

TOURISM NT ANNUAL REPORT 2013-14

Tourism NT's core objective is to work with the tourism sector and governments across Australia to grow the value of the visitor economy in the Territory.



Disclaimer

We have taken due care and attention in ensuring information contained in this annual report was true and correct at the time of publication; however, changes in circumstances after the time of publication may impact upon its accuracy. We do not warrant that it is correct, complete or suitable for the purposes for which it is intended to be used. We disclaim all liability associated with the use of this information.

Aboriginal and Torres Strait Island readers and viewers should be aware that this material may contain images or names of deceased persons.

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30 September 2014

The Hon Matt Conlan MLA
Minister for Tourism
GPO Box 3146
DARWIN NT 0801

Dear Minister

In accordance with Section 28 of the *Tourism NT Act 2012*, I am pleased to present you with the annual report for Tourism NT for the 2013-14 financial year.

I advise that to the best of my knowledge and belief, in respect of my duties as an accountable officer pursuant to Section 13 of the *Financial Management Act*, the system of internal controls within Tourism NT provides reasonable assurance that:

- a) proper records of all transactions affecting the Agency are kept and employees under my control observe the provisions of the *Financial Management Act*, the Financial Management regulations and Treasurer's Directions;
- b) procedures within the Agency afford proper internal control and a current description of such procedures is recorded in Tourism NT's Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*;
- c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists;
- d) in accordance with Section 15 of the *Financial Management Act*, the internal audit capacity of the Agency is adequate. Results of all internal audit matters have been reported to me;
- e) the financial statements included in this annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions.

In respect of my responsibilities pursuant to Section 131 of the *Information Act*, I advise that, to the best of my knowledge and belief, Tourism NT has implemented processes to achieve compliance with Part 9 of the *Information Act*.

Yours sincerely



TONY MAYELL
Chief Executive Officer

Global Representation
Asia, Europe, Japan
United Kingdom
United States of America

ABN 17 435 764 236



PURPOSE OF THIS REPORT

This annual report identifies successes and outcomes achieved during 2013-14 against our corporate objectives. It outlines how effective we were at achieving our goals for the year, as articulated in our *Operational Plan 2013-14*.

Pursuant to Section 28 of the *Public Sector Employment and Management Act*, it provides Parliament, Territorians and other interested parties information about:

- our primary functions and responsibilities
- significant activities undertaken during the year
- our fiscal management and performance, including for our Government Business Division, Territory Discoveries, up to February 2014 when it was licensed out.

In this report, the terms 'we', 'our' and 'us' are used when referring to the Chief Executive Officer's complete area of responsibility, including both Tourism NT and Territory Discoveries.

AUDIENCE

This report aims to inform interested stakeholders, the tourism industry, Government agencies and the Northern Territory community as to our strategic objectives, performance and future business directions.

Further information about Tourism NT is available on www.tourismnt.com.au

Visitor information about the Northern Territory can be obtained from our consumer website: <http://www.travelnt.com.au>



One of the best ways to explore the Territory is by 4WD.

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VISITATION

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NEW CAMPAIGN

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FROM THE CHAIR AND CEO

We ended the year cautiously optimistic that, after years of continual decline in holiday visitors to the Territory, there are signs of a recovery, with much yet to be done. International visitation to the NT is trending upwards, buoyed by the additional \$8 million investment in international markets made possible by extra funding from the Northern Territory Government on 1 July 2013.

There are indications that the holiday market is recovering after strong performances in the second half of the 2013-14 financial year, even though the combined international and domestic holiday performance decreased marginally by 0.6% over the year compared to 2012-13. The second half results (January to June) show:

- International holidaymakers up 2.7%
- Interstate holidaymakers up 5.1%
- Intra-territory holidaymakers up 37%.

Although Darwin and Alice Springs reported increases for the year for holiday visitors overall, regional dispersal - particularly of international holiday visitors - continues to be a concern and illustrates the challenge that faces our industry.

Our efforts to generate growth were, and are, relentless. With regard to our international visitation, if we look at the last quarter of the 2013-14 financial year, international holiday visitors to the NT were up 2%, providing confidence the additional marketing is starting to have a positive impact, particularly when one considers the lead time before we see any response to a new marketing direction.

We acknowledge with gratitude that the NT Government continued to demonstrate its commitment to making tourism an absolute priority, and indicated its own confidence with our direction, by maintaining the additional \$8 million in funding for the 2014-15 financial year. The extra funding came into effect on 1 July 2014, enabling us to maintain our activity and our expectation that international results will continue to improve.

It allowed us to ramp up investments in our strongest international markets, with much closer activity with trade partners and more digital activity so that we are in front of consumers 24/7. Our key markets of the UK, USA and France have all grown. Western markets are still our major source of visitors and so we maintained a strong focus on these, while seeking to grow our share of holiday visitors from Asia, particularly China.

In the domestic market, we launched a new marketing strategy, and exciting new brand positioning, 'Do the NT', in September 2013. More details about this can be found on page 38. This was the first time we have run a campaign that showcases the things you can do, as opposed to see, in the Territory. It was based on market research which showed that, while consumers knew about the Territory's iconic landscapes and Indigenous culture, they were less knowledgeable about what they can do here.

Market feedback suggests that this approach is resonating with potential visitors and we are cautiously optimistic that it has begun and will continue to translate to a positive turnaround in holiday performance. That will be clearer when we have the results for the upcoming peak September quarter for domestic holiday, because there is generally some delay between Tourism NT's marketing activity going into market, holiday-makers actually booking their travel and then visiting the NT.

Over the year, we advanced several further initiatives designed to help deliver *Tourism Vision 2020*, the target of which is to grow the visitor economy to \$2.2 billion by 2020 as measured by overnight expenditure.

Tourism Vision 2020 takes a broad approach to the visitor economy, recognising that different markets are important to various parts of the tourism sector. It details specific areas and roles for Tourism NT, other government agencies and industry to work together in a genuine partnership approach. We are charged with leading delivery of the plan as a whole, and have the particular responsibility, as a marketing agency, of growing the holiday market.



TONY MAYELL
Chief Executive Officer



MICHAEL BRIDGE
Chairman

We are tackling this in many different ways, examples of which can be found in the Performance Review section of this document. Of particular note are:

- an increased emphasis on working with the local industry - we established local tourism advisory committees in Tennant Creek and Nhulunbuy to better tap into local knowledge to enhance regional dispersal, and had constructive discussions with the regional tourism organisations as part of a review to achieve alignment in working towards achieving the Tourism Vision 2020 target;
- our strong focus through the Northern Australia Development agenda on addressing inhibitors to tourism growth arising from policy or regulation settings e.g. cruise cabotage (see page 57).
- reducing expenditures in areas which were under-delivering, which led for example to the outsourcing of Territory Discoveries.

Territory Discoveries

The need for change in our commercial division, Territory Discoveries (TD), had been apparent for some time. The traditional wholesaling model only works nowadays if it is of sufficient scale e.g. turning over \$400 million, whereas TD's turnover was a fraction of that.

TD's business structure was not financially sustainable in the long term, and the NT Government could not continue indefinitely to fund a non-profitable department to the level it had. So the future of TD was a priority for our Board of Commissioners which, after exploring the options available to it, recommended it be licensed out.

The Northern Territory Government announced in November 2013 that leading travel company, The AOT Group, would take over the licence to operate TD. The transition was completed in February 2014.

AOT is a significant wholesale distributor of Australia and New Zealand travel products and services, and its taking over the licence is extremely positive for the NT tourism industry. Performance measures have been built into the licence agreement to ensure AOT meets the Government's objectives of growing tourism in the Territory.

AOT will have the option to take full ownership of the operation on expiry of the agreement after three years. It purchased similar businesses from the Queensland and New South Wales governments after operating them under licence.

Territory Discoveries was responsible for \$11.6 million in gross sales of tourism product in 2012-13. It was established in 1998 and was the last government-owned tourism wholesale business in Australia.

Air access

Ease of access is critical to any plan to grow the visitor economy, and the resumption of flights to Darwin by two international airlines, as well as new and increased domestic flights to Darwin and Ayers Rock, was good news for travellers to the Top End and Central Australia.

We support the growth of sustainable air services to the NT through cooperative marketing activities, and Tigerair's announcement that it would withdraw its services from Melbourne and Sydney to Alice Springs in July 2014 was therefore extremely disappointing. Its withdrawal was not due to a lack of demand - the service was well patronised - but was more to do with commercial sustainability of the route. Carriers need to have sufficient demand for airfares at prices which ensure the financial viability of their service.

Discussions continue with Virgin Australia, particularly in relation to services between Central Australia, Cairns and Darwin, which would be well supported by its partner international carriers such as Singapore Airlines and Air New Zealand.

In conclusion

We ended the year poised for growth and confident that, with the clear direction and ongoing support provided by our Board, and the continued efforts of our talented team, we will be able to take visitation to the next level. This will not be achieved, however, without the commitment and contribution of our Territory industry based partners.

HIGHLIGHTS

\$500K

NT Tourism Infrastructure and Development Grant program

12,000

delegates come to the Territory over 30 major conferences

454K

views of our Best Jobs promo 'jumping crocs' video

We sought to increase holiday visitor numbers to the Northern Territory and grow yield.

- In September 2013, we launched a new \$1.2 million domestic advertising campaign with our new brand positioning, Do the NT.
- The second phase of our Do the NT brand campaign was launched in February 2014, aimed at the over-50s and included \$1 million worth of television, print, radio and digital advertising.
- International and domestic holiday performance was upward bound in the second half of the year, the clearest signs yet that a recovery is under way.
- The biggest airline marketing partnership in the Territory's history was formed when the Northern Territory Government and Qantas reached a landmark \$7 million cooperative agreement in July 2013 to promote the NT within Australia and on the international stage.
- An international marketing campaign aimed at attracting visitors from the UK, and timed to coincide with the world's largest flower show in London, was given a major boost when an NT-inspired garden went on to win best in show.
- We ran a mission to China for the second consecutive year, enabling Territory tourism operators to meet with more than 450 Chinese travel agents already selling Australia.
- Eight NT tourism operators went on a trade mission to Singapore and Kuala Lumpur to boost tourism numbers to the NT.
- A new \$500,000 NT Tourism Infrastructure and Development Grant program was launched.
- High-profile Australians became Mates of the Territory, showing people how to 'Do the NT' and help boost domestic visitation
- Staged Territory's first Instameet at the Mindil Beach Sunset Markets, using seven prominent Instagrammers with 800,000 fans to promote how to 'Do the NT' through social media.
- Obtained priceless exposure for the NT through leveraging a visit to Uluru by the Duke and Duchess of Cambridge.
- Marketing of the NT to the niche segment of mountain bikers was boosted with the opening of a world-class trail network in Alice Springs.
- Secured more than 30 major conferences that brought 12,000 delegates to the Territory.
- Established new local tourism advisory committees in Tennant Creek and East Arnhem Land to get input from local experts regarding our marketing direction and to better showcase these regions.
- 22 tourism industry operators and three domestic wholesalers, representing more than 47 NT products and experiences, attended NT Muster to spruik the NT to more than 200 travel agents.
- The most watched video taken by the NT winner of Tourism Australia's Best Jobs promotion featured a jumping crocodile and has attracted more than 454,000 views. See <http://www.youtube.com/watch?v=KfyWWv5GCzM>.

MALAYSIA AIRLINES

returns to Darwin after 11 year hiatus

\$1.2M

Domestic advertising campaign 'Do the NT'

Tourism operators won

NINE

awards at the 2013 Qantas Australian Tourism Awards

- More than \$420,000 was allocated through our Digital Marketing Accelerator Program to 131 tourism businesses to improve their expertise.
- \$160,000 was allocated to 84 separate tourism businesses to have a digital vignette promoting their business professionally filmed.
- 389 tourism businesses are now accredited, including 19 newly accredited businesses.
- 27 ships including the Queen Mary 2 visited Darwin during the 2013-14 cruise season.
- Leading travel company, The AOT Group, took over the licence to operate Territory Discoveries.
- Northern Territory tourism operators won three gold, two silver and four bronze awards at the 2013 Qantas Australian Tourism Awards.

New aviation activity

Malaysia Airlines resumed flights to Darwin in November 2013 after an 11 year hiatus.

AirAsia resumed flights between Darwin and Bali, adding a combined total of 1500 seats to and from Darwin every week

Jetstar began flying from Melbourne to Ayers Rock four times a week and increased its Sydney-Ayers Rock service from four times a week to daily, equating to 4,000 seats a week to Uluru and more than doubling the previous capacity.

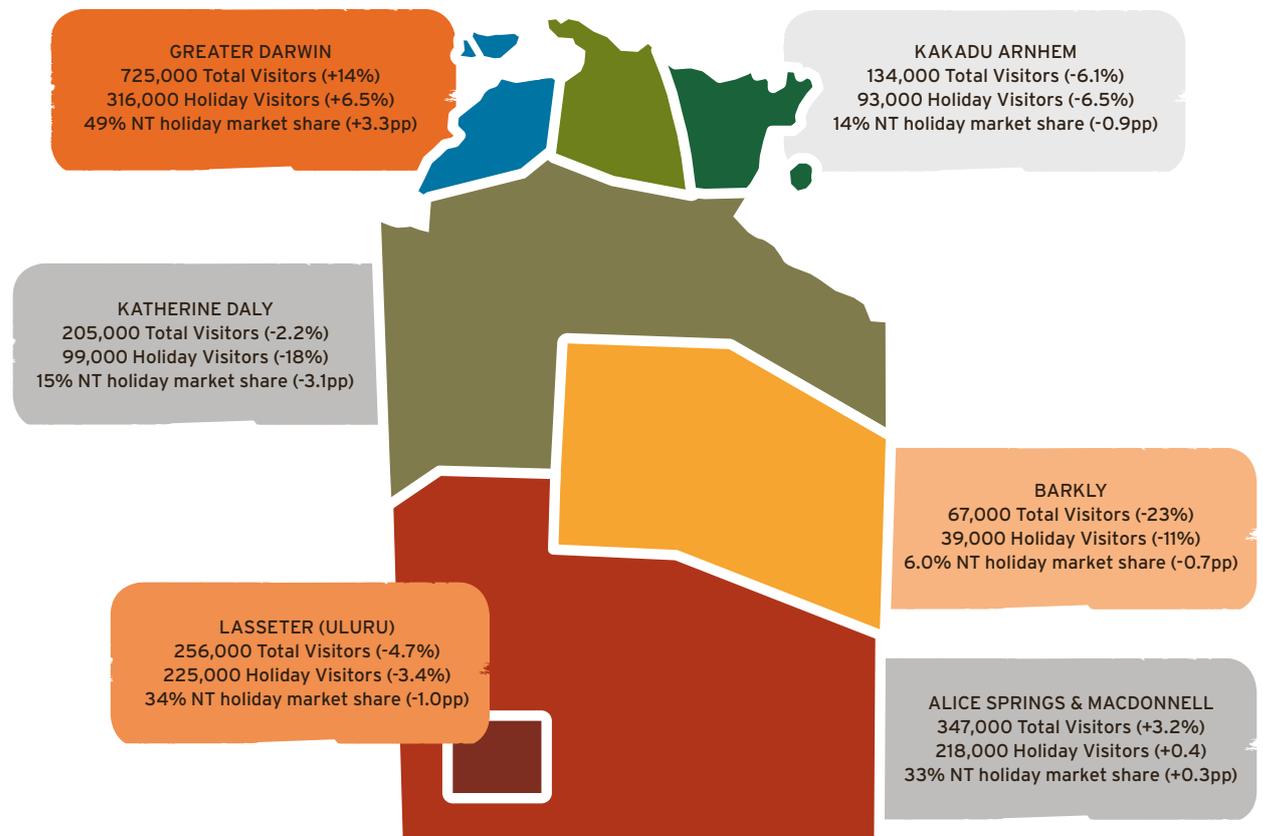
Tigerair introduced a new daily service between Brisbane and Darwin, providing an extra 130,000 visitor seats every year.



Uluru Meeting Place, Lasseters and DIY Tourguide won gold medals at the 2013 Qantas Australian Tourism Awards.

REGIONAL SNAPSHOT

*TOTAL VISITORS TO NT REGIONS



Holiday visitation is up in the Greater Darwin region and in the Alice Springs and MacDonnell region.

Holiday visitation is down in the Katherine Daly, Barkly, Lasseter and the Kakadu Arnhem Land tourism regions.

1.31M

NT Visitors (+7.6%)

655K

NT Holiday Visitors (-0.6%)

*International and Domestic holiday visitors combined.

Across the Territory

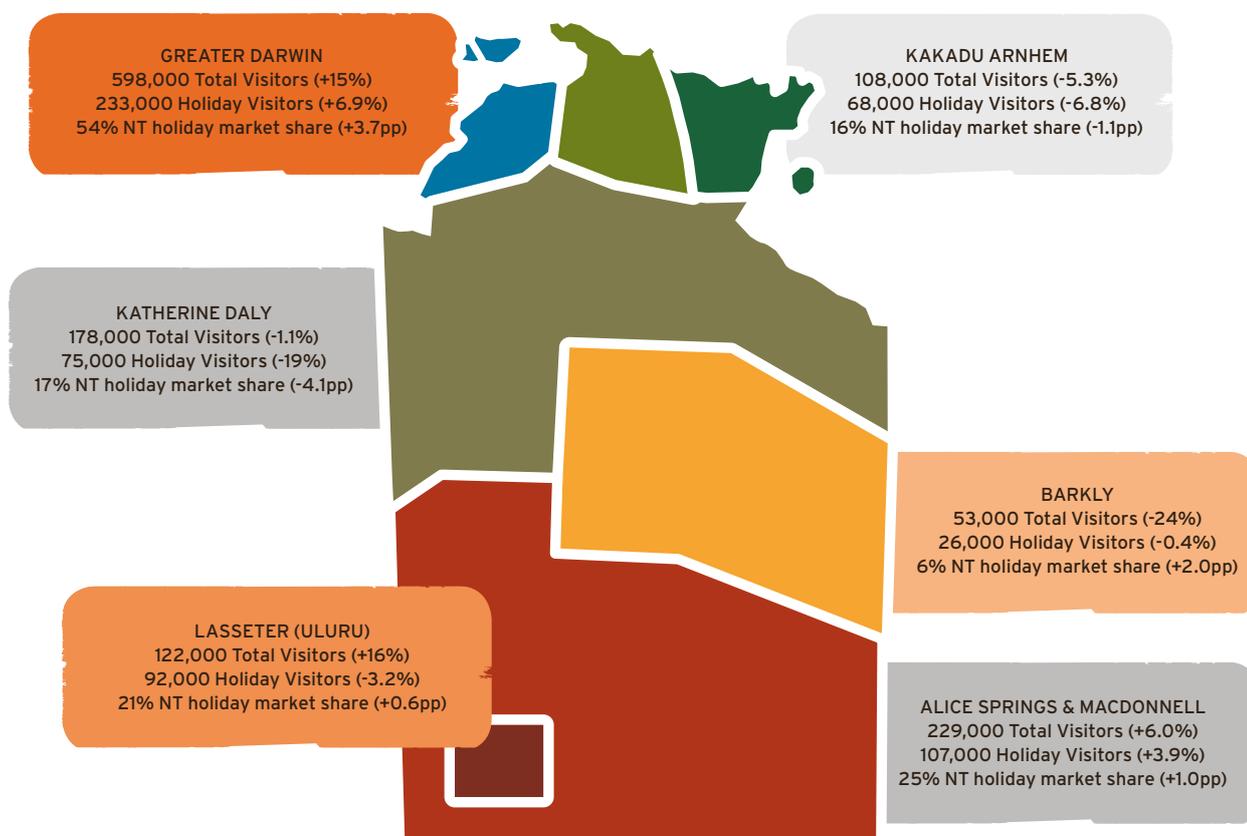
Visitors

Overall, the combined international and domestic holiday visitation was up in the Greater Darwin region and down in the Katherine Daly, Barkly, Lasseter and Kakadu Arnhem Land.

Encouraging multiple stopovers remained a key factor in achieving growth with over two-thirds still making only one stopover in the NT.

Domestic holiday visitation to the Northern Territory declined slightly in 2013-14 compared to 2012-13 but from January to June 2014 was trending upwards. This shift in trend was driven by increases in the domestic holiday market and followed the launch of our 'Do the NT' marketing campaign in September 2013.

DOMESTIC VISITORS TO NT REGIONS



Domestic holiday visitors were up in the Darwin region and in the Alice MacDonnell region but the other regions experienced declines in holiday visitation. The declines in the Kakadu and Katherine regions reduced from January to June 2014.

The Territory's market share of domestic holiday visitors remained stable. At 30 June 2014:

- interstate holiday market share was 2.6%, -0.2 percentage points on the previous year;
- international holiday market share was 6.9%, -0.7 percentage points on the previous year.

We continued our funding commitment to Tourism Top End and Tourism Central Australia for intra-territory marketing and visitor information service provision (see Appendix 2).

Holiday visitors are up in the Darwin region and in the Alice MacDonnell region. The other regions experienced declines in holiday visitation.

The declines in Kakadu and Katherine are lower than the March Quarter - a sign that things are improving. The small decline in Uluru is not significant and conflicts with other data sources.

1.0M
Visitors (+9.0%)

431K
NT Holiday Visitors (-0.5%)

REGIONAL SNAPSHOT



Whole of Territory domestic marketing activity

Our activities included:

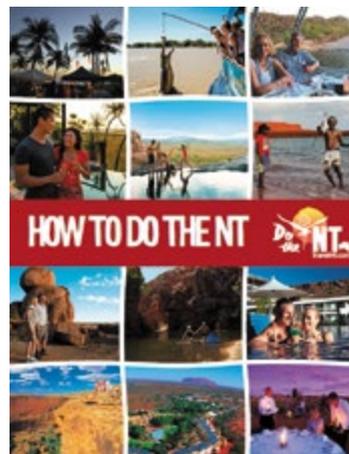
- \$1,015,000 in the first burst of our brand re-launch to 'Do the NT' in September 2013, with TV, print, radio and digital targeting the 50+ and 18-35 age groups
- \$1,015,000 in the second burst in February 2014 that incorporated:
 - two 30 second television commercials, one highlighting the Top End and the other highlighting the Red Centre, on free to air and pay TV across Sydney, Melbourne and Brisbane;
 - print advertising across Good Weekend magazine in Sydney and Melbourne, Sydney Morning Herald, Melbourne Age and Weekend Australia magazine;
 - digital advertising across Fairfax sites such as The Age, Sydney Morning Herald travel pages and Facebook to drive conversion and direct traffic to travelnt.com and partner sites;
 - supporting messaging and conversion opportunities on our consumer website travelnt.com and through partner cooperative activities;
 - new imagery for the whole of the Territory.
- \$45,000 in promoting an events based awareness program in cooperation with regional tourism organisations to promote intra-Territory travel from June 2013 - June 2014.

As part of our Do the NT campaign, we inserted a 16-page colour lift-out, titled 'How to Do the NT', in two major Sunday newspapers in Sydney and Melbourne which have an estimated combined readership of one million people.

Cooperative campaigns

We invested:

- \$132,000 with lastminute.com during September 2013 to enhance conversion opportunities
- \$214,000 with Webjet during October 2013 in a campaign promoted digitally and nationally in shopping centre TVCs.
- \$150,000 with Expedia from November to December 2013 in a digital campaign to position the Territory as an accessible and action packed destination.
- \$200,000 with Qantas during September across its social media and digital channels, and another \$170,000 in March 2014 promoting sale fares on all Northern Territory routes
- \$414,000 with Britz from January to March 2014 to promote the Northern Territory drive experience.
- \$40,000 with AOT as part of their Australia on Sale campaign
- \$50,000 with Great Southern Rail/ AAT Kings/Helloworld from January to February 2014.
- \$170,000 with Wotif from January to February 2014 to promote the Northern Territory as an affordable holiday destination, motivating consumers to book.
- \$190,000 with Flight Centre during March 2014 to promote sale packages including a range of unique products and experiences.



Our 'How to Do the NT' brochure.

Training domestic travel sellers

We carried out targeted training of key domestic travel sellers as part of our activities to better sell the Northern Territory and boost holiday visitor numbers. In a typical example of how we did this, we hosted 38 travel agents from around Australia.

They met 29 tourism operators from around the Territory and experienced Central Australia's rich offerings.

The travel agents were invited in conjunction with key wholesale partners: Territory Discoveries, Infinity Holidays, Qantas Holidays and Sunlover Holidays.

Lasseter (Uluru and surrounds)

We invested \$196,000 in helping to promote the first concerts by the Darwin Symphony Concert at Uluru in October 2013, which achieved widespread exposure and resulted in every hotel and apartment room at Voyages Ayers Rock Resort being booked out.

The concerts attracted media from across the globe including journalists from Channel 9, The Weekend Australian, Sydney Morning Herald/ The Age, the ABC and international familiarisation trips across the Northern Territory with Neue Zürcher Zeitung, BBC Music Magazine, The Culture-ist.com and Vogue Italia.

There was also a gold-coin concert held in Alice Springs (see also page 52).

Other investments included:

- \$200,000 with Jetstar in a cooperative campaign in November 2013 with sale dates and holiday packages
- \$105,000 with Jetstar again in February 2014 promoting both Uluru and Darwin
- \$150,000 with Virgin Australia in January 2014 for a cooperative campaign offering sale fares, accommodation and experience packages
- \$300,000 with Virgin Australia in April 2014 for a campaign supported with a microsite to promote Uluru (and Darwin) sale fares
- Channel 7 Sunrise live weather cross broadcasts from Uluru, Kings Canyon to coincide with the second burst of our 'Do the NT' campaign
- \$35,000 in partnering with Voyages from February 2014 - March 2014 to support charter flights between Melbourne and Uluru via digital promotion and social media.
- \$234,000 with Flight Centre to leverage the visit from the Duke and Duchess of Cambridge to Uluru on 22 and 23 April via an accommodation deal in Uluru and promotion through press, TV, digital and social media.
- A dedicated Uluru and surround destination video housed on travelnt.com and YouTube channels.

We also provided an opportunity taken up by five operators to market their business digitally as part of our Digital Marketing Activation Program (DMAP), helping to get their message out via digital advertising (See page 52).



L to R
The audience in thrall listening to the Darwin Symphony Orchestra play at Uluru; A balancing act in Uluru-Kata Tjuta National Park.

REGIONAL SNAPSHOT

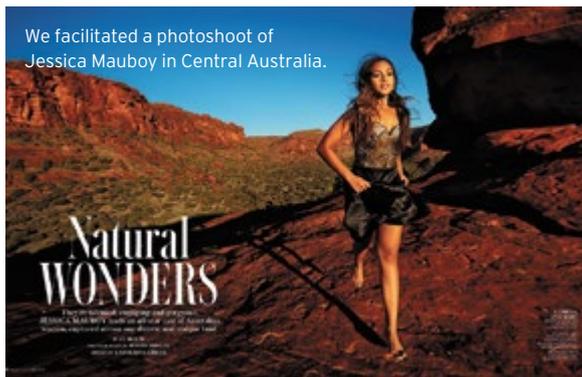


Alice Springs and surrounds

Our investment included:

- \$173,000 in a Tigerair campaign from September to October 2013 that was also supported by the airing of Coxy's Big Break TV travel show which had travelled to Central Australia.
- facilitating Channel 7 Live Sunrise weather crosses from Anzac Hill as part of our "Do the NT" campaign
- as part of our annual NT Round up, facilitating 34 travel agents travel to Central Australia in August 2013 to meet with local operators to better understand and experience the region they are selling to consumers
- facilitating a photoshoot of Jessica Mauboy in Central Australia that was featured in InStyle magazine in September 2013
- co-hosting a three-day familiarisation program in Alice Springs for 18 business event planners and trade media from around Australia.
- providing sponsorships of various events, including \$20,000 for the Alice Springs Beanie Festival and 10,000 for the Ingerreke Commercial MTB Enduro (see Appendix 1 for full list).

We also provided an opportunity taken up by 48 operators to market their business digitally as part of our Digital Marketing Activation Program, helping to get their message out via digital advertising.



We facilitated a photoshoot of Jessica Mauboy in Central Australia.

We invested \$70,000 in promoting a Chairman's XI cricket match against England in Alice Springs and generated global media coverage for the Northern Territory.

Our efforts included joint activity with Tourism Central Australia, Territory Discoveries, Qantas, Voyages Indigenous Tourism and Tourism Australia.

We also installed WiFi at Traeger Park, enabling the match to be live streamed in hi-definition on both Cricket Australia's website and our website.

More than 70 journalists from local, national and international media outlets spent the week in Central Australia with stories and photos on the game and lead-up activities appearing in newspapers and online news sites in Australia, the United Kingdom, New Zealand and India.

Highlights included:

- A total of 367 corporate packages were sold, the majority to the local and intrastate business community.
- Bookings worth over \$27,000 were made for 46 passengers.
- A UK audience of over 71 million was reached through media coverage
- Domestically, we obtained coverage in various locations including news.com.au which reaches an audience over 3.6 million

Social media highlights included:

- a photo of England players swimming at Ellery Creek tweeted by Kevin Pietersen to his 1.4 million followers;
- a photo of Stuart Broad at Uluru tweeted to his half a million Twitter followers with the caption 'Had an amazing time';
- photos of Traeger Park with Alice Springs iconic MacDonnell Ranges in the background tweeted to England Cricket's 250,000 followers.

We installed WiFi at Traeger Park, enabling the match to be live streamed in hi-definition on both Cricket Australia's website and our website.

The Barkly region

Our activities included:

- establishing a Local Tourism Advisory Committee (LTAC) in Tennant Creek to provide a local voice directly to Tourism NT's marketing team. An initial outcome from this new cooperative approach has been the delivery of 10,000 brochures and postcards for the Barkly region.
- providing strong public relations and social media support both domestically and internationally for Karlu Karlu, and heavy promotion highlighting Tennant Creek as a key stop on the Explorers Way through drive market brochure distribution and online features on www.adventurealltheway.com.au
- providing an opportunity taken up by five Tennant Creek operators to market their business digitally as part of our digital activation program, helping to get their message out via digital advertising
- featuring Tennant Creek operators in our 'virtual journeys and digital vignette program.'

Future priorities include:

- featuring the Barkly region in a \$1.3 million campaign on TV and print across Australia
- exploring the extension of free WiFi to Karlu Karlu Conservation Reserve (Devils Marbles). This is a joint project with PWCNT and subject to negotiation with traditional owners.

We are seeing up to 4,200 searches per month in Google Australia wide for Tennant Creek and terms like Barkly, Devils Marbles, Karlu Karlu are showing up to a 24% combined increase over the last 12 months in activity. This can be attributed to the heavier regional marketing schedule put in place.

Darwin and the Top End

Our investment included:

- \$200,000 with Jetstar in a cooperative campaign in November 2013 with sale dates and holiday packages
- \$150,000 with Virgin Australia in January 2014 for a cooperative campaign offering sale fares, accommodation and experience packages
- \$105,000 with Jetstar in February 2014 promoting Darwin (and Uluru) sale fares
- \$300,000 with Virgin Australia in April 2014 for a campaign supported with a microsite to promote Darwin (and Uluru) sale fares
- live-streaming the famous Beer Can Regatta event on Tourism NT's YouTube channel, showcasing the Territory to thousands of viewers all over the world
- sponsorship of \$20,000 and support for Mindil Beach Sunset Markets.
- a competition to win a trip to see the Melbourne Football Club playing in Darwin in July 2014 resulted in 444 competition entries and 121,984 page views of the promotion on the club's website.

A major focus of our cooperative campaigns was to encourage regional dispersal by highlighting things to see and do within easy reach of Darwin.

We provided an opportunity taken up by 101 operators to market their business digitally as part of DMAP, helping to get their message out via digital advertising.



REGIONAL SNAPSHOT



Litchfield, Kakadu and Arnhem Land surrounds

Our national parks play a vital role in promoting the Territory to potential holiday makers. During the year we worked closely with Parks Australia and the NT Parks and Wildlife Commission to ensure information is readily available on things to do and see nearby in other park areas that visitors may not know about.

In May 2014, we organized an Instameet at Kakadu for Australian and international Instagrammers that included a competition to win a trip to Kakadu.

We also provided an opportunity taken up by 25 operators in Kakadu and five in East Arnhem Land to market their business digitally as part of our Digital Marketing Activation Program, helping to get their message out via digital advertising.



Cooling down at Wangi Falls, Litchfield National Park.

In February 2014, we began a promotion of East Arnhem Land that comprised:

- dedicated pages on our consumer website travelnt.com,
- a digital brochure
- specific collateral distributed at an Australian Travel Writers Association lunch to 100 journalists and travel writers from around Australia.
- a promotion with Airnorth offering sale fares from Darwin to Gove that were featured on our respective websites and sent to the airline's electronic direct mail base of over 20,000 members.

Katherine Daly region

We ran ongoing promotions for the year valued at approximately \$6-7 million which cooperatively promoted Katherine tourism operators via Flight Centre, Wotif, Territory Discoveries, Helloworld, Qantas Holidays, and Expedia.

Our activities included:

- running two campaigns with The Ghan, one resulting in a 53% increase in passengers and the other a 69% increase over the same periods the year before. All Ghan trains stop over at Katherine, providing for day trip touring.
- promoting Katherine as a key self-drive stop on the Explorers Way, Nature's Way and Savannah Way through drive market brochure distribution and online features on www.adventurealltheway.com.au

OVERVIEW



Canoeing in Katherine Gorge

- providing strong public relations and social media support domestically and internationally for Nitmiluk National Park with features on the Jatbula Trail, Katherine Gorge activities, the new Cicada Lodge, and Mataranka Thermal Springs
- providing opportunities taken up by 15 businesses to market their business digitally as part of DMAP, helping to get their message out via digital advertising
- featuring Katherine operators in our “virtual journeys and digital vignette program” with operators like Top Didj and Marksies Campfire Kitchen taking up our offer to increase their awareness using video.

There were up to 12,000 searches across Australia on the Google search terms of Katherine NT, Katherine Gorge, and Nitmiluk National Park - an increase of 14% on the previous year's terms - showing more interest and awareness for the Katherine Daly region.

We continued our funding commitment to Battery Hill Mining Centre and Katherine Town Council for intra-territory marketing and visitor information service provision (see Appendix 1).

Future priorities include featuring the region in a \$1.3 million campaign on TV and print across Australia and repositioning the Natures' Way tourism drive as commencing in Katherine, with links to Darwin and Kakadu.



L to R

Birds on the wing in Kakadu; rock art in Arnhem Land; fishing, Cobourg Peninsula.

ABOUT TOURISM NT

Our vision is to grow the
visitor economy in the NT
to \$2.2 billion by 2020

\$2.2B

WHO WE ARE

Tourism NT is a commission constituted by the NT Government under the *Tourism NT Act 2012*, responsible for:

- marketing the Territory as a desirable visitor destination
- encouraging and facilitating the sustainable growth of the tourism industry in the Territory
- advising the Minister on all matters relating to tourism in the Territory.

Our commercial division, Territory Discoveries, has been operated under licence by The AOT Group since February 2014. It is responsible for increasing the exposure of, and potential economic returns to, the Territory's tourism industry, particularly small to medium operators.



A luxury moment
at Longitude 131,
Baillie Lodges.

OUR VISION

Our vision is to grow the visitor economy to \$2.2 billion by 2020 as measured by overnight expenditure.

As the Territory's largest employing industry, estimated to employ directly and indirectly 16,000 Territorians or 13 per cent of the total NT workforce, growing the tourism industry is vital to building a bigger economy for the Territory and developing northern Australia.

Our vision will be achieved through four key actions:

- grow value
- improve business sustainability
- improve the visitor experience
- address supply constraints.

WHAT WE DO

We work with the tourism sector and governments across Australia to grow the value of the visitor economy in the Territory for the continuing benefit of Territorians.

Tourism NT works with the following main partners and stakeholders to achieve specific outcomes:

- the tourism industry: to market the Territory interstate and overseas as a visitor destination and to facilitate appropriate tourism development
- the travel industry: to influence and coordinate partnerships with wholesalers and retail agents to facilitate distribution of the Territory's tourism product
- the Northern Territory Government, through the Minister for Tourism: by providing policy and other advice
- the Board of Commissioners: on strategic issues facing the Northern Territory's tourism industry.

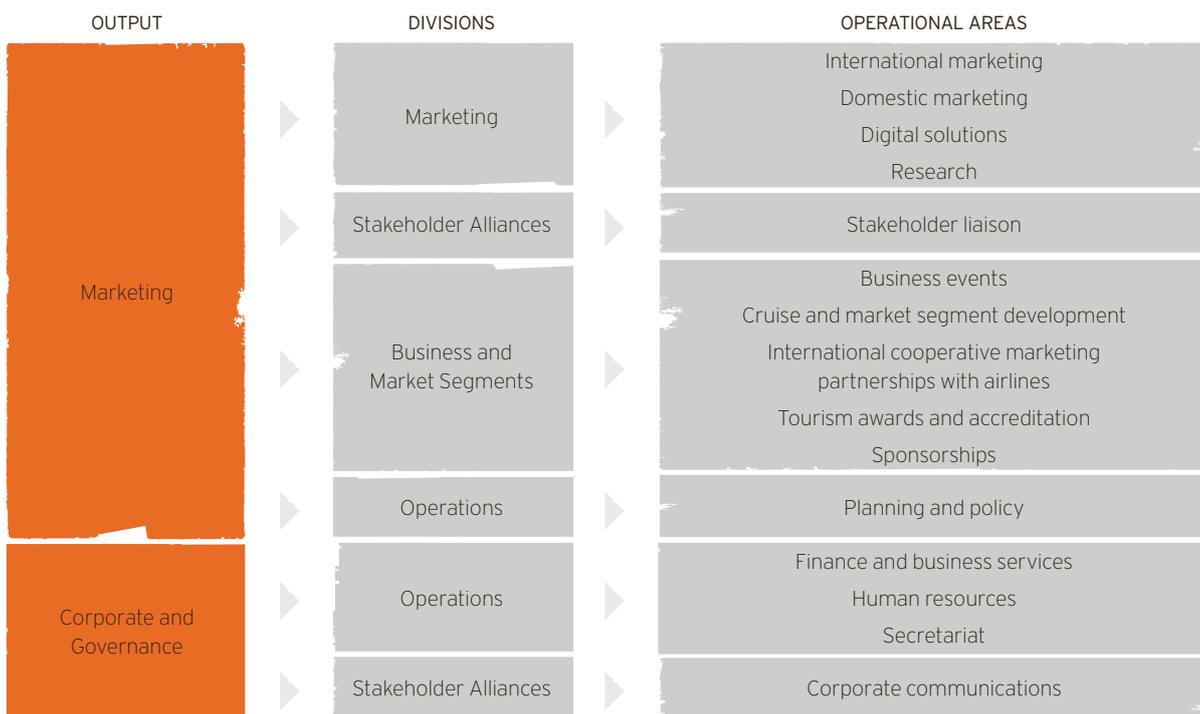
OUR CORPORATE OBJECTIVES

How the 2020 target will be achieved



OPERATIONAL STRUCTURE

As at 30 June 2014, we had four functional divisions which collectively market, develop, service and advise the tourism industry in the Northern Territory, seek to influence tourism outcomes, and provide operational support. Our operational structure and outputs contribute to the successful achievement of our corporate objectives as articulated in our Operational Plan.



ORGANISATIONAL CHART

Guiding the strategic direction and objectives of Tourism NT are the Minister for Tourism, the Hon Matt Conlan MLA, and the Board of Commissioners chaired by Michael Bridge.

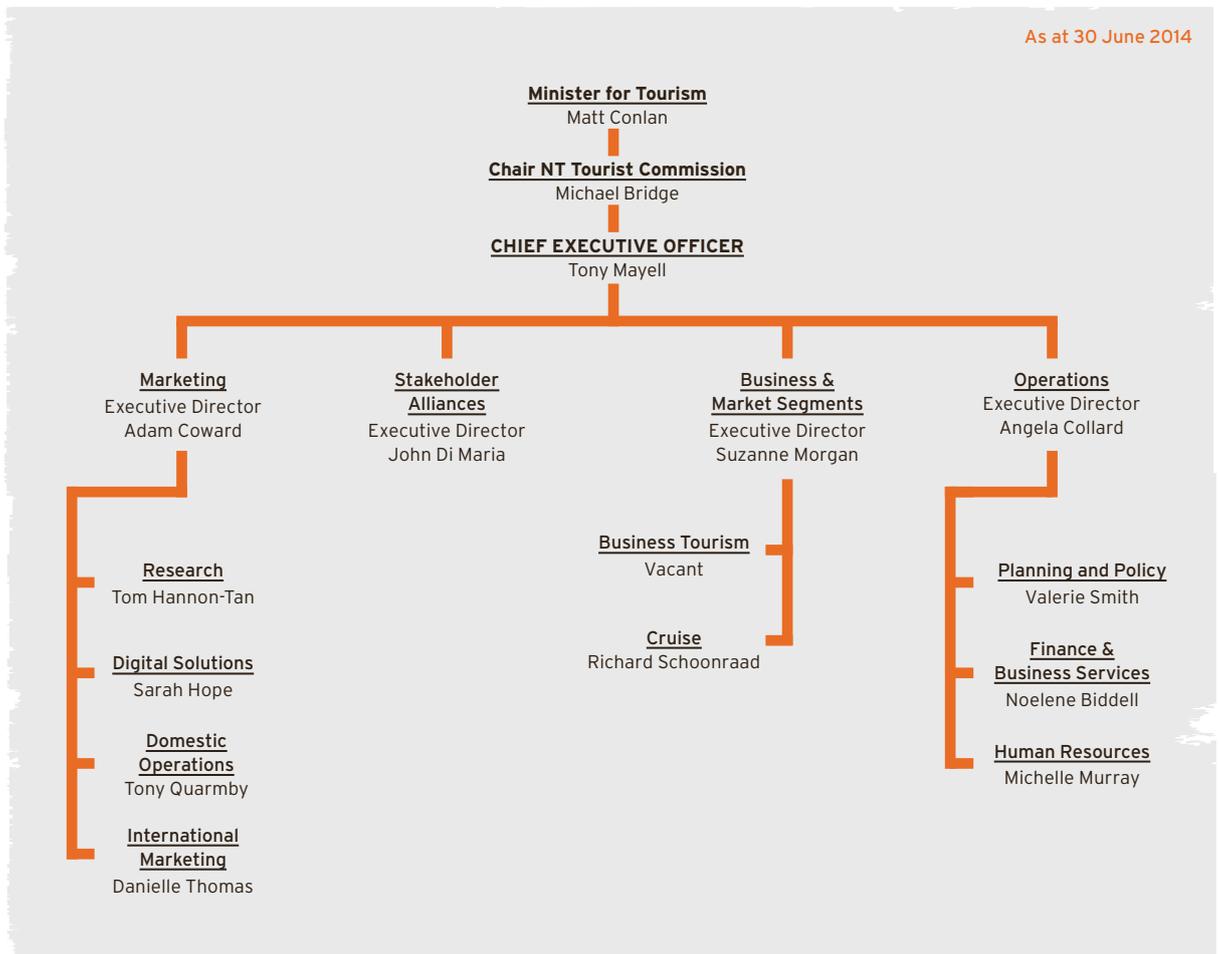
The Chief Executive Officer is responsible for implementing the strategic direction set by the Board and managing the day-to-day operational, administrative and marketing functions of the agency.

The agency comprises four operational areas; these divisions and the key personnel are detailed in the organisational chart below.

Functional changes during the year

In February 2014, the operations of Tourism NT's commercial division, Territory Discoveries, were licensed out to The AOT Group.

Responsibility for the Northern Territory Major Events Company (NTMEC) transferred from us back to the Department of the Chief Minister effective 1 July 2013. We maintain an events acquisition role complementing that of the event delivery role of NTMEC.



The Executive Team collectively provides strategic leadership internally and is primarily responsible for ensuring our vision and core business objectives are achieved. Our Executive Team includes:



TONY MAYELL, CHIEF EXECUTIVE OFFICER Tony Mayell has over 35 years' experience in tourism in both the private and public sector. He was appointed CEO of Tourism NT and Executive Director Southern Region for the Department of the Chief Minister, based in Alice Springs, in November 2012. Tony has held the positions of CEO and Managing Director of the Northern Territory Tourist Commission, CEO of Tourism Tasmania, Resort General Manager Voyages Ayers Rock Resort, Managing Director Domestic and Online AOT Group, CEO World Travel Headquarters and General Manager Europe for the Australian Tourist Commission. During the year, Tony was a Board member of the Australian Standing Committee on Tourism, the Australian Tourism Data Warehouse, the Kakadu Board of Management and T-QUAL Australia.



ANGELA COLLARD, EXECUTIVE DIRECTOR, OPERATIONS Territory born and raised, Angela has over 20 years' senior management experience in the public sector, predominantly working in the tourism portfolio and including two years with the Australian Tourist Commission in London. Her extensive experience comprises functional responsibility for destination development and business tourism as well as whole of agency responsibility for strategy and policy, corporate governance, financial management, human resource management and organisation development. She leads the team responsible for working across all levels of government in support of the sustainable growth of the tourism industry, injecting the Territory's tourism view into national and NT Government policy agendas and providing corporate support to meet the current and future needs of the agency. She is currently Board Secretary of Tourism NT.



ADAM COWARD, EXECUTIVE DIRECTOR, MARKETING Adam Coward enjoyed a successful career spanning 15 years in the private sector marketing national and international brands such as Colorado and Virgin Blue before joining Tourism NT in 2012. As a result of working with diverse stakeholders and industry categories in international franchise companies he has developed a strong focus on conversion. Adam's primary focus is creating an integrated approach to all facets of marketing in order to deliver best outcomes for Tourism NT's short and long term strategies.



JOHN DI MARIA, EXECUTIVE DIRECTOR, STAKEHOLDER ALLIANCES John Di Maria is a true blue Territorian who commenced his career in hospitality before progressing to a management role in the Qantas regional office in Central Australia. For the past 15 years, John has worked in a range of different roles within Tourism NT including project management, operational management, sales and marketing and General Manager of Territory Discoveries from 2010 to February 2014.



SUZANNE MORGAN, EXECUTIVE DIRECTOR, BUSINESS AND MARKET SEGMENTS Suzanne is well known in the NT tourism industry, having been Executive Director Industry Development as well as twice being Director of International Operations for Tourism NT since 2000. She has extensive experience in international operations, which includes positioning the NT in Asia markets such as China and Singapore. In her current role she is leading activities to grow business tourism. Development of business excellence, as demonstrated by the Broлга Awards, is a key focus.

WHAT OUR DIVISIONS DO

Marketing

The division's key role is to promote the Northern Territory as a holiday destination through integrated marketing activities that include advertising, public relations, direct mail, online activity, publications, consumer/ trade shows and cooperative relationships with key trade partners. The division is also responsible for developing the Northern Territory's tourism brand and enhancing its application in the domestic and international marketplace.

The division includes the following units:

- International Operations
- Domestic Operations
- Digital Solutions
- Research.

Stakeholder Alliances

The key responsibilities of this division are to:

- provide liaison with key stakeholders, particularly Tourism Central Australia, and oversee relationships with the regional tourism organisations and visitor information centres
- work closely with the CEO across all areas of Tourism NT, but Operations in particular, to effectively advocate Tourism NT's position within Government and externally
- provide a corporate communications function on behalf of the Agency.



Learning about Indigenous culture in Alice Springs Desert Park.

Business and Market Segments

Key responsibilities are the attraction of business events, event acquisition, market segment development, cooperative marketing partnerships with the airlines and partnership leverage through our sponsorships.

The division includes the following units:

- Business tourism
- Cruise
- Tourism awards and accreditation.

The Business Tourism unit is known in the market place as the Northern Territory Convention Bureau. It promotes the NT as a desirable, viable and distinctive business events destination. It works collaboratively with local industry to secure new business events for the NT. It also provides impartial expert advice and assistance for event planners considering the Northern Territory for conferences, incentives, exhibitions, product launches and other business related events.

Operations

The key responsibilities of this division are to add to and support Tourism NT's operational effectiveness in delivering on its targets.

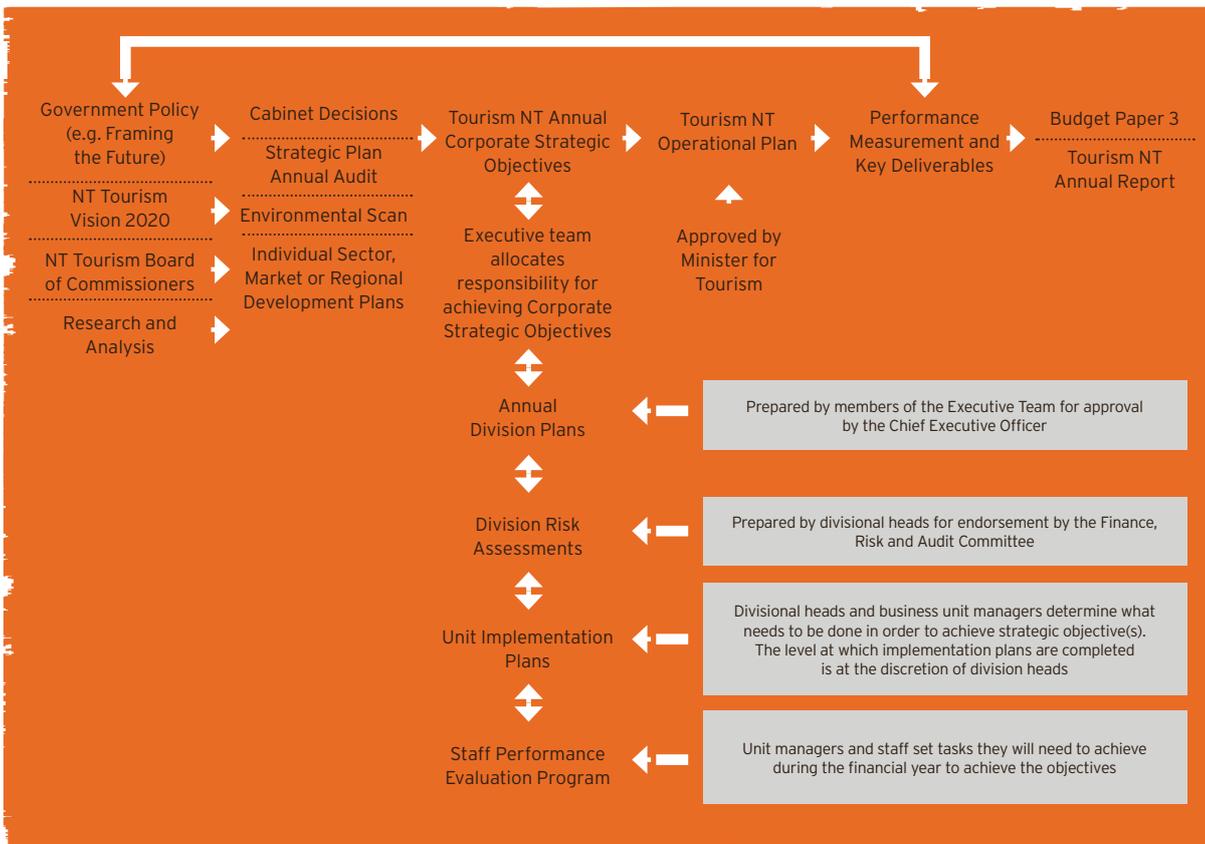
The division includes the following units:

- Planning and Policy
- Finance and Business Services
- Human Resources

The Planning and Policy unit formalises the direction of the agency's business and provides strategic policy advice across the agency and government in relation to contemporary and emerging issues relevant to tourism. It works to influence, respond to, and implement whole of government policy matters in a coordinated manner.

PLANNING FRAMEWORK

We use a collaborative and consultative planning framework, with rigorous review processes to guide our actions. This ensures we take an evidence based approach to what we do



STRATEGIC PLANNING FRAMEWORK

Our activities are guided by *Tourism Vision 2020: Northern Territory's Strategy for Growth*.

Annual audits of progress towards delivering on this strategic plan are conducted each year to ensure it remains the reference point for business planning and policy formulation. These audits and more information about the current plan can be found via in the tourism strategies section of our website www.tourismnt.com.au.

Operational Plan 2013-14

This agency plan serves as our business plan each financial year. It articulates how we intend to achieve the long-term target of our strategic plan into short-term strategies for implementation over the coming year. It also aligns with individual sector strategies and plans, as well as the operational plans of other agencies with which we carry out joint activities.

The four key areas of activity for 2013-14 mirror the four strategic requirements of *Tourism Vision 2020*.

Our performance in meeting these requirements is detailed on pages 38 to 59.

OUR PEOPLE



We offer employees a professional, friendly and supportive environment in which to develop and progress. We encourage employees to stretch themselves, be challenged and become leaders at all levels of our business.

VALUES AND BEHAVIOURS

The following values and behaviours shape our approach to implementing our plans and activities:

Collaboration: We work collaboratively across the organisation and with external parties, leveraging strengths and learning from each other, to address the challenges that lie ahead.

Partnership: We listen to and work with our industry, partners, consumers and stakeholders to shape our offering and support.

Innovation: We think laterally to make a difference through innovation, creativity and motivational actions.

Continual Improvement: We strive for continual improvement through efficiencies and streamline processes that minimise cost and avoid duplication of effort.

We aim to employ the right people with the right skills to deliver our vision...people who are passionate about the tourism industry and the Territory. By supporting these people and providing the resources they need to do their jobs, we seek to motivate and encourage them to achieve the best outcomes for the Territory and to have highly satisfied staff.



OUR ORGANISATION

Mate of the Territory Tahan Lew Fatt puckers up with one of the contestants for the Alice Springs Camel Cup.

Overview

Our staff are employed under the *Northern Territory Public Sector 2013 - 2017 Enterprise Agreement*.

The NT Government ceased operating Territory Discoveries (TD) at the end of January 2014. Prior to TD being licensed out, its staff were employed under the *Northern Territory Tourist Commission Enterprise Agreement 2004* due to the commercial needs of this business

Our Human Resources team is responsible for the continued development of our workforce. They strive to ensure staff are appropriately skilled and informed to enable them to deliver business outcomes in a safe work environment. Services include:

- identification and pursuit of strategic initiatives to improve retention and increase employee satisfaction
- advice on conditions of service and human resource processes
- development and review of human resources policies
- coordination of recruitment and selection activities
- occupational health and safety advice (in conjunction with occupational health and safety committees)
- coordination of performance management cycles
- corporate training and development
- formulation and monitoring of individual case management strategies as required.

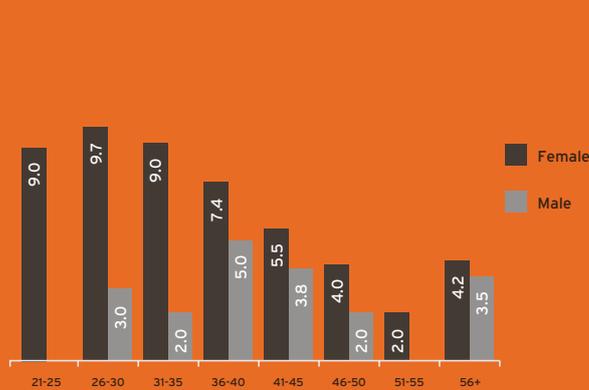
2013-14 Snapshot

- 87 people were employed across the Northern Territory and Australia (70.2 FTEs).
- Contracted representatives are in place in nine overseas offices looking after 14 international markets.
- 10% of our staff are employed as Executive Contract Officers.
- 9% of our staff are part-time or casual workers.
- 31% of staff are aged 30 years or under.
- 54% of our staff work in the Marketing division.
- 72% of our workforce is female.
- Approximately \$68,000 was spent on learning and development activities.
- 9 employees accessed formal flexible work arrangements.
- 23 redundancies were recorded due to the closure of Territory Discoveries.
- No new workers compensation claims were made.
- 30 employees or their family accessed free, confidential counselling services under our Employee Assistance Program.
- No formal discipline processes were invoked.

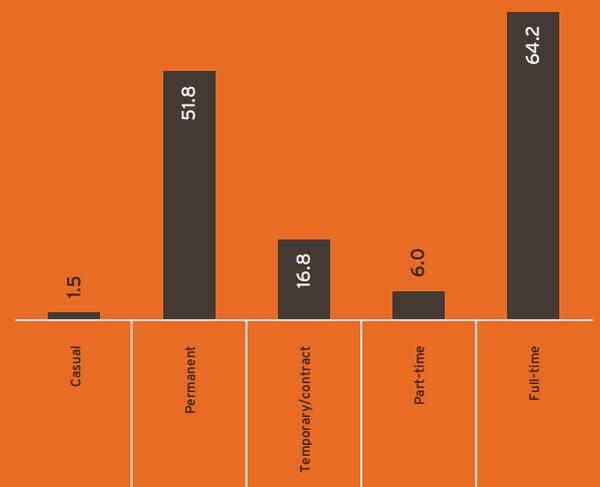
STAFF STATISTICS

	2013-14	2012-13	2011-12	2010-11	2009-10
Total paid staff	87	116	134	161	169
Full-time equivalent staff	70.2	99.5	117	129	140
Staff turnover	37.0%	34.4%	28.3%	27.3%	35.0%
Staff redundancies	23	1	2	0	6
Average age of employees	38 years	35 years	36 years	38 years	38 years
% of female employees	72.0%	73.0%	75.0%	77.0%	78.0%
Employees of Aboriginal or Torres Strait Islander background	0	1	3	3	3
Employees with a disability	1	0	0	0	0
Employees from a non-English speaking background	4	3	1	2	1
Sick leave days per person	8.2	4.5	5.2	5.8	6.1
Recreation leave days per person	30.9	18.7	20.3	17.9	18.5
Long service leave days per person	0.2	1.4	1.3	0.8	2.2
Miscellaneous leave days per person	33.9	34.9	35.5	13.4	9.5
New workers compensation claims	0	0	0	0	0
New industrial relations claims	0	0	0	0	0

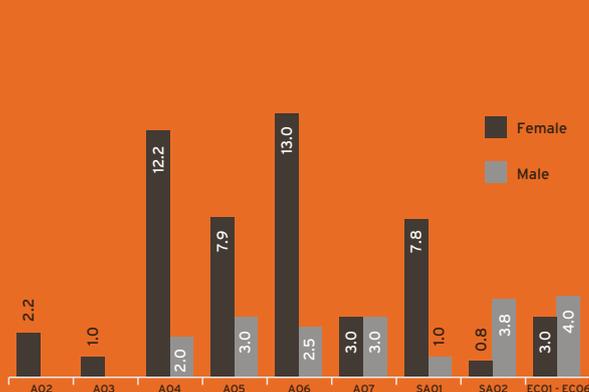
AGE AND GENDER



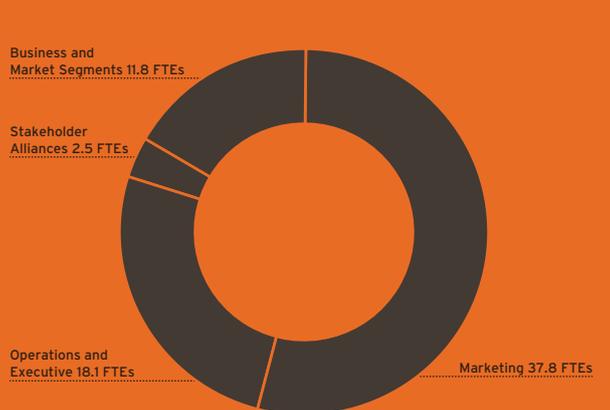
EMPLOYEE STATUS



CLASSIFICATION AND GENDER

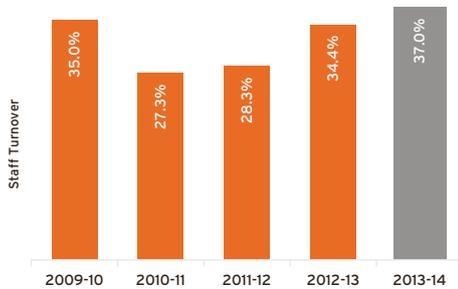


EMPLOYEES BY DIVISION

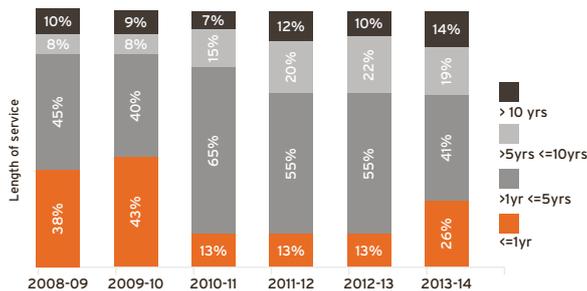


Staff retention

Our staff turnover for the year was 37% which includes staff from Territory Discoveries leaving employment on the cessation of operations.



Our length of service demographics now contain only Tourism NT staff and have shifted somewhat as a result of this. We continue to retrain our longer-term employees, with those with greater than five years' service comprising 33% of our workforce. We have also had an increase in staff with less than twelve months service as a result of restructuring and focusing on filling vacant positions.



Redundancies

Twenty-three separations were made on redundancy grounds due to the closure of Territory Discoveries' operations. This was a one-off situation and not anticipated to recur in future years.

Supporting our staff

Various initiatives were implemented during the year to build and strengthen our workforce capability.

Performance Enhancement Program

We continued with two performance management programs in 2013-14; the Performance Enhancement Program for Tourism NT employees and the Career Excellence Program for Territory Discoveries sales staff (until TD was licensed out). Both programs are based on linking individual work objectives to business plans which support our strategic objectives. A critical element of both programs is the exchange of feedback between employees and supervisors with regard to performance, workplace satisfaction and career aspirations.

Corporate training

We have several generic training packages which are periodically facilitated for staff such as appropriate workplace behaviour workshops. Other training activities undertaken during the year included:

- Team Management System profiles
- staff selection
- ministerial writing
- social media
- cross cultural awareness training
- specific computer software training on SiteCore.

On the job training and product familiarisations remain a critical element of our learning and development program.

Team building

At the commencement of each financial year, individual units usually hold business planning workshops to identify key actions required in order to deliver against our corporate strategic objectives. These workshops also provide an opportunity to reflect on past and current team dynamics and growth, with time dedicated to constructive team building activities.

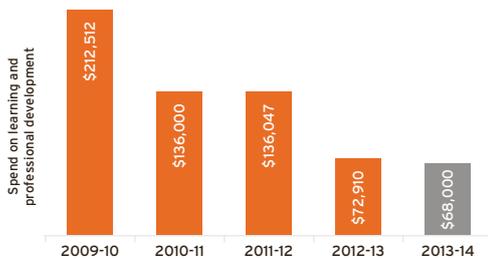
Studies Assistance

One employee received \$2290 for studies assistance during the year. Assistance offered to staff can range from time off work to attend examinations or lectures, leave for exam attendance and/or financial assistance. We strongly support employees gaining relevant skills applicable to their jobs, and opportunities are formally considered annually as part of the Performance Enhancement Program.

Expenditure on learning and professional development

This year \$68,000 was spent on learning and development activities, equating to approximately \$970 per full-time employee. We are committed to developing our staff and maintained our expenditure consistent with last financial year in an environment of increasing fiscal pressure.

Our staff are supported to pursue learning and development activities which will enable better execution of their duties or which assist to realise their full potential.



Apprentices

Although Tourism NT did not individually employ an apprentice this year, we provided direct supervision and mentoring to the apprentice employed by the Department of Business as part of our shared corporate service arrangement.

	Commenced	Still with Tourism NT	Transferred to NTPS
2009-10	4	3	0
2010-11	2	2	1
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0

Flexibility and diversity

Flexibility

We pride ourselves on being extremely supportive of staff in finding an appropriate work-life balance. We foster flexible working arrangements which are negotiated directly with employees and can be on a permanent or temporary basis.

Such agreements have been used to support graded return to work programs for employees returning from maternity leave, to provide assistance to employees with family care responsibilities or to assist employees with career transitions.

During the reporting period, 9 per cent of our staff took up the opportunity of a flexible work arrangement. Following are example of the types of support provided:

- one full-time employee worked partially from home;
- two AO2 employees job share;
- five permanent staff worked part-time hours;
- two staff worked flexibly on casual contracts;
- staff temporarily working out of an alternative office location whilst visiting family;
- flexible working arrangements in which normal weekly hours are worked, but time in the office may vary to accommodate temporary carer responsibilities.

Diversity

We consistently encourage staff from EEO groups to apply for all positions. During 2013-14 we had no Indigenous employees, however there was an increase in the number of staff employed who identify as coming from a non-English speaking background and those who identify as having a disability.

Two of the five members of our executive management team are female, and we are committed to encouraging women to pursue leadership roles. 72% of our total workforce is female, compared to 64% across the broader NT Public Sector as at 30 June 2014.

Induction and probation

All of our new staff receive a personal induction with a Human Resources staff member so that they are informed of organisational charts, operational plans, our code of conduct, conditions of service, occupational health and safety imperatives, and generic building information.

A checklist is provided to all new employees and their supervisors, so as to ensure new recruits are fully informed about these matters as soon as possible after commencement.

Probation

Thirteen staff were subject to probation during 2013-14, with one appointment confirmed after only three months in recognition of their performance. There were no terminations of staff during probationary periods.

Industrial relations and enterprise bargaining

No new industrial relations claims were lodged against us by employees during 2013-14, with the last claim against us being in 2007-08.

Occupational health and safety

We are committed to the health, safety and welfare of our employees and have established occupational health and safety committees in our major offices in Darwin and Alice Springs, together with a regional representative for staff based in other areas.

Training is provided for fire wardens and first-aid officers every year.

A Cyclone Response Team is formed at the commencement of each cyclone period. The team reviewed and updated cyclone procedures and circulated this information to staff prior to the 2013-14 wet season, to ensure all employees were aware of actions required in the event of a cyclone.

Workers compensation

We had no workers compensation claims this year, which is considered a result of our proactive early intervention program.

This initiative allows staff the option of accessing all of our support mechanisms (payment of invoices, case management services etc) in the event of injury, without needing to lodge a workers compensation claim immediately. Whether application of the early intervention program is appropriate depends on a range of factors including the severity of the injury and whether there has been any time off work. Pursuing an early intervention approach does not preclude an employee from lodging a workers compensation claim at a later date, should they choose to do so.

	Incidents	New claims	Cost
2009-10	4	0	\$650
2010-11	1	0	\$150
2011-12	0	0	Nil
2012-13	0	0	Nil
2013-14	0	0	Nil

Employee assistance

We have a formal employee assistance program, providing a confidential counselling service for employees and their family members who might be seeking assistance with personal, family and workplace issues which have the potential to affect their work performance, productivity or wellbeing.

There are four providers from which staff can choose: Darwin Consulting Psychologists, Employee Assistance Service NT Incorporated, Wisemind Psychology and MAXIS Health. Employees are able to access up to five visits for any particular matter in order to ensure they are supported in finding a satisfactory resolution to their issue.

Our 2012-13 Annual Report won a silver award in the 2013 Australasian Reporting Awards.

In 2013-14, 30 employees or their family members accessed this program, with 62 sessions attended. The increase is predominantly due to the decision to cease our Territory Discoveries operations and offer specific, tailored support to affected staff.

	Employees Accessing Program	% of total employees
2009-10	9	5.3%
2010-11	8	5.0%
2011-12	12	8.9%
2012-13	11	9.4%
2013-14	30	30.0%*

* Tourism NT overall staffing numbers have averaged 100 FTEs throughout the year. This figure has been used to work out the percentage rather than the 30 June FTE figure as that would have misrepresented proportion. Most visits were TD.

'Flu vaccinations

In order to promote wellness amongst our employees, we continued our flu vaccination program in Darwin, Alice Springs and Sydney. There was an increase in participation this year with 29% of staff volunteering for vaccinations.

	Participating employees	% of total employees
2009-10	34	20.1%
2010-11	50	31.1%
2011-12	34	20.1%
2012-13	29	25.0%
2013-14	20	29.0%

Employee achievements

Individual awards and achievements

We are very proud of the high quality of employees we attract. A brief overview of awards and significant achievements of some of our staff follows:

- Becky Hargrove won the runner-up award for the 2013 staff scholarship of the Australian Association of Convention Bureaux. This is the second runner up prize for Becky and we have high hopes of her taking out the overall prize next year;
- Emma Fraser and Aimee Cadan both earned Honorable Mentions for best use of social media in the PR Daily 2013 Social Media Awards, Emma for internal communications and Aimee for brand awareness;
- Sarena Hyland was a finalist in the St Johns Ambulance First Aid Challenge Australia.

Agency awards and achievements

Our 2012-13 Annual Report won a silver award in the 2013 Australasian Reporting Awards.



Becky Hargrove

How did we go?

Significant 2013-14 outcomes included:

- supporting affected staff through the closure of Territory Discoveries operations
- obtaining 76% overall satisfaction level in the 2013 staff opinion survey.

A total of 80 staff responded to the staff survey, which equates to a 79% participation rate.

A small percentage of staff indicated a low satisfaction rate with resourcing, change management consultation, and divisional direction. Teamwork and job enjoyment were among the most favourably rated.

Since the survey was conducted, and in response to a view expressed by some that they would like more communication from the CEO, the CEO has instigated 'snap chats' with staff as he moves around our offices.

Future initiatives

- Develop and embed organisational and divisional competencies into the Performance Enhancement Program.
- Develop a strategic workforce development plan which aims at improving staff capability and satisfaction.
- Achieve 75% or higher overall satisfaction level in the 2014 staff opinion survey planned for October 2014.



As required under the *NT Public Sector Employment and Management Act*, our performance against each Employment Instruction is reported below.

Employment Instructions

Employment Instruction and NTPS Agency Requirement	Our Action
<p>Number 1 - Advertising, Selection, Appointment, Transfer and Promotion</p> <p>Agency to develop procedures on recruitment and selection for internal use.</p>	<p>Significant policy and process information has been developed to support managers through the recruitment and selection process, all of which is available on our intranet.</p> <p>HR acts as selection panel member where it is anticipated selection processes may be contentious. We place a significant emphasis on the importance of meaningful feedback.</p>
<p>Number 2 - Probation</p> <p>Chief Executive to develop a probationary process for the Agency and convey details of the probationary process to employees within their first week of reporting for duty.</p>	<p>We have a probation policy available on our intranet, together with copies of our three month and six month report templates providing transparency for staff from commencement.</p> <p>Probation is specifically covered by HR during individual inductions. No employees received extended probation periods or were terminated this year under the probation process.</p>
<p>Number 3 - Natural Justice</p> <p>The rules of natural justice to be observed in all dealings with employees.</p>	<p>We have a natural justice and procedural fairness policy available on our intranet. We apply the principles of natural justice in all dealings with employees.</p>
<p>Number 4 - Performance Management</p> <p>Chief Executive to report annually to the Office of the Commissioner for Public Employment on management and training and staff development programs.</p> <p>Chief Executives to develop and implement performance management systems for their Agency.</p>	<p>We had two performance management programs in place over the reporting period. Information on these programs is published on our intranet together with awareness sessions being facilitated by HR to ensure staff are fully informed of program requirements.</p> <p>Corporate training and development needs are identified as part of the performance management process and have been pursued as explained in this report.</p>
<p>Number 5 - Medical Incapacity</p> <p>No reporting requirements.</p>	<p>Our managers liaise with the HR team for advice on resolving any medical related staffing issues on a case by case basis.</p>
<p>Number 6 - Inability to Discharge Duties</p> <p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the Agency.</p> <p>Chief Executive may establish procedures regarding inability within their Agency.</p>	<p>Our managers liaise with the HR team for advice on resolving all performance related matters on a case by case basis.</p> <p>There have been no inability cases during 2013-14.</p>
<p>Number 7 - Discipline</p> <p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the Agency.</p> <p>Chief Executive may establish procedures regarding discipline within their Agency.</p>	<p>We have a discipline policy available on our intranet. During staff inductions, HR staff ensure the Code of Conduct is understood and point out that breaches of the Code may lead to disciplinary action.</p> <p>No formal disciplinary action was undertaken during 2013-14.</p>

Employment Instruction and NTPS Agency Requirement	Our Action
<p>Number 8 - Management of Grievances</p> <p>Chief Executives shall establish written procedures for the Agency that should outline steps for dealing with grievances and be available to employees.</p>	<p>We have a dispute resolution policy available on our staff intranet. Being a small agency, HR staff are quickly accessed by staff who feel aggrieved in the workplace with support and advice on options provided.</p>
<p>Number 9 - Omitted</p>	
<p>Number 10 - Employee Records</p> <p>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</p>	<p>Personnel files are maintained by the Department of Corporate and Information Services. All other employee records are kept in accordance with our employee records policy, published on the intranet.</p>
<p>Number 11 - Equal Employment Opportunity</p> <p>Chief Executive to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.</p> <p>Chief Executive to report annually to OCPE on programs and initiatives developed.</p>	<p>Although we had no Indigenous employees in 2013-14, we are committed to increasing representation of EEO groups in our workforce in accordance with our diversity and equal employment opportunity policy and have had an increase in staff employed from non-English speaking backgrounds and those with a disability.</p>
<p>Number 12 - Occupational Health and Safety</p> <p>Chief Executive to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.</p> <p>Chief Executive to report annually to the OCPE on occupational health and safety programs.</p>	<p>We have significant information, including a policy on Occupational Health and Safety on our intranet. HR staff emphasise both the importance and shared responsibility of OH&S awareness during staff inductions.</p> <p>Funding is provided for OH&S initiatives such as regular Fire Warden and First Aid Officer training, and related equipment.</p> <p>We provided fully funded flu vaccinations for employees during the year.</p>
<p>Number 13 - Code of Conduct</p> <p>Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees.</p> <p>Chief Executive may issue Agency specific Code of Conduct.</p>	<p>We have an Agency specific Code of Conduct which strengthens certain elements of the NT Public Sector document.</p> <p>All new staff are provided with a copy of the Code of Conduct and their understanding of the content is checked during induction.</p>
<p>Number 14 - Part-time Employment</p> <p>OCPE to advise unions on a six monthly basis of the number of part-time employees by salary stream.</p>	<p>We support part-time working arrangements, as demonstrated by 11% of our workforce working less than full-time hours and 17% having flexible work arrangements to enable them to balance work and personal commitments. We are committed to our flexible work practices policy and encourage innovative thinking about how such arrangements can be accommodated in the workplace wherever possible.</p>

CORPORATE COMMUNICATION



Corporate Communications

Corporate Communications facilitates the planning and development of strategies to enhance the understanding and profile of our achievements, programs and activities. This is achieved primarily through targeted communication to stakeholders; stakeholder engagement, including industry events; and media liaison, including interviews with the CEO and/or Minister for Tourism.

We convey information to our internal and external stakeholders in various ways including a fortnightly electronic news bulletin; social media; industry forums, briefings and events; media events, releases and photo opportunities; our corporate website; staff meetings and direct mail.

Keeping industry informed

We delivered and implemented a tourism industry communications enhancement plan to support stakeholder engagement. We introduced social media elements to help disseminate information more broadly, efficiently and cost effectively. At year end we had 317 followers on LinkedIn and 235 on Twitter.

We held our first Google+ hangout on air, a panel discussion between our CEO, our Director International Operations and a member of the Territory tourism industry, who shared their learnings about the expectations of Chinese visitors. There were some technical glitches, however a video recording is available on our corporate YouTube site.

We also streamlined our industry communications so that they have a more consistent look and feel.

Industry Update is emailed fortnightly to the local tourism industry from our CEO. It carries information about our activities, learning and sponsorship opportunities, market insights and research results for the Territory. It also features video updates from the CEO and other members of our management team.

Corporate website

We overhauled our corporate website to ensure a more professional look and feel, and to make it easier to navigate. A new improved content management system was implemented and a live feed from our corporate Twitter site introduced. Trade and industry needs also formed part of this redevelopment project.

Media relations

News regarding new projects, programs, campaigns and market research results is disseminated through media relations activity. This includes issuing media releases, providing imagery and setting up media interviews for local and national media, as well as trade media focused on travel industry, conventions and the marketing industry.

Staff meetings

The CEO holds informal staff meetings when visiting our various offices. He briefs staff on the latest activities, marketing results and upcoming programs and answers questions they may have.

OUR ORGANISATION



China famil 2013

Secretariat

Our Secretariat area provides high level advice and assistance to staff in the preparation of ministerial correspondence, legislative assembly briefings, ministerial statements and reports, estimates committee briefings and cabinet submissions. Secretariat also coordinates input to national tourism forums such as the Australian Standing Committee on Tourism and the Tourism Ministers' Meeting.

	2013-14	2012-13	2011-12	2010-11	2009-10
Ministerials	274	239	327	307	370
Legislative Assembly briefings	80	60	103	104	107
Estimates Committee briefings	76* +	90	63	99	88
Agency Cabinet Submissions	5	6	1	3	6
Comments on Cabinet Submissions	31	11	12	32	38

* Briefs were not required for Territory Discoveries
+ Includes tourism specific written questions.

Future Direction

Progressing Tourism Vision 2020

We will continue to lead delivery of *Tourism Vision 2020*, communicating and engaging with industry and Government stakeholders and providing overall coordination of the partnership approach. Other NT Government agencies will play a key role in managing supply-side considerations. At a national level, we will continue to provide input and ensure alignment to the national tourism agenda.

Our priorities will remain the same:

- grow value
- improve business sustainability
- improve the visitor experience
- address supply constraints.

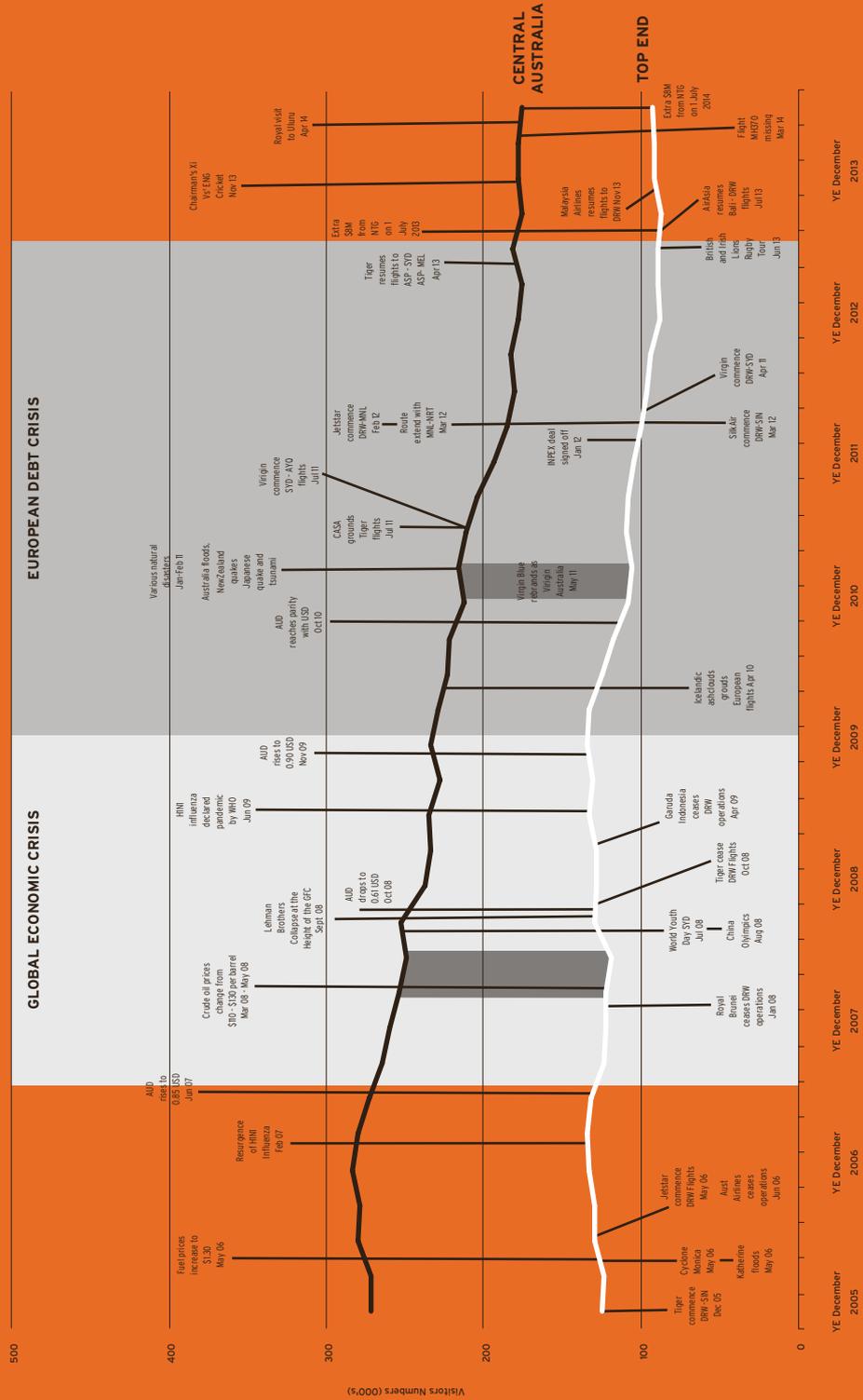
From a marketing perspective, we will continue on our path to encourage consumers to Do the NT, create conversion opportunities and increase yield.

We will seek to increase the momentum in international visitor growth, maintaining our activities in Western markets and growing our share of visitors from China through our China Market Activation Plan, an updated version of which is due for release in early 2014-15.

A continuing major focus will be to encourage regional dispersal by international and domestic visitors.

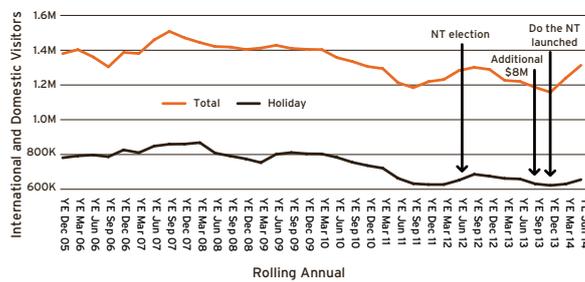
We will also continue to provide input into the development of Northern Australia from a tourism perspective.

International Holiday Visitation to the NT



The underlying trend for international and domestic visitation is upwards

Industry performance



The combined holiday performance decreased marginally (-0.6%) in the 2013-14 financial year compared to 2012-13. However, there are positive signs that the holiday market is recovering after strong quarterly performances for the first half of 2014.

Results from the first half of 2014 (January to June) showed:

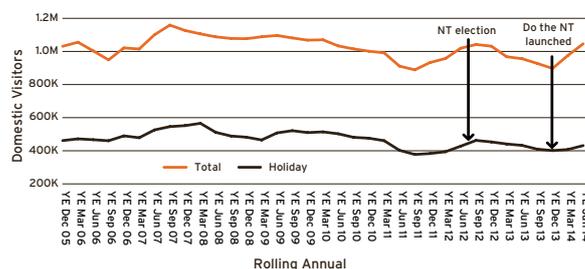
- International holiday up 2.7%
- Interstate holiday up 5.1%
- Intra-territory holiday up 37%.

Other markets that our activities influence were also up for the year; the visiting friends and relatives (VFR) category was up 19% to 221,000 and the international working holiday market was up 20% to 14,000.

The total expenditure increased 1.9% to \$1.7 billion dollars in the 2013-14 financial year compared to 2012-13. The 2020 target is for \$2.2 billion.

While more accommodation came online during the year and eased pressure on availability, the cost of accommodation impacted the discretionary spend of the holiday market and reduced the number of nights spent in the Territory.

Domestic results



Total domestic visitation has bounced back over the 1 million visitor mark after dropping under in 2012-13 (to 956,000), with an increase of 9.4% (to 1.05 million visitors) in the 2013-14 financial year.

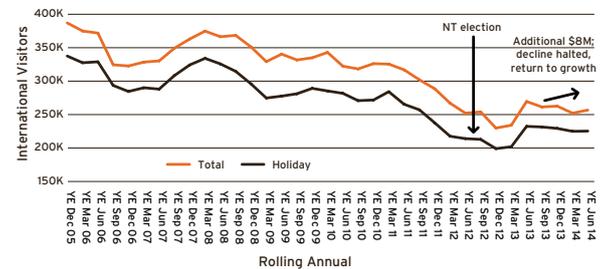
The reported 1.05 million domestic visitors to the NT in 2013-14 is the best result the NT has recorded since 2008-09 when 1.1 million domestic visitors came to the NT. However, increases in domestic visitation have come from sectors other than holiday. Holiday visitors declined marginally (-0.3%) year-on-year for the NT, but the trend is clearly back upwards.

Given that the domestic 'Do the NT' campaign was launched on 30 September 2013, only the December, March and June quarters reflect the impact of this campaign. Measuring these three quarters show the NT has had an increase of 8.4% interstate holiday visitors since 'Do the NT' was launched. With the peak holiday September quarter still underway, there are very strong signs that this campaign has had a positive effect on turning around the market.

Intra-territory holiday visitation has increased 8.4% for the year and is at the highest level of travel within the NT since 2008-09.

International results

International visitation to the NT is trending upwards, buoyed by the additional \$8 million investment in international markets.



While holiday visitors declined marginally (-1.2%) year-on-year for the NT, the trend is clear that the dramatic declines in international holiday visitors experienced from 2005-06 until mid-2012 have now been halted.

Given the delay between our marketing activity going into market, holidaymakers actually booking their travel and then visiting the NT, the full impact of the additional marketing funded through the additional \$8 million for international in last year's budget is still to flow through into the figures.

The March and June quarters of 2014 were strong and recorded good growth. International holiday visitors to the NT from April to June were up 2%, providing confidence the additional marketing is starting to have a positive impact. International results are expected to continue to improve.

The key markets of the UK, USA and France are growing, but the Japanese market, which has been weak right across Australia for some time, was down another 7,000 visitors (-30%) for the year, dampening the overall figures.

Value of tourism

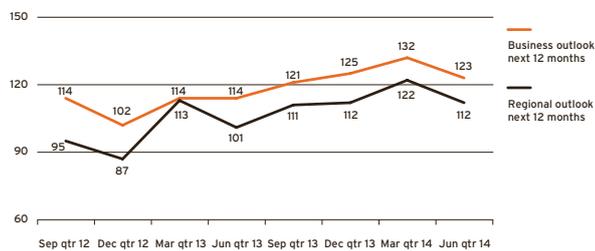
Tourism is a key driver of the Northern Territory economy and positively contributes to many other industry sectors. Tourism is worth \$1.7 billion annually to the local economy in Gross Value Added and provides 16,000 jobs or 13% of the workforce.

The Territory has a higher share reliance on tourism than any other state or territory, demonstrating the importance of tourism to the Territory's economy. Our Gross Value Added is considerably higher than for Australia overall (8.6% compared to 5.6% nationally).

	Tourism Gross State Product	Tourism Gross Value Added	Tourism Employment
NT Estimate*	\$1.83 billion	\$1.66 billion	16,000 jobs
% contribution to the NT	9.1%	8.6%	13.0%
% contribution to national level	6.0%	5.6%	8.0%

Source: Tourism Research Australia, State Tourism Satellite Accounts 2011-12

Industry expectations



The Northern Territory industry sentiment outlook index⁽¹⁾, gauged quarterly via an online poll, reflects that since the June quarter 2012 operators' outlook for their business performance has remained largely positive. The outlook had been tracking up since June 2013 as operators had strong forward bookings and were optimistic about the next 12 months.

However, from April to June 2014 this outlook softened with the news that Tigerair would no longer service the Alice Springs region.

More statistical information on our tourism industry is at: www.tourismnt.com.au/research

REPORTING OUR PERFORMANCE

The following section provides an overview of our performance against the outcomes articulated in our annual operational plan, which communicates how we intend to translate the long-term direction for the NT tourism industry into immediate strategies for implementation in a particular year. This report also incorporates outcomes identified in Budget Paper 3, with a summary of reporting against the output structure of the Budget Papers included at page 60.

¹The outlook index is derived by assigning a value of 0 to a 'very poor' response, 50 to 'poor', 100 to 'same', 150 to 'good' and 200 to 'very good'. A value of 100 therefore means that the outlook across operators' business or region "will remain the same for the next 12 months".

STRATEGIC REQUIREMENT 1: GROW VALUE



Introduction

This is the first year in which we have reported our performance against an operational plan that is designed to make progress towards achieving Tourism Vision 2020.

Our core focus as a marketing organisation is most evident in the strategic requirement to Grow Value, where we lead initiatives aimed at driving tourism demand.

In the three other strategic requirements - Address Supply Constraints, Improve the Visitor Experience and Improve Business Sustainability - we play more of a supporting or facilitating role, with stakeholders from industry and Government taking the lead to drive the initiatives that align with their responsibilities.

A number of strategies have been developed to deliver on these requirements. This report itemises the ones in which we are involved, together with actions we have taken to implement them. The list of actions is not exhaustive; it seeks to illustrate the kind of actions taken.

An additional \$8 million was provided to us by the Northern Territory Government to establish a bigger and better presence in international markets, and enabling us to have representation in the Malaysian market for the first time. It also enabled us to help the NT tourism industry capitalise concurrently on our activities through our Digital Marketing Activation Program, to which we allocated \$1 million.

From now until 2020, our future direction will be focussed on delivering Tourism Vision 2020.

Increase the desirability of the Northern Territory as a travel destination, inspiring more people to visit, stay longer and spend more.

Initiative

Deliver a refreshed NT brand strategy that is experience-led, reflects our natural and cultural positioning and talks to our target audience.

Actions

'Do the NT' is the message of our new brand strategy. Previously our marketing had just focused on the destination, using scenic shots of our landscapes and attractions. However, research showed that the Territory is already well known for this, so our new strategy was to focus more on the active, engaging and fun things to do in the Territory with which they are less familiar.

We presented our proposed shift in brand positioning to industry in July 2013 at the Tourism NT Industry Roadshow. We explained our intention to move from an aspirational brand positioning to one that is conversion-focussed by injecting motivation and a sense of urgency to travel. It was well received by industry.

Now, for the first time, our campaigns showcase the things you can do in the Territory, and position the NT as a fun, diverse, adventurous, great value holiday destination in our core target audiences in the 18-35 and 55+ age groups.

The new brand strategy was delivered in two bursts over the year, starting with the launch in September 2013. The reactions to it from both age groups were extremely positive.

With the 18-35 audience, the first burst achieved:

- a reach of 55% on metro TV for the 30 second television commercial,
- 82% of all people who clicked play on the online 30 second advertisements watched the ad in its entirety on digital websites,
- 92% of Facebook interactions resulting in a video view, with a click through rate to travelnt.com of 5.5%.

The 50+ target audience saw:

- a reach of 75% on metro TV,
- 85% completion rate of the 30 second television commercial on digital websites,
- Facebook click through rate to travelnt.com of 5.23%.

We also provided visitors with more reasons to Do the NT by using a multi-destination approach to marketing, with two 30-second commercials - one highlighting the Top End and the other the Red Centre - being a demonstration of this approach.

Initiative

Invest \$1 million to amplify the NT brand through Northern Territory Government consumer networks to connect to a broader range of NT target audiences.

Actions

We developed partnerships across Government, including with parks, sports and recreation and the arts, to strengthen and increase reach of the NT Brand, including a whole of government approach to the events calendar through the Festivals NT program and partnerships with Parks NT and Parks Australia to promote a more integrated marketing approach. Some of the key actions have been:

- Cooperative marketing with the Department of Sport, Recreation and Racing to leverage the exposure from major national and international sporting teams playing in the Northern Territory.
- A Karlu Karlu signage and brochure project to help generate more stopovers in Tennant Creek and surrounds by showing more of what you can do if you do not drive straight through.
- Consistent usage of Do the NT logos on local sporting team jerseys to create a stronger connection to our tourism brand when teams are playing interstate.

Initiative

Create whole-of-Territory campaigns which tap into consumer motivations to visit the NT that are common across all regions and reduce the perceived barriers to booking by addressing issues of accessibility, cost and available infrastructure.

Actions

- Evolved our creative approach from being fun, social, active and about doing to include the concept of "appealing adventure" to unlock the intenders who are unaware how easy and comfortable the NT is for a holiday. This was done by imagery and videos showing more aspects of an NT holiday that include luxury, or hotel pools / comfortable beds, and more tour guide interaction rather than having to fend for yourself.
- Developed marketing collateral and digital tools addressing 'How to Do the NT', confronting the perceived barriers to travel NT head on and making it easier for consumers to research and book an NT holiday. This included a self-drive microsite adventurealltheway.com.au and publication of over 1.4 million brochures showing different journeys around the NT to make it easier to piece together the ultimate NT holiday.

Initiative

Align marketing strategies Territory-wide to deliver consistent, integrated messages about the NT that connect with our target audiences from their trip research, itinerary planning, through to booking and on-ground arrival experience.

Actions

This was achieved by specific research on how to better increase the spend of visitors to the NT as part of the booking and visiting process. The results from this created new actions around:

- New promotions with regional tourism organisations to ensure visitors were getting a consistent approach to branding and sales messages once arriving in the NT.
- New promotions with trade partners globally that meant we could influence the key messages that were being published on popular trade partner websites.

Initiative

Invest \$8 million in partnerships with tourism retailers, airlines and other trade partners to capitalise on the high domestic awareness of the NT, highlighting NT experiences, packaging key itineraries and encouraging visitors to book now with enticing tactical deals and effective training and communication with travel agents.

Actions

- We worked aggressively with partners such as Flight Centre, Wotif, Qantas Holidays and a significant number of international trade partners on campaigns aimed at converting consumer interest into bookings
- We developed affinity partnerships with brands with similar target audiences to reach new potential visitors for the NT e.g. a 2013 partnership with Merrell Footwear to promote winning a trip to the NT in Athletes Foot stores Australia-wide.
- Examples of key cooperative campaign activities which included either elements of TV, digital media, owned content and social media are below:

Results

Date	Activity	Results (compared to same period last year)
Aug 13 Duration - 2 weeks	NT - Early Bird Flight Centre Travel 1 Nov - 31 Mar 14	Passenger growth of +41.5%
Aug 13 - Dec 13 Duration - 5 months	GSR - Fly free campaign: Travel Nov 13 - April 14	Revenue increased +18% for Gold and +47% for Platinum
Sept 13 Duration - 6 days	Qantas Travel Nov 13 - Mar 14	+38% passenger travel
Nov 13	TXA sales on travelnt.com	+30% revenue
Nov 13 Duration - 3 weeks	Expedia Travel low to shoulder season	74%+ revenue
Jan 14 Duration - 3 weeks	Wotif Travel shoulder season	Bookings growth of + 28.1%
Jan - Mar 14	Drive / Britz	6%+ nights booked
Jan 14 Duration - 1 month	AOT/ Sunlover - Australia on Sale Travel Jan - June 14	219%+ room nights, from a low base.
Mar 14	Flight Centre NT on sale	53% increase in sales

Initiative

Invest \$2 million to maximise engagement with NT visitors during and post travel through all consumer touch points including trip planning websites, social media sites, consumer shows, visitor centres, arrival points and through print, television and radio advertising.

Actions

- Installed and promoted free WiFi in Alice Springs Mall; Tourism Central Australia actively promotes this free WiFi service and in the last year it experienced increased foot traffic to the visitor information centre, some of which is accounted for by those wanting to access the free WiFi.
- Provided free WiFi for the international cricket match between the Chairman's XI and England in Alice Springs, enabling the match to be streamed online on the Cricket Australia and Tourism NT website, and be watched by 20,000 and 1600 viewers respectively.
- Commenced feasibility study into the roll out of free WiFi in other visitor precincts in the NT including NT parks.
- Developed the self-drive microsite adventurealltheway.com and marketing collateral which provides visitors with planning tools for self drive holidays.
- Commenced an independent review of visitor information service provision in the NT with results due in the first quarter of 2014-15.
- Delivered quality visitor information services in the key gateways of Darwin, Alice Springs, Katherine and Tennant Creek through a partnership arrangement between Tourism NT, Tourism Top End, Tourism Central Australia, Battery Hill Mining and Katherine Town Council.

Initiative

Build regional visitation that supports our diverse and dispersed product offering by investing in trade and consumer activities promoting and packaging key itineraries and experiences that target the fly-drive and self-drive markets.

Actions

- Adopted a multi-destinational approach to marketing, increasing the amount of regional branding and profiling to help unlock the reasons why potential visitors would book the packages being promoted in our partner/conversion promotions and creating value in the customers minds for their effort and expense to come to the NT.
- Progressively communicated this approach across Government and industry; agencies such as the Parks and Wildlife Commission NT are adapting websites and park fact sheets to take in the multi-destinational approach.
- Established local tourism advisory committees in the Barkly region and East Arnhem Land to facilitate direct local industry input into tourism marketing campaigns.
- In February 2014, we began promotion of East Arnhem Land, including dedicated East Arnhem Land pages on our consumer website travelnt.com, development of an East Arnhem Land brochure available digitally to consumers and a promotion with Airnorth offering sale fares from Darwin to Gove.
 - The sale fares were featured on Airnorth’s homepage, on our consumer website, and sent to Airnorth’s electronic direct mail base of over 20,000 members.
 - 100 brochures were distributed to the Australian Travel Writers Association lunch to journalists and travel writers from around Australia.
 - We also funded a photo shoot to enhance the range of images available of East Arnhem Land and have now integrated the region into our mainstream marketing activities.
- Partnered with Britz from January to 31 March 2014 to promote self-drive in the Northern Territory. The campaign highlighted a variety of self-drive journeys throughout the NT showcasing each region and offering up to 45% off Britz vehicles. The campaign included a competition to win a self-drive trip to the Northern Territory which attracted 23,000 entries and over 40,000 page views. It featured photos of participants’ favourite Northern Territory destination and Britz vehicle.
- Partnered with Flight Centre from 8-21 March to promote Northern Territory sale packages including a range of unique products and experiences. The campaign attracted around 100,000 clicks through to the packages on Flight Centre’s website.
- Conducted an Inbound NT 2014 trade workshop and familiarisation program - 29 suppliers were represented and 49 buyers from 40 different trade organisations attended, including inbound tour operators, online travel agents and key domestic distribution partners that promote travel from around Australia.
- Together with Tourism Australia and Indigenous Business Australia, we assisted Indigenous operators to utilise support through the Indigenous Tourism Champions Program to attend the Australian Tourism Exchange (ATE) trade show. Three new NT sellers - Pudukul Aboriginal Cultural Tours, Kakadu Cultural Tours (Hawk Dreaming, Guluyambi) and ATG Downunder - were among the 22 NT sellers who attended ATE in Cairns.
- We partnered with Tourism Australia to host a Travel Leaders trade famil - Travel Leaders has proven to be a successful consortia partner in North America. Five Aussie Specialists travelled to and throughout the Red Centre to experience the diverse product offerings. Through partnership, the Northern Territory has achieved increased exposure and access to agents across the United States.



Driving through termite mounds by 4WD in Kakadu National Park.

Initiative

Use public relations and targeted digital media to build awareness and preference for key regions, journeys, experiences and special interests.

Actions

Mates of the Territory

One of our public relations initiatives to boost domestic visitors to the Territory was to invite a number of high profile NT advocates to become 'Mates of the Territory'. At year end, they included Lisa Wilkinson, Matthew Hayden, Mark Beretta, Mark Skaife, Lynton Tapp, Lauren Bath, Shari Sebbens, Tahan Lew Fatt and Layne Beachley.

Being a mate is not a paid exercise, although some mates will be paid from time to time for their engagement, as with any other marketing activity that might involve engaging media personalities.

The results from the announcement, and the first mates' visits by Lisa Wilkinson visit and Lauren Bath, delivered the Do the NT message to over a million people and had an estimated public relations value of over \$250,000.



Lisa Wilkinson enjoys a bird's eye view of the Top End.

Consumer social media channels

Using social media is a key strategy Tourism NT uses to spread the Do the NT message, and was particularly effective with NT's Best Jobs in the World winner, Allan Dixon, who posted more than 500 images and videos of his experiences to global followers.

We made strategic use of our social media channels throughout the year to highlight memorable experiences, amazing journeys and great adventures

A typical initiative involved the use of Instagram. We staged the Territory's very first Instameet at Mindil Beach Sunset Markets. We invited seven prominent Instagrammers, with a combined following of more than 800,000 fans, to promote one of the Top End's iconic attractions. Local Instagram fans could also get involved by using the hashtag #NTAustralia on photos they took.

The Instameet then took to the road, travelling through Darwin, Kakadu and Katherine on a five day tour to promote the Top End with Instagram images to hundreds of thousands of fans around the globe.

We attracted a significant number of new fans and followers during the year. Social media followers as at 30 June 2014:

Facebook

234,393 fans (179% increase from 1 July 2013)

Twitter

1809 followers (171% increase from 1 July 2013)

Instagram

6187 followers (466% increase from 1 July 2013, with the Top End's very first Instameet that we held generating more than 500,000 likes)

YouTube

1913 subscribers and 2,457,278 views 'Jumping Crocodiles in Slow Motion', the video shot by our Outback Adventurer Allan Dixon, garnered 454,304 views and counting (it was uploaded in February)

Pinterest

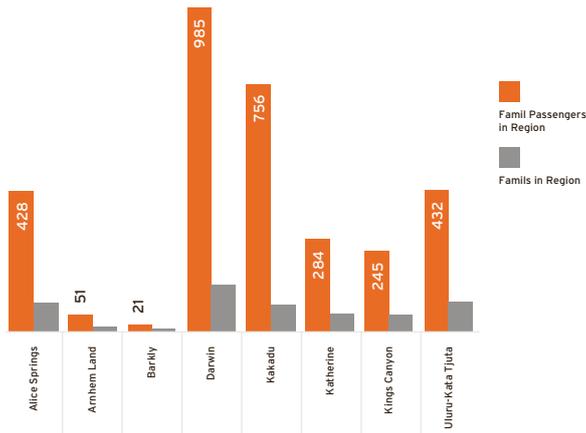
411 followers

Google Plus

208 followers

Famils

We conducted a significant number of famils during the year for trade, media, photo shoots and so on as part of our domestic and international activity to attract visitors to the Territory and encourage regional dispersal. We targeted media outlets with offers of familiarisations of the Northern Territory and encourage regional dispersal. We targeted media outlets with offers of familiarisations of the Northern Territory that included tourism operators and featured barrier busting messaging to combat perceptions that the NT is too hot, too wet, too difficult to get to or get around etc.



Initiative

Increase research capacity to guide the NT's collective investment in marketing, experience development and delivery.

Actions

We established a new area of research investigating areas of latent demand in the international and domestic markets.

We also conducted a tourism industry roadshow, sharing our research findings on 'what to say' and 'where to play' and providing operators with the opportunity to provide grassroots input into our marketing plans.

Work with Tourism Australia and gateway destinations to maximise our investment in identified priority international markets, with a focus on growing the NT's share of high growth Eastern markets.

The NT's international source markets have been prioritised according to their ability to contribute to the Tourism Vision 2020 NT growth target, and categorised according to the market investment strategy to be employed i.e.

Build and Maintain markets which include the NT's traditional international source markets of the UK, Germany/ Switzerland, US/ Canada and Japan

High Growth Potential markets which include China and Singapore, NT's priority growth markets from the East

Targeted Investment markets which include France, Italy, Korea, Netherlands, Scandinavia and Taiwan.

We are seeking to:

- reinvigorate visitation from the Territory's *Build and Maintain* market category,
- build the NT's market share of the *High Growth Potential* market category and
- target niche segments with a high propensity to travel within the *Targeted Investment* market category.



We are seeking to build the NT's market share of the high growth potential Asian market.

Initiative

Focus on sales for all international marketing activity with a \$12 million investment in cooperative marketing partnerships with airlines, online travel agents and traditional trade partners.

Actions

In July 2013, the Northern Territory Government and Qantas reached a landmark \$7 million cooperative agreement to promote the NT within Australia and on the international stage, which provided our international activities with a major boost. The three-year agreement - the biggest airline partnership in the Territory's history - will target key markets including Australia, US, Japan, United Kingdom and America, and other international regions using a range of advertising and marketing strategies.

We increased activity in the NT's mature markets of UK, Germany/ Switzerland, US/ Canada and Japan with a continued focus on regional dispersal to the Northern Territory, either as part of broader Tourism Australia or independent consumer campaigns.

For example, in Japan, Tourism NT partnered with Qantas and Tourism Queensland to promote a special fare between Japan-Darwin, Alice Springs and Ayers Rock via Sydney. Highlights included 62 billboard ads in Shinjuku station in Tokyo, and a mini guidebook printed as an insert in H.I.S. Wholesale brochures and distributed at its 200 branches in eastern Japan.

A large scale integrated campaign rolled out in January to March in Japan attracted early results, with unique page views of the campaign hub rapidly going over 450,000 and over 600,000 page views of the editorial content across the network of media sites. Two of the campaign partners reported a substantial increase in forward bookings for April-June from the cooperative activity.

A cooperative campaign run with Jetstar in Singapore across digital and social platforms featured Darwin as a weekend getaway destination and generated the sale of 276 seats in four days (24-27 January 2014). A different cooperative campaign with Holiday Tours highlighted a mix of self-drive holidays to the company's clients and included a custom made video highlighting the 'Nature's Way' self-drive journey in the Top End.

We also focused on maximising increased aviation capacity through Jetstar and SilkAir with consumer cooperative campaigns with the airlines, participation at the National Association of Travel Agents Singapore fair and regular media and trade familiarisations throughout the Top End and Red Centre.

In the US, we partnered with Qantas to deliver a two week sales campaign; the Qantas Outback Airfare sale was promoted via Qantas.com and Orbitz, Expedia and Travelocity.

We also partnered with Tourism Victoria, South Australian Tourism Commission, Tourism WA, Tourism Queensland and Destination NSW on the Goway 'Australia Self Drive' campaign in the US. The total passenger spend on itineraries including the Northern Territory was USD\$380,881.

In Germany, we partnered with Meiers Weltreisen, AAT Kings and Singapore Airlines on a key operator and trade partner campaign built around the production and insertion of a 20-page 'Dreamtime Now!' supplement in three leading German national daily newspapers.

Sales results from an expedia.it campaign in Italy that finished at the end of August 2013 showed a 57% increase in Italian passengers booked to the NT on the same period in 2012.

We collaborated with Tourism WA, Qantas and STA Travel from March to May 2014 on a campaign to strengthen aviation and destination marketing sales. The campaign was led by a return airfare offer to Darwin or Perth of €925 that was calculated by using a rebate of €100 per passenger. STA travel offered a consumer rebate and incorporated Tourism NT's objectives into their own selling targets.

Getting results in Germany

We partnered with STA Travel on a highly successful campaign to draw German travellers to and throughout Australia's Outback NT. The campaign was centred around a performance-based reward campaign that provided customers with the opportunity to qualify for a bonus of €150 when they booked an international ticket for travel that included Darwin as either the Australian gateway or port of exit or €50 for the purchase of a domestic ticket for travel to Darwin, Alice Springs or Ayers Rock from any Australian domestic port.

A total of 861 passenger bookings were made for travel to the NT before end December 2013 in response to the campaign, a 15-fold increase. A minimum stay qualifying condition of two nights in the NT was placed on this incentive and results indicate an average stay of 7.8 days representing a total of 6,762 visitor nights.



On to a winner in the UK

We partnered with Tourism Victoria, Qantas, Airways Limited, The Daily Telegraph, Trailfinders, Britain's Royal Horticultural Society and Melbourne's Royal Botanic Garden on a campaign built on the world's biggest flower show at Hampton Court outside London.

The Australian garden entry below, which had strong Northern Territory influences, won a gold award and was judged best in show, giving a huge fillip to the campaign.

The campaign was targeted at 50-69 year olds with interests in landscapes, nature and wildlife, culture and journeys, and aimed to demonstrate the depth and breadth of the tourism experiences available in the Northern Territory. The activity sought to convert interest into sales by promoting the Qantas Melbourne service and the ease with which visitors could make onward connections to the Northern Territory via the Walkabout Pass, which enabled them to customise their trip for much less than if they booked flights separately.



Initiative

Lead implementation of the China Market Activation Plan, with a \$1 million investment in activity focused on increasing NT awareness, knowledge and product distribution among key trade partners.

Actions

In October 2013, the Tourism Minister led a delegation of NT tourism operators on our second annual China mission, visiting Hong Kong, Guangzhou, Beijing and Shanghai, and meeting more than 450 Chinese travel agents already selling Australia.

In a second high-level, face-to-face visit, our Chair Michael Bridge and two key staff attended 'Australia Week' in China in April 2014 to further boost business and holiday tourism to the Northern Territory.

In other actions, we:

- revised and released the China Market Activation Plan update (CMAPII) for industry consultation.
- targeted the Eastern Hemisphere markets for tourism investment opportunities, including:
 - representation at Austrade's investment event at the Australian Tourism Exchange
 - hosting delegations from the China Development Bank and China Council of the Promotion of International Trade
 - promoting tourism investment opportunities on outbound Ministerial trade missions to Singapore, China and Japan.
- conducted a China SilkAir familiarisation, including a workshop, to facilitate industry meeting with retail agents.
- delivered China-ready workshops with guest speaker Richard Beere, Managing Director at Fastrak Asian Solutions, which included follow up one-on-one sessions for operators.
- made building product distribution networks and relationships a priority. For example, we implemented:
 - cooperative consumer campaigns in Greater China with key trade partners CYTS, CTRIP, GZL and Hong Thai travel;
 - consumer focused activity in partnership with SA Tourism Commission, Tourism Australia and non-traditional partners including Landrover and Sony;
 - public relations activity with a focus on special interest travel including self-drive, rail, art and photography and trade activity focused on ATE and Corroboree Greater China.



We helped to sponsor the China Investment Forum 2013.

Initiative

Increase engagement with Australian based inbound tour operators to ensure that the NT product mix in global distribution channels are expanded and improved, with a particular focus on operators selling to the Eastern markets.

Actions

We delivered an Asia Product Partnership Program which engaged NT operators in a program of marketing activities focussed on the high growth Asian markets. Results of the program included:

- six companies participating in the China Mission;
- ten companies participating in the inbound tour operator engagement sessions;
- five companies taking part in China ready workshops; and
- eight companies participating in the Singapore Mission.

We also made the Trade Support Scheme available to the tourism industry targeting the international market. During the year, 12 NT tourism businesses received almost \$50,000 in financial assistance under the scheme enabling them to participate in ATE and our China mission, for example.

Together with the Australian Tourism Export Council, we hosted 40 inbound tour operator companies and 29 NT operator companies at Inbound NT 2014 in Darwin. The day of workshops allowed for NT operators to network and conduct business meetings with the key international distributors. Following the workshops, the inbound tour operators participated in various famils throughout the Top End.

Initiative

Target the international youth sector by leveraging Tourism Australia's global campaign, 'The Best Jobs in the World' with a program of media, social media and public relations activities.

Actions

Our Outback Adventurer

The Northern Territory winner of Tourism Australia 'Best Jobs in the World' competition, Allan Dixon, took up his new job as Outback Adventurer in August 2013. His role was to help increase international visitation to the Northern Territory and Allan targeted the youth sector, especially backpackers and working holiday makers.

The youth market is an important source for the Territory with 89,000 international youth travellers visiting the NT in the year ending June 2014.

Allan wrote blogs, shot videos, took photos and used social media to showcase what he did while travelling almost 9,000 kilometres through the NT, visiting more than 23 destinations, sleeping 30 nights under the stars and swimming in 25 waterholes.



Allan Dixon (right) at Twin Falls, Kakadu.

We partnered with Tourism Australia and STA Travel in May 2014 to build on the momentum of the successful 'Best Jobs in the World' campaign. The campaign included:

- an STA-led consumer roadshow in seven major German cities (Hamburg, Frankfurt, Munich, Cologne, Stuttgart, Hannover and Berlin) with touch-points linked to STA Travel stores in each city;
- media and public relations partnerships with youth magazines, local radio stations and an external blog;
- an online campaign linked to the campaign microsite and a competition Australia, individual states and territories and work and travel packages;
- a work and travel video broadcast in 24 universities.

Our GoStudy Youth Project in Italy promoted the Northern Territory as the ideal holiday destination for working holiday makers. This campaign included a 'Dreaming Outback' contest for the chance to win an eight week English course in Darwin and a real Outback Jackaroo or Jillaroo position on an NT property.

Initiative

Leverage social media opportunities internationally to engage with local audiences through public relations activities and in-language content dissemination.

Actions

We created a global Facebook page which allowed each market to communicate directly with consumers in language. We supported this with a global digital media spend of approximately \$2 million to drive traffic to our social media websites and content. The outcome was significant growth in Facebook users from 80,000 to 230,000 within 12 months.



Working holidaymakers and backpackers have plenty of time to explore places like Ormiston Gorge in the West MacDonnell Ranges.

Grow the visitor economy by focusing on niche market and product segments with the greatest propensity to travel

Actions

Over the year we worked to develop a number of market sectors in which the NT has a natural competitive advantage, seeking to provide visitors with a reason to connect to the Northern Territory and consider it as their number one destination for their next holiday. These sectors are business events, cruise, drive, festivals and events, fishing, luxury travel, mountain-biking, school education tourism, walking and trekking.

Business events

The business events sector contributed an estimated \$89 million to the NT economy in 2013-14.

The Northern Territory Convention Bureau (NTCB) is our business events arm, which aims to grow the visitor economy by boosting the number of business events held in the Territory. This year we contributed to a total of 70 events with an estimated economic impact of \$65 million, producing a return of \$40 for every dollar invested. An additional 88 opportunities with an estimated impact of \$41.6 million are pending or have been identified.

We welcomed 18 business event planners and trade media from around Australia to the Red Centre in September 2013 as part of a three-day Alice Stampede familiarisation program, co-hosted by the Alice Springs Convention Centre.

In October 2013, we travelled to Brisbane, Sydney and Melbourne with NT Meetings Muster 2013, promoting what the Territory has to offer business events and showcasing the 12 Territory businesses which took part.

Then, in February 2014, we led a group of 17 Territory business event specialists to Melbourne for the largest international business expo in Australia, the Asia-Pacific Incentives and Meetings Expo (AIME), attended by more than 750 exhibitors from five continents. Several NT businesses attended for the first time, including Australia's Outback Journeys - a new collective of 10 wilderness lodge-style accommodation and small group tour providers - and Larrakia Nation, which provides Aboriginal cultural experiences.



NT operators at AIME.

We conducted the following business events focussed activities during the year:

Location	Famils		Site inspections	
	Number	Attendees	Number	Attendees
Darwin	5	45	25	36
Alice Springs	3	36	8	15
Ayers Rock	3	34	3	6

The \$70,000 NT Business Events Ambassador program was formed in partnership with Alice Springs Convention Centre and Darwin Convention Centre. The 15 ambassadors are leading professionals from around Australia and include Simon McKeon, a former Australian of the Year, and Gina Rinehart, Executive Chairman of Hancock Prospecting. The Northern Territory's Chief Minister Adam Giles is Patron.

Collectively the ambassadors are involved in more than 50 boards and associations and use their wide network of contacts and corporate knowledge to help attract business events to the NT. As at 30 June 2014, they had delivered 36 event leads, assisted at two events (e.g. hosting or speaking) and helped convert interest in holding one large event into a booking.

Cruise

We identified cruise infrastructure needs that will be necessary to deliver growth and sustainability into the future to position Darwin as the primary Northern Australian cruise gateway. These infrastructure priorities are being coordinated into a strategic document that will be finalised in 2014-15.

We attended Cruise Shipping Miami Conference to promote Darwin as Australia's gateway port for ships entering/ exiting Australia. Shore excursions and overland excursions to non-port regions of the NT were also promoted to the major cruise lines in North America with positive results. Training sessions were held with Lindblad Expeditions in New York, and Holland America Line and Seabourn Cruises in Seattle.

We continue to work with local tourism and the retail sector to leverage the opportunity that the cruise sector brings, especially in the low season. In 2013-14, there were 38 cruise ship visits to Darwin. According to Cruise Down Under's Economic Impact Assessment 2013-14, the industry injects approximately \$93.8 million into the NT economy, including \$54.1 million in direct expenditure.

Drive

This sector includes self-drive, 4WD, caravanning and camping and has now grown to such an extent that it is ready to be incorporated into our mainstream marketing activity.

In 2013-14, we invested \$364,000 in dedicated drive activity. This included \$314,000 towards a cooperative campaign with Britz that promoted the NT as the ultimate self-drive destination whilst offering an attractive offer, motivating consumers to book. The remaining \$40,000 went towards updating and reprinting the NT Drive map, which is distributed throughout the Territory and widely used by the self-drive market.

We are finalising a drive marketing strategy for 2014-15 and beyond, which has been developed in consultation with industry.



Cruise ships are a familiar site in Darwin Harbour during the wet season, which is the northern hemisphere's winter.



Some roads in the Northern Territory are unsealed or require a vehicle with high clearance such as a 4WD.

Fishing

We hosted famils for iFish TV Australia promoting the Top End's fishing spots that received national exposure on free to air television; promoted fishing as a key experience for East Arnhemland on brochures and to over 100 travel writers across Australia; and inserted over 2 million "How to do the NT" booklets into Australian newspapers that highlighted fishing as an option in the Top End, especially in the Arnhemland section.

Luxury

Fourteen NT tourism operators joined the program Australia's Outback Journeys which we developed to provide a platform to showcase the NT's luxury products. Attendance at the Luxperience trade show, which targeted luxury buyers, generated approximately 60 new leads for NT luxury product. We assisted operators to host familiarisations following up those leads generated and have created a web page which features Australia's Outback Journeys luxury experiences.

Australia's Outback Journeys also participated in our NT Meetings Muster event in November 2013, targeting high end incentive buyers and bespoke meeting planners looking for new product ideas for small conferences and meetings.

Mountain-biking

We sit on a multi-stakeholder group working to establish mountain biking (MTB) experiences in Alice Springs. The Alice Springs Desert Park MTB trail network was launched on 12 April 2014. We supported visits by key MTB media to attend the Lasseters 'Easter in the Alice' MTB Muster and established a working relationship, in conjunction with Tourism Central Australia, with FLOW MTB magazine for a 12 month presence in this special interest media sector. In May 2014, we began implementing a new \$50,000 12-month marketing plan in partnership with Tourism Central Australia to promote Alice Springs to MTB competitors, enthusiasts and sport riders from around the world.



School Education Tourism

The development of a School Education Tourism Activation Plan was a significant component of our work to develop niche sectors.

Northern Territory tourism product already reaches out to the school education tourism market in a general way. However, in 2014, a new Australian curriculum was introduced with three cross-curriculum priorities:

- Aboriginal and Torres Strait Islander histories and culture;
- Asia, and Australia's engagement with Asia;
- sustainability

These complement our extensive tourism product and present an opportunity for NT tourism operators with an established presence in the education tourism sector to strengthen their relevance in this market, linking the tourism assets of the NT (natural landscapes, history and culture) to education.

Our next step is to assist NT tourism operators to make their tourism experiences more relevant and appealing to educators delivering the new curriculum. We plan to establish an Education Tourism Operator Network and are collaborating with the NT's Department of Education to create an international education and training hub in the Territory.



Increase NT brand and product presence across digital channels, creating desire for the destination and connecting consumers with experiences they want to purchase in real time

Walking and trekking

Central Australia had national exposure over two days on Australia's breakfast television "Today Show" that featured the Larapinta Trail - one of the 'Great Walks of Australia' collective - plus multiple feature articles in newspaper travel sections from journalists that we had hosted.

Internationally, the Larapinta Trail and general trekking across the NT was featured to over 600,000 readers in a sponsored German National Geographic insert.

Trekking and walking continues to be promoted as a key component of the NT's attractions. Future activities include hosting journalists on the Jatbula Trail and Kakadu walking trails.

Geocaching is a future opportunity and much work has been done to secure the 2016 Oz Mega Event for Alice Springs, with the conference organisers completing site inspections and steering committees being formed to attempt to secure and maximise this major event. The event is likely to attract up to 2000 people from interstate and international markets over the 2016 Easter holiday break.

Actions

We increased promotion and engagement in the leisure market domestically and globally through social media channels including Instagram, Pinterest, Twitter and Google+. A particular innovation in the use of these channels was an Instameet at Mindil Beach Sunset Markets which generated more than 500,000 'likes' (engagement) of the photographs that were posted.

Social media channels are the primary means by which the influential Australians who have a strong connection to the NT and perform an ambassadorial role as our 'Mates of the Territory' share their stories and experiences with fellow Aussie travellers, to inspire more people to tick the NT off their bucket lists and 'Do the NT now'.

We sent electronic newsletters direct to targeted publications to drive media coverage of the NT by promoting new events and story angles and generate leads for famils, and engaged a public relations agency to drive syndicated online/ digital content across online media and social media platforms as part of our 'always on' approach to ensure that potential consumers can access information anytime, anywhere.



L T O R

Fishing is a hugely popular pursuit in the Territory; the network of mountain-biking trails attracts enthusiasts from around the world; Indigenous culture provides huge opportunities for school education tourism; walkers and trekkers have much to explore.

Develop a long-term comprehensive strategic approach to major events, festivals and regional events that leverages the NT Brand, activates infrastructure, energises local communities and drives visitation and yield

Actions

As part of the development of a long-term strategic approach, the Northern Territory Government announced in June 2014 that it had committed \$1.7 million to expand the Territory's annual program of cultural, sporting and business events under a new banner called Festivals NT. We provided advice on promotion of Festivals NT and provided online access to a calendar of events via our consumer website, <http://www.travelnt.com/en/events.aspx>.

The Territory's festivals and events are major drawcards for visitors, and it is intended that the program will build on existing events, as well as incorporate new sporting, business and cultural elements, many with an Asian flavour.

During the year, we worked with event organisers to maximise the tourism and economic benefits of the NT calendar of events. Examples include:

- Two Darwin Symphony Orchestra concerts at Uluru, where we worked with industry to market an Outback Symphony Package. We invested \$196,000 in the event and the Department of Arts and Museums another \$50,000. This resulted in:
 - a total of 1,586 tickets sold for both events;
 - 327 rooms sold for the event;
 - purchase of nights in Alice Springs, Kings Canyon, Glen Helen and Darwin as part of the packages sold.

- The V8 Supercars, where we conducted public relation activations with V8 drivers at iconic Darwin locations and supported the filming of V8 Life, a TV series that profiled the lifestyles of V8 racers and the events.
- The international cricket match between the Chairman's XI and England in Alice Springs in November 2013, for which we provided extensive marketing and public relations support. Our support included installing public WiFi access points on the light towers at Traeger Park. The network's landing page provided links to a range of sites showcasing 'things to do' in and around Alice Springs and Central Australia, which enabled fans and visiting media to promote the event and the NT through social media, particularly to the United Kingdom which is one of our key overseas tourism markets.

A list of the events and festivals that we sponsor can be found in Appendix 1.

We also engaged in sporting sponsorships to leverage spend by the Department for Sport, Recreation and Racing to get teams to the NT. We capitalised on the opportunity this presented to drive awareness of the NT as a holiday destination and consideration of it for business events, to the wider sporting audience. We did this by sponsoring the Melbourne Demons, the Parramatta Eels and Adelaide United Football Club. The clubs have many connections in the corporate world that we have been able to tap into to help attract business conventions to the Territory. For example, our sponsorship of Melbourne Football Club (MFC) led to 36 new business conference leads.

Other marketing opportunities afforded to us included access to the crowds of supporters to promote subscription to promotions that highlight offers from partners, suppliers and operators; the ability to market to the member and corporate databases via direct email and advertising on the clubs' websites; and offering specific travel packages endorsed by players to members.

Our MFC sponsorship contributed to the sell-out of a flight charter deal to Uluru, sales of 26 packages to a game in Darwin and 33 packages to a game in Alice Springs.

STRATEGIC REQUIREMENT 2: ADDRESS SUPPLY CONSTRAINTS



Support the growth of sustainable aviation services to the Territory

Actions

We aim to support the sustainability of aviation services to the NT through cooperative marketing with airlines, international and domestic. Aviation route development, including development of business cases for airlines to fly to the NT, is the responsibility of the Department of Transport.

Various cooperative marketing activities with domestic airlines and trade partners have been described in the previous section, so have not been duplicated here. Likewise, Tigerair's withdrawal of services to Alice Springs is covered in the Introduction by our CEO and Chairman.

In this section, we have focussed on our work with key partners to generate sufficient demand to retain all international carriers operating direct flights to and from Darwin, demonstrating how we have linked marketing, promotions and trade relationships (domestic and international) to better leverage and support air access.

We partnered with four international airlines (Qantas, SilkAir, Jetstar Asia and Malaysia Airlines) to undertake this.

Through the Memorandum of Understanding established with Qantas and the NT Government in July 2013, we carried out cooperative campaigns with Qantas and trade partners in Australia, USA, UK and Japan as well as undertaking a number of important famils to showcase the NT to key travel trade and media.

We established a cooperative marketing agreement with SilkAir and used the sales offices of Singapore Airlines to jointly market the code share route from key inbound markets to the NT including Singapore, UK, Germany and Italy.

Examples of our aviation support around the world

Germany: we partnered with the fourth largest German tourism operator FTI, Tourism WA and Singapore Airlines on a consumer campaign focused on promoting northern and western Australia as the preferred travel destination in Australia and the one stop 17 hour flying time from Frankfurt to Darwin.

China: The expansions of codeshare, interline agreements and special price agreements have expanded Australia's accessibility and attractiveness to Chinese travellers and we worked to capitalise on this. We worked aggressively with SilkAir in China on campaign promotions, media and trade familiarisations as well as NT-based workshops to facilitate industry meetings with agents. Our primary aim was to educate the market on the ease of accessing northern Australia.

Singapore: we ran two short cooperative campaigns with Jetstar Asia in January and April 2014. Both promoted weekend getaways to Darwin and the Top End and featured a one-way, all-inclusive airfare of SGD88. They were promoted via Google, Facebook, Instagram, Jetstar's website and Jetmail, and resulted in the sale of 276 seats.

Europe and Malaysia: In preparation for the return of Malaysia Airlines services between Kuala Lumpur and Darwin in November 2013 after a hiatus of 11 years, we entered into a new cooperative agreement with the airline and Tourism Australia which focused on marketing in UK, Germany, France and Malaysia.

We conducted three famils for a total of 30 delegates on the inaugural flight from Kuala Lumpur to Darwin. They toured Darwin, Kakadu and Katherine in three separate groups to understand what the Top End offers Malaysian travellers.

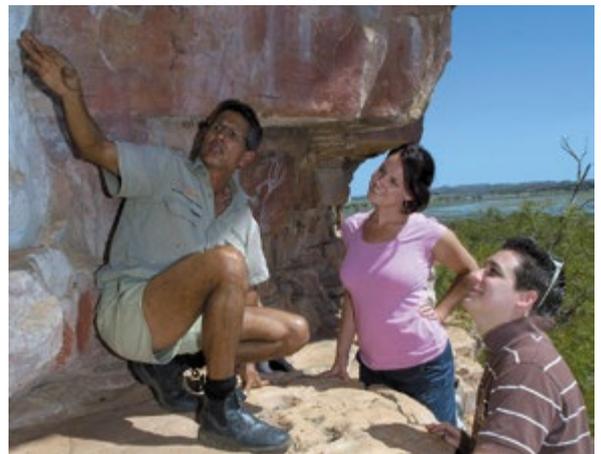
Deliver a viable and efficient workforce that meets industry demand and supports a globally competitive and sustainable tourism sector

Actions

Although our role is primarily focused on marketing, at the end of 2013-14 we had a new program, Tourism Pathways, under development to provide opportunities for interns to work within the NT tourism industry and gain skills through meaningful experience that will lead to ongoing employment and a career path within the industry. The primary objective of Tourism Pathways is to equip interns with knowledge and skills gained from on-the-job learning; however, the opportunity to enhance this experience through concurrent study in a related discipline will also be considered.

Group Training NT has been appointed to design, implement and administer the Tourism Pathways Program. We have set aside \$150,000 for the provider to secure the co-operative and financial support of tourism organisations with the breadth and depth of operations to provide a broad range of work experience opportunities for program participants. The program will run for 18 months.

During the year, we continued to advocate additional flexibility within the working holiday maker visa program and other temporary visa programs.



Experienced guides impart their knowledge to visitors in Arnhem Land (top) and Lake Armadeus in the Red Centre (centre); The hospitality industry can be rewarding for those interested in food and wine.

STRATEGIC REQUIREMENT 3: IMPROVE VISITOR EXPERIENCE



Build the experience base of our destination to meet visitor expectations and drive growth

Actions

The actions we took in this regard were many and varied, including:

- Considering and advising on likely tourism impacts, opportunities and mitigation strategies relating to proposed mining, oil and gas and defence projects and developments. For example, we provided comment on the Social Impact Management Plan for the Ichthys development where it related to tourism impacts.
- Delivering market insights, education and skills training to support experience development and service delivery aligned to the requirements of key Asian target markets. We worked closely with the Department of Business and the regional tourism organisations to determine industry requirements, skills and education gaps and then delivered tailored programs to suit requirements e.g.
 - a gap in service provision for Chinese consumers was identified and support provided for delivering China Union Pay workshops through the regional tourism networks;
 - China Ready workshops were also delivered, together with follow up one-on-one sessions for operators.

In addition:

- We invited applications from the NT tourism industry for new experience development, innovation and infrastructure enhancement opportunities, particularly in the regions. The Northern Territory Government has provided one-off funding of \$500,000 in tourism development and infrastructure grants with the opportunity advertised during the year. The successful recipients will be announced in 2014-15.
- Our Business Events Ambassador, Advocacy and Business Development programs built alliances between the tourism sector and event proponents from the Government, associations and the corporate sector to develop and deliver innovative event bids, 70 of which were successful in converting events for the NT over the next few years.
- In the cruise sector, we promoted a broader range of shore excursions and pre and post touring options to spread the benefits of cruise ship visitation into regions.



Making a splash at
Florence Falls.

Develop new experiences within the national parks estate (NT Government and Parks Australia) that reflect the needs of the visitor economy

Actions

We worked with Parks and Wildlife Commission NT (PWCNT) and Parks Australia to progress initiatives that guide visitor use and visitor focused asset development within the conservation estate, including development of:

- a PWCNT Visitor Experience and Tourism Development Masterplan;
- a PWCNT Commercial Development Policy;
- implementation of the National Landscapes experience development action plans for Australia's Timeless North and Australia's Red Centre as they relate to the conservation estate.

As part of this collaboration, a dedicated Tourism and Visitor Services Manager has been appointed at Parks NT to assist in implementation of the Visitor Experience and Tourism Development Masterplan.

A pilot project to provide WiFi in select sites within the Territory parks estate was instigated during the year, in cooperation with PWCNT. The projects seeks to add significant value to visitors to the NT by highlighting key activities and events on offer throughout the NT driving visitor yield and dispersal, improve visitor safety, improve interpretation of key visitor sites and offer potential for efficiency within PWCNT. The project will be completed in 2014-15.

As at 30 June 2014, we had further advanced our preparatory work on a location at Finke Gorge, south-west of Hermannsburg, to make it investment-ready for potential development of high quality, nature-based accommodation. This included obtaining a Central Land Council Sacred Site Clearance, an Aboriginal Area Protection Authority (AAPA) clearance of registered sites and commissioning a scoping market study to consider the merits of an eco-tourism facility at this site.

Grow the visitor economy by building on the NT's reputation for the delivery of quality authentic Indigenous cultural experiences

Actions

Emphasising the NT's reputation for the delivery of quality authentic Indigenous cultural experiences is a key part of our efforts to grow school education tourism following the changes in the national curriculum. The Territory is an ideal destination for students to learn about the cross-curriculum priority of Aboriginal and Torres Strait Islander histories and culture.

More generally, our day to day operations include authentic Indigenous cultural experiences as part of how we suggest visitors 'Do the NT.' For example, we have taken a socially responsible approach when seeking to attract business events by offering potential conference delegates the opportunity to leave some kind of legacy in the Indigenous community. We have established links with the Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation (Western Desert Dialysis), an aboriginal community-controlled organisation whose headquarters are The Purple House in Alice Springs, which seeks to improve the lives of people with renal failure, reunite families and reduce the incidence of kidney disease in our communities.

During the year, we included Western Desert Dialysis in six bids and at least 10 famils, on which we introduced its staff to prospective event organisers to enable them to decide what kind of activity would be beneficial to the organisation and meaningful to delegates.



STRATEGIC REQUIREMENT 4: IMPROVE BUSINESS SUSTAINABILITY

Adopt a partnership approach between industry and Government to grow the visitor economy

Actions

We coordinated delivery of the NT *Tourism Vision 2020* strategy on behalf of industry and the Northern Territory Government by liaising directly with the members of staff who had been nominated by their chief executives to have carriage of their departmental initiatives and involvement, enabling us to keep track of progress. Progress on the four strategic requirements was being documented as at 30 June 2014 and will form the basis of a status report to aid governance and drive implementation.

As part of the coordination process, we instigated monthly meetings with the Department of Business to share information and jointly improve communications and engagement with the NT tourism industry. We have a closer relationship with the Department of Arts and Museums and have also established a biannual meeting with PWCNT and Parks Australia to identify areas for collaboration and establish working groups to progress actions in areas such as visitor data collection, permits and marketing collaboration.

On a broad strategic level, we provided input into the Northern Australia development agenda, including a tourism specific hearing hosted by the Tourism Transport Forum in Darwin, thereby ensuring that tourism and visitor priorities had a strong voice as part of the broader NT Government's work.



Dancers at the Barunga Festival.

Cruise cabotage was a major focus. We contributed to the NT Government's response to the Australian Government's call for submissions on options to reform the *Coastal Trading (Revitalising Australian Shipping) Act 2012*. We support changes to the Act that would enable freer entry to the Australian cruise market for small ships (under 5000 gross tonnes) which are currently subject to onerous regulations. We took this to the Tourism Ministers' Meeting and got the unanimous support of the other states and territories. A final decision any change to the Act is currently with Federal Cabinet.

Roads were part of the critical enabling infrastructure we identified as necessary to grow the visitor economy, and we provided examples of roads throughout the NT where drainage, bridging and sealing would greatly improve seasonal access.

We also looked after tourism interests by working through a sub-committee of Cabinet and the Australian Standing Committee on Tourism, as well as through partnership activities with Tourism Australia.

At a regional level, we strengthened partnerships with the regional tourism organisations to deliver a more unified approach to marketing the Territory, reflecting a shared direction and accountability for achieving the 2020 vision.

This was manifested in various ways, such as our 'mystery shopper' initiative through which the regional tourism organisations are working to improve their customer service, our industry roadshow to present and receive feedback and dissemination to members of branding materials we have made available to the regional tourism organisations.

See Appendix 2 for regional tourism organisation funding arrangements.

During the year we established local tourism advisory committees for the Barkly region and East Arnhemland that comprised local tourism operators, enabling us to get direct input and feedback on our marketing activity from the local experts.

We also sought feedback from industry on an issue-by-issue basis either through development of a draft paper for consultation, such as the activation plans for the China market or school education tourism, or at designated workshops

and meetings.

Build a vibrant, sustainable and profitable industry to deliver on the NT brand promise

Actions

During the year we developed and delivered fact sheets on all our key international markets to better inform the NT tourism industry about consumer behaviour in each. They contain detailed information that includes visitation statistics, booking patterns, distribution partners and social media sites, and have been well received.

In other actions, we:

- worked with NT Government partners to develop a mechanism for industry to provide input into Government tourism planning and policy development in relation to key issues such as labour and skills, aviation, licensing etc;
- promoted a commitment to industry quality by encouraging participation in industry accreditation schemes and award programs such as the Brolga Awards for Tourism Excellence and the National Tourism Awards;
- worked with key NT Government and industry partners to align business support programs and services to facilitate industry growth including improved access to business to business networking; workforce planning information; training opportunities and grant funding programs to support the needs of industry;
- showcased 22 exhibitors at our annual NT Muster in Sydney and Melbourne in March 2014, reaching over 300 travel industry partners to educate them about the Northern Territory and its travel experiences they can offer their leisure clients;
- introduced corporate channels on Twitter, LinkedIn, Google+ and YouTube to increase opportunities for communication and engagement with the tourism industry.



Brolga Award winners (from top) Bob Taylor of RT Tours Australia; Heather and Ross Gange of Venture North with Tony Coleman of Colemans.

Investing in digital marketing

We invested \$1 million of the \$8 million additional funding from the Northern Territory Government in the development of local tourism businesses' digital marketing expertise over the year. When we invited applications for our Digital Marketing Activation Program (DMAP) in October 2013, our target was to have 105 successful applications. By year end, we had invested almost \$422,000 in 131 separate tourism businesses.

The program provided operators with the opportunity to receive web-based e-kit training, digital coaching and marketing advice to improve distribution of Northern Territory products through digital environments.

As part of the program, we also developed a digital familiarisation tool to educate travel sellers about the Northern Territory and housed it on the trade hub we developed.

In March 2014, as another part of the program, we launched a "Digital Vignette" project to the NT tourism industry. The project offered eligible operators up to \$2000 funding to have videos professionally produced for their website, social media platforms and travelnt.com listings. A total of 84 separate businesses benefited from \$159,000 funding provided by us. We will use the footage in future marketing activities and for training with domestic and international distributors.

In addition, through DMAP, we have supported eight Broilga winners to have Google Business View images taken at a total cost of \$22,000.

What our stakeholders say about us

We conduct biennial research with stakeholders to determine the level of satisfaction with our recent performance. Previous surveys were conducted in 2008, 2010 and 2012. The 2014 Stakeholder Satisfaction Survey was conducted by ORIMA Research online and via in-depth telephone interviews in June-July 2014. While the NT tourism industry comprised the bulk of stakeholders surveyed, others representing airlines, national bodies, NT and Australian government agencies were also involved.

The survey presented a positive picture of stakeholder perceptions of our performance, with 61% of stakeholders indicating that they were satisfied with our overall performance in the last 12 months. Compared to previous survey results, the 2014 results demonstrated some improvement, particularly in terms of a significant reduction in negative ratings of overall performance:

- 11% of stakeholders were dissatisfied with our overall performance, compared to 25% in 2012, and 15-21% in earlier years;
- positive ratings were also significantly higher in 2014 (61%) compared to 2012 (51%).

Satisfaction tended to be higher among stakeholders from medium-sized organisations, those with high contact levels with us and among tourism industry stakeholders. Those who had particular concerns with our performance included:

- stakeholders from smaller organisations (1-10 FTEs); and
- stakeholders who had no or very little direct contact with us in the last 12 months.

OUTPUT REPORTING



The following table provides an overview of reporting against the output structure of Budget Paper 3 in 2013-14. Budget figures for the following year are typically set in the first quarter of a calendar year, well before actual results are known for the current year. This can create a situation where budget figures may be lower than actual results for the year prior during a period of rapid growth for a market following declines, for example, this has occurred with the domestic holiday visitor estimates below. In these circumstances our teams generally agree much more ambitious internal targets.

Key deliverables agreed with the NT Government for 2013-14 were:

Marketing

Position the Territory and its tourism products in key target markets, stimulating interest in and desire to purchase travel through consumer campaigns and partnerships with travel and trade distribution partners.

Key Deliverables	Budget 2013-14		Budget 2014-15
	2013-14 Estimate	2013-14 Actual	2014-15 Estimate
Marketing Output			
Holiday visitor expenditure ¹			
▪ Domestic	\$444 million	\$540 million	\$507 million
▪ International	\$306 million	\$293 million	\$330 million
Holiday visitors ¹			
▪ Domestic	467,000	431,000	413,000
▪ International	242,000	224,000	243,000
Holiday visitors to regions ^{1,2}			
▪ Central Australia	323,000	326,000	337,000
▪ Top End	441,000	399,000	389,000
Proportion of holiday visitors outside the peak season ^{1,3}	67%	67%	67%
Number of successful business tourism event bids ⁴	72	70	72
Territory Discoveries - gross travel revenue ⁵	\$10.4 million	\$12.4 million	\$12.1 million
Corporate and Governance Output			
Client satisfaction with services	n/a	70%	80%
Staff satisfaction with leadership and direction	n/a	70%	80%

¹ Source: Tourism Research Australia, National Visitor Survey and International Visitor Survey. Statistics do not include travel for business, travel to visit friends or relatives, sporting or major events.

² Single visitors can travel to multiple regions.

³ The peak tourism season in the Territory is the September quarter (July to September).

⁴ Business tourism is travel undertaken for the purpose of attending or participating in a convention, meeting, exhibition or incentive.

⁵ 2014-15 is the first full year of operation under licence.

Key variations:

- Visitation: actual results for 2013-14 for both domestic and international visitors differed from the estimate set in the 2013-14 Budget, for a number of reasons:
 - the estimate was set based on data for the 2012 calendar year; leisure markets were challenged at the time by the relatively high \$AUD which impacted regional dispersal beyond the major gateways to Australia for international markets and encouraged Australians to holiday overseas. Additionally, resource sector activity in Darwin was stimulating growth in corporate travel and demand for longer-term accommodation that constrained inventory for more price-conscious leisure markets. Since late 2012, approximately 1000 short-term hotel rooms have been brought online in Darwin, for which demand has remained strong.
 - there was a considerable lag time between our receiving the additional \$8 million for international marketing, implementing additional marketing activity in-market, consumers booking travel and then actually going on holiday: as a consequence an increase is expected in visitor numbers and in the associated measures for 2014-15.
- Domestic holiday expenditure: while the number of visitors declined over the period, our focus on improving yield through the Do the NT approach influenced a substantially higher expenditure per trip while they were here, resulting in our exceeding the target for domestic holiday expenditure.
- Territory Discoveries: the 2013-14 result is partially reflective of increased cooperative marketing campaigns. The \$10.4 million target was set when Territory Discoveries was a Government Business Division and we are looking for The AOT Group to bring additional value to the business next year.
- Business events: An ambitious target of 72 bids was set for 2013-14. 144 bids were provided for the year, with 70 successful bids achieved and an estimated economic impact of approximately \$64.9M. While the number of successful bids was slightly below the target of 72 successful bids, event value from successful bids increased from \$53.6 million in 2012-13 to \$64.9 million in 2013-14.

ENVIRONMENTAL REPORT



Outcomes

- ✓ Vehicle emissions remained stable in 2013-14, equalling the lowest level since we began recording this in 2006-7.
- ✓ Further decreased energy consumption in the Peter Sitzler building by 15% for the 2013-14 year.
- ✓ Paper and co-mingled recycling increased in our Darwin office due to both an increase in staff numbers and a concerted effort to encourage recycling.
- ✓ Reduced interstate air travel by 13% due to a focus on cost savings and efficiency measures.

Our operational impacts

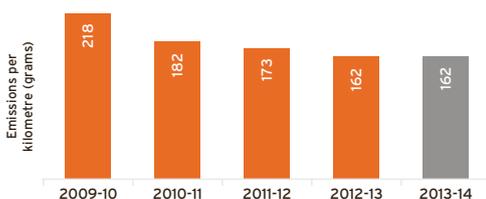
We measure vehicle emissions, energy consumption, paper consumption, the amount we recycle and how much air travel our staff undertake.

A range of measures are used to encourage and make it easy for staff to behave sustainably, including policy initiatives, provision of facilities which support sustainable behaviour and appropriate use of technology to enable improved environmental performance.

Reducing our vehicle emissions

From March 2013, the NT Government no longer mandated that we should comply with the previous vehicle policy. However our approach to reducing vehicle emissions remained.

Across our vehicle fleet, the average emission remained constant in 2013-14 at 162 grams of greenhouse gases per kilometre per vehicle. This result equalled the low set last year.



Our vehicle fleet consisted of six vehicles at our target greenhouse rating of 7.5, one at 5.5, one at 6.0 and another at 9.0.

We continued to educate and encourage staff to adopt efficient driving techniques and ensure accurate odometer readings were provided. Several staff consistently cycled to work most days of the week. They were supported with bicycle racks, shower facilities, personal lockers and ironing equipment, which encourages cycling as a viable and attractive alternative to other forms of transport.

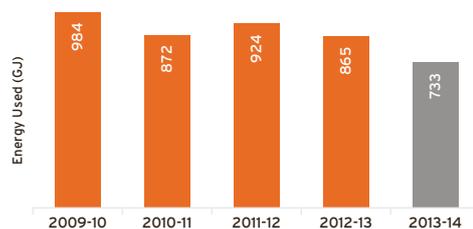
Reducing energy consumption

Energy performance reports have previously been completed a year in arrears, with the process managed by the Department of Lands and Planning. However, the system which was used to measure energy consumption was decommissioned in accordance with the legislative changes which no longer require energy consumption to be reported. As a consequence, we were not able to report on Jalistan House for 2013-14 and in future will not be able to furnish energy performance reports for any of our office locations.

With regard to our Darwin office, the Department of Business is the primary occupant the Development House building and separate metering is not available to monitor our use.

In Alice Springs, as the primary occupants of the Peter Sitzler building we were responsible for power consumption throughout the entire building, although 50% of the building is occupied by staff from two other NT Government agencies.

Energy consumption in the Peter Sitzler building was 15% lower in 2013-14 than in 2012-13 and has been declining by 9% on average each year since 2008-09. The reduction in energy consumption in the past year was influenced by the relocation of several of our staff to our new headquarters in Jalistan House.



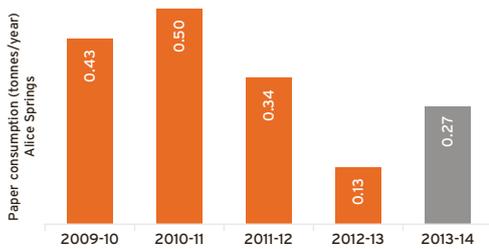
We are committed to utilising sustainability principles to both reduce the impact of our agency's operations on the environment and encourage and foster sustainable behaviour in the workplace.

Paper consumption

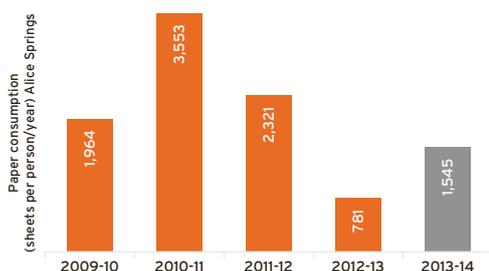
Due to an increase in staff numbers and changing staff functions in Alice Springs, paper consumption in our Alice Springs offices increased in 2013-14 compared to the previous year. 2013-14 was the first full financial year of our being headquartered in Alice Springs and resulted in paper consumption returning to a more normal level in line with 2011-12.

In Darwin, a cooperative printing supplies arrangement with the Department of Business in 2013-14 meant paper consumption was combined for the two agencies and so we were unable to report on this for 2013-14.

In order to minimise the environmental impact of paper consumption however, we maintained measures such as utilising electronic filing in place of hard copy, set default print settings to print double-sided in grayscale and purchased recycled paper.



In Alice Springs, the number of sheets of paper used per person increased, largely as a result of its now being the primary location for our marketing and research teams. However, the usage per person in Alice Springs was the second lowest since recording began and the 2013-14 result reflected a five year average decrease of 4.7%.

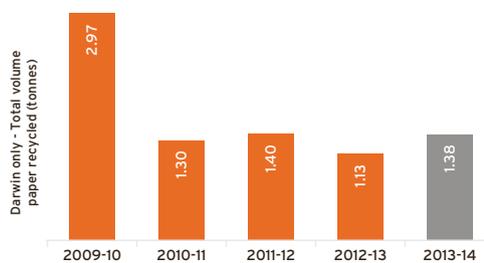


Increasing recycling

Darwin

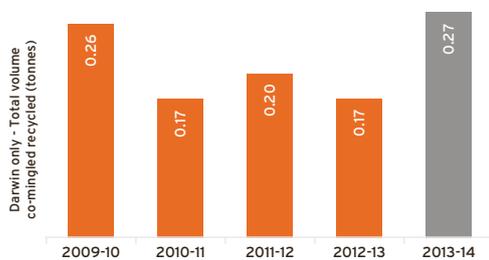
To encourage recycling, every staff member had a dedicated paper recycling box beneath their desk and general paper waste bins were positioned to service several staff. There was a 23% increase in paper recycling compared to 2012-13, which marked a return to 2011-12 levels. This followed a decrease in the volume of paper recycled in 2012-13 which resulted from the relocation of many employees to Alice Springs. However, the increase in paper recycled in 2013-14 was likely due to our sharing recycling bins on Level 1 of Development House with the Department of Business.

The spike in recycling during 2009-10 was attributed to our relocation to Development House, where a large amount of material that was no longer required was recycled.





Our Darwin office contains a co-mingled recycling bin which enabled recycling of glass bottles and jars, aluminium cans, milk and juice cartons and other plastics. Printer waste was minimized by recycling all toner and ink cartridges. We recycled 0.27 tonnes of co-mingled waste during the year, an increase of 63% from 2013-14 with the increase a result of continued awareness of staff to the recycling bins as well as the presence of additional staff from the Department of Business in our Darwin office.

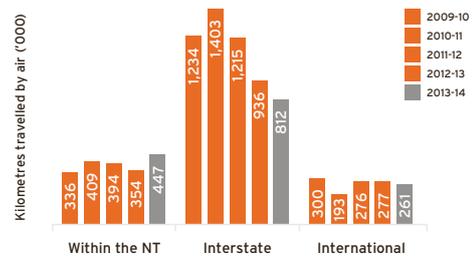


Alice Springs

In 2013-14, we continued paper recycling in our Peter Sitzler office, an initiative we introduced in 2011-12 and was previously unavailable in the region.

Reducing air travel

Video conferencing equipment in our Darwin, Alice Springs and Sydney offices enhanced our capacity to communicate between our regional offices and reduce staff travel. Overall, kilometres travelled by air by our staff decreased during the year compared to 2012-13. This was due to a 13% decrease in air travel interstate, resulting from increased focus on cost savings and efficiency measures. An increase in intra-territory travel in 2013-14 was due in part to our increased activity around strategic regional marketing including emerging regional destinations such as Gove.



We are committed to a high level of corporate governance and achieve this through a continual focus on:

- Performance: ensuring our governance arrangements contribute to overall performance and the delivery of our services and programs.
- Conformance: using our governance arrangements to meet legislative requirements, comply with necessary regulations and standards and satisfy expectations of probity, accountability and transparency.

The following principles underpin our corporate governance strategies:

Accountability

The Board of Commissioners is responsible for directing, managing and monitoring the performance of the Agency. We are answerable for our decisions and actions.

Transparency

Our decisions, actions and advice will withstand scrutiny. Government, the tourism industry and other stakeholders should have confidence in our decision making processes.

Integrity

We act impartially and ethically in the interests of the NT Government. We practise appropriate types of behaviour as expected by the community.

Stewardship

We use every opportunity to enhance the value of the public assets and institutions that have been entrusted to our care.

Leadership

The Board of Commissioners provides leadership and vision through strategy formulation and policy development and ensures legislative, financial and governance obligations are met.

Efficiency

We seek the best use of resources, with a commitment to evidence based strategies for improvement.

Our governance structures aim to ensure adherence to the highest levels of accountability, transparency and probity

Statutory Responsibilities

Under the *Administrative Arrangements Order* (24 August 2014), we are responsible for the following principal areas of Government:

- Territory tourism
- Tourist event development, attraction and acquisition
- Tourism strategy and infrastructure

We are responsible for administering the *Tourism NT Act 2012*.

BOARD OF COMMISSIONERS

Established under the *Tourism NT Act 2012*, Tourism NT is governed by a Board of Commissioners who report to the Minister for Tourism.

The primary role of the Board is to direct, manage and monitor our performance, to foster growth and success within the Northern Territory tourism industry. The Board provides leadership and vision through strategy formulation and policy development whilst meeting its legislative, financial and governance obligations.

Our Executive Management team is responsible for implementing decisions made, and strategies recommended by the Board and approved by the Minister for Tourism. More information about the Executive Management team and their role can be found in the "Our Organisation" section on page 19.

The Board is guided by a charter of operations, which sets out the role and responsibilities of the Commissioners. A copy of the charter can be sourced from our corporate website www.tourismnt.com.au in the About Us section.

Term and Remuneration

- Members are appointed for a period not exceeding two years.
- Remuneration is provided in accordance with the provisions of the *Determination of Entitlements: Appointed Commissioners of Tourism NT*, signed by the Administrator on 14 December 2012.
- The Chair is paid an annualised remuneration of \$80,000 per annum. Other Commissioners are paid \$40,000.
- The Chief Executive Officer is not entitled to additional remuneration for being a Board member.

Composition

Under the Act, Tourism NT is a commission consisting of the Chief Executive Officer and at least six other Commissioners appointed in writing by the Minister. As at 30 June 2014, the Board consisted of eight members.

Appointees are selected with the aim of ensuring that the Board comprises the optimum mix of skills and experience necessary to fulfill its role, namely:

- Tourism knowledge or expertise - national and/or international focus.
- Commercial business acumen such as e-business, advertising or international marketing.

- Indigenous or regional economic development.
- Transport logistics, preferably aviation.
- Investment attraction or infrastructure development.

Pecuniary Interests

Board members are required to declare direct and indirect pecuniary interests in matters being considered by the Board.

Key outcomes

In 2013-14, the Board:

- delivered the *Tourism Vision 2020* strategy, publicly released 15 October 2013
- oversaw the consumer brand launch 'Do the NT' in September 2013 and the second phase in February 2014
- provided strategic advice into a range of issues impacting the industry including funding allocations across markets, road and other infrastructure priorities and various red-tape and regulatory areas; and
- successfully put a case to the NT Government to continue the additional investment in tourism marketing, with the Government providing an ongoing allocation of an extra \$8 million in the 2014-15 budget.

During 2014, the Board decided to hold its meetings in regional centres across the Territory, to enable it to obtain a better understanding of the complexities of each location and to extend the opportunity for local tourism operators to connect directly with Commissioners.

Meetings were held in Alice Springs, Darwin, Uluru and Gove, with future meetings to be held on The Ghan along with an industry event in Katherine, and in Tennant Creek.

Regional tourism operators were generally very appreciative of the opportunity to put their issues directly to the Board.

Priorities for 2014-15

The Board's future priorities are:

- determining the future of the management of the Australian Tourism Accreditation Program in the NT
- providing ongoing strategic advice into the development of tourism across northern Australia, particularly in terms of enablers which would engender a step-change in the industry and areas of blockage
- continuing to advocate for Government to maintain its investment in tourism marketing.

Board of Commissioners

(as at 30 June 2014)

MICHAEL BRIDGE - CHAIR Michael was appointed Chair of the Board of Commissioners in November 2012. Michael has overseen Airnorth's growth from a small charter company to Australia's second oldest continuously operating airline brand. Michael was the Chair of the Regional Aviation Association of Australia for seven years and still sits on the Board. He was Director/ Trustee of the Aviation Industry Superannuation Trust for eight years.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 5

TONY MAYELL - CEO TOURISM NT Appointed as CEO from December 2012, Tony has an inherent understanding of the Territory, having previously been the Executive Director Regions for the Department of the Chief Minister in Alice Springs and CEO and Managing Director of the Northern Territory Tourist Commission in Darwin from 1996 - 2001. Tony has also worked for the Australian Tourist Commission in London, the AOT Group, Voyages Ayers Rock Resort and Tourism Tasmania.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 6

GEOFF WEEKS Geoff was appointed General Manager of Halikos Hospitality in 2010. He has overseen the growth of the portfolio to over 780 hotel rooms and apartments, as well as providing employment for over 260 staff in hospitality and tourism in 2013. He has many years' experience in hospitality.



15 Nov 2013 to
30 June 2014
Meetings held: 4
Meetings attended: 4

AMANDA WOOD Amanda is the Marketing and Communications Manager of the NSW Business Chamber. She has more than 14 years' experience in business-to-business and business-to-consumer marketing in tourism, financial services, education and business.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 6

MICHAEL TOOMEY Michael is General Manager, Royal Flying Doctor Service, Central Operations. He has developed the tourism, retail, fundraising and hospitality side of the business with the construction of a world class \$3m tourist facility in Alice Springs and a co-branding partnership with RM Williams for a range of high class merchandise. He is commercially focused with a significant interest in tourism and leisure.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 6

MICK BURNS Mick developed Crocosaurus Cove and is the owner operator of Darwin Crocodile Farm. He has owned and operated NT hotels since 1985, was a board member of the Australian Hotels Association for over 10 years, and President of its NT branch. He is Chairman of the Tiwi Bombers football club.



13 August 2013 to
30 Jun 2014
Meetings held: 5
Meetings attended: 5

DENIS PIERCE As Group Managing Director South Pacific and Managing Director Australia with ATS Pacific, an inbound travel management company, Denis led the company through sustained revenue growth and into a public listing, demonstrating his ability to grow returns from global markets. Denis is a former Board member of the Australian Tourism Export Council, Tourism New South Wales and Tourism Tropical North Queensland.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 5

KYLIE BONANNI Kylie currently works for the Cancer Council NT, where she runs the events and marketing campaigns for the Alice Springs, Tennant Creek and Yulara regions. She has been involved in the last three Alice Springs Masters Games as a member of the steering committee and ambassador coordinator.



1 July 2013 to
30 Jun 2014
Meetings held: 6
Meetings attended: 5

Brad Morgan and Andy Bruyn retired from the Board in August and November 2013 respectively, and Mick Burns and Geoff Weeks were appointed in their place.

RISK MANAGEMENT

Finance, Risk and Audit Committee

The role of the Finance, Risk and Audit Committee (FRAC) is to oversee our approach to risk management and audit through its governance framework and internal audit program. The membership of FRAC comprises representatives of the Board of Commissioners and an external member. The Chief Financial Officer also attends meetings as an observer.

FRAC held five meetings during the year. In August 2013 the Chairman Mr Brad Morgan resigned and was replaced by Board Commissioner Michael Toomey. In December 2013, Commissioner Geoff Weeks and Commissioner Kylie Bonanni joined the committee. A list of members and their attendance is provided at Appendix 3.

Audits and reviews

Internal audits

We have a three year internal audit plan and an internal audit charter which is used to monitor compliance. The three year internal audit plan is updated and reviewed annually to ensure the most significant risks are being monitored and addressed. Internal audit is used to monitor compliance, identify and monitor risk, test system performance, safeguard against fraud and drive continuous improvement.

FRAC oversaw the following internal audits during the year:

- Social media - The objective of this audit was to review the effectiveness of the social media risk controls identified in the risk register, offer any additional risk controls which may further reduce the residual risk and form an opinion as to whether the residual risk rating was appropriate.
- Consumer website - The objective of this audit was to review the effectiveness of the consumer website risk controls identified in the risk register, suggest any additional risk controls which may further reduce the residual risk and form an opinion as to whether the residual risk rating was appropriate.

External audits

The following external audits undertaken by the Auditor General were overseen by FRAC during the year:

Tourism NT 2012-13 End of Year Review

The audit objective was to review the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances of the Agency with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statement.

Territory Discoveries 2013-14 Interim Audit.

The audit objectives of the interim audit were to:

- facilitate the end of financial year audit of the financial statements required by section 10 of the *Financial Management Act*, by addressing and endeavouring to resolve the issues identified in the previous year's audit;
- identify and examine any significant "new" issues impacting on the audit for this year; and
- in accordance with section 1.3 of the *Audit Act*, address any control/ compliance issues arising from an examination of the accounts and records.

Internal reviews

A review of delegations and limits was undertaken to ensure employees had the appropriate level of delegation for their position and responsibility.

External review

The following external review was undertaken by the Auditor General and overseen by FRAC during the year:

Fuel Card The objective of this assessment was to examine transactions for fuel purchases using AusFuel cards used by us between 1 July 2013 and 31 December 2013 in order to identify transactions that displayed unusual characteristics, or characteristics that might suggest the existence of fraud; and to provide information about those transactions to management for review and follow-up.

FRAC IN 2013-14

- ✓ reviewed the 2012-13 Annual Report;
- ✓ monitored progress of the strategic risk reviews;
- ✓ reviewed and monitored the development of a new strategic risk register
- ✓ reviewed and monitored the internal audit plan and audit logs
- ✓ reviewed and endorsed the terms of reference for the internal audits undertaken
- ✓ considered the internal audit report on social media
- ✓ monitored progress on audit recommendations from previous audits
- ✓ monitored the process of licensing out of Territory Discoveries.

OCCUPATIONAL HEALTH AND SAFETY



Setting off on a camel tour in the Red Centre.

We have a number of measures that ensure the safety of our staff, including the Occupational Health and Safety (OHS) Steering Committee.

Occupational Health and Safety Committees

There are Occupational Health and Safety (OHS) committees in our major offices in Alice Springs and Darwin. These groups ensure our OHS obligations are met in relation to evacuation plans, fire wardens, first aid officers and so on. They also form a point of contact for staff who may be aware of OHS issues in the workplace and are seeking to actively resolve those issues.

Representation on our OHS Committees this year was affected as a result of physical location changes of either our staff or staff of the Department of Business with whom we are co-located. These changes occurred in Alice Springs and Darwin. We ensured that between the two agencies there were sufficient trained Fire Wardens and First Aid Officers for each work site, though our final composition of OHS Committees was not resolved at 30 June 2014.

Alice Springs Fire Safety and OHS Team

In Alice Springs our staff are located across several different buildings and we share Fire Warden and First Aid Officer responsibility with other occupants of those buildings. A refocus on OHS across all of our offices is planned for next financial year. Our staff in Alice Springs who assist with these important responsibilities are as follows:

Fire wardens	Susan Chambers (Chief Fire Warden)
First-aid officer	Susan Chambers Sarena Hyland Chrissy Gorey

Darwin Fire Safety and OHS Team

Some of our Darwin based employees responsible for the safety of employees in our office throughout the year are listed below. Some of these staff also worked in the Department of Business during the year as a result of shared corporate service arrangements and have continued with OHS responsibilities.

OHS Committee Members	Don Duthie Rebecca Williams
Fire wardens	Don Duthie Rebecca Williams
First-aid officer	Karen Bennett

INFORMATION MANAGEMENT



Our accountabilities under the *Information Act* include responsibilities for records management, freedom of information (FOI) and privacy. Our Chief Executive Officer is the decision-maker in relation to FOI applications we receive.

Details of information held by us, including an outline of how to make an application under the Act, can be found on our corporate website. We received no FOI applications during 2013-14.

We are committed to adhering to the Information Privacy Principles and protecting the privacy of personal information we hold, ensuring we only collect information necessary for our functions, activities and services. Our Privacy Statement can be found on our corporate website. No requests for access or corrections to personal information were received this year.

We understand our obligations to ensure an adequate record of government activities is maintained in accordance with the records management principles under the *Information Act*.

We maintain a records management unit to implement records management systems and processes, drive improvements and provide service and support. We use TRIM as a key records management tool, along with other information management systems.

	2013-14	2012-13	2011-12	2010-11	2009-10
FOI applications received	Nil	Nil	2	3	1
% FOI applications granted	n/a	n/a	100%	100%	100%
Requests to access or correct personal information	Nil	Nil	Nil	Nil	Nil

INSURANCE ARRANGEMENTS



We are a government body, incorporated under the *Tourism NT Act* and covered by the NT Government's policy of self-insurance. We maintain separate public liability insurance, business travel insurance and workers compensation insurance to cover specific insurable risks facing our agency. Specific risks include the commercial nature of the tourism industry and regular participation at public events such as national and international trade shows and conventions and hosting guests on familiarisation trips.

Territory Discoveries was a Government Business Division and under *Treasurer's Direction R2.1* was excluded from self-insurance provisions. This means that Territory Discoveries purchases commercial insurance to appropriately safeguard its resources from potential risk consistent with their risk management framework.

Details of our insurance arrangements (both self-insured and commercial), mitigation strategies and processes employed to reduce the risk for each category of insurance, and the total number, value and average cost of claims are detailed in Appendix 4.

FINANCIAL OVERVIEW



We comprise two budget and reporting entities for the purposes of the *Financial Management Act*. This requires us to prepare separate financial statements for:

- Tourism NT (Agency)
- Territory Discoveries (Government Business Division) for the part of the year when it had not been licensed to AOT.

Our financial performance in 2013-14 and comparatives for previous years are reported in four financial statements: the comprehensive operating statement, statement of financial position, statement of changes in equity, and cash flow statement. All are prepared in accordance with the whole of government financial management framework and accounting standards.

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OVERVIEW TOURISM NT



Our Finance Risk and Audit Committee requested that the analysis and narrative of the financial statements for this financial year be compared to budget given government is the primary audience, and there has been an increased focus within government to report between budget allocation and actual expenditure.

In summary:

- We finished the year with a deficit of \$171 000, mainly due to unfunded non-cash items (eg impairment of assets and depreciation).
- Income was \$47.901 million or \$550 000 more than budget mainly due to additional free of charge revenue received during the year.
- Expenses were \$48.072 million or \$649 000 more than budget mainly due to the additional free of charge services received during the year along with the write down of assets.
- Total assets increased by \$74 000 compared to last year and is mainly due to an increase in cash as a result of decommissioning Tourism NT's GBD, Territory Discoveries.
- Total liabilities decreased by \$104 000 compared to last year mainly due to a decrease in employee provisions.
- Total equity increased by \$178 000 compared to last year and is mainly due to changes in liabilities associated with the transfer of staff to other agencies.

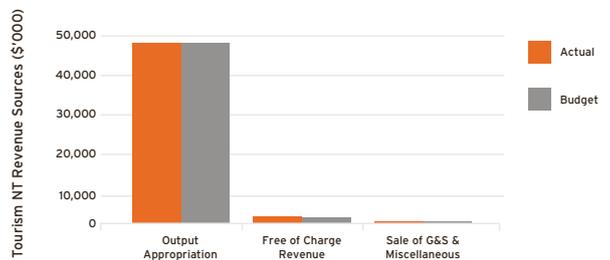
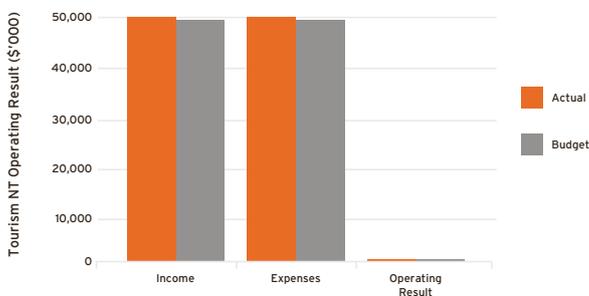
Operating Statement

The operating statement provides information on the agency's financial performance during the year. A profit or loss for the year is calculated by subtracting expense items from income items.

Income

The agency received income of \$47.901 million in 2013-14 or \$550 000 more than budget. The main reason for this is the additional free of charge services received during the year. The agency's revenue was made up of the following:

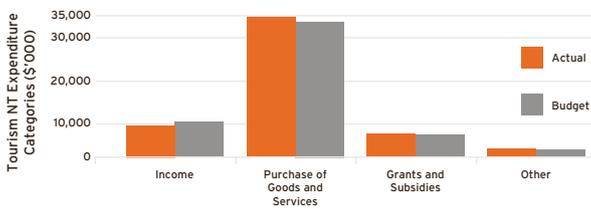
- Output Revenue: \$45.151 million (94.26%) funding received from the Northern Territory Government.
- Goods and Services Revenue received Free of Charge: \$2.041 million (4.26%) mainly from the Department of Corporate and Information Services for the provision of a range of corporate support functions. This was \$459 000 more than budget due to an additional brand awareness campaign.
- Goods and Services and Miscellaneous Revenue: \$709 000 (1.48%) received from the sale of goods and services. This revenue was mainly sourced from partnership marketing activities and trade and consumer show participation fees. It exceeded budget by \$91 000 and is mainly due to unplanned revenue received from the Department of Business that was passed on in the form of a grant for the installation of digital welcome signage at Darwin airport.



Expenses

The agency incurred expenses of \$48.072 million in 2013-14 or \$649 000 more than budget. This was mainly due to additional free of charges services received during the year. The agency's expenditure was made up of the following:

- Employee Expenses: \$7.738 million (16.1%) costs associated with staffing including salary, payroll tax and fringe benefits tax. This was \$812 000 less than budget mainly due to restructuring of the agency during the year and streamlining corporate services functions.
- Purchase of Goods and Services: \$32.755 million (68.14%). This reflects activities undertaken by our marketing team including services procured from our creative and media buy agencies. This was \$1.047 million more than budget due to the ability to conduct an additional brand awareness campaign utilising savings achieved in personnel and funds available due to deferred, non-marketing projects.
- Grants and Subsidies: \$5.36 million (11.15%). The majority of this funding is passed onto other organisations such as the regional tourism organisations and Territory Discoveries. This was underspent at year end due to the reclassification of a marketing program.
- Other Expenses (including Repairs and Maintenance, Depreciation, Impairment Decrement): \$2.219 million (4.61%). This represents the agency's non-cash expenses. This was \$541 000 over budget mainly due to additional free of charge services received.



Balance Sheet

The balance sheet provides a summary of the agency's balances at the end of the financial year for assets, liabilities and equity.

Assets

The agency held \$7.824 million worth of assets at 30 June 2014. This represents a \$74 000 increase compared to 30 June 2013. The main movements were:

- Increase of \$3.681 million in cash mainly as a result of decommissioning Territory Discoveries
- Decrease of \$3.282 million in investments mainly due to converting Tourism NT's investment in Territory Discoveries into cash
- Decrease in receivables of \$365 000 mainly due to a concerted effort for debt recovery
- Increase in plant and equipment of \$31 000 mainly due to the transfer of Territory Discoveries' remaining assets to Tourism NT.

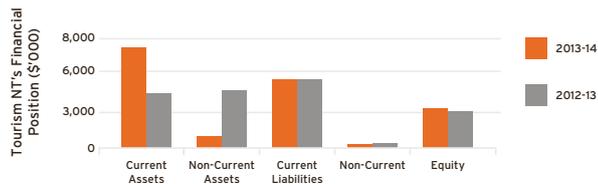
Liabilities

The Agency's liabilities at 30 June were worth \$5.092 million. This represents a \$104 000 decrease compared to 30 June 2013. The main movements were:

- Increase of \$148 000 in payables
- Decrease of \$252 000 in provisions, mainly employee provisions

Equity

Equity reflects the agency's net assets which at the 30 June 2014 were \$2.732 million.



OVERVIEW TERRITORY DISCOVERIES

Statement of Changes in Equity

This statement displays the equity movements by category. The overall increase of \$178 000 is mainly due to the changes in liabilities associated with staff transfers to other agencies.

Cash Flow Statement

The cash flow statement provides information on how cash was received and spent during the year. It differs from the operating statement as the operating statement includes non-cash items.

The cash flows are summarised as follows:

	2013-14 \$'000
Net Cash provided by/(used in) Operating Activities	261
Net Cash provided by/(used in) Investing Activities	3,173
Net Cash provided by/(used in) Financing Activities	247
Net Increase/(Decrease) in Cash Held	3,681
Cash at Beginning of Financial Year	2,859
Cash at End of Financial Year	6,540

Tourism NT's wholesale operation and Government Business Division (GBD), Territory Discoveries, was licensed out to the private sector with effect 1 February 2014. When it commenced as a GBD in 1999, the primary means to distribute tourism product for sale to consumers had been via the wholesale/retail travel trade network. Because the majority of the Northern Territory tourism industry comprised small and medium-sized businesses (SMEs), very few of those products were being included in domestic wholesaling arrangements because they were too small to be serviced by the major wholesalers. Territory Discoveries was established in response to that market failure with the prime aim of increasing the domestic exposure of, and potential economic returns to, the Territory's tourism industry; particularly small and medium-sized operators.

Territory Discoveries had been challenged from its inception in formulating a profitable business model for various reasons including changing consumer behaviour, shocks within the external operating environment and shifts in the tourism distribution network. However, a number of private sector enterprises had adapted to these changes more readily than Territory Discoveries.

The decision to license out Territory Discoveries was approved by Cabinet as continuing the business as a government operation would have required a significant investment to upgrade its reservation and other systems to compete effectively in the changing market place, as well as an ongoing investment of \$2.475 million to be sustainable. Simply shutting down Territory Discoveries was not an option as that course of action would not have provided for the Government to benefit from its years of investment and the brand value of this asset.

A proponent was sought which had the contemporary systems and global distribution network in place to not only maintain, but grow the sales of Territory tourism products and services. Consequently, The AOT Group was granted a three year licence to operate Territory Discoveries and the GBD decommissioned with effect 30 June 2014.

In the seven months Territory Discoveries operated under its GBD status it made \$567 000 net surplus. This was \$789,000 better than budget mainly due to marketing expenditure being curtailed as a result of the impending changes, not replacing staff and increased revenue in the first quarter due to future bookings realised from 2012-13. This result was better than its result for the same period last year (\$297 000 net surplus) mainly due to the decreased operating costs and increased revenue.

FINANCIAL REPORT AGENCY



A young student watches and learns about dot painting.

We certify that the attached financial statements for Tourism NT have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Statement of Financial Position, Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2014 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



TONY MAYELL
Chief Executive Officer
29/08/2014



NOELENE BIDDELL
Chief Financial Officer
29/08/2014

Comprehensive Operating Statement For the Year Ended 30 June 2014
Tourism NT

	NOTE	2014 \$'000	2013 \$'000
INCOME			
<i>Grants and Subsidies Revenue</i>			
Current		0	222
<i>Appropriation</i>			
Output		45,151	41,708
Sales of Goods and Services		701	2,582
Goods and Services Received Free of Charge	4	2,041	1,833
Interest Income		1	1
Other Income		7	677
TOTAL INCOME	3	47,901	47,023
EXPENSES			
Employee Expenses		(7,738)	(9,561)
<i>Administrative expenses</i>			
Purchases of Goods and Services	3	(32,755)	(25,142)
Repairs and Maintenance		(7)	(90)
Depreciation and Amortisation	10	(81)	(21)
Impairment Increment	5	(100)	(43)
Other Administrative Expenses ⁽¹⁾		(2,031)	(1,845)
<i>Grants and Subsidies Expenses</i>			
Current		(4,735)	(9,318)
Community Service Obligations	17	(625)	(1,041)
TOTAL EXPENSES	3	(48,072)	(47,061)
NET SURPLUS/(DEFICIT)		(171)	(38)
OTHER COMPREHENSIVE INCOME			
Changes in Accounting Policy		0	0
TOTAL OTHER COMPREHENSIVE INCOME		0	0
COMPREHENSIVE RESULT		(171)	(38)

The Operating Statement is to be read in conjunction with the notes to the financial statements.

(1) Includes the Department of Corporate and Information Services charges.

Statement of Financial Position For the Year Ended 30 June 2014
Tourism NT

	NOTE	2014 \$'000	2013 \$'000
ASSETS			
<i>Current Assets</i>			
Cash and Deposits	7	6,540	2,859
Receivables	8	530	895
Prepayments		9	0
Total Current Assets		7,079	3,754
<i>Non-Current Assets</i>			
Advances and Investments	9	0	3,282
Property, Plant and Equipment	10	745	714
Total Non-Current Assets		745	3,996
TOTAL ASSETS		7,824	7,750
LIABILITIES			
<i>Current Liabilities</i>			
Payables	12	3,702	3,554
Provisions	13	1,236	1,347
Total Current Liabilities		4,938	4,901
<i>Non-Current Liabilities</i>			
Provisions	13	154	295
Total Non-Current Liabilities		154	295
TOTAL LIABILITIES		5,092	5,196
NET ASSETS		2,732	2,554
EQUITY			
Capital		3,836	3,487
Accumulated Funds		(1,104)	(933)
TOTAL EQUITY		2,732	2,554

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity For the Year Ended 30 June 2014
Tourism NT

	Note	Equity at 1-Jul \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30-Jun \$'000
2013-14					
Accumulated Funds		(933)	(171)	0	(1,104)
Changes in Accounting Policy		0	0	0	0
		(933)	(171)	0	(1,104)
Capital - Transactions with Owners		3,487			3,487
Equity Injections					
Capital Appropriation		0	0	0	0
Equity Transfers In		0	0	102	102
Other Equity Injections		0	0	247	247
Equity Withdrawals					
Capital Withdrawals		0	0	0	0
		3,487	0	349	3,836
Total Equity at End of Financial Year		2,554	(171)	349	2,732
2012-13					
Accumulated Funds		(895)	(38)	0	(933)
Changes in Accounting Policy		0	0	0	0
		(895)	(38)	0	(933)
Capital - Transactions with Owners		3,284			3,284
Equity Injections					
Capital Appropriation		0	0	0	0
Equity Transfers In		0	0	203	203
Other Equity Injections		0	0	0	0
Equity Withdrawals					
Capital Withdrawals		0	0	0	0
		3,284	0	203	3,487
Total Equity at End of Financial Year		2,389	(38)	203	2,554

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash Flow Statement For the Year Ended 30 June 2014
Tourism NT

	NOTE	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Operating Receipts</i>			
Current Grants and Subsidies		0	222
Output Revenue		45,151	41,708
Receipts from Sales of Goods and Services		4,000	5,798
Interest Revenue		(5)	1
Total Operating Receipts		49,146	47,729
<i>Operating Payments</i>			
Payments to Employees		(8,013)	(9,541)
Payments for Goods and Services		(35,512)	(27,732)
<i>Grants and Subsidies Paid</i>			
Current		(4,735)	(9,318)
Community Service Obligations		(625)	(1,041)
Total Operating Payments		(48,885)	(47,632)
Net cash from/(used in) Operating Activities	14	261	97
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Investing Receipts</i>			
Sale of Investment	9	3,173	0
Total Investing Receipts		3,173	0
Net cash from/(used in) Investing Activities		3,173	0
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Financing Receipts</i>			
Equity Injections		247	71
Total Financing Receipts		247	71
<i>Financing Payments</i>			
Equity Withdrawals		0	(601)
Total Financing Payments		0	(601)
Net cash from/(used in) Financing Activities		247	(530)
Net increase/(decrease) in Cash Held		3,681	(433)
Cash at Beginning of Financial Year		2,859	3,292
CASH AT END OF FINANCIAL YEAR	7	6,540	2,859

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

1. Objectives and Funding
2. Statement of Significant Accounting Policies
3. Comprehensive Operating Statement by Output Group

INCOME

4. Goods and Services Received Free of Charge
5. Revaluation Increment for Investments

EXPENSES

6. Purchases of Goods and Services

ASSETS

7. Cash and Deposits
8. Receivables
9. Investments
10. Property, Plant and Equipment
11. Fair Value Measurement of Non-Financial Assets

LIABILITIES

12. Payables
13. Provisions

OTHER DISCLOSURES

14. Notes to the Cash Flow Statement
15. Financial Instruments
16. Commitments
17. Community Service Obligations
18. Contingent Liabilities and Contingent Assets
19. Events Subsequent to Balance Date
20. Write-offs, Postponements and Waivers

1. OBJECTIVES AND FUNDING

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 advice to the Northern Territory Minister for Tourism and foster a collaborative approach to tourism growth and development across all levels of government.

Tourism NT is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the Agency are summarised into several Output Groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by Output.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires Tourism NT to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of Tourism NT's financial statements includes:

- (i) a Certification of the Financial Statements;
- (ii) a Comprehensive Operating Statement;
- (iii) a Statement of Financial Position;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra Agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of Agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The standards and Interpretations and their impacts are:

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting (continued)

AASB 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009 11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]

AASB 13 replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. It clarifies the definition of fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. With some exceptions, the standard requires entities to classify these measurements into a fair value hierarchy based on the nature of the inputs. Additional disclosures following from the standard are included in the notes to the financial statements.

(b) Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9 Financial Instruments (Dec 2010)

Effective for the annual reporting periods beginning on or after 1 January 2017. The standard incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). It will not have a material impact on the financial statements.

AASB 1055 Budgetary Reporting

Effective for the reporting periods beginning on or after 1 July 2014. The amendment sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector. The new requirement to report budgetary information and explain significant variances between budget and actuals at the individual entity level is likely to have an impact on Tourism NT's future financial statements, but the exact impact is yet to be determined.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

Effective for the annual reporting periods beginning on or after 1 January 2014. The amendments address inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. The standard will not have a material impact on the financial statements.

(c) Agency and Territory Items

The financial statements of Tourism NT include income, expenses, assets, liabilities and equity over which Tourism NT has control. Certain items, while managed by the Agency, are controlled and recorded by the Territory rather than the Agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Agency and Territory Items (continued)

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by Agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to Agencies as well as certain Territory liabilities that are not practical or effective to assign to individual Agencies, such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the Agency's financial statements. Tourism NT does not have any Territory Items to report as of 30 June.

(d) Comparatives

Where necessary, comparative information for the 2012-13 financial year has been reclassified to provide consistency with current year disclosures.

(e) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

(f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2013-14 as a result of management decisions.

(g) Accounting Judgements and Estimates

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Accounting Judgements and Estimates (continued)

Judgements and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgements and estimates are:

- Employee Benefits - Note 2 (t) and Note 13: Non-current liabilities in respect of employee benefits measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Allowance for Impairment Losses - Note 2 (n), 8: Receivable and 15: Financial Instruments.
- Depreciation and Amortisation - Note 2 (k), Note 10: Property, Plant and Equipment.

(h) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

(i) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchange of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the entity obtains control over the assets comprising the contributions.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output Appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of Agency outputs after taking into account funding from Agency income. It does not include any allowance for major non-cash costs such as depreciation.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income Recognition (continued)

Output Appropriation is apportioned between the two Output Groups based on the cost of delivering Tourism NT's strategic priorities.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations. It has resulted in Special Purpose Payments and National Partnership payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by Treasury on behalf of the Central Holding Authority and then on-passed to the relevant agencies as Commonwealth Appropriation.

Revenue in respect of Appropriations is recognised in the period in which the Agency gains control of the funds.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

The Department of Corporate and Information Services provide free of charge services to Tourism NT.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income Recognition (continued)

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contributions of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the Agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

Community Service Obligation Funding

Community service obligation (CSO) funding is generally received from the Northern Territory (NT) Government where the Agency is required to carry out activities on a non-commercial basis. Tourism NT funded Territory Discoveries for the following non-commercial activities. The funding calculations were developed by an independent consultant providing a Public Benefit Assessment on Territory Discoveries in February 2008. Revenue in respect of this funding is recognised in the period in which the Agency gains control of the funds.

NT Holiday Centre Alice Springs

The purpose of the CSO payable from Tourism NT to Territory Discoveries was to cover the extra cost incurred by operating the NT Holiday Centre in Alice Springs. There are higher recruitment and training costs because Alice Springs is a small regional centre. Each consultant receives 2-3 months training prior to commencing with the Holiday Centre. Staff are generally more transient than in other industries and recruitment to a position in Alice Springs has proved difficult in the past. NT Holiday Centre pays salaries above those of similar wholesalers in order to retain staff.

Small Operators in Reservation System

The purpose of this CSO was to cover the cost incurred by the NT Holiday Centre in allowing very small operators (gross sales less than \$10,000 per annum) to be included in the reservation system. The small volume of sales generated for these operators mean that they do not have the capacity to contribute via cost-recovery and as a result would leave the industry.

On the 1st February 2014 Territory Discoveries was licensed out to the private sector and as a result CSO funding was only paid for the period 1 July 2013 to 31 January 2014.

(j) Repairs and Maintenance Expenses

Funding is received for repairs and maintenance works associated with Agency assets as part of Output Revenue. Costs associated with repairs and maintenance works on Agency assets are expensed as incurred.

(k) Depreciation and Amortisation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Depreciation and Amortisation Expense (continued)

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2014	2013
Buildings	5 - 50 Years	5 -50 Years
Plant and Equipment	5 - 10 Years	5 - 10 Years
Computer Equipment	3 - 10 Years	3 - 10 Years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

(l) Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

(m) Cash and Deposits

For the purposes of the Statement of Financial Position and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

(n) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the Agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule in Note 15. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

(o) Investments

Investments are held at fair value less any allowance for impaired losses. Any impairment losses are reported in the Comprehensive Operating Statement.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Property, Plant and Equipment

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex Assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

As part of the Financial Management Framework, the Department of Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for Tourism NT capital works is provided directly to the Department of Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Agency.

(q) Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- Land;
- Buildings; and
- Infrastructure Assets.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revaluations and Impairment (continued)

Non-current physical and intangible Agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Surplus for that class of asset to the extent that an available balance exists in the Asset Revaluation Surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve.

(r) Leased Assets

Leases under which the Agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance Leases

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

(s) Payables

Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Agency. Accounts payable are normally settled within 30 days.

(t) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the Government long term bond rate.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Employee Benefits (continued)

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the Financial Management Framework, the Central Holding Authority assumes the long service leave liabilities of Government Agencies, including Tourism NT and as such no long service leave liability is recognised in Agency financial statements.

(u) Superannuation

Employees' superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The Agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in the Agency's financial statements.

(v) Contributions By and Distributions To Government

The Agency may receive contributions from Government where the Government is acting as owner of the Agency. Conversely, the Agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the Agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 16.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(x) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when the agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits; receivables; and payables.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The agency's investments, loans and placements, and borrowings are predominantly managed through the Department of Treasury and Finance (DoTF) and Territory Insurance Office (TIO) adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

(y) Economic Dependence

Tourism NT is partially funded by DoTF in recognition that it carries out activities on a non commercial basis. Such funding is termed a 'Community Service Obligation' and is reflected as such in the Comprehensive Operating Statement.

(z) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Fair Value Measurement (continued)

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable.

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	NOTE	Marketing 2014 \$'000	Marketing 2013 \$'000	NT Major Events 2014 ⁽¹⁾ \$'000	NT Major Events 2013 \$'000	Total 2014 \$'000	Total 2013 \$'000
INCOME							
Current Grants and Subsidies		0	222	0	0	0	222
Output Revenue		45,151	35,544	0	6,164	45,151	41,708
Sales of Goods and Services		701	1,316	0	1,266	701	2,581
Goods and Services Received Free of Charge	4	2,041	1,833	0	0	2,041	1,833
Revaluation Increment For Investments		0	0	0	0	0	0
Investment Income		1	1	0	0	1	1
Other Income		7	677	0	0	7	677
TOTAL INCOME		47,901	39,593	0	7,430	47,901	47,023
EXPENSES							
Employee Expenses		(7738)	(7,766)	0	(1,795)	(7,738)	(9,561)
Administrative Expenses							
Purchase of Goods and Services	6	(32,755)	(24,611)	0	(531)	(32,755)	(25,142)
Repairs and Maintenance		(7)	(90)	0	0	(7)	(90)
Depreciation and Amortisation	10	(81)	(21)	0	0	(81)	(21)
Impairment Increment	5	(100)	(43)	0	0	(100)	(43)
Other Administrative Expenses ⁽²⁾		(2,031)	(1,845)	0	0	(2,031)	(1,845)
Grants and Subsidies Expenses							
Current		(4,735)	(3,697)	0	(5,621)	(4,735)	(9,318)
Community Service Obligations		(625)	(1,041)	0	0	(625)	(1,041)
Total Expenses		(48,072)	(39,114)	0	(7,947)	(48,072)	(47,061)
NET SURPLUS / (DEFICIT)		(171)	479	0	(517)	(171)	(38)

The operating statement by output group is to be read in conjunction with the notes to the financial statements.

(1) Major Events output was transferred to the Department of the Chief Minister effective 1 July 2013

(2) Includes DCIS service charges

	2014 \$'000	2013 \$'000
4. GOODS AND SERVICES RECEIVED FREE OF CHARGE		
Department of Corporate and Information Services	1,661	1,674
Qantas	195	95
Silk Air	185	50
Virgin Australia	0	14
Total Goods And Services Received Free of Charge	2,041	1,833

5. REVALUATION INCREMENT FOR INVESTMENTS

Revaluation Increment / (Impairment) - Territory Discoveries	0	(43)
Revaluation Increment / (Impairment) - Tourism Northern Territory Pty Ltd	(100)	0
Total Revaluation (Impairment) For Investments	(100)	(43)

6. PURCHASES OF GOODS AND SERVICES

The net surplus has been arrived at after charging the following expenses:

Goods and Services Expenses:

Consultants ⁽¹⁾	505	127
Agent Service Arrangements ⁽²⁾	636	1,090
Client Travel ⁽³⁾	1,849	1,185
Marketing and Promotion ⁽⁴⁾	26,389	19,397
Document Production	82	52
Information Technology Charges ⁽⁵⁾	1,476	1,234
Legal Expenses ⁽⁶⁾	60	31
Recruitment ⁽⁷⁾	37	90
Training and Study	54	49
Official Duty Fares	334	245
Travelling Allowance	97	78
Communications	156	208
Entertainment/Hospitality	94	150
Motor Vehicle	127	155
Total Goods and Services Expenses	31,896	24,091

(1) Includes IT consultants.

(2) Includes Service Level Agreement with Territory Discoveries.

(3) Includes Familiarisations.

(4) Includes advertising consultants and internet consultants for marketing and promotion.

(5) Does not include IT consultants.

(6) Includes legal fees, claim and settlement costs.

(7) Includes recruitment related advertising costs.

	2014 \$'000	2013 \$'000
7. CASH AND DEPOSITS		
Cash on Hand	1	1
Cash at Bank	5,822	2,761
Foreign Currency Account	717	97
Total Cash And Deposits	6,540	2,859
8. RECEIVABLES		
Current		
Accounts Receivable	53	405
Less: Allowance for Impairment Losses	0	(12)
	53	393
GST Receivables	468	502
Interest Receivable	6	0
Other Receivables	3	0
Total Current Receivables	530	895
9. INVESTMENTS		
Non-Current		
Investment -Territory Discoveries (Government Business Division)	5,676	5,676
Less: Transfer of Physical Assets from Territory Discoveries	(9)	0
Less: Balance of Allowance for Impairment Losses	(2,494)	(2,494)
Less: Sale of Investment	(3,173)	0
	0	3,182
Investment - Tourism Northern Territory Pty Ltd	100	100
Less: Allowance for Impairment Losses	(100)	0
	0	100
Total Non-Current Investments	0	3,282
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at 1 July	2,494	2,451
Amounts written off during the year	0	0
Amounts recovered during the year	0	0
Increase/(decrease) in allowance recognised in profit or loss	100	43
Allowance for Impairment Losses at 30 June	2,594	2,494

2014	2013
\$'000	\$'000

10. PROPERTY, PLANT AND EQUIPMENT

Infrastructure

At Fair Value	0	669
Less: Accumulated Depreciation	0	(11)
	0	658

Construction (Work in Progress)

At Capitalised Cost	0	0
	0	0

Plant and Equipment

At Cost	1,012	193
Less: Accumulated Depreciation	(267)	(137)
	745	56

Computer Software

At Fair Value	0	0
Less: Accumulated Depreciation	0	0
	0	0

Computer Hardware

At Fair Value	13	13
Less: Accumulated Depreciation	(13)	(13)
	0	0

Total Property, Plant and Equipment

	745	714
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Impairment of Property, Plant and Equipment

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2014.

No impairment adjustments were required as a result of this review.

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2013-14 is set out below:

2013-14	Buildings \$'000	Infrastructure \$'000	Construction (Works in Progress) \$'000	Plant & Equipment \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2013	658	0	0	56	0	714
Additions	0	0	0	0	0	0
Depreciation and Amortisation	0	0	0	(81)	0	(81)
Additions/(Disposals) from Asset Transfers	(658)	0	0	770	0	112
Carrying Amount as at 30 June 2014	0	0	0	745	0	745

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2012-13 is set out below:

2012-13	Buildings \$'000	Infrastructure \$'000	Construction (Works in Progress) \$'000	Plant & Equipment \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2012	0	0	0	66	0	66
Additions	669	0	0	0	0	669
Depreciation and Amortisation	(11)	0	0	(10)	0	(21)
Additions/(Disposals) from Asset Transfers	0	0	0	0	0	0
Carrying Amount as at 30 June 2013	658	0	0	56	0	714

11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

2014	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Asset Classes				
Buildings (Note 10)	0	0	0	0
Computer Hardware (Note 10)	0	0	0	0
Plant and Equipment (Note 10)	0	0	745	745
Total	0	0	745	745

There were no transfers between Level 1 and Levels 2 or 3 during the period.

(b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

Asset Classes	Level 2 Techniques	Level 3 Techniques
Buildings		Cost approach
Computer Hardware		Cost approach
Plant and Equipment		Cost approach

There were no changes in valuation techniques during the period.

Level 3 - fair values of buildings, plant and equipment, computer hardware were determined by calculating their depreciated replacement costs.

11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

2014	Buildings \$000	Computer Hardware \$000	Plant & Equipment \$000
Fair value as at 1 July 2013	658	0	56
Additions	0	0	770
Disposals	(658)	0	0
Depreciation	0	0	(81)
Gains/losses recognised in net surplus/deficit	0	0	0
Gains/losses recognised in other comprehensive income	0	0	0
Fair Value as at 30 June 2014	0	0	745

(ii) Sensitivity Analysis

Unobservable inputs used in computing the fair value of plant and equipment include the historical cost and the consumed economic benefit of each asset.

In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

	2014	2013
	\$'000	\$'000

12. PAYABLES

Accounts Payable	2,124	3,320
Accrued Expenses	1,578	234
Total Payables	3,702	3,554

13. PROVISIONS

Current

Employee Benefits:

Recreation Leave	572	648
Leave Loading	90	103
Leave Fares	0	2

Other Current Provisions:

Other Provisions	574	594
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1,236	1,347
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Non-Current

Employee Benefits:

Recreation Leave	154	295
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Total Provisions

1,390	1,642
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Reconciliation of Provisions

Balance as at 1 July 2013	594	535
Additional Provisions Recognised	0	59
Reductions Arising from Payments	(20)	0
Balance as at 30 June 2014	574	594

Tourism NT employed 87 employees as at 30 June 2014 (2013: 85 employees)

	2014 \$'000	2013 \$'000
14. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of Agency cash and deposits of \$6,540,267 recorded in the Statement of Financial Position is consistent with that recorded as cash in the Cash Flow Statement.		
Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities		
Net Operating Surplus/(Deficit):		
Net Operating Surplus/(Deficit)	(171)	(38)
(Profit)/Impairment on revaluation of non-current assets	100	43
Non-Cash Items:		
Depreciation	81	21
R&M - Minor New Work Non Cash	0	65
Changes in Assets and Liabilities:		
Decrease/(Increase) in Receivables	365	136
Decrease/(Increase) in Prepayments	(9)	50
(Decrease)/Increase in Payables	147	(238)
(Decrease)/Increase in Provision for Employee Benefits	(232)	(1)
(Decrease)/Increase in Other Provisions	(20)	59
Net Cash From Operating Activities	261	97

15. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity payables. Tourism NT has limited exposure to financial risks as discussed below.

(a) Categorisation of Financial Instruments

The carrying amounts of Tourism NT's financial assets and liabilities by category are disclosed in the table below.

	2014 \$'000	2013 \$'000
Financial Assets		
Cash and Deposits	6,540	2,859
Loans and Receivables	530	895
Financial Liabilities		
Payables	3,702	3,554

(b) Credit Risk

The Agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the Agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant.

A reconciliation and aging analysis of receivables is presented overleaf.

15. FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk (cont)

	2014 Internal \$'000	2014 External \$'000	2014 Total \$'000	2013 Internal \$'000	2013 External \$'000	2013 Total \$'000
Aging of Receivables						
Not Overdue	4	490	494	84	708	792
Overdue for less than 30 Days	0	4	4	0	30	30
Overdue for 30 to 60 Days	0	8	8	0	27	27
Overdue for more than 60 Days	0	24	24	0	58	58
Total Receivables	4	526	530	84	823	907
Aging of Impaired Receivables						
Impaired Receivables for 30 to 60 Days	0	0	0	0	0	0
Impaired Receivables for more than 60 Days	0	0	0	0	12	12
Total Impaired Receivables	0	0	0	0	12	12
Net Receivables	4	526	530	84	811	895
Reconciliation of the Allowance for Impairment Losses						
Allowance for Impairment Losses at 1 July 2013	0	12	12	0	(1)	(1)
Amounts written off during the year	0	0	0	0	0	0
Amounts recovered during the year	0	0	0	0	0	0
Increase/(decrease) in allowance recognised in profit or loss	0	(12)	(12)	0	13	13
Allowance for Impairment Losses at 30 June 2014	0	0	0	0	12	12

(c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

15. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk (cont)

Maturity analysis for financial assets and liabilities	Fixed Interest					Non Interest Bearing \$000	Total \$000	Weighted Average %
	Variable Interest \$000	Less than a Year \$000	1 to 5 Years \$000	More than 5 Years \$000				
2014								
Assets								
Cash and deposits	0	0	0	0	6,540	6,540		
Receivables	0	0	0	0	530	530		
Advances	0	0	0	0	0	0		
Total Financial Assets	0	0	0	0	7,070	7,070		0
Liabilities								
Deposits held	0	0	0	0	0	0		
Payables	0	0	0	0	3,702	3,702		
Total Financial Liabilities	0	0	0	0	3,702	3,702		0
2013								
Assets								
Cash and deposits	0	0	0	0	2,859	2,859		
Receivables	0	0	0	0	895	895		
Advances	0	0	0	0	0	0		
Total Financial Assets	0	0	0	0	3,754	3,754		0
Liabilities								
Deposits held	0	0	0	0	0	0		
Payables	0	0	0	0	3,554	3,554		
Total Financial Liabilities		0	0	0	3,554	3,554		0

15. FINANCIAL INSTRUMENTS (continued)

(d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest Rate Risk

Tourism NT is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing.

(ii) Price Risk

Tourism NT is not exposed to price risk as the agency does not hold units in unit trusts.

(iii) Currency Risk

Tourism NT has limited exposure to currency risk as the agency does not hold borrowings denominated in foreign currencies and has minimum (once a year) transactional currency exposures arising from purchases in a foreign currency.

(e) Net Fair Value

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 - derived from quoted prices in active markets for identical assets or liabilities.

Level 2 - derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - based on inputs not based on observable market data.

15. FINANCIAL INSTRUMENTS (continued)

(e) Net Fair Value (cont)

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
2014					
Financial Assets					
Cash and deposits	6,540	6,540	0	0	6,540
Receivables	530	530	0	0	530
Total Financial Assets	7,070	7,070	0	0	7,070
Financial Liabilities					
Payables	3,702	3,702	0	0	3,702
Total Financial Liabilities	3,702	3,702	0	0	3,702
2013					
Financial Assets					
Cash and deposits	2,859	2,859	0	0	2,859
Receivables	895	895	0	0	895
Total Financial Assets	3,754	3,754	0	0	3,754
Financial Liabilities					
Payables	3,554	3,554	0	0	3,554
Total Financial Liabilities	3,554	3,554	0	0	3,554

Note: The carrying amount of Tourism NT's financial assets and liabilities recorded in the financial statements approximates their net fair value.

16. COMMITMENTS

(i) Operating Lease Commitments

The Agency leases property under non-cancellable operating leases expiring from 1 to 5 years. Leases generally provide the entity with a right of renewal at which time all lease terms are renegotiated.

Future operating lease commitments not recognised as liabilities are payable as follows:

	2014 \$'000	2013 \$'000
Internal		
Within one year	62	69
Later than one year and not later than five years	59	114
Later than five years	0	0
	121	183
External		
Within one year	12	21
Later than one year and not later than five years	8	23
Later than five years	0	0
	20	44
Total Operating Lease Commitments	141	227

Note: The reduction in internal operating leasing commitments is mainly due to a reduction in the number of vehicles leased by the Department.

	2014 \$'000	2013 \$'000
17. COMMUNITY SERVICE OBLIGATIONS		
NT Holiday Centre Alice Springs		
Community Service Obligation received	283	472
Subsidy paid to Territory Discoveries	(283)	(472)
CSO Funding Surplus/(Deficit)	0	0
Small Operators In Reservation System		
Community Service Obligation received	342	569
Subsidy paid to Territory Discoveries	(342)	(569)
CSO Funding Surplus/(Deficit)	0	0

The Community Service Obligations (CSO) included in this note relate only to CSO funds paid to and by Territory Discoveries on the goods/services listed above. Territory Discoveries was paid the CSO for the period 1 July 2013 to 31 January 2014.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

Tourism NT has entered into agreements which contain indemnity clauses. The contingent liabilities arising from the indemnities are unquantifiable, but expected to be immaterial. However, for all the events that would give rise to the liabilities, the Agency has comprehensive risk management procedures in place.

(b) Contingent assets

Tourism NT had no contingent assets at 30 June 2014 or 30 June 2013

19. EVENTS SUBSEQUENT TO BALANCE DATE

From 1 February 2014 the function of Territory Discoveries was leased to the private sector. As a result the GBD is no longer required effective 1 July 2014. Prior to 30 June 2014 all of Territory Discoveries' remaining assets were transferred to Tourism NT and all liabilities were extinguished.

20. WRITE OFFS, POSTPONEMENTS AND WAIVERS

	2014		2013	
	\$'000	No. of Trans.	\$'000	No. of Trans.

Write offs, Postponements and Waivers Under the *Financial Management Act*

Represented by:

Amounts written off, waived and postponed by Delegates

Irrecoverable amounts payable to the Territory or an Agency written off	0	0	0	0
Losses or deficiencies of money written off	0	0	0	0
Public property written off	0	0	0	0
Waiver or postponement of right to receive or recover money or property	0	0	0	0
Total written off, waived and postponed by Delegates	0	0	0	0

Amounts written off, waived and postponed by the Treasurer

Irrecoverable amounts payable to the Territory or an Agency written off	0	0	0	0
Losses or deficiencies of money written off	0	0	0	0
Public property written off	0	0	0	0
Waiver or postponement of right to receive or recover money or property	0	0	0	0
Total written off, waived and postponed by the Treasurer	0	0	0	0



Auditor-General
Independent Auditor's Report
to the Minister for Tourism
Territory Discoveries

I have audited the accompanying financial report of Territory Discoveries which comprises the statement of financial position as at 30 June 2014, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive of Tourism NT is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 2 to the financial statements, which include the non-going concern basis of accounting, are in accordance with Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit.

Opinion

In my opinion the financial report gives a true and fair view of the financial position of Territory Discoveries as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

30 September 2014

We certify that the attached financial statements for Territory Discoveries have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Operating Statement, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2014 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



TONY MAYELL
Chief Executive Officer
29/09/2014



NOELENE BIDDELL
Chief Financial Officer
29/09/2014

Comprehensive Operating Statement For the Year Ended 30 June 2014
Territory Discoveries

	NOTE	2014 \$'000	2013 \$'000
INCOME			
<i>Grants and Subsidies Revenue</i>			
Current		1,833	1,403
Community Service Obligations		625	1,041
Sales of Goods and Services		1,613	2,932
Interest Revenue		105	163
Other Income		95	65
TOTAL INCOME		4,271	5,604
EXPENSES			
Employee Expenses		(1,854)	(2,191)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	(2,416)	(3,455)
Depreciation	6	(1)	(1)
Other Administrative Expenses		0	0
Interest Expense		0	0
TOTAL EXPENSES		(4,271)	(5,647)
NET (DEFICIT)		0	(43)
OTHER COMPREHENSIVE INCOME			
TOTAL OTHER COMPREHENSIVE INCOME		0	0
COMPREHENSIVE RESULT		0	(43)

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position For the Year Ended 30 June 2014
Territory Discoveries

	NOTE	2014 \$'000	2013 \$'000
ASSETS			
<i>Current Assets</i>			
Cash and Deposits	4	0	7,279
Receivables	5	0	47
Prepayments		0	18
Total Current Assets		0	7,344
<i>Non-Current Assets</i>			
Property, Plant and Equipment	6	0	10
Total Non-Current Assets		0	10
TOTAL ASSETS		0	7,354
LIABILITIES			
<i>Current Liabilities</i>			
Deposits Held	7,17	0	3,776
Payables	8	0	180
Provisions	10	0	196
Total Current Liabilities		0	4,152
<i>Non-Current Liabilities</i>			
Provisions	10	0	19
Total Non-Current Liabilities		0	19
TOTAL LIABILITIES		0	4,171
NET ASSETS		0	3,183
EQUITY			
Capital		2,494	5,677
Accumulated Loss		(2,494)	(2,494)
Total Equity		0	3,183

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity For the Year Ended 30 June 2014
Territory Discoveries

	NOTE	Equity at 1-Jul \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30-Jun \$'000
2013-14					
Accumulated Loss		(2,494)	0	0	(2,494)
		(2,494)	0	0	(2,494)
Capital - Transactions with Owners		5,677	0	(3,183)	2,494
		5,677	0	(3,183)	2,494
Total Equity at End of Financial Year		3,183	0	(3,183)	0
2012-13					
Accumulated Loss		(2,451)	(43)	0	(2,494)
		(2,451)	(43)	0	(2,494)
Capital - Transactions with Owners		5,677	0	0	5,677
		5,677	0	0	5,677
Total Equity at End of Financial Year		3,226	(43)	0	3,183

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash Flow Statement for the Year Ended 30 June 2014
Territory Discoveries

	NOTE	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and Subsidies Received			
Current		1,833	1,403
Community Service Obligations		625	1,041
Receipts from Sales of Goods and Services		2,791	4,675
Interest Received		120	165
Total Operating Receipts		5,369	7,284
Operating Payments			
Payments to Employees		(2,109)	(2,200)
Payments for Goods and Services		(3,590)	(5,480)
Interest Paid		0	0
Total Operating Payments		(5,699)	(7,680)
Net cash from Operating Activities	11	(330)	(396)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Payments for Investment Activities			
Purchase of Assets		0	0
Net cash from Investing Activities		0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits Received		0	991
Total Financing Receipts		0	991
Financing Payments			
Transfer of Trust Funds		(3,776)	0
Equity Withdrawals		(3,173)	991
Total Financing Payments		(6,949)	991
Net cash used in Financing Activities		(6,949)	991
Net increase/(decrease) in Cash Held		(7,279)	595
Cash at Beginning of Financial Year		7,279	6,684
CASH AT END OF FINANCIAL YEAR	4	0	7,279

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

1. Objectives and Funding
2. Statement of Significant Accounting Policies

EXPENSES

3. Purchases of Goods and Services

ASSETS

4. Cash and Deposits
5. Receivables
6. Property, Plant and Equipment

LIABILITIES

7. Deposits Held
8. Payables
9. Income Tax Liabilities
10. Provisions

OTHER DISCLOSURES

11. Notes to the Cash Flow Statement
12. Financial Instruments
13. Commitments
14. Community Service Obligations
15. Contingent Liabilities And Contingent Assets
16. Events Subsequent To Balance Date
17. Accountable Officer's Trust Account
18. Write Offs, Postponements, and Waivers

1. OBJECTIVES AND FUNDING

Territory Discoveries was a Government Business Division (GBD) and its core performance objective was to increase the exposure of, and potential economic returns to, the Territory's tourism industry; particularly for small to medium sized operators. On the 12 November 2013, Cabinet approved the licencing of Territory Discoveries to the AOT Group for a period of three years.

Territory Discoveries was partially funded by, and dependent on, funding from the Northern Territory Government by way of an Operating Subsidy and Community Service Obligation (CSO) funding. CSO funding was received in recognition of carrying out activities on a non-commercial basis until the operations were transferred. Additional information in relation to CSO funding may be found in Note 14.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are general purpose financial statements which have been prepared on a non-going concern basis in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. *The Financial Management Act* requires Territory Discoveries to prepare financial statements for the year ended 30 June 2014 based on the form determined by the Treasurer. The form of Territory Discoveries' financial statements includes:

- (i) a Certification of the Financial Statements;
- (ii) a Comprehensive Operating Statement;
- (iii) a Statement of Financial Position;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The financial report has been prepared on a non-going concern basis as the entity ceased trading in February 2014 following Cabinet approval for the AOT Group to operate Territory Discoveries under licence for a period of three years. The transition of operations was completed by 1 February 2014.

The comparatives in the financial statements were prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when the cash is paid out or received.

All liabilities have been paid; physical assets and owner's equity have been transferred to Tourism NT.

The form of GBD financial statements is also consistent with the requirements of Australian Accounting Standards.

The financial statements were authorised for issue by the Chief Executive on 29 September 2014.

(b) Agency and Territory Items

The financial statements of Territory Discoveries include income, expenses, assets and liabilities and equity over which Territory Discoveries has control. Certain items, while managed by Territory Discoveries, are controlled and recorded by the Territory rather than Territory Discoveries (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Agency and Territory Items (continued)

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government controlled entities.

The Central Holding Authority has settled all liabilities to employees in relation to long service leave.

(c) Comparatives

Where necessary, comparative information for the 2012-13 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

(e) Accounting Judgements and Estimates

All existing assets at the time of the transition have been transferred to Tourism NT. All liabilities have been settled. The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities for the previous financial year.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(f) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

In the comparatives, receivables and payables are stated with the amount of GST included, also the net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax (GST). Exchange of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when Territory Discoveries obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Community Service Obligation Funding

Community service obligation (CSO) funding is generally received from the Northern Territory (NT) Government where Territory Discoveries is required to carry out activities on a non-commercial basis. The funding calculations were developed by an independent consultant producing a Public Benefit Assessment on Territory Discoveries in February 2008. Revenue in respect of this funding is recognised in the period in which Territory Discoveries gains control of the funds. Territory Discoveries only received the portion of CSO due for the period from 1 July 2013 to 31 January 2014.

NT Holiday Centre Alice Springs

The purpose of the CSO revenue received from Tourism NT was to cover the extra cost incurred by operating the NT Holiday Centre in Alice Springs. There are higher recruitment and training costs because Alice Springs is a small regional centre. Each consultant receives 2-3 months training prior to commencing with the Holiday Centre. Staff are generally more transient than in other industries and recruitment to a position in Alice Springs has proved difficult in the past. NT Holiday Centre pays salaries above those of similar wholesalers in order to retain staff.

Small Operators in Reservation System

The purpose of this CSO was to cover the cost incurred by the NT Holiday Centre in allowing very small operators (gross sales less than \$10,000 per annum) to be included in the reservation system. The small volume of sales generated for these operators mean that they do not have the capacity to contribute via cost-recovery and as a result would leave the industry.

- it is probable that the economic benefit associated with the transaction will flow to Territory Discoveries; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Recognition (continued)

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- Territory Discoveries retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to Territory Discoveries.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Disposal of Assets

All physical assets have been transferred to Tourism NT.

(h) Taxation

Territory Discoveries was required to pay income tax on its accounting profit, at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalents Regime.

A deferred tax asset existed at 30 June 2013, however this asset cannot be transferred and has been reported in note 9 as zero.

(i) Depreciation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful life.

The estimated useful lives for each class of assets were in accordance with the Treasurer's Directions and are determined as follows:

	2014	2013
Plant and Equipment	5 - 10 Years	5 - 10 Years
Computer Equipment and Software	3 Years	3 Years

Assets were depreciated from the date of acquisition until the assets were transferred to Tourism NT.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Deposits

For the purpose of the Statement of Financial Position and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. The balance of funds held in the Accountable Officer's Trust Account (AOTA) were included in the transfer of operations to AOT. These monies are ultimately payable to the beneficial owner - refer also to Note 17. The balance of the bank account, as an asset, was transferred to Tourism NT.

(k) Receivables

All receivables have been settled with the exception of the GST Receivable which has been transferred to Tourism NT.

(l) Payables

All liabilities for accounts payable have been settled.

(m) Employee Benefits

All liabilities for employee benefits have been paid.

(n) Going Concern

At the date of these accounts, the entity is not a going concern and accordingly the non-going concern basis of accounting has been adopted in the preparation of the financial statements. All liabilities have been paid; physical assets and owner's equity have been transferred to Tourism NT.

2014	2013
\$'000	\$'000

3. PURCHASES OF GOODS AND SERVICES

The net result of zero has been arrived at after charging the following expenses:

Goods and Services Expenses:

Agent Service Arrangements	156	280
Consultants ⁽¹⁾	0	26
Communications	155	315
Document Production	3	10
Information Technology Charges	488	794
Legal Expenses ⁽²⁾	32	4
Marketing and Promotion ⁽³⁾	1,334	1,593
Official Duty Fares	8	23
Recruitment ⁽⁴⁾	2	2
Training and Study	2	24
Travelling Allowance	6	18
Goods and Services Expenses	2,186	3,089

(1) Includes marketing, promotion and IT consultants.

(2) Includes legal fees, claim and settlement costs.

(3) Includes advertising for marketing and promotion.

(4) Includes recruitment related advertising costs.

	2014	2013
	\$'000	\$'000
4. CASH AND DEPOSITS		
Cash at Bank	0	7,279
	0	7,279
5. RECEIVABLES		
Accounts Receivable	0	32
Less: Allowance for Impairment Losses	0	(2)
	0	30
Interest Receivables	0	15
GST Receivable	0	2
	0	17
Total Receivables	0	47
6. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	0	47
Less: Accumulated Depreciation	0	(37)
	0	10
Computer Software		
At Cost	0	170
Less: Accumulated Depreciation	0	(170)
	0	0
Computer Hardware		
At Cost	0	58
Less: Accumulated Depreciation	0	(58)
	0	0
Total Property, Plant and Equipment	0	10

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment of Property, Plant and Equipment

The assets recorded as at 30 June 2013 have been transferred to Tourism NT as at 30 June 2014. Depreciation for the period 1 July 2013 to 30 June 2014 has been expensed in Territory Discoveries.

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2013-14 is set out below:

2013-14	Computer Software \$'000	Computer Hardware \$'000	Plant & Equipment \$'000	Total \$'000
Carrying Amount as at 1 July 2013	0	0	10	10
Acquisitions	0	0	0	0
Depreciation	0	0	(1)	(1)
Transfer Out	0	0	(9)	(9)
Transfer In	0	0	0	0
Carrying Amount as at 30 June 2014	0	0	0	0

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2012-13 is set out below:

2012-13	Computer Software \$'000	Computer Hardware \$'000	Plant & Equipment \$'000	Total \$'000
Carrying Amount as at 1 July 2012	0	0	11	11
Acquisitions	0	0	0	0
Depreciation	0	0	(1)	(1)
Transfer Out	0	0	0	0
Transfer In	0	0	0	0
Carrying Amount as at 30 June 2013	0	0	10	10

	2014	2013
	\$'000	\$'000
7. DEPOSITS HELD		
Funds Held In Trust	0	3,776
Total Deposits Held	0	3,776

8. PAYABLES		
Accounts Payable	0	77
Accrued Expenses	0	103
GST Payables	0	0
Total Payables	0	180

9. INCOME TAX LIABILITIES		
Current Year (Deficit)	0	(43)
Prima facie income tax expense calculated at 30% (2013: 30%) on the surplus from ordinary activities	0	(13)
Adjusted carried forward tax loss from prior years	0	(850)
Deferred Tax Asset	0	(863)

A deferred tax asset is not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 2(h) occur. The asset is not transferrable and the agency is closed from 1 July 2014, the asset has no value at 30 June 2014.

	2014 \$'000	2013 \$'000
10. PROVISIONS		
Current		
<i>Employee Benefits:</i>		
Recreation Leave	0	127
Leave Loading	0	14
<i>Other Current Provisions:</i>		
Other Provisions	0	55
	0	196
Non-Current		
<i>Employee Benefits:</i>		
Recreation Leave	0	19
Total Provisions	0	215
Reconciliation of Provisions		
Balance as at 1 July 2013	55	52
Additional Provisions Recognised	0	3
Reductions Arising from Payments	(55)	0
Balance as at 30 June 2014	0	55

Territory Discoveries employed 0 employees as at 30 June 2014 (2013: 29 employees)

2014	2013
\$'000	\$'000

11. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The Balance of the bank account was transferred to Tourism NT and is recorded as \$0 in the Statement of Financial Position. This is consistent with the cash in the Cash Flow Statement.

Reconciliation of Net (Deficit) to Net Cash From Operating Activities

Net (Deficit)	0	(43)
Non-Cash Items:		
Depreciation	1	1
Changes in Assets and Liabilities:		
Decrease/(Increase) in Receivables	47	(28)
Decrease/(Increase) in Prepayments	18	0
(Decrease)/Increase in Payables	(180)	(321)
(Decrease)/Increase in Provision for Employee Benefits	(161)	(8)
(Decrease)/Increase in Other Provisions	(55)	3
Net Cash from Operating Activities	(330)	(396)

12. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by Territory Discoveries included cash and deposits, receivables and payables. As at 30 June 2014 Territory Discoveries has no Financial Instruments.

(a) Categorisation of Financial Instruments

The carrying amounts of Territory Discoveries' financial assets and liabilities by category are disclosed in the table below.

Financial Assets

Cash and Deposits	0	7,279
Receivables	0	47

Financial Liabilities

Deposits Held	0	3,776
Payables	0	180

12. FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk

Territory Discoveries has no exposure to credit risk as all receivables have been settled prior to 30 June 2014.

Receivables

A reconciliation and ageing analysis of receivables is presented below.

	2014 External \$'000	2014 Total \$'000	2013 External \$'000	2013 Total \$'000
Ageing of Receivables				
Not Overdue	0	0	33	33
Overdue for less than 30 Days	0	0	0	0
Overdue for 30 to 60 Days	0	0	0	0
Overdue for more than 60 Days	0	0	16	16
Total Receivables	0	0	49	49
Ageing of Impaired Receivables				
Impaired Receivables for 30 to 60 Days	0	0	0	0
Impaired Receivables for more than 60 Days	0	0	(2)	(2)
Total Impaired Receivables	0	0	(2)	(2)
Net Receivables	0	0	47	47
Reconciliation of the Allowance for Impairment Losses				
Opening	0	0	0	0
Written off during the year	0	0	0	0
Recovered during the year	0	0	0	0
Increase/(decrease) in allowance recognised in profit or loss	0	0	(2)	(2)
Total	0	0	(2)	(2)

12. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk

Territory Discoveries has no exposure to liquidity risk as all financial obligations were settled prior to 30 June 2014. Any future financial obligations will be met by Tourism NT as they fall due.

The following table details Territory Discoveries' contractual maturity for its financial assets and liabilities as at 30 June 2013.

Maturity analysis for financial assets and liabilities	Variable Interest \$000	Fixed Interest			Non Interest Bearing \$000	Total \$000	Weighted Average %
		Less than a Year \$000	1 to 5 Years \$000	More than 5 Years \$000			
2013 Financial Assets							
Cash and deposits	7,279	0	0	0	0	7,279	2.88%
Receivables	0	0	0	0	47	47	
Total Financial Assets	7,279	0	0	0	47	7,326	0
2013 Financial Liabilities							
Deposits Held	3,776	0	0	0	0	3,776	2.88%
Payables	0	0	0	0	180	180	
Total Financial Liabilities	3,776	0	0	0	180	3,956	0

12. FINANCIAL INSTRUMENTS (continued)

(d) Market Risk

Territory Discoveries has no exposure to market risk as at 30 June 2014 as all financial obligations were settled prior to that date.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

The primary market risk that Territory Discoveries may have been exposed to is interest rate risk.

i) Interest Rate Risk

Territory Discoveries has no exposure to interest rate risk as at 30 June 2014 as all financial obligations were settled prior to that date.

Territory Discoveries had limited exposure to interest rate risk as Territory Discoveries' financial assets and financial liabilities, with the exception of cash and deposits were non-interest bearing. Territory Discoveries' exposure to interest rate risk on financial assets and financial liabilities is set out in the following table for the Financial Year 2012-13.

	2014 \$'000	2013 \$'000
Variable rate instruments		
Financial assets	0	7,279
Financial liabilities	0	0
Total	0	7,279

12. FINANCIAL INSTRUMENTS (continued)

(d) Market Risk (continued)

i) Interest Rate Risk (continued)

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points at reporting date would have the following effect on Territory Discoveries' profit or loss and equity in Financial Year 2012-13.

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2014		
Financial assets - cash at bank	0	0
Net Sensitivity:	0	0
30 June 2013		
Financial assets - cash at bank	72	(72)
Net Sensitivity:	72	(72)

ii) Price Risk

Territory Discoveries was not exposed to price risk as it does not hold units in unit trusts.

iii) Currency Risk

Territory Discoveries was not exposed to currency risk as Territory Discoveries did not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases of foreign currency.

12. FINANCIAL INSTRUMENTS (continued)

(e) Net Fair Value

Territory Discoveries did not have any financial instruments as at the 30 June 2014.

The fair value of financial instruments was estimated using various methods. These methods were classified into the following levels for Financial Year 2012-13:

Level 1 - derived from quoted prices in active markets for identical assets or liabilities.

Level 2 - derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - derived from inputs not based on observable market data.

2012-13	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial Assets					
Cash and deposits	7,279	7,279	0	0	7,279
Receivables	47	47	0	0	47
Total Financial Assets	7,326	7,326	0	0	7,326
Financial Liabilities					
Deposits Held	3,776	3,776	0	0	3,776
Payables	180	180	0	0	180
Total Financial Liabilities	3,956	3,956	0	0	3,956

	2014	2013
	\$'000	\$'000
13. COMMITMENTS		
(i) Operating Lease Commitments		
Territory Discoveries had leased property under non-cancellable operating leases expiring from 1 to 5 years. Before 30 June 2014, these operating leases were settled or transferred to Tourism NT.		
Internal is within NT Government and external is outside NT Government.		
Internal		
Within one year	0	50
Later than one year and not later than five years	0	15
Later than five years	0	0
	0	65
External		
Within one year	0	13
Later than one year and not later than five years	0	11
Later than five years	0	0
	0	24
Total Operating Lease Commitments	0	89

14. COMMUNITY SERVICE OBLIGATIONS

NT Holiday Centre Alice Springs		
Community Service Obligation received	283	472
Net costs associated with the delivery of this service	(283)	(472)
CSO Funding Surplus/(Deficit)	0	0
Small Operators In Reservation System		
Community Service Obligation received	342	569
Net costs associated with the delivery of this service	(342)	(569)
CSO Funding Surplus/(Deficit)	0	0

Territory Discoveries was paid the CSO for the period 1 July 2013 to 31 January 2014.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent liabilities

Territory Discoveries had also entered into agreements which contain indemnity clauses. The contingent liabilities arising from the indemnities were unquantifiable, but expected to be immaterial. However, for all the events that would give rise to the liabilities, Territory Discoveries had comprehensive risk management procedures in place. Tourism NT will assume responsibility for any future claims if and when they occur.

b) Contingent assets

Territory Discoveries had no contingent assets at 30 June 2014 or 30 June 2013.

16. EVENTS SUBSEQUENT TO BALANCE DATE

From 1 February 2014 the function of Territory Discoveries was leased to The AOT Group. As a result the Government Business Division is no longer required and has been closed with an effective date of 1 July 2014. Prior to 30 June 2014, all assets were transferred to other Government Agencies or to the new licensee as appropriate, and all liabilities were extinguished or similarly transferred.

17. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of Trust Money	Opening Balance 1 July 2013 \$'000	Receipts \$'000	Payments \$'000	Closing Balance 30 June 2014 \$'000
Holiday Centre - Reservations	3,776	4,561	8,337	0
	3,776	4,561	8,337	0

All monies held in the trust account at 1 February 2014 were transferred to The AOT Group's Trust Account.

18. WRITE OFFS, POSTPONEMENTS AND WAIVERS

	2014		2013	
	\$'000	No. of Trans.	\$'000	No. of Trans.
Write offs, Postponements and Waivers Under the Financial Management Act				
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or an Agency written off	0	0	0	0
Total written off, waived and postponed by Delegates	0	0	0	0
<u>Amounts written off, waived and postponed by the Treasurer</u>				
Irrecoverable amounts payable to the Territory or an Agency written off	0	0	0	0
Total written off, waived and postponed by the Treasurer	0	0	0	0

APPENDIX 1: FUNDING PROGRAMS WE ADMINISTER

Sponsorship of Public Events

The following list provides details of events and festivals, which we have sponsored via the provision of funds in 2013-14. Each has been assessed and/ or complies with our sponsorship policy.

Sponsorship for regional events is based on an application process, with two rounds per year (January and July). In addition to financial sponsorship, we may also assist by providing in-kind support. This includes, but is not limited to, showcasing the event in our campaign activity; organisation / project management, advice, assisting tourism operators attend events, providing guest speakers, or other means.

Event	Region	Funding
Darwin Aboriginal Art Fair	Darwin	\$5,000
Desert Harmony Festival	Tennant Creek	\$5,000
Garma Festival	Arnhem Land	\$5,000
Tjungu Festival	Ayers Rock	\$5,000
Ingkerreke Commercial MTB Enduro	Alice Springs	\$10,000
Alice Desert Festival	Alice Springs	\$10,000
Tiwi Islands Football Final Art Sale	Tiwi Islands	\$10,000
Alice Springs Beanie Festival	Alice Springs	\$20,000
Mindil Beach Sunset Markets	Darwin	\$20,000
National Indigenous Music Awards 2013	Darwin	\$5,000
	TOTAL	\$95,000

APPENDIX 2: FUNDING FOR REGIONAL TOURISM ORGANISATIONS AND VISITOR INFORMATION CENTRES

Organisation	Tourism NT Funded Activities	2013-14 Funding
Tourism Top End	Visitor Information Services - Darwin Marketing and Industry Enhancement Activities - Top End region (including Darwin, Katherine, Kakadu and Arnhem Land)	\$874,500
Katherine Town Council	Visitor Information Services - Katherine	\$313,500
Battery Hill Mining Centre / Tennant Creek Foundation	Visitor Information Services - Tennant Creek	\$99,000
Tourism Central Australia	Visitor Information Services - Alice Springs Marketing and Industry Enhancement Activities - Central Australian region (including Alice Springs, Uluru and the Barkly region)	\$841,500
	TOTAL (inc GST)	\$2,128,500

APPENDIX 3: FINANCE, RISK AND AUDIT COMMITTEE MEMBERSHIP

FRAC held five meetings during the year. In August 2013, the Chairman Brad Morgan resigned and was replaced by Board Commissioner Michael Toomey. In December 2013, Commissioner Geoff Weeks and Commissioner Kylie Bonanni joined the committee. A list of members and their attendance follows:

Role	Member	Meetings Attended	Meetings Held
Chairperson (Resigned)	Brad Morgan - Commissioner Tourism NT	1	1
Chairperson	Michael Toomey - Commissioner Tourism NT	4	4
Member	Michael Toomey - Commissioner Tourism NT	1	1
Member	Rex Schoolmeester - Chief Financial Officer, Department of Corporate and Information Services	3	5
Member	Geoff Weeks - Commissioner Tourism NT	2	2
Member	Kylie Bonanni - Commissioner Tourism NT	2	2
Observer	Noelene Biddell - Chief Financial Officer, Tourism NT	5	5
Guest	Angela Collard - Executive Director Operations, Tourism NT	1	1
Guest	Valerie Smith - Director, Planning and Policy, Tourism NT	1	1

APPENDIX 4: INSURANCE ARRANGEMENTS

Self-Insurance Arrangements

Insurable Risk Category	Mitigation Strategies	2013-14		2012-13		2011-12	
		No of Claims	Value of Claims	No of Claims	Value of Claims	No of Claims	Value of Claims
Public Liability	<ul style="list-style-type: none"> Commercial insurance purchased Employees are instructed on occupational health and safety guidelines and incorporate this at all public events and tradeshow Contractors involved in setting up stands at trade shows are required to follow all occupational health and safety guidelines and have a minimum of \$10 million public liability insurance coverage themselves. Assessment undertaken with all procurement processes to ensure public liability is in accordance with the conditions of contract 	Nil	Nil	Nil	Nil	Nil	Nil
Workers' Compensation	<ul style="list-style-type: none"> Occupational health and safety policy developed and implemented Occupational Health and Safety Committee meets regularly, table workplace issues and communications information and new mitigation strategies Utilisation of Employee Assistance Program Fully trained and paid first aid officers in each building Early Intervention Program Work-life balance strategies Job specific training, support and inductions Work site assessments Purchase of commercial travel insurance to cover employees travelling overseas Purchase of commercial workers' compensation insurance for employees who reside interstate 	Nil	Nil	Nil	Nil	Nil	Nil
Assets and Inventories - All	<ul style="list-style-type: none"> Portable and Attractable item policy and asset policy to provide guidance to employees regarding their responsibilities and accountability Compliance with Treasurer's Directions Regular inspections and/or stocktakes 	Nil	Nil	Nil	Nil	Nil	Nil
Buildings	<ul style="list-style-type: none"> Building audits eg security, maintenance, compliance Appropriate security and testing eg fire systems, alarms, patrols Repairs and maintenance and minor new works programs 	Nil	Nil	Nil	Nil	Nil	Nil
Vehicles	<ul style="list-style-type: none"> Regular service and maintenance checks in accordance with manufacturer's recommendations Comprehensive motor vehicle policy for employees travelling out of city limits Purchase of commercial comprehensive motor vehicle insurance (Territory Discoveries only) 	7	\$4,831	15	\$7,185	16	\$14,909
Indemnities	<ul style="list-style-type: none"> Agency governance officer checks all contracts and agreements that contain indemnities and where possible indemnity clauses are removed from the contracts. Any new high risk indemnity is checked by the Department of Attorney-General and Justice A risk assessment is conducted on each indemnity and the project officer is required to confirm it is commercially acceptable Approval process is in accordance with section 34 of the <i>Financial Management Act</i> and Treasurer's Direction G2.5 Purchase of commercial Directors and Officers insurance to cover Board Members 	Nil	Nil	Nil	Nil	Nil	Nil

Commercial Insurance Arrangements

Insurable Risk Category	2013-14			2012-13			2011-12		
	Cost	No of Claims	Value of Claims	Cost	No of Claims	Value of Claims	Cost	No of Claims	Value of Claims
Public Liability									
- Tourism NT	\$29,523	Nil	Nil	\$21,642	Nil	Nil	\$21,563	Nil	Nil
- Territory Discoveries	\$12,558	Nil	Nil	\$20,439	Nil	Nil	\$14,190	Nil	Nil
Workers Compensation									
- Tourism NT (interstate)	\$3,642	Nil	Nil	\$3,664	Nil	Nil	\$5,528	Nil	Nil
- Territory Discoveries (paid to Tourism NT)	\$25,994	Nil	Nil	\$32,604	Nil	Nil	\$32,271	Nil	Nil
Business Travel (overseas)									
- Tourism NT	\$3,545	Nil	Nil	\$4,163	Nil	Nil	\$3,073	Nil	Nil
- Territory Discoveries	\$587	Nil	Nil	\$1,009	Nil	Nil	\$1,091	Nil	Nil
Personal Accident (non-employees)	\$511	Nil	Nil	\$516	Nil	Nil	\$519	Nil	Nil
Vehicles									
- Territory Discoveries	\$1,058	Nil	Nil	\$2,024	Nil	Nil	\$2,203	1	\$4,662
Event Cancellation									
- Territory Discoveries	\$9,968	Nil	Nil						

APPENDIX 5: PROCUREMENT

Tender Number	Type of Procurement	Title of Requisition	Contractor Name	Contract Value
Q14-0256	Supply - Period Contract	Supply, Delivery, Installation and Maintenance of a Free Public WiFi System at Three NT Tourist Attractions for a Period of 36 Months	Easyweb Digital Pty Ltd	\$283,811.50
D14-0021	Services - Period Contract	International Regions - Provision of Full Tourism Representation Services for Tourism NT in the United Kingdom, Ireland, Netherlands and Scandinavia for a Period of 24 Months - with option for further 6 x 6 month extension.	Endeavour Tourism Marketing Ltd	\$615,000.00
D13-0350	Services - Period Contract	International Regions - Provision of Full Tourism Representation services for Tourism NT in China, Hong Kong and Taiwan for a Period of 24 Months	ATR - Asia Tourism Relations Ltd.	\$340,000.00
13-1002	Supply	Supply of Functional Requirements and Implementation of a Customer Relationship Model (CRM) Software, including Business Analysis, Solutions Architecture and Training Services	Dialog Information Technology	\$67,968.00
A13-0102	Services - Period Contract	Panel Contract for Provision of Public Relations Services Domestic for a Period of 24 Months	Sefiani Communications Group	\$999,999.00
D13-0390	Services - Period Contract	International Regions - Provision of Full Tourism Representation Services for Tourism NT in Japan for a Period of 24 Months - with option for further 6 x 6 month extension.	AVIAREPS Marketing Garden Ltd	\$340,000.00
Q13-0582	Services - Period Contract	Provision of Sponsorship Management Services for a Period of 12 Months - with an Option to Extend for a Further 12 months	BASTION EBA PTY LTD	\$152,768.00
D13-0389	Services - Period Contract	International Regions - Provision of Full Tourism Representation services for Tourism NT in South East Asia, Singapore and Malaysia for a Period of 24 Months - with option for further 6 x 6 month extension	Pacific Leisure Marketing Pte Ltd	\$403,200.00
D13-0340	Services - Period Contract	International Regions - Provision of Full Tourism Representation Services for Tourism NT in The Americas for a Period of 30 Months	Myriad Creative, Inc.	\$750,000.00
D13-0393	Services - Period Contract	All Regions - Panel Contract for Provision of Coordination Services for Trade, Media Familiarisation and Hosting for a Period of 24 Months	Nicole Mitchell Beacon Hill; Talent Team Pty Ltd, Tourism Top End Inc, Winstanley Consulting Force	\$400,000.00
Q13-0170	Services	Provision of Services of a Production Manager for the 2013 Brolga Tourism Awards	Staging Connections Pty Ltd	\$89,665.74

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