OF FINANCIAL YEAR	668	668