

# TOURISM NT ANNUAL REPORT 2014-15



It was a good year for tourism in the Northern Territory.

Consolidation of an upward trend in holiday visitation shows  
our growth strategies are working.

**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.

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**Cover photograph:** Visitors take part in Bawaka Cultural Experiences, fully Indigenous owned and operated near Nhulunbuy in north-east Arnhem Land. Bawaka is home to the Burarrwanga family who specialise in Indigenous cultural awareness and immersion experiences for tourists and corporate groups.



**Tony Mayell**  
Chief Executive Officer

30 September 2015

The Hon Adam Giles 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 2014-15 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

A handwritten signature in black ink, appearing to read "Tony Mayell".

TONY MAYELL



## ABOUT THIS REPORT

This annual report identifies successes and outcomes achieved during 2014-15 against our corporate objectives. It outlines how effective we were at achieving our goals for the year, as articulated in our *Operational Plan 2014-15*.

In accordance with Section 28 of the *NT Public Sector Employment and Management Act*, it provides information to Parliament, Territorians and other interested parties about our primary functions, responsibilities and significant activities undertaken during the year.

It describes the steps we took towards meeting the strategic requirements articulated in *Tourism Vision 2020: the Northern Territory's Strategy for Growth*, and provides an analysis of our financial performance. Most importantly, this report demonstrates the breadth of our operations.

More details of our activities can be found in the *Tourism Vision 2020 Summary of Highlights 2014-15* available on our website. *Tourism Vision 2020* is being implemented in partnership with the NT tourism industry and other stakeholders.

## 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](http://www.tourismnt.com.au)

Visitor information about the Northern Territory can be obtained from our consumer website: [www.travelnt.com.au](http://www.travelnt.com.au)



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## ABOUT TOURISM NT

### Who we are

Tourism NT is a statutory authority 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.

We are governed by a Board of Commissioners who report to and advise the Minister for Tourism.

### What we do

Our activities are guided by *Tourism Vision 2020: Northern Territory's Strategy for Growth*. *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 and business events. We are not a regulatory body.

### Who we work with

We work with the following main partners and stakeholders:

- 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 (see Appendix 6: Secretariat)
- the Board of Commissioners, on strategic issues facing the Northern Territory's tourism industry
- the regional tourism organisations – Tourism Top End and Tourism Central Australia – to create opportunities for their members and ensure consistent branding and messaging that attracts visitors to 'Do the Top End' or 'Do the Red Centre.'



## Our vision

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

## Our goals

There are four strategic requirements, articulated in Tourism Vision 2020, that are necessary to achieve our vision:

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

These requirements are our goals through to 2020.

## Our values

The following values, which are shared by the Board, underpin the way we work.

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

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

**Continual improvement:** We will strive for continual improvement through efficiencies and streamlined processes that minimise costs and avoid duplication of effort.

## FROM THE CHAIR AND CEO



TONY MAYELL

Chief Executive Officer



MICHAEL BRIDGE

Chairman

It was a good year for tourism in the Northern Territory, with total holiday visitation up 5.6% compared to 2013-14. After a decade of decline, this figure consolidates the upward trend in visitation that has been gradually emerging over the last 18 months and provides strong evidence that our strategies to achieve a return to growth have gained traction in the market.

Total holiday visitor spend grew by 2.5% to \$857 million, while total visitor expenditure increased 6.7% to \$1.9 billion. The goal of *Tourism Vision 2020* is to grow the visitor economy to \$2.2 billion by 2020 as measured by overnight expenditure, so the NT is on track if recent growth continues.

Except for Darwin, which remained fairly steady, all regions experienced growth in holiday visitation. We are aware, however, that regional dispersal remains a challenge in the NT; figures are still lower than they were before the global financial crisis and there is an increasing trend towards shorter stays and visiting only one or two regions. Regional visitation most closely matches the trading conditions experienced by individual tourism businesses and so, while there is growth overall, we understand that individual operators may fare quite differently.

With regard to Darwin, high daily room rates and hotel occupancies at peak times of the year have had an impact. The opening of new hotels however, along with the conclusion of major construction/ resource projects, is likely to place downward pressure on hotel room rates over the coming year, meaning more attractive conditions for holiday markets and increased willingness to commit room blocks for business events.

### International visitation grew

We acknowledge the additional \$8 million funding that the Northern Territory Government made available to us for 2014-15, and that it has continued for 2015-16, enabling us to maintain our activity, build on the momentum we have begun to gather and support the development of new and improved tourism products.

The additional funding helped boost our international marketing activity and achieve a 5.3% increase in international holiday visitors and a 10% increase in international holiday expenditure to \$326 million. By far the biggest increase in international holiday visitors - 19% - was accounted for by the US, where the decrease in the value of the AUD has a positive effect on tourism.

**“We achieved an increase in domestic (interstate and intrastate) holiday visitation of 5.8% to 458,000, the third highest increase in Australia.”**

### Domestic visitation grew

We achieved an increase in domestic (interstate and intrastate) holiday visitation of 5.8% to 458,000, the third highest increase in Australia.

Our ‘Do the NT’ brand campaign focusses on interstate holiday visitation, which increased 8.1% to 268,000, demonstrating that the campaign has had a sustained positive effect since it was launched on 30 September 2013.

Three regions in particular had highly positive results for holiday visitation: Barkly (+26%), Lasseter (+21%) and Katherine Daly (+19%).

The effectiveness of this campaign has been recognised by peers in the marketing industry, winning an Effie award (see Highlights, page 9). We congratulate all the staff involved.

### Tourism infrastructure was improved

It is imperative the industry ensures it offers products which meet expectations that are increasingly sophisticated and demanding. New and improving visitor experiences are key to the enjoyment of visitors and achieving our target growth.

We supported a total of 29 projects throughout the Territory from a \$1.3 million pool of NT and Australian Government funding to improve tourism infrastructure. The projects were varied in nature, large and small, practical and innovative; all will undoubtedly improve the visitor experience (see page 32 for more details).

The \$4.75 million that the NT Government has allocated to a Tourism Infrastructure Development Fund in 2015-16 on the back of this funding success presents a great opportunity for innovative operators to seek support for strategic product initiatives that leverage the territory’s natural and heritage strengths.

### **Tourism Vision 2020 initiatives were progressed**

Tourism Vision 2020 takes a broad approach to the visitor economy, recognising that different markets are important to various parts of the tourism sector. These include business travellers and visiting friends and relatives.

As a marketing agency, we have the particular responsibility of growing the holiday market. We have discharged this in many different ways, examples of which can be found in the Performance Review section of this document (see pp 12-37).

Of particular note are:

- our continued emphasis on working with the local industry – we established a third local tourism advisory committee, in Katherine, to better tap into local knowledge to enhance regional dispersal
- our increased use of NT operators at the forefront of our marketing - in front of consumers and the trade - because while we can create the interest, they are the people who convert that interest into bookings
- our input into the Northern Australia Development agenda through advocacy on addressing inhibitors to tourism growth e.g. the processes required under *The Aboriginal Land Rights (Northern Territory) Act 1976* to make projects happen on Indigenous land, road access (page 30), 3G/4G availability (page 31), and investment attraction (page 30).

Many of our holiday visitors fly into or around the territory and it is a priority to continue demand generating activities to ensure that existing services are maintained. The size of the Territory makes air access crucial to developing the visitor economy.

We support the growth of sustainable air services to the NT through cooperative marketing activities, and were pleased to support the introduction of a thrice-weekly Darwin-Alice-Springs-Adelaide return service by Virgin Australia on 30 March 2015. We mentioned in our previous annual report that discussions were taking place with the airline.

The new service brings competition to this important route and provides access to Virgin's partner international carriers such as Singapore Airlines and Air New Zealand.

### **The Minister for Tourism changed**

Chief Minister Adam Giles took over the tourism portfolio from Minister Conlan as part of his Cabinet reshuffle in December 2014. We acknowledge Mr Conlan for his endeavours on behalf of Tourism NT and the industry, particularly for successfully presenting the tourism case for additional Budget funding two years running. We are delighted that the Chief Minister has chosen to personally manage the tourism portfolio, which fits strategically with the development of Northern Australia in which he has provided strong leadership.

### **Future outlook**

The importance of making headway in growing the visitor economy will become even more apparent in the next two years. The Chief Minister has repeatedly voiced his belief that the Territory economy will strategically tilt towards the tourism industry as a key driver of growth as current resource projects move into operational phases.

Tourism in the NT has now entered a period of growth, and the present value of the Australian dollar is having a positive effect. We must sustain our efforts, in partnership with industry, to ensure that growth is not short-lived, for much work remains to be done.

The NT Government has clearly demonstrated its commitment to making tourism an absolute priority. Expectations of what can be achieved in the industry are, if anything, even higher now that visitation and expenditure has increased and infrastructure funding has been almost tripled. Together, we must repay that investment; to do so will bring its own rewards. Growth in visitation and expenditure means growth in business.

### **In conclusion**

We ended the year with positive results that, along with ongoing support from Board members and the talents of staff, spur us on to achieve our vision. We wish to thank Board members for their strategic advice and direction, our great team of staff for their professionalism, commitment and hard work, and our territory-based industry partners for their contribution in pursuit of our shared goal to grow the visitor economy.

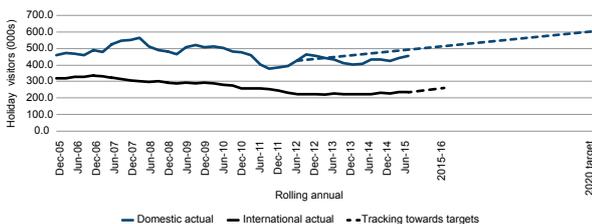


# HIGHLIGHTS

## Holiday visitor highlights

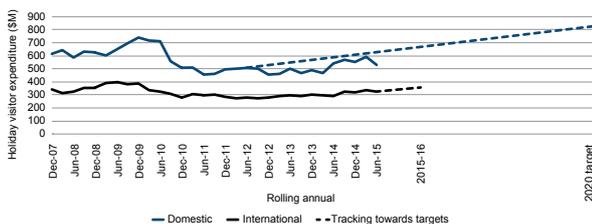
- total holiday visitors up 5.6% to 693,000, the highest for six years
- total holiday visitor nights up 8.8% to 4.7 million nights
- total holiday visitor expenditure up 2.5% to \$857 million
- international holiday visitors up 10%
- domestic holiday visitors up 5.8% (third highest level of growth in the country)
- interstate holiday market, targeted by our 'Do the NT' campaign up 8.1%.

### Holiday visitors increased



The graph shows the long decline in visitation, followed by a gradual return to growth over the past few years.

### Holiday expenditure increased

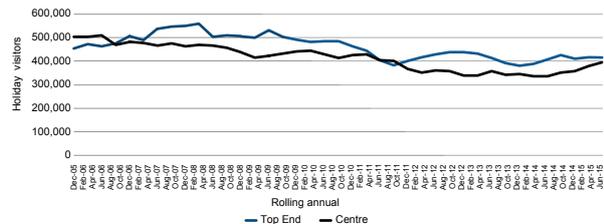


The graph shows the underlying upward trend in holiday visitor expenditure currently taking place.

## Regional highlights

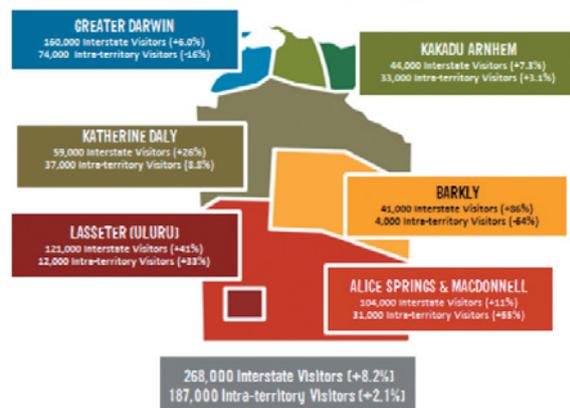
- The Top End had a 7.9% increase in interstate holiday visitors to 103,000
- Central Australia had a 38% increase in interstate holiday visitors to 165,000
- Total holiday visitation grew in all regions except Darwin, which remained relatively steady (-0.3% to 327,000)

### Holiday visitors to the Top End and Central Australia



The number of holiday visitors to the Top End and Central Australia were the closest they have been for some years. According to the combined international and domestic visitor results for the year ending June 2015, increases were experienced across the Top End (up 2.0% to 415,000 holiday visitors) and Central Australia (up 18% to 396,000 holiday visitors).

### DOMESTIC HOLIDAY VISITORS TO NT REGIONS BY ORIGIN



## THE YEAR IN REVIEW

### General highlights

- Business events contributed \$69 million to the NT
- Cruise industry contributed \$54 million to the NT
- 29 NT tourism businesses benefited from \$1.3 million funding for tourism infrastructure upgrades
- A record number of seven NT operators attended the world's largest travel trade convention in Berlin
- We ran our third annual Greater China mission
- We delivered free public WiFi in three Territory parks and reserves.

### Future outlook

Tourism NT's overall budget for 2015-16 increased to \$50.4 million to help market the Northern Territory as a leisure and business events destination. This includes \$4.75 million for a Tourism Infrastructure Development Fund.

We have entered a period of growth, the outlook is positive and the funding boost provided by the NT Government for marketing and for infrastructure development in 2015-16 will help continue the progress that has been made towards achieving Tourism Vision 2020.

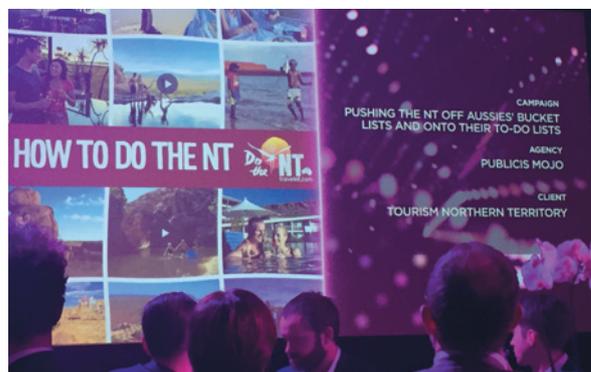
### An award winning year

- Our 'Do the NT' brand campaign won a bronze 'Effie' in the Travel, Leisure and Media category of the Australian Effie Awards.
- Two members of our business events team won scholarships.
- Our 2013-14 Annual Report won a silver award in the Australasian Reporting Awards.
- We won the Chief Minister's Award for Building Regional and/or Remote Economies as one of a group of NT government agencies working on a Tiwi Island Economic Development project.

#### About the Effie

Of all the awards the marketing industry has, an Effie is widely regarded as the one to win due to category winners being judged on campaign effectiveness rather than more subjective based criteria. To win an Effie requires delivery of an outstanding return on investment and exceeding the targets the campaign set out to reach. Category winners are awarded either a bronze, silver or gold Effie depending on the level of impact and market share achieved.

The 'Do the NT' campaign, which was launched in September 2013, was the first time we had 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.



Above: Our 'Do the NT' campaign featured in the Australian Effie Awards night.



Left: Our Effie award

#### Our scholarship winners



Becky Hargrove won the 2014 staff scholarship of the Australian Association of Convention Bureaux after twice receiving the runner-up award. Her project helped inform an exciting new Darwin Welcomes Delegates initiative.



Alexandra Henley won the Meetings and Events Association Young Professional Scholarship to attend its conference on Hamilton Island, where she formed industry relationships and learned about trends and future projections in the business events world.

THE YEAR IN REVIEW

# SCORECARD

## How we are tracking

### TOTAL visitor expenditure



The Northern Territory had a 6.7% increase in total (both international and domestic) expenditure to \$1.9 billion. International spend grew by 18% to \$460 million whilst domestic spend grew by 3.4% to \$1.4 billion. The Tourism Vision 2020 goal is for \$2.2 billion, so the NT is on track if recent growth continues.

### HOLIDAY visitor expenditure

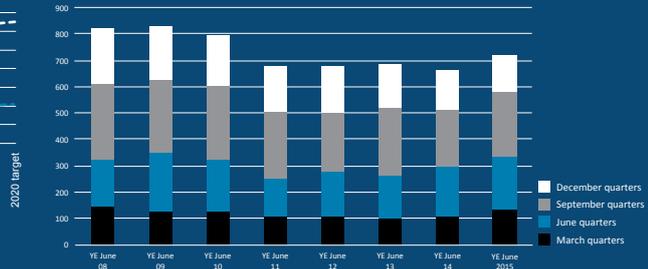
#### Total holiday visitation and expenditure trends



Our focus is on holiday markets only. Total holiday spend grew by 2.5% to \$857 million. Of this, \$326 million came from international holiday visitors (+10%) and \$531 million from domestic holiday visitors (-1.7%).

## Seasonal dispersal

### Holiday visitors per quarter



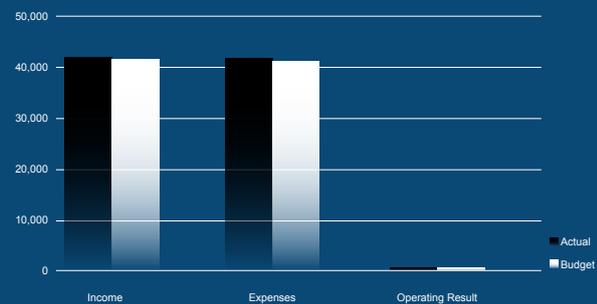
Seasonal dispersal, like regional dispersal, is an ongoing challenge that we have sought to address.

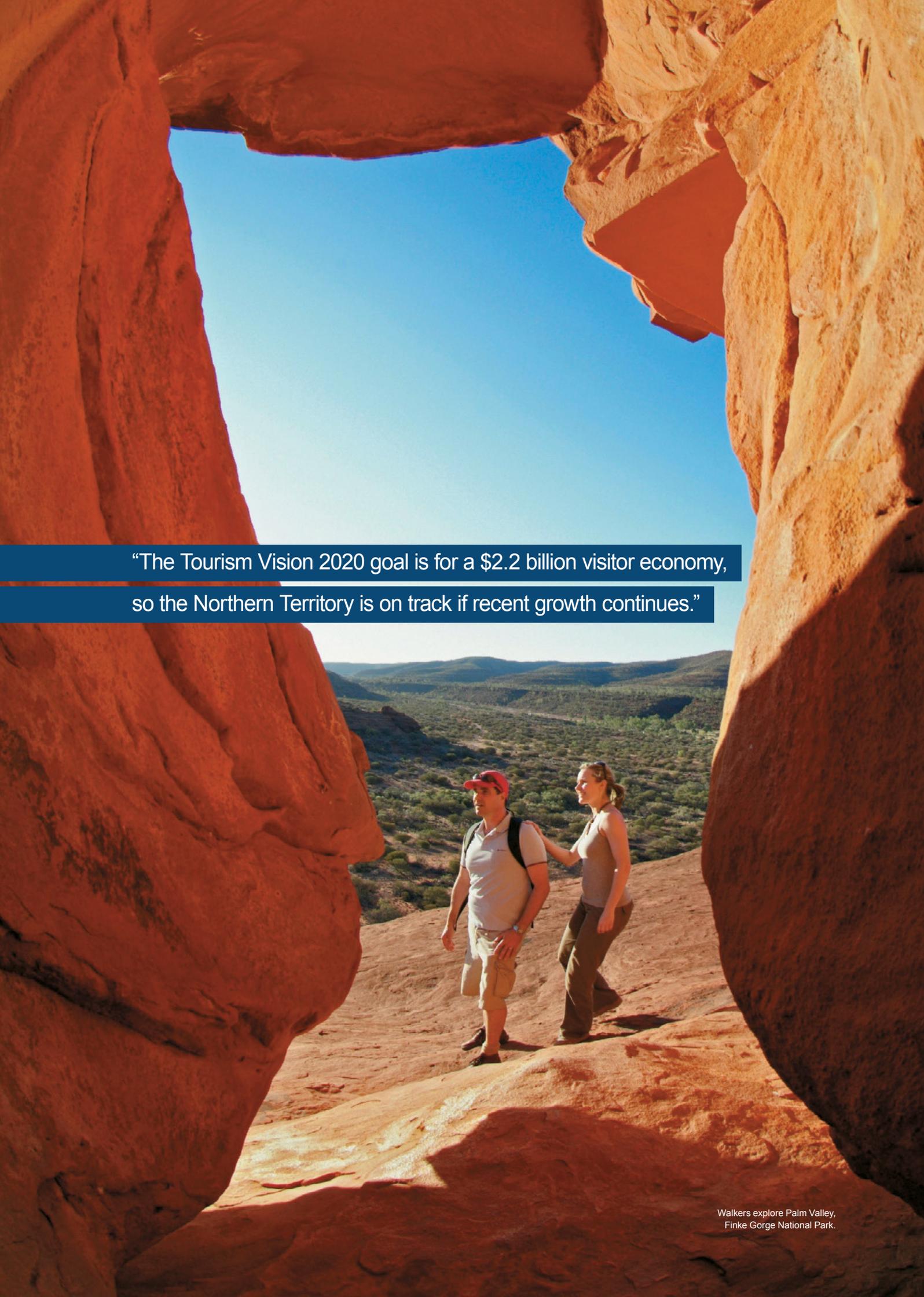
In the year ending June 2015, the peak September quarter accounted for 34% of all holiday visitors to the NT. Although it was only 1% more than the corresponding quarter the previous year, it meant we just failed to achieve our target of increasing travel during off-peak times to 67% of all holiday visitors.

## Financial summary

- We delivered a small operating surplus of \$38,000
- Income of \$45.7 million was \$0.6 million more than budget, primarily due to additional Goods and Services Received Free of Charge revenue received during the year.

### Tourism NT Operating Result



A man and a woman are hiking through a narrow opening in large, reddish-brown rock formations. The man is wearing a red cap, a light-colored polo shirt, and shorts, and has a backpack. The woman is wearing a grey tank top and dark pants. They are walking on a rocky path, and the woman is touching the man's shoulder. In the background, a valley with green vegetation and rolling hills is visible under a clear blue sky.

“The Tourism Vision 2020 goal is for a \$2.2 billion visitor economy, so the Northern Territory is on track if recent growth continues.”

# STRATEGIC REQUIREMENT 1: GROW VALUE

## Introduction

This year's activities were mapped against the four strategic requirements set out in *Tourism Vision 2020* to deliver the 2020 target of achieving \$2.2 billion in overnight visitor expenditure. Articulated in our operational plan for the year, they followed on from last year's similarly focussed activities and sought to build on the momentum emerging from those. The activities were founded on the latest consumer insights and market intelligence available, reflecting Tourism NT's evidence-based approach.

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 boost marketing of the Territory, particularly overseas.

The NT growth target of \$2.2 billion in overnight visitor expenditure requires delivering an additional \$535 million in visitor expenditure against 2011-12 levels. To bridge the gap, we are employing innovative market growth strategies to attract more visitors to stay longer and spend more, targeting growth markets and converting interest to bookings. Encouraging regional dispersal and addressing seasonality issues are necessary to maximise capacity and sustain growth.

## Highlights

- International and domestic holiday expenditure up on previous year
- New multi-mode, multi-destination marketing approach paying off
- Niche segments experience growth.

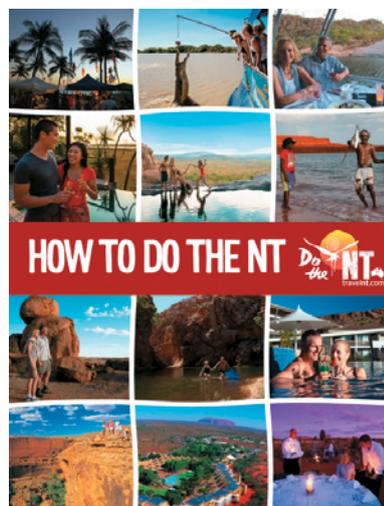
### Initiative

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

## What we did

### Took a multi-mode, multi-destination approach to 'Do the NT'

Many regions make up the NT, each offering a different holiday experience. So in bursts three and four of our 'Do the NT' campaign we highlighted all regions of the Northern Territory, providing information to make the task of planning a holiday to the NT easier, confronting the perceived barriers to travel and encouraging regional dispersal.



Our *How to Do the NT* brochure.

## PERFORMANCE REVIEW

We developed a *How to do the NT* brochure which divided the Northern Territory into distinct regions across the Top End and Red Centre. The guide included maps, travel times and a range of experiences available in the Territory to encourage consumers to plan and book their NT trip.

The brochure was distributed domestically via print as part of phase three of our 'Do the NT' brand campaign across Sydney, regional NSW, Melbourne, regional Victoria, Brisbane and Adelaide through their primary Sunday newspapers and a house-drop to over a million homes.

It was also:

- digitised as an interactive e-brochure with embedded videos and links to our consumer website
- adapted for Singaporean consumers, to whom 200,000 copies were distributed as an insert in the *My Paper* newspaper publications and with the Lonely Planet magazine in Singapore and Malaysia
- further adapted and distributed in a leading German national newspaper *Süddeutsche Zeitung* (circulation 560,000) and the April 2014 edition of *National Geographic Deutschland* (circulation 220,000).

We created short regional videos showcasing experiences, maps, activities and travel times to different regions to highlight to consumers the array of activities available in the NT (see <https://www.youtube.com/watch?v=8Sq6jbX4tks>).

We showcased imagery and highlighted each region of the NT in digital creative banners see below for banners used in burst four of our 'Do the NT' campaign.



### We ran motivating cooperative marketing campaigns

Domestically, we worked with 18 cooperative partners including Qantas, Wotif, Jetstar, Territory Discoveries, Expedia, Virgin Australia, Britz and Helloworld and produced 30 campaigns.

We work with cooperative partners to encourage consumers, particularly our target market of people aged 55+ and 18-35, to book their travel and visit the NT. The resulting campaigns

reinforce our key messages and offer value for money holiday packages across available touch points. The Britz case study on page 22 provides an example of one of our cooperative marketing campaigns.

Internationally, we worked with a range of partners across retail, airline, inbound touring operators and wholesale agents to create conversion and increase bookings and visitors to the NT. They included Malaysian Airlines, Jetstar, SilkAir, Philippine Airlines, Qantas and others.

In September 2014, we partnered with Singapore Airlines on an innovative and multifaceted campaign in the UK to promote the NT as THE ORIGINAL holiday destination for adventure, wildlife and culture.

It ran for a month and incorporated traditional press and online advertising plus an outdoor campaign in railway stations in London and Manchester. Print advertisements appeared in six national publications, including the front page of *The Daily Telegraph* travel section, with a total reach of over 10 million readers. Digital advertisements and videos were run across a range of platforms.

The campaign attracted more than 3,000 entries for a competition offering an outback experience for two. Interim campaign results include:

Period	Year	Airline bookings
8-30 September	2014	201
	2013	158
15-21 September	2014	68
	2013	41



The concourse at London's Waterloo Station featured 'The Original Outback' campaign with Singapore Airlines.

# STRATEGIC REQUIREMENT 1: GROW VALUE

GROW VALUE

## Geared up affinity partnerships

To reach new potential visitors, we have been developing affinity partnerships with brands that have similar target audiences to the NT. In 2014-15 we worked cooperatively with ARB to promote the NT as a self-drive destination to its customers, who are likely to be looking for 4x4 drive adventures.

The campaign was spread out over 12 months and highlighted the Top End and Red Centre. The NT was featured in ARB's quarterly magazines, which did dedicated photo-shoots on location and focused on the 'best 4x4' self-drive routes, promoting the NT as the ultimate destination for a self-drive adventure.



## Penetrated further into our domestic target markets

Phase four of our 'Do the NT' brand campaign had a major focus on promoting the NT outside the major metropolitan areas. Research has shown certain regional areas have higher than average proportions of consumers with intention to travel to the NT. Campaign media was purchased to target these regional areas providing in-depth information on each of the

NT's seven regions while building a visual journey to assist in planning an NT holiday. The NT was promoted across both metro and regional areas on free to air and paid TV, targeting our major market of people aged 55+ and highlighting:

- the amazing experience a holiday to the NT offers
- how easily consumers can do the NT.

Our *How to Do the NT* booklet was distributed across regional markets such as regional NSW and Victoria, parts of Queensland and South Australia, in publications including *The Newcastle Herald*, *Adelaide Advertiser* and *The Cairns Post*, to broaden the reach of consumers' awareness of the NT and what it has to offer.

## Ensured our famils covered all areas

We supported and leveraged our planned marketing activity by running several media familiarisation trips in the NT. We exceeded our overall target by 20 per cent.

## Domestic media famils in 2014-15

Region	Number of famils	
	Actual	Target
Alice Springs	12	10
Uluru- Kata Tjuta	13	10
Kings Canyon	7	5
Barkly	2	2
Katherine	7	10
Kakadu	7	10
Arnhem Land	6	3
Darwin	21	10
Total	75	60

## PERFORMANCE REVIEW

### CASE STUDY

#### Camels and crocs took over Sydney

In April 2015 the Territory went to Sydney as part of a consumer activation in Martin Place. Tourism NT took a contingent of NT operators to showcase the very best of the NT in the heart of Sydney and provide operators with an opportunity to put their product directly in front of Sydney consumers.

The activation provided Sydneysiders with a range of highly interactive and engaging experiences including airboats, campervans, camels, baby crocodiles and an iconic 'outback watering hole' featuring an exciting and visual NT food and beverage offering.

The imaginative activation resulted in:

- participation by 16 NT tourism operators
- features on live weather cross broadcasts on the Today Show interviewing NT characters, holiday operators and animal handlers and on our own social media channels
- 1,183,553 digital views from a posting about the activation from one of our Mates of the Territory.



#### Gained consumer insights from research

We utilise a range of research, commissioned and available from third parties to better understand our consumer markets and increase bookings and yield per visitor. These include international and domestic visitor surveys conducted by Tourism Research Australia, cruise statistics from Cruise Downunder, market tracking and accommodation surveys.

We use this data in various ways, such as to understand growth, behaviour and visitation patterns that may for example have been affected by currency fluctuations or marketing campaigns, to see where we may need to fine tune our marketing activity.

We conducted the first Darwin and Alice Springs *Business Events Positioning Study* using a market simulation model which has helped to establish a strategic framework for attracting business events to Darwin and Alice Springs as two distinctly different and competitive destinations.

### Initiative

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

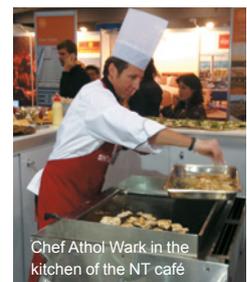
#### What we did

##### Capitalised on gateway traffic into Australia

We sought to develop more aggressive partnerships with Tourism Australia, other Australian states, airline partners and national tourism operators to capitalise on gateway traffic into Australia. One of the ways in which we did this was through greater leveraging of national marketing initiatives such as Tourism Australia's Restaurant Australia campaign.

As part of that global campaign, we:

- hosted an array of global food and wine influencers from Brazil, China, Singapore, Indonesia and Malaysia in the Top End and Red Centre
- promoted, through our UK office, the unique outdoor dining experiences that the NT offers, showcasing how the NT combines spectacular landscapes, fresh produce and unique Territory personalities into great experiences
- participated in Tourism Australia's pop up restaurant in London, with Australian chef Rachel O'Sullivan showcasing the best of NT produce. The restaurant also showed NT imagery and developed the NT's positioning in the campaign by highlighting the breadth and depth of food and wine experiences in the NT
- hosted the globally recognised, three star Michelin chef, Eric Ripert for the filming of a Emmy Award winning show Avec Eric. The NT was featured in the premier episode for season three, which had a viewership in the US of over 23 million. The episode was leveraged through public relations activities that included *The Late Show* hosted by David Letterman
- continued our foodie activity at the Australian Tourism Exchange 2015 (ATE), where Alice Springs based chef Athol Wark prepared NT inspired canapés at the NT café and at AIME 2015 in Melbourne, where former Masterchef contestant Lyndon Tapp showcased NT produce for 100 business events planners.



# STRATEGIC REQUIREMENT 1: GROW VALUE

## A flying kangaroo

Cooperative campaigns generated during the year as a result of the Memorandum of Understanding established with Qantas and the NT Government in 2013 included:

- domestic campaigns in July and September 2014 which generated a total of 4,672 passengers and another in February 2015 which resulted in 4,136 seats being sold



An advertisement for one of our cooperative campaigns with Qantas.

- a March 2015 partnership which promoted fares from Japan to Ayers Rock, Alice Springs and Darwin and resulted in 280 passengers booking their holiday to the NT
- a North America 'Project Boomerang' partnership during October 2014 offering sale fares to the NT, and other partner states, which resulted in 154 passengers booked to the Territory.

## Follow the trail to Darwin

Our cooperative agreement with Malaysia Airlines focused on the key inbound markets of Germany, United Kingdom, France, Japan and the emerging market of Malaysia with the promotion of the Kuala Lumpur to Darwin route. Promotional activity with the airline included:

- an August 2014 campaign using various integrated media platforms including electronic direct mail, radio, digital and social media promoting flights to Darwin. The campaign saw a total of 5,438 clicks on the airline's Darwin page and a total of 11,495 click throughs from Facebook promotion
- a May 2015 campaign in the UK, involving Tourism Australia and Trailfinders, that promoted fares to Darwin and leveraged the wider Tourism Australia campaign featuring Darwin as the gateway to Australia

- a June 2015 digital campaign in France, also with Tourism Australia, to package and promote Darwin as an accessible and attractive gateway to Australia for youth.

## Yes, it's a crocodile in Singapore

We have a cooperative agreement with Singapore Airlines and SilkAir to work together to promote services to Darwin to target markets in Singapore, China, the UK, Germany and France. The partnership aims to increase consumer awareness of the NT as a destination on airline assets. Campaigns generated from this partnership included:

- a promotional week in October 2014 for SilkAir and Darwin in a major shopping centre in Singapore. The activation featured a branded booth along with NT characters (a crocodile and outback adventurer) roaming through the shopping centre to give shoppers photo opportunities and a chance to win a trip to the NT. The NT was also promoted on radio
- an April 2015 digital campaign promoting the NT to our French target market flying with Singapore Airlines which resulted in 128 bookings made via singaporeair.com.

## Initiative

Increase our focus on eastern markets including Japan and China capitalising on the latest consumer insights and market intelligence, and greater leveraging of the NT's aviation, distribution and relationship networks in Australia and Asia

## What we did

### The Red Centre went east

The Asian high-spender market became dominated by China between 2005 and 2013, according to Tourism Research Australia. Tourism Australia's March 2015 *Quarterly Market Update* showed China is the number one market for leisure visitor expenditure (holiday and visiting friends and relatives) and the largest market for holiday visitor expenditure.

The NT has a very small share of Chinese visitors, although numbers are growing, and we increased our focus on this important growth market. Our activities included:

- a live Chinese New Year broadcast from Uluru on the state owned CCTV which featured the NT and reached a large audience across mainland China. The initiative was developed by Uluru Chinese Tours, Voyages Ayers Rock Resort and China Union Pay

## PERFORMANCE REVIEW

- a cooperative campaign with Jetstar which targeted young adults in Hong Kong and Taiwan through digital and traditional media channels. A combination of popular newspapers, internet portals, websites, advertising networks, mobile apps and social media promoted Jetstar airfares from Hong Kong and Taipei to Darwin via Singapore during November 2014. Results for the campaign showed Taiwan earned 78,597 clicks and Hong Kong earned 12,842 clicks to the campaign landing pages on Jetstar.com
- a domestic campaign which targeted Chinese communities based in Australia (predominantly in Sydney and Melbourne) and Chinese visitors in Australia who were visiting friends and relatives. We worked with New Asia Pacific Travel and Uluru Chinese Tour across a wide range of marketing mechanisms to build awareness, intention and conversion to travel to the NT. The campaign messaging showcased the NT as the “Real Australia” and highlighted the Mandarin speaking touring available at Uluru
- working with Business Events Australia and New Asia Pacific Travel to host 10 Chinese corporate incentive planners on an adventurous trip to Darwin and Wildman Wilderness Resort to show what they can offer their clients.

### Helped sisters take on the Top End

We joined Jetstar Asia in a campaign challenging Singaporeans to an ‘Adventure of a Lifetime: Take on Australia’s Top End!’ A competition on Jetstar’s Facebook page asked Singaporeans to nominate themselves or friends/ family members for a seven-day adventure in Darwin and attracted 3,000 entries. Lynn Lim nominated her sister Jean because she wanted to challenge her less adventurous twin to get outdoors and explore. They were selected and we produced a two-three minute video showcasing them taking on the Territory, positioning it as an exciting and accessible holiday destination for Singaporeans (see <https://www.youtube.com/watch?v=UNoMps0JlIc>)

#### Initiative

Increase activity in mature western markets with a continued focus on regional dispersal to the Northern Territory, either as part of broader Tourism Australia or independent consumer campaigns

### What we did

#### Regional areas saw some wheelspin

Top Gear UK: We successfully pitched the NT as a feature episode in the British TV program *Top Gear*, which attracts 350

million viewers in over 200 countries. The episode which aired in February 2015 featured the Top End for 45 minutes and was supplemented by 20 press articles which had a total circulation reach of almost 150 million, thereby raising awareness of the NT among a huge audience.



The Northern Territory featured in the BBC’s Top Gear magazine – circulation 150,000, readership 1.67 million.

**Land Rover Experience Tour 2015:** We facilitated this tour in partnership with Tourism Australia, Singapore Airlines and Land Rover. More than 100,000 consumers registered to take part in driver-training qualification camps, the best result experienced by Land Rover in more than 10 years of taking the event to destinations including Iceland, Scotland, Canada, Namibia, Malaysia and the Silk Road.

The trip entailed a three week tour across the Northern Territory from Arnhem Land to Uluru, promoting the Northern Territory’s regions as an appealing and accessible self-drive destination via the Land Rover dealer network in Germany.



The Land Rover experience across the Northern Territory.

# STRATEGIC REQUIREMENT 1: GROW VALUE

## We took a record turnout to Europe

In March 2015, we led a record number of operators from across the Northern Territory on a 10-day mission to France, Germany and the UK. The visit included attendance at the world's largest travel trade convention, Internationale Tourismusbörse (ITB) in Berlin, along with a hosted dinner with trade partners in Paris and attendance at the Pacific Asia Travel Association Exchange in London.

The NT delegation was the largest contingent from any state or territory within the Australia / New Zealand stand and the NT operators who attended the event gained invaluable insight into the NT's position in the global marketplace. A number of new contracts were secured with key trade partners.

Operators who attended were: Davidson's Arnhemland Safaris, SEIT Outback Australia, the Royal Flying Doctor Service, Outback Tour Services, Venture North, Darwin Central Hotel and Wayoutback Australian Safaris.

There were 175,000 visitors during the five-day show.

### Initiative

Provide support and opportunities for NT operators marketing internationally and developing Asian product through the continuation of successful programs such as the Asia Product Partnership Program

## What we did

### Time for Taipei

In October 2014, as part of our Asia Product Partnership Program, we ran our third annual Greater China mission, introducing seven NT operators to a range of trade and media representatives in five cities - Hong Kong, Guangzhou, Shanghai, Beijing and Taipei.

In total, NT operators were introduced to over 50 key product managers from our primary and secondary trade partners, giving them an opportunity to build relationships and push to get their products contracted and sold.

This was the first year the mission had visited Taipei, as we have begun work to tap into this sophisticated travel market. It was also the second year that we held our 'Big NT Outback BBQ' in each city, inviting the product managers, travel trade, airline VIPs and media representatives to come and have a taste of the NT, resulting in immediate positive media coverage.



A gathering on our Greater China mission.

## Future outlook

We are now at a stage where NT operators are in different stages of engagement with China markets; some are very familiar with the market and some are not. The newcomers to this market need time to build personal relationships with trade partners and we will seek to better balance their needs with those operators who are well established.

### Initiative

Target free and independent travellers already in Australia to encourage them to include the Territory in their travel plans

## What we did

### Teamed up with two partners

We ran a cooperative campaign with STA Travel and the South Australian Tourism Commission to promote the Explorer's Way to international backpackers and students currently studying/travelling in Australia as well as Australian youth and backpackers.

Ways in which to make this journey, including self drive, tour and rail, were promoted through social media, landing pages, electronic direct mail, print and online media and travel expos.

Interim results show there was a 7.4% increase in the number of backpackers who booked room nights in the NT over the campaign period compared to the same period last year.

## PERFORMANCE REVIEW

### Initiative

Continue our international tracking research to better understand the international consumer, refine the core messaging and campaign timing for each market and provide NT operators with commercially important market insights

### What we did

We conducted three waves of international tracking research which segmented the NT target market, assessed their intentions to travel to the NT and delved into the key drivers to take holidays.

As a result of measuring our messaging into our international markets we refined the core messaging to better suit our target markets. We used international tracking statistics to develop parts of our factsheets which provide operators with insights into the markets in their region. We developed further insights through conducting choice models in our international tracking surveys and used these to inform strategy and assist major decision making.

### Initiative

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

### What we did

#### Business events

##### Sought to become more strategic in bidding for business events

Business events contribute strongly to the economy, and during the year we sought to become more strategic in what we bid for, notably by investing in new technology. The average size of business won in 2014-15 was 211 delegates.

During the year we switched to a cloud-based customer relationship management system (CRM) called Simpleview which provides market intelligence for convention bureaux. We are one of the early Australian adopters.

Market insights indicated the importance of marketing the capacity of the venue for a business event and consequently we worked closely with Darwin Convention Centre, Alice Springs Convention Centre, Voyages Uluru Meeting Space and the Hilton Group in submitting joint bids for business events.

#### Worked with the community

We partnered with Tourism Top End and Darwin Convention Centre to launch the Darwin Welcomes Delegates program. The program aims to ensure that business event delegates have the best possible experience whilst in Darwin, to increase delegates' spend and generate positive word of mouth and referral during and after their stay. This will ultimately help attract new events, gain repeat business and conferences and maximise delegate numbers. Currently more than 35 NT businesses participate in the program.

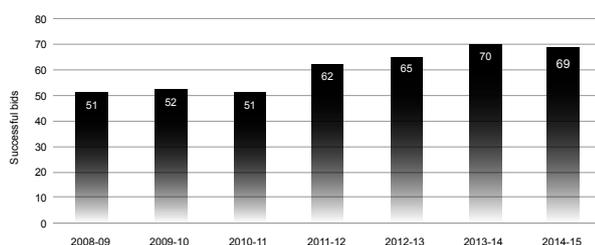
Besides working with our Business Events Ambassadors (see box next page), we worked with other parts of the community including Charles Darwin University, associations such as Engineers Australia (Northern Division) and the NT Chapter of the Australian Medical Association, and other NT government agencies to identify advocates interested in helping to attract business events:

- 10 opportunities were identified representing \$20.6 million in economic impact spread over the period to 2022
- three opportunities were confirmed, securing \$3.7 million of business events for the NT
- two are Asia Pacific conferences which will draw delegates from South-east Asian visitor markets.

# STRATEGIC REQUIREMENT 1: GROW VALUE

## How we went

### Successful business tourism bids



While successful bids were slightly below the ambitious target of 72 bids for the year, performance remained strong compared to previous years. We achieved 69 successful bids out of a total of 122 bids made, with an estimated economic contribution of \$69 million, much the same as the 2013-14 figures<sup>1</sup>. This was a pleasing result as:

- 14 decisions worth \$15 million are still pending for bids placed in 2014-15
- extremely short lead times – 77% of the leads won were within the financial year, which was valuable for industry but put great pressure on our team
- an improved win/loss ratio due to:
  - stronger local industry support, particularly in the accommodation sector and with local advocates
  - improved tracking and more accurate reporting through the CRM
- data transfer from the old system to the new one took longer than expected.

### Future outlook

A target of 72 successful bids has been set again for 2015-16.

We have started looking more closely at corporate meetings and incentives, an area where we see potential for growth. We have sought to develop this market through regular attendance at the Pacific Area Incentives and Conferences Expo (PAICE), accessing around 200 key business events decision makers at New Zealand's key industry trade event.

PAICE 2015 will be held in Auckland on 18 November 2015, providing the opportunity for the NT to continue its momentum in this market. Attention to long standing relationships through face-to-face contact is critical and participation at PAICE 2015 in conjunction with Business Events Australia and Great Southern Rail will reinforce the Territory's growing profile in this market.

## Ambassadors added value

We successfully capitalised on the networks of the Business Events Ambassadors; the NT's industry strengths including oil and gas, primary industries, health and education; and the NT's geographic proximity to emerging markets.

Through our business events unit, the NT Convention Bureau, we worked with Ambassadors on 102 business event opportunities covering a wide timespan, e.g. a large agri-business event in 2030, the World Congress of Buiatrics, the study of cattle and their diseases.

- 26% of the opportunities were in the medical/health sector and 20% were in the agri-business/energy sectors
- 18% were Australasian business events
- a total of 14 opportunities converted to bids
- a total of 12 were confirmed for the NT with our assistance and will generate approximately \$12.65 million in delegate expenditure.

Significantly, the success will deliver economic benefit to the NT almost immediately with most of the business events secured scheduled in 2015-16. The average size of the business events secured was 235 delegates.

“We decided to have the conference in Darwin, principally because it’s a place most Australians and New Zealanders haven’t been to before. We thought it would be a good, different and attractive location and that’s what it’s proven to be.” - Charles Henry, Tupperware’s Managing Director Australia & New Zealand and Senior Area Vice President Asia Pacific.

CASE STUDY

‘Why haven’t we been to Darwin yet?’

That was the question asked by Tupperware Managers in New Zealand. Consequently, 500 managers and directors from throughout Australia and New Zealand held a conference in the Darwin Convention Centre. Organisers chose a Dreamtime theme: they had a specially-designed dot-painted conference logo and wove a range of Indigenous cultural activities and entertainment into the program.

Conference highlights included:

- a traditional ‘Welcome to Country’ and cultural dance by NT Indigenous troupe ‘One Mob Dancers’
- a personal encounter with baby crocodiles and their handlers from Crocodylus Park in Darwin for Jessica Mauboy and VIP delegates
- a wetlands cruise at the Corroboree Billabong, 100 kilometres from Darwin, and a locally-catered picnic at Berry Springs for 200 specially-qualified delegates.



The Tupperware conference at Darwin Convention Centre had an Indigenous theme.

**Niche markets were to the fore**

We developed niche segment profiles for fishing, walking and birdwatching to assist industry partners understand the unique characteristics of each, their particular travel habits and behaviours, and opportunities where the NT can offer a compelling proposition.

Other niche markets in which the NT shows strengths are mountain biking, school education tourism, cruise, the luxury market and food. We supported the ongoing promotion of mountain biking in Alice Springs through event marketing sponsorship of the Lasseter’s Easter in the Alice MTB Muster and continue to work with the local Alice Springs MTB working group to develop the experience further.

We showcased a portfolio of wilderness lodges and luxury touring experiences at Luxperience travel show in Sydney in September 2014 and hosted eight buyers in the NT to experience the product firsthand. This helped position the NT in the luxury market, highlighting enriching experiences in captivating landscapes for discerning international visitors.

**The drive market grew**

We finalised a strategy for the drive market with extensive input from NT tourism industry. This helped inform an action plan to help grow this market from its current size of approximately 133,000 overnight visits, or 47% of all domestic overnight visitors to the NT. The drive market is made up of 70% fly/drive and 30% self-drive, with the priority segments being grey nomads and families.

We invested almost \$300,000 in marketing activity carrying the single-minded message of “Book now for the ultimate drive adventure”. This was broken down as follows:

- \$190,000 for a cooperative campaign with our major drive partner, Britz Campervans (see case study page 22)
- a \$68,000 investment in a digital media buy and a photoshoot for future campaigns with a new drive market cooperative partner, Apollo Motorhomes, with which we ran an October - November 2014 campaign

# STRATEGIC REQUIREMENT 1: GROW VALUE

- the remaining \$40,000 went towards development of a new consumer show stand, reprinting our popular *NT Drive Map* and *Travel Guides* for distribution at consumer shows and Visitor Information Centres, and prizes for competition winners.

## Future outlook

The growth targets we have set ourselves are:

- 3% increase in self-drive visitors year on year
- 5% increase in fly drive
- 5% increase in yield.

## CASE STUDY

### Tapping into Britz

The domestic bookings of Britz vehicles for travel to the NT during a January to April 2015 campaign were up 69% for the number of days booked compared to a 2014 campaign.

The integrated campaign promoted a special NT offer to encourage consumers to book and take a self-drive trip to the NT. Print and digital media advertising was used, along with electronic direct mail to the databases of Tourism NT, Britz and BIG4, with our dedicated drive website <http://adventurealltheway.com.au> as the call to action.

As part of the public relations activity for this campaign, we created a series of short videos featuring NT Ambassador and 2013 *Masterchef* contestant Lynton Tapp as he promoted the benefits of a Britz campervan holiday in the NT (see example at <https://www.youtube.com/watch?v=5Md5OJjTcXE>). These videos were distributed through websites and blogs which would appeal to the Britz traveller and one with a food focus was used for a consumer competition.



Mt Bundy station joint owner Scott Witham (left) and Lynton Tapp share a yarn around the campfire.

## The NT looked to become a class act

We continued to develop the *NT Learning Adventures* program, assisting operators to align their tourism experiences with education outcomes across the three cross-curriculum priorities of the National Curriculum. We are targeting domestic school years 6-11 for excursions into the NT.

We took 11 teachers and school excursion distribution partners on an educators' family to Central Australia (Alice Springs, Watarrka/Kings Canyon and Uluru-Kata Tjuta National Park) in September 2014.

We also began a school excursion grant program in 2015 to encourage schools to include various tourism experiences in their NT itineraries. Trips meeting selected criteria qualify for a \$1000 grant which can be used to offset travel costs, or to add value to school trips.

## Cruise ships made waves in the city



The Queen Mary 2, no stranger to Darwin, was one of the cruise ships to visit during Cruise Week.

We seized the opportunity presented by six ships bringing over 9700 passengers to Darwin over five days. We worked with the City of Darwin, Tourism Top End and Darwin Waterfront and City Retailers Association to create a carnival-like atmosphere for visitors over Cruise Week 2-6 March 2015. Musicians played daily in the Smith St Mall; craft markets were held at the Darwin Waterfront; and a retail point of sale campaign was held throughout the city centre and Waterfront to welcome visitors and encourage them to spend money.

A survey of cruise ship visitors we conducted found that:

- Darwin and the port facilities rated highly
- passengers were keen to meet locals during their short stays
- expenditure has remained constant compared to a similar survey conducted in 2009-10
- 94% were either very satisfied or satisfied with their visit to Darwin.

## PERFORMANCE REVIEW

“It has improved markedly over time, even the past year. Everyone was friendly, proactive. Just lovely!” - Cruise ship visitor.

In 2014-15 Darwin had 36 cruise ships visits, carrying over 47,000 passengers and 22,000 crew. While this was two visits less than the previous year, the number of larger ships increased, carrying an estimated 21% more passengers. Statistics released by the national cruise industry association, Cruise Down Under, show that the cruise ship industry injected \$54 million into the NT economy, with the average daily spend in Darwin \$288 per passenger.

### Promoted cruise and rail

We conducted a year long campaign with Holidays of Australia to promote a Top End Cruise, Rail and Stay package to the domestic market. We sought primarily to increase the number of Top End packages sold, but also to increase the dispersal and the length of stay of visitors.

Interim results indicated a 29% growth in retail bookings and a 19% growth in wholesale bookings.

### Sponsorships



Melbourne Football Club conference delegates outside Lasseters Hotel Casino.

“Dinner at the Telegraph Station gave me a sense of really being in the NT.” - Monique Conheady from Hertz, one of the delegates at the Melbourne Football Club’s inaugural Commercial Partner Conference in Alice Springs, 28-29 May 2015.

The strategic intent of our sponsorships is to attract more visitors to the NT through increased advocacy, capitalising on the networks and visibility of the sponsorship partners nationally. We successfully sought to leverage outcomes for tourism in the NT through our sponsorships of key national sporting clubs and events, which provided us with access to supporter databases, public relations and branding opportunities in key target markets for the Territory.

We sponsored Melbourne Football Club, Adelaide United Football Club, the Parramatta Eels, Brad Jones Racing, the Melbourne International Flower and Garden Show and Business Chicks, the country’s largest female-focused business networking group which delivers more than 80 events across Australia.

The sporting clubs, campaigns, competitions, visits to tourism locations and opportunities to hold a baby crocodile helped raise awareness of the NT, while teams who played matches in the NT returned home talking about their experiences such as camel-riding, mountain-biking and making damper.

### Hatching plans to grow business events



Sir Bob Geldof with some of the attendees at a Business Chicks' event.

Event planners are predominantly women and Business Chicks provides us with a new and different avenue to promote the Northern Territory to our target market. The association has 35,000 members that are recognised as affluent decision makers with the potential to bring a stream of high profile business events to the Territory. This partnership allows us to directly engage with its members and promote the Northern Territory as a destination for leisure and business travel. We hosted clients and ran NT promotions at events in Adelaide and Sydney which featured Sir Bob Geldof as guest motivational speaker. Our participation enabled us to add to our database of parties interested in hosting an event in the NT.

# STRATEGIC REQUIREMENT 1: GROW VALUE

We are delighted that Business Chicks itself has decided to hold its inaugural conference at Uluru in August 2015 and has promoted Uluru extensively through a number of channels as a business event destination. Advance bookings for the 'Movers and Breakers' conference are extremely positive.

**We met all our sponsorship objectives:**

- ✓ Logo placement (advertising value, advocacy, exposure)
- ✓ Travel packages sold (visitors, expenditure)
- ✓ Business events opportunities (leads and conversions)
- ✓ Exposure of NT products and regions

**CASE STUDY**

**Seeding interest in the NT**



The NT inspired garden, the 'Bronzed Brolga'.

In March 2015, we completed the first year of a two-year sponsorship deal with the Melbourne International Flower and Garden Show. The partnership enables us to reach the thousands of Australians who attend the show each year and promote Tourism NT's rich culture of flora and fauna.

We commissioned the design of a Northern Territory inspired show garden, the 'Bronzed Brolga'. As each region within the NT is unique and contrasting - too many to feature within the garden - it was decided to focus on two core regions in the NT; the Red Centre and the Top End.

We were able to directly engage with our target market of high net worth individuals aged 55+ over five days in Melbourne.

**Initiative**

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

**What we did**

**Reached more people on social media**

We reached more people as a result of increasing our NT brand and product presence

**Facebook**

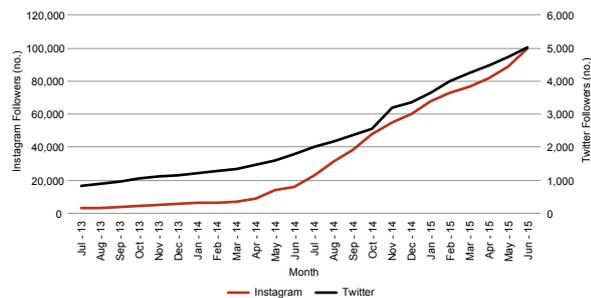
We experienced growth in all our markets.

	Fans		Reach	
	14-15	13-14	14-15	% Growth
Australia	191,911	20,436	31,605	54.65
Uk	21,037	1,931	2,269	17.5
Germany	3,0812	1,691	5,608	231.64
Italy	21,333	1,841	2,836	54.05
France	30,465	1,811	6,214	243.13
Japan	6,521	992	1,239	24.9
Singapore	8,600	160	215	34.38
Usa	17,789	378	412	8.99

**Instagram and Twitter**

Our Instagram followers reached new highs and there was a constant upward trend in engagement. Our Twitter followers grew too.

**Followers on Instagram and Twitter by month**



## PERFORMANCE REVIEW

### We held our first hypermeet

To support an Alice Springs – Choose your own Adventure campaign, which we ran with TravelZoo and Territory Discoveries, we held a dedicated 'hypermeet' to promote the Northern Territory as a must visit destination.

The activity, which is a similar concept to an 'Instameet', aimed to bring together the most influential hyperlapse photographers in the Australia to create content to release simultaneously through our social media channels to create lots of buzz for the NT.

The hypermeet generated the following results:

- Instagram engagements: 521,663 (combined likes and comments)
- YouTube views: 52,515
- Facebook reach: 167,900
- website clicks to [www.travelnt.com](http://www.travelnt.com): 466



Photo of Uluru taken by Mia Glastonbury on our hypermeet

### CASE STUDY

#### We offered dinner to 10 Germans

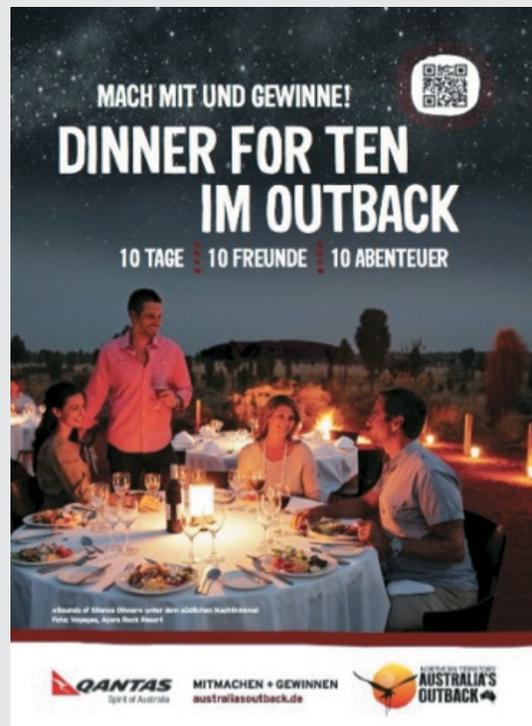
Our Dinner for Ten promotion in Germany illustrates how we used our digital channels to reach our target consumers. It offered a "once-in-a-lifetime" opportunity for one person to take nine guests to have dinner under the stars in Australia's Outback as part of an all-inclusive 10 day trip to the NT.

One of our aims was to encourage German customers to seek more information about the NT via [www.australiasoutback.de](http://www.australiasoutback.de) as well as from trade partners, and to plan their own adventure.

During the course of the promotion, it resulted in:

- a total reach of 4.6 million on Facebook, with over 8000 Likes to our Facebook pages representing an increase of approximately 40% in Facebook activity
- more than 10,000 positive comments on the Dinner For Ten posts throughout the promotion
- growth of 57% in the German language Twitter page
- growth of 475% in the average traffic rate per week to [www.australiasoutback.de](http://www.australiasoutback.de)

Dinner For Ten was also promoted through several print publications as well as 668 animated screens, 771 A1-sized posters and 25 ground posters in high pedestrian traffic areas such as main railway stations in Darmstadt, Frankfurt, Hamburg, Cologne, Munich, Wiesbaden and Stuttgart.



# STRATEGIC REQUIREMENT 1: GROW VALUE

## Helped people choose their own adventure

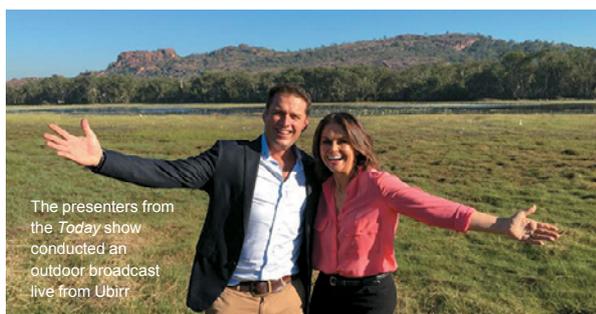


A banner advertisement for our Alice Springs – Choose your own Adventure campaign.

In the lead-up to the peak tourist season and coinciding with the commencement of new Virgin Australia routes to Alice Springs, we developed a specific campaign called Alice Springs – Choose your own Adventure to encourage bookings to Alice Springs. During March 2015, the campaign showcased a range of unique places to explore and things to do in Alice Springs and surrounding areas, including:

- digital platforms with links to a microsite housing various Alice Springs content and holiday deals
- four digital videos, including Mate of the Territory Layne Beachley's travel experiences throughout the Red Centre
- social media activity including the hypermeet
- live weather crosses on the *Today* show from Alice Springs and the West MacDonnell Ranges marking the launch of the campaign
- a cooperative campaign with Virgin Australia supporting the inaugural flights from Adelaide and Darwin to Alice Springs.

## Took a wide view of Kakadu



The presenters from the *Today* show conducted an outdoor broadcast live from Ubirr

Over May/June 2015 we ran a campaign to mark the beginning of the dry season and tell consumers that Kakadu's 'must see' locations.

Called 'There's so much to Kakadu', the campaign raised awareness of Kakadu and the Nature's Way drive loop and highlighted a range of places to explore and things to do. Darwin was promoted as the access point to Kakadu, with Katherine and Litchfield featured as additional locations to visit, demonstrating an array of reasons to spend more time in the region.

The campaign included:

- digital advertising with links to a microsite housing Kakadu content and holiday deals
- a Facebook competition which generated 16,000 entries to win a trip for two to Kakadu
- a cooperative campaign with Territory Discoveries to promote travel packages
- a short cooperative campaign with Virgin Australia to help start the campaign promote flights to Darwin and give the new Adelaide to Darwin flights another push
- a cooperative campaign with Helloworld in June promoting holiday packages to the NT
- 20 000 Australian Traveller Kakadu content booklets distributed to visitor information centres and other outlets in the Top End.

## Initiative

Continue to improve our online presence providing tailored content specific to consumer needs, including information translated for non-English speakers and culturally appropriate imagery, so that consumers can access the information about the NT that interests them, at their convenience

## What we did

### Reviewed our websites

Our Australian, German, Italian and French websites were all upgraded during the year. We have sites for the UK, US and Singapore as well as foreign language sites for Mainland China, Hong Kong, Spain, Japan, Taiwan and Korea. Full details of our websites can be found in the Contact Us section (see inside back cover).

**PERFORMANCE REVIEW**

The Mainland China site is in Simplified Chinese and the Hong Kong and Taiwan sites are in Traditional Chinese. OutbackNT apps for Android and IOS are available via these sites.

Besides Australia, our digital presence on Facebook and Twitter extends to France, Italy, Germany, Mainland China and Japan (Facebook only).

**Used research to inform image selection**

Our market tracking surveys show that respondents consistently agree that adventure applies to holiday in the NT, however 'adventure' can mean many different things to different people. For those interviewed, adventure means engaging with the NT environment, like getting close to wildlife and experiencing Indigenous culture. Perceptions of the NT sit in the 'moderate' adventure category, with images of people having fun and enjoying freedom resonating.



**Initiative**

Empowered operators to maximise all of the marketing opportunities available through our marketing programs, partnering with TXA to increase distribution online of large and small operators, and sharing branded 'shell' documents, templates and imagery to expand the visibility of the brand

**What we did**

**Changed our accreditation policy**

We reduced red tape for tourism businesses by no longer making accreditation a mandatory requirement for participation in our marketing programs after 31 December 2014 (see page 36).

**Worked to increase distribution online**

We are working closely with Tourism Exchange Australia (TXA) to develop a platform that will sit within travelnt.com and allow

the consumer to view, bundle and book multiple NT products in one transaction. We will then work with industry on dedicated campaigns to increase bookings over the low season.

**Helped operators be 'always on'**

In addition to planned cooperative campaigns, each of our cooperative partners has ad-hoc sale activity throughout the year that we can promote via our 'owned' channels and through a targeted media buy. Deals and promotions can be showcased within 24 hours of going live.

**Provided tools to increase NT brand visibility**

We used the TXA 'Do the NT' shell digital advertisements to put product deals and offers inside our styling. We also gave operators the option to use our 'Do the NT' logo and a number have taken up this option to put into their advertisements.

**Initiative**

Developed digital familiarisations of NT product to educate trade in order to increase their effectiveness in selling the NT

**What we did**



Visitors to our trade website were invited to take a 'Virtual Journey'

Virtual Journeys – a digital training program for trade - was officially launched in March 2015 at NT Muster, the Territory's annual tourism trade show held in Sydney and Melbourne. They were previewed in November 2014 by NT operators attending the Broilga Awards in Darwin. The NT section of the Australian Tourism Exchange had a booth dedicated to Virtual Journeys.

The program consists of two-three minute videos which allow the user to view Northern Territory products and experiences from a first person point of view. The videos can be then used to create personalised itineraries. A total of 84 NT operators took part in the short digital videos which fed the Virtual Journeys platform.

Virtual Journeys were also launched in Italy, France, Germany, the US and UK to educate trade on experiences and journeys throughout the Northern Territory. See <http://virtualjourneys.travelnt.com/>

# STRATEGIC REQUIREMENT 1: GROW VALUE

## Initiative

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

## What we did

### Developed a digital events campaign

Our research indicates that many consumers align their Northern Territory holiday with a unique event. To enhance awareness of the events season and increase visitation to the Northern Territory, we developed a Territory wide digital events campaign.

We supported all NT events, including the Festivals NT events, via our consumer website [travelnt.com](http://travelnt.com) and social media activity. Event listings included key information, dates and links to event websites that could be accessed by consumers throughout the year and covered all NT regions.

From May to August 2015, 15 Festivals NT events were highlighted for a fortnight six weeks prior to the event date to allow consumers time to plan and book a holiday. We also produced four TV commercials featuring these events from across the NT. Each ran approximately for four weeks and were aired across Channel 9 Darwin, WIN Cairns, Imparja and other affiliated channels. The commercials were branded with the Festivals NT logo (see Appendix 2 for the events highlighted).

Over the past 12 months, unique page views on [travelnt.com/events](http://travelnt.com/events) increased 150%, from 79,000 to 199,000.



Uluru Camel Cup – snapshot from regional TV commercial

### Sponsored marketing of events

We provide funding each year to assist the marketing of events that build on our strategic objectives and promote the core NT positioning as a fun, social and adventurous destination with our competitive strengths of nature-based and cultural tourism. These events must attract substantial interstate or international visitors to the NT or generate considerable media coverage.

In 2014-15, to better ensure funding of events that yield value for money, we introduced a metric system of quantifying the ability of events to help achieve our strategic objectives of potential to:

- grow interstate and/or international visitor numbers
- increase visitor expenditure
- increase visitor dispersal through the NT
- flatten the seasonality of visitation to the NT
- alignment with NT brand values.

See Appendix 1 for a list of grants made. Details of our *Event Marketing Sponsorship Program* are on [www.tourismnt.com.au](http://www.tourismnt.com.au)



"Adventure' can mean many different things to different people."

Walkers pause to admire  
the view in Ormiston Gorge,  
West MacDonnell Ranges.

## STRATEGIC REQUIREMENT 2: ADDRESS SUPPLY CONSTRAINTS

Increases in tourism capacity are required to deliver the 2020 target and to capitalise on the projections from our key markets. Key supply constraints exist in the areas of accommodation, aviation, labour and skills, and transport infrastructure.

### Highlights

- Tracked accommodation trends to facilitate informed investment decisions
- Re-established a tourism investment attraction unit
- Helped secure \$100 million for tourist route improvements

#### Initiative:

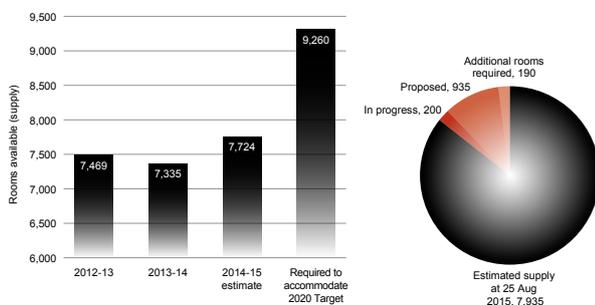
Encourage investment aimed at delivering a supply of commercial accommodation to both support and induce growth in visitor demand

### What we did

#### Tracked accommodation trends

Investment opportunities exist across the Northern Territory, particularly for accommodation, to meet current tourism demand and growing corporate interest on the back of numerous resource, energy, construction, agriculture and defence projects.

The hotel pipeline constantly shifts as various projects progress, are delayed or abandoned. We provide evidence/ strategic advice to support appropriate development, including times when projects move from “proposed” to “in progress” or exit the pipeline.



NT short-term accommodation (15 room+ establishments)

We have tracked accommodation trends in Darwin and Alice Springs for some time, and made research reports public to facilitate informed investment decisions and policy development. This year we redeveloped the reports to make them more informative and user friendly.

#### Re-established an investment attraction function

We have become more active in tourism investment attraction to complement the activities of Austrade, the Department of the Chief Minister and the Department of Business by providing specific tourism expertise, and re-established a tourism investment attraction function within our Operations Division.

We liaise with various bodies to support the promotion of tourism investment opportunities, (including in China), provide advocacy on new developments and communicate tourism and community benefits from new projects. We posted reasons to invest in the NT on our website, along with an investment directory, investor brief and other tools. We host delegations who come to the Territory seeking opportunities to invest in NT tourism.



Darwin and surrounds present attractive investment opportunities.

#### Future outlook

The tourism sector is a priority for the Northern Territory Government. In 2015-16 the NT Government will invest over \$100 million in tourism marketing and public sector infrastructure, such as roads, national park infrastructure and urban precinct development, to reinforce the tourism sector as a key economic driver.

As part of its 2015 Budget, around \$130 million has been provided to improve Northern Territory national parks as well as arts and cultural activities that will have flow-on benefits that support our tourism industry. Infrastructure expenditure that connects the Territory is being boosted through a significant transport infrastructure program worth \$587 million.

#### Initiative

Advocate for visitor requirements in transport planning, including roads, public transport and cruise ship facilities

### What we did

#### On roads

Our advocacy for tourism road infrastructure priorities included providing information about tourism economic benefits to assist in developing business cases for funding. We were delighted

## PERFORMANCE REVIEW

that \$100 million was made available in the 2015 Budget for sealing and improving key tourism routes such as the Mereenie Inner Loop, Litchfield Park Road and the Kambolgie Creek crossing on the Gimbat Road in Kakadu.

### On cruise

Following consultation with stakeholders, we developed the *NT Cruise Sector Activation Plan 2015-2020*, which was launched by the Chief Minister and Minister for Tourism Adam Giles. The plan sets out a range of activities across various government and non-government agencies to drive the sector in the areas of cruise ship attraction; infrastructure and facilities; and experience development.

### On cabotage

We had pressed long and hard for reform to the *Coastal Trading Act* to create a regulatory environment conducive to encouraging foreign flagged expedition vessels to include the NT's remote coastlines and communities in their itineraries. Following industry wide consultation, the Australian Government announced changes in its May 2015 Budget that will enable more expedition ships to drop anchor around the Top End without having to call at other countries in between stops.

### On connectivity

We worked with partners to promote the benefits of increased 3G/4G network coverage across the NT and provided information to the NT Government to enable a case to be made to Infrastructure Australia. We successfully introduced free WiFi in three NT parks and reserves and have been allocated \$1 million over the next two years by the NT Government to provide more (see also page 33).

#### Initiative

Support the growth of sustainable aviation services to the Territory

### What we did

We promoted travel from Adelaide to Alice Springs and Darwin with the aim of building sustainable demand for the new service by Virgin Australia and connecting international aviation services (see page 26).

The UK campaign we conducted with Singapore Airlines (see page 13) was one of several we conducted to promote important code share and interline arrangements that link international airlines and gateway ports with the increasing air services to the NT.

We established digital mechanisms to capture airfare information from third party websites to continuously promote NT airfares Australia-wide in real-time. In addition to our planned cooperative campaigns, our cooperative partners and local industry have ad-hoc sale activity throughout the year. We promoted these via our 'owned' channels but also through a 365 day targeted media buy. This 'always on' platform enables us to quickly push out sale activity and ensure we are in market and in front of the consumer throughout the year and not just during campaign periods.

We also drove the re-establishment of the NT Aviation Committee and have membership of it to highlight the tourism perspective.

#### Initiative

Encourage and advocate the delivery of a viable and efficient workforce that meets industry demand and supports a globally competitive and sustainable tourism sector

### What we did

We trialled a new approach to meeting the industry's labour needs, overseeing delivery of a pilot tourism industry internship program intended to provide people with entry level opportunities to work within the NT tourism industry and gain skills through meaningful employment.

The four interns – one in Darwin and three in Alice Springs - are rotated on three months placements with several industry employers, including with us, to provide them an opportunity to experience different roles within the industry with the aim of developing skills that will lead to ongoing employment and an industry career path.

The pilot, which commenced in October 2014, is an eighteen months program. At the time of reporting, one intern had withdrawn. The effectiveness of the pilot will be assessed prior to the program expiring. In the interim, we continue our advocacy with other agencies for which employment is a primary focus.

We continued to support the whole-of-government approach to address workforce and skills shortages in the NT. We advocated tourism-related issues and enablers such as increasing flexibility within the Working Holiday Maker and 457 visa programs to address the workforce shortages in the hospitality sectors, particularly in regional and remote areas.

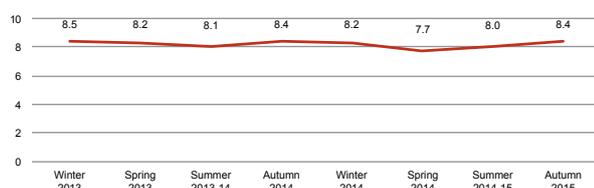
## STRATEGIC REQUIREMENT 3: IMPROVE THE VISITOR EXPERIENCE

Global travel and increasing levels of industry competition is driving visitor expectations of available experiences and quality of service to new levels. Improvements in the visitor experience will come from:

- increased adoption of technology in providing information
- identifying collaborative opportunities between visitor providers to streamline efforts and cross-promote
- experience development including adaptation of existing products and experiences to inspire travel and meet consumer expectations.

We know from research conducted over the past two years that visitors to the NT are highly likely to recommend the destination to others.

### Likelihood of recommendation to others



### Highlights

- Supported 29 infrastructure improvement projects at a total value of almost \$3 million
- Installed and delivered free public WiFi in three Territory parks and reserves
- Advocated 'game changers' to enhance visitors' experiences of the NT.

#### Initiative

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

### What we did

#### We supported imaginative and practical projects

Enabling visitors to cruise from Darwin to Gove on board a working cargo ship was an exciting new tourism venture that we supported through a \$1.3 million pool of NT and Australian Government funding for tourism development and infrastructure.

The funding comprised \$500,000 for an *NT Tourism Infrastructure and Development Grant Program*, with the

remainder obtained through leveraging the Australian Government's Tourism Demand Driver Infrastructure program. It enabled us to drive tourism experience development aligned to Tourism Vision 2020 objectives.

Freight company Sea Swift used its \$100,000 grant and \$200,000 of its own money to refit an existing cargo vessel to accommodate passengers. The weekly passenger cruise service Darwin-Nhulunbuy-Galiwinku takes 20 passengers per week and offers an attractive new access route into East Arnhem Land.

Other projects which went ahead as a result of funding included:

- a wild bush luxury bird hide at Bamarru which has opened up this area adjacent to Kakadu National Park to new markets. The first photography group has come through and the facility has also hosted its first wedding ceremony
- language commentaries on tours round Kakadu and Litchfield in Mandarin, Japanese and Italian
- improvements made by World Expeditions and Trek Larapinta to Larapinta Trail campsites. The number of walkers on the trail has increased greatly due to increased capacity of the campgrounds
- a demonstration cooking kitchen at Darwin Waterfront.

Altogether, 29 projects were funded with a total value of almost \$3 million. Some featured much-needed renewal and refurbishment of accommodation. We are using one of them, an upgrade of Wauchope Hotel in Central Australia, as an example of what can be done to improve the visitor experience, to encourage other wayside inns across the NT to upgrade their properties. After getting its new look, the Wauchope Hotel gave itself a new name - the Devils Marbles Hotel.

See Appendix 1 for a full list of projects supported under the funding pool.

#### Future outlook

We are looking for game changers, projects that will be major drawcards for visitors and generally benefit Territorians through associated spend. Even though there is plenty of potential for the current suite of projects to attract visitors, new and innovative enhancements are required to generate significant growth in the long term.

To that end, the NT Government has set up a \$4.75 million Tourism Infrastructure Development Fund in 2015-16 to promote the development of new and improved tourism products with a special focus on regional, remote and Indigenous tourism products.

## PERFORMANCE REVIEW

“Imagine an accommodation habitat on a remote billabong in Kakadu National Park. Maybe one with a stairway to a construction below the waterline so those staying in it can view and sleep with underwater wildlife. What an experience that would be! This is the type of thinking we need to put out there.” - Minister for Tourism Adam Giles, 17 February 2015

### Initiative

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

### What we did

#### We delivered free WiFi

People nowadays expect to be able to ‘connect’ wherever they are, and so we delivered a trial program of free public WiFi in three selected sites across the NT parks estate – Karlu Karlu, where we also improved signage; Wangi Falls and Watarrka. There have been 16,588 unique users of WiFi at these sites since December 2014, almost half the total of 40,521 unique users across all the locations where we have installed free WiFi.

#### Locations and usage of free WiFi

Location	Unique users	Sessions
Karlu Karlu	3,845	4,902
Wangi Falls	7,372	11,455
Watarrka	5,371	7,600
Todd Mall	18,503	81,959
Traeger Park	2,403	16,140
Anzac Oval	2,639	9,096
Tennant Creek	388	522



Free public WiFi was made available at Karlu Karlu (Devils Marbles).

#### Future outlook

Following the success of the trial, we have been allocated \$1 million over the next two years by the NT Government to provide more free public WiFi (see also page 31).

#### We supported being pro-active on access

Tony Mayell, our CEO, sits on the Kakadu Board of Management, ensuring that input from a tourism perspective and the NT Government are part of its discussions.

We contributed to and coordinated a whole-of-government response to the *Draft Kakadu Management Plan*, our own key points of which included advocacy for:

- prioritising a more proactive and structured approach to attracting investment in tourism experiences in Kakadu
- considering greater recognition of the role tourism operators can and do play.

We also helped promote a call for Expressions of Interest for new tourism and business developments in Northern Territory parks and reserves. One of our Executive Directors was involved in the first round of assessment of submissions, and a Board member in the second. Successful concepts will be chosen based on sustainability, conservation qualities and capability of the applicants and may be aided by the NT Government to turn ideas into reality.

## STRATEGIC REQUIREMENT 3: IMPROVE THE VISITOR EXPERIENCE

### Initiative

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

### What we did

#### Boosted cultural tourism in West Arnhem Land

We provided \$100,000 to improve the Injalak Art Centre in West Arnhem Land, creating a new Visitor Interpretive Centre providing an impressive state-of-the-art home for its extensive collection of Indigenous printing, weaving and bark painting.

The Indigenous-owned and governed Injalak Arts and Crafts Association in Gunbalanya showcases works from over 300 local artists and weavers, and has been an important employer and source of externally generated income for the community and surrounding area over many years. The centre is visited by a number of tour operators who either bring visitors to view art and/ or undertake guided tours to nearby Injalak Hill. In 2014 it had 9500 visitors and this figure can nearly double during the biennial festival. Improving the art centre will increase its appeal as an inclusion on tour products and for the self-drive market that comprises 40% of current visitation.

The association was one of seven Indigenous enterprises to be assisted through combined NT and Australian Government funding for tourism infrastructure development. The others included Angkerke Aboriginal Corporation, for improving access to Standley Chasm; Tiwi Enterprises, for development of a Tiwi Trail linking key sites of interest to tourists; and Dhimurru Aboriginal Corporation, for upgrades to the main access road into four coastal designated recreational areas within the Dhimurru Protected Area.

The seven enterprises received funding of over \$352,000 in total (see Appendix 1 for more details).

#### Promoted Indigenous experiences offered by the Tiwi islands

Wurrumiyanga, on the southern coast of Bathurst Island, is the largest town in the Tiwi islands, rich in Tiwi culture and history. However, ageing and insufficient signage can make it difficult for tourists to explore the town and gain a full appreciation of it.

The new Tiwi trail we supported identifies noteworthy cultural, historical and wildlife sites across Wurrumiyanga, adding greatly to the understanding and enjoyment of a visit. It will enhance the quality of the destination for the visiting cruise market and AAT King's Tiwi Tour through improved interpretation and signage.

As part of promoting the Tiwi culture, we conducted a number of famils for journalists from the following publications: The Australian, News Ltd Escape, Sun Herald Sunday Traveller, Tiger Airways in-flight magazine and Qantas in-flight magazine.

We were one of a group of NT government agencies working on a Tiwi Island Economic Development project that won the Chief Minister's Award for Building Regional and/or Remote Economies.

#### Assisted aboriginal businesses develop export markets

The delegation of 27 NT tourism operators – the highest number of NT exhibitors in five years - that we led to Melbourne for the Australian Tourism Exchange (ATE) included five Indigenous businesses, two of which were first time participants. They were Banubanu, Kakadu Cultural Tours, Maruku@Uluru, Pudukul Aboriginal Cultural Tours and RT Tours Australia.



Maruku@Uluru was one of the Indigenous exhibitors at the NT stand at the Australian Tourism Exchange.

#### Put the spotlight on East Arnhem Land



Visitors explore the pristine beaches of East Arnhem Land.

We ran a marketing campaign in May 2015 highlighting all there is to see and do in East Arnhem Land. We teamed up with Territory Discoveries and worked with several local operators in East Arnhem to package accommodation deals with flights from Airnorth to Nhulunbuy. Partners included Walkabout

## PERFORMANCE REVIEW

Lodge, Banubanu Wilderness Retreat, Gove Rentals, Gove Sports Fishing and Lirrwi Tourism. Packages for Davidson's Arnhemland Safaris and Venture North were also offered for sale. The campaign coincided with a one-off performance of the Darwin Symphony Orchestra at the Garma site outside Nhulunbuy on 30 May.

We invested \$15,000 in the filming of a video clip of East Journey, a young aboriginal rock/reggae band from the Yolngu homelands, performing their *Song of Arnhem Land* (see <https://www.youtube.com/watch?v=fBrf7MDXIsQ>). It was filmed in Gove and surrounds, and features in a Virtual Journeys training video on East Arnhem Land. We have access to the song and all the footage to use in advertising the region.

### Supported Indigenous cultural events

The events we supported through our 2014-15 event sponsorship program (see Appendix 1) included the Barunga Festival, Walking with Spirits and the Darwin Aboriginal Art Fair, all of which are 100% supportive of Indigenous culture. Others we supported, like the Alice Springs Beanie Festival is strongly supportive with features such as Indigenous women's workshops and the Alice Desert Festival also featured Indigenous content.

### Helped show and tell

We worked in partnership with Tourism Australia to produce Tourism Australia's new Indigenous short film – Aboriginal Australia: Our Country is waiting for you. The film features a range of Indigenous activities, adventures and immersive culture experiences throughout the Northern Territory. The film will be shown on TV, online and in cinemas across Australia and in a number of key international markets including China, Germany, Indonesia, Malaysia, South Korea, UK and US.

We developed the NT Learning Adventures Program to assist tourism operators to align their tourism experiences with real educational outcomes that relate to the three cross-curriculum priorities of the new National Curriculum: Aboriginal and Torres Strait Islander history and culture; Asia and Australia's engagement with Asia; and Sustainability.

Operators who offer experiences that showcase Aboriginal culture are involved in the program, nine in the Top End and 10 in Central Australia.

### Future outlook

Towards the end of the year, we developed a charter setting out the roles and responsibilities of the new Indigenous Tourism Advisory Council (ITAC) announced by the Chief Minister in Budget 2015.

The Council's responsibilities include providing strategic advice to the Minister for Tourism and the Board of Tourism NT on:

- new Indigenous tourism product – identifying new products and regions that will cater for demand identified through market-led research
- business opportunities – identifying Indigenous tourism enterprise development opportunities
- land tenure – identifying opportunities for access to land and communities where there is a willingness by custodians to be involved in the tourism industry and which is supported by research
- marketing – advice on strategic marketing initiatives involving Indigenous tourism.

The Council was subsequently formed in August 2015. Our CEO is a member of the Council and we provide administrative support to it.

The NT has some outstanding Indigenous tourism products and we look forward to assistance from the Council to further capitalise on holiday visitors' continuing thirst for authentic indigenous experiences.

## STRATEGIC REQUIREMENT 4: IMPROVE BUSINESS SUSTAINABILITY

A high degree of industry fragmentation has resulted in low levels of industry-led strategic management. This is largely due to the high proportion of small to medium-sized tourism businesses and their dispersal across the Territory. A true partnership approach between industry and whole of government is needed to build industry capacity and quality.

### Highlights

- \$1.9 billion contribution to visitor economy, facilitated by the combined efforts of other NT government agencies in delivering policies and programs that support development and growth
- reduced red tape.

#### Initiative

Continue our partnership approach between industry and Government to grow the visitor economy

### What we did

On behalf of industry and Government, we track progress made to achieve *Tourism Vision 2020*. Our tracking shows that the contribution to the visitor economy has increased to \$1.9 billion, \$300 million short of the growth target.

We advocated for NT tourism interests through formal submissions and presentations to the NT and Australian Governments to influence policy development, which included making representations to the Economic Development Standing Committee and towards the Northern Australia Development agenda.

We set up a new Local Tourism Advisory Committee (LTAC) in Katherine in February 2015. It follows those established the previous year in Tennant Creek and Nhulunbuy and enables local tourism operators to provide direct input to help shape the annual tourism marketing of their region.

We worked with the LTACs to encourage visitation and regional dispersal by highlighting what there is to see and do in their areas.

Senior members of our marketing team engaged with industry through a series of roadshows across the NT that facilitated a two-way exchange of marketing information and insights.

#### Future outlook

We developed and signed a three-year partnership agreement with both regional tourism organisations – Tourism Top End

and Tourism Central Australia – that commenced on 1 July 2015. This will support the three-year strategic plans both organisations have in place, which include plans to increase visitor numbers, yield and dispersal.

To assist them in their endeavours, and grow value and improve the visitor experience, we carried out a 'mystery shopper' program. The feedback obtained will help improve the quality of service to customers who contact their visitor information centres via email, phone or in person.

See Appendix 1 for the organisations' funding arrangements.

#### Initiative

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

### What we did

#### Changed our accreditation policy

We reduced red tape for tourism businesses by no longer making accreditation a mandatory requirement for participation in our marketing programs after 31 December 2014. The policy change is in line with the NT Government's direction and contemporary market practices and behaviour.

The policy had been in place since 2010. Since then, and primarily through the advent of tools such as TripAdvisor, the market has been able to obtain much more information on which to base their purchasing decisions and get a clear insight of the attributes of a particular product. The change in policy has aligned the Territory with all jurisdictions except Western Australia.

#### Helped businesses flourish

We continued to demonstrate our 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.

For the 28th anniversary of the Brolga Awards in 2014, we introduced a new category, Excellence in Food.

In all, five individuals and 22 businesses took out awards for their service to the tourism industry. All business category winners won a \$10,000 digital marketing package with us and automatically qualified as finalists in the 2014 Qantas Australian Tourism Awards (QATA), taking two gold and two silver medals back to the NT.

## PERFORMANCE REVIEW

In keeping with our philosophy to have operators to the fore in our activities, in June 2015 we introduced a new chatroom feature in our fortnightly e-newsletter, Industry Update. It is a new video series profiling local operators and tourism businesses across the Territory. The first episode focused on the importance of tourism infrastructure development and had Rex Neindorf from the Alice Springs Reptile Centre explaining the change in visitor perceptions and cost savings brought about by making improvements to his business. By sharing this information, we seek to encourage other business owners to think of ways they can develop their business.

Throughout the year, we worked with key NT Government, Australian Government and industry partners to instigate and align business support programs including grants, networking and training opportunities to support the needs of the industry. Our international marketing managers also linked up for the first time with Tourism Australia and ATEC to conduct industry briefings in Darwin and Alice Springs in November 2014, providing an overview of the key markets, campaigns, trends and opportunities available.



Voyages Indigenous Tourism Australia – QATA winner Indigenous Tourism. Left to right are Ray Stone, Karena Noble, Andrew Williams and Michael Parkins.

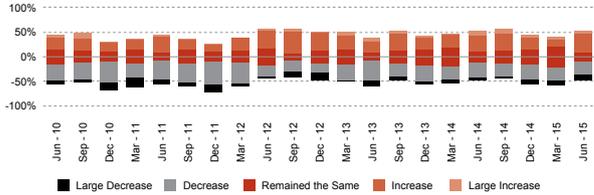


Dale McIver and Justine Petrick from Outback Cycling at Uluru – Brolga winner 2014 New Tourism Development

### Took soundings from industry

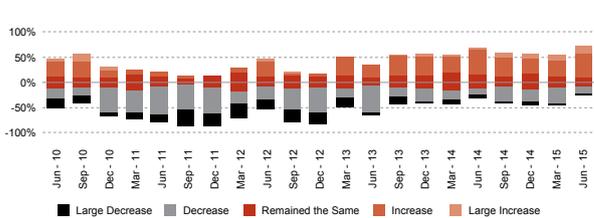
We regularly conduct an industry sentiment poll to obtain an understanding of how operators view how their business is going. Operators in the Top End and in Central Australia reported in June 2015 and results showed that a majority of participants in both regions had more visitors than in the corresponding quarter the previous year.

#### Top End Visitor Performance



43 operators in the Top End indicated their business had seen more visitors in the June quarter 2015 than the same quarter in 2014. 36 operators indicated less visitors and 18 no change.

#### Centre Visitor Performance



36 operators in the Centre indicated their business had seen more visitors in the June quarter 2015 than the same quarter in 2014. Nine operators indicated less visitors and 10 no change.

### Future outlook

In June 2015, we held industry information sessions in Darwin and Alice Springs on the NT Government's \$4.75 million Tourism Infrastructure Development Fund which has a focus on regional, remote and aboriginal tourism products.

The funding has been made available to support an acceleration of tourism sector growth, with the aim of attracting more visitors here and encouraging them to stay longer.

The initiative is in addition to the \$775,000 annual Territory share of the Australian Government's Tourism Demand-Driven Infrastructure Program, which we are administering over four years up to and including 2017-18.

# ENVIRONMENTAL REPORT

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

## Our operational impacts

We measure vehicle emissions, 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.

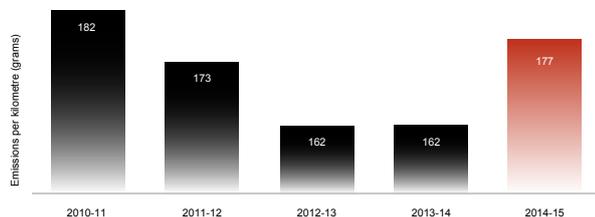
## Highlights

- Recycling increased
- Air travel remained steady.

## Monitoring our vehicle emissions

We chose to continue monitoring our vehicle emissions although we are not required to do so. Across our vehicle fleet, the average emission increased by 15 grams to 177 grams of greenhouse gases per kilometre per vehicle. Although our vehicles, and average kilometres travelled, decreased in 2014-15, there was an increase in 4WD vehicles which resulted in a higher average emission. The 4WD vehicles enable us to access remote locations and their acquisition reflect our focus on growth in regional areas of the NT.

### Vehicle greenhouse gas emissions



Our vehicle fleet consisted of one vehicle at a greenhouse rating of 9.0, two at our target rating of 7.5, two at 6.5, one at 6.0 and one at 5.5.

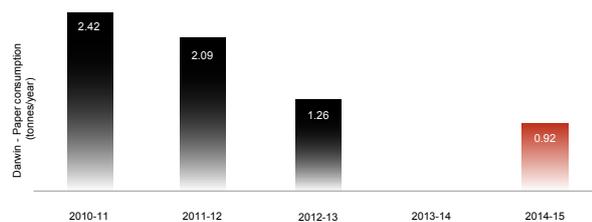
We continued to educate and encourage staff to adopt efficient driving techniques and ensure accurate odometer readings were provided. Several staff consistently cycled to work most days of the week. They were supported with bicycle racks, shower facilities, personal lockers and ironing equipment, which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

## Paper consumption

In order to minimise the environmental impact of paper consumption, 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.

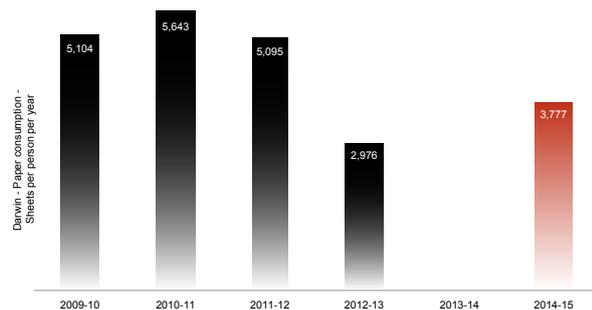
In Darwin, our total paper consumption was the lowest it has been since we began to track it. We were unable to compare it with the previous year as we had a cooperative printing supplies arrangement with the Department of Business in 2013-14 which meant paper consumption was combined for the two agencies.

### Total paper consumption in Darwin



However, our paper consumption per person was higher than that recorded in 2012-13, which is disappointing considering we now have fewer staff in Darwin.

### Paper consumption per person in Darwin



Data for paper consumption in Alice Springs was not available as during the year we relocated staff in our two offices to one in the Alice Plaza. The combined quantity of existing paper was sufficient for the rest of the year.

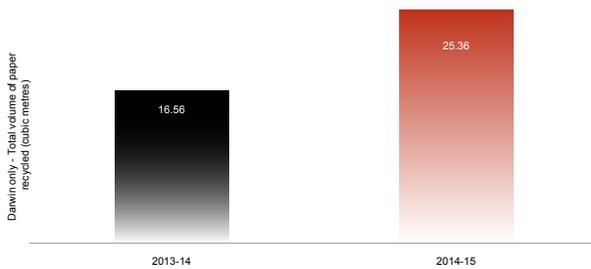
## PERFORMANCE REVIEW

### 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 substantial increase in paper recycling compared to 2013-14, which may be due in part to movement of staff due to some restructuring of units, when we advocated the opportunity to 'have a clean-up'.

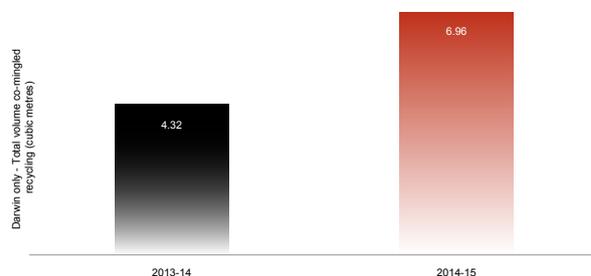
#### Volume of recycled paper in Darwin



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 almost 70 cubic metres of co-mingled waste during the year, a substantial increase 2013-14 which may be due to heightened staff awareness of the recycling bins.

#### Volume of co-mingled waste for recycling in Darwin

#### Alice Springs

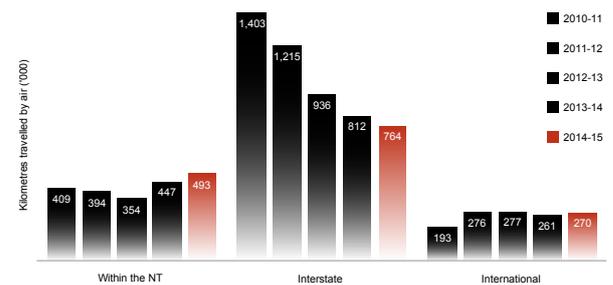


The buildings we occupied during the year have multiple occupancy with other agencies and consequently we are unable to separate our recycling activity with any degree of certainty.

### Air travel

Overall, kilometres travelled by air by our staff remained steady. Intrastate travel increased 13%, reflecting our increased activity around strategic regional marketing including emerging regional destinations such as Gove. Interstate travel dropped 10% and international travel was much the same as the previous year. Staff made considerable use of Lync - telecommunications software similar to Skype - and the video conferencing equipment in our Darwin, Alice Springs and Sydney offices, both of which enhanced our capacity to communicate between our regional offices and reduce staff travel.

#### Kilometres travelled by air



### Energy use

The buildings we occupy have multiple occupancy with other agencies and consequently we are unable to measure our energy use with any degree of certainty.

## BUDGET OUTPUT REPORTING

In accordance with Section 28.2 of the *NT Public Sector Employment and Management Act*, the following table provides an overview of our reporting against the output structure of Budget Paper 3, which lists all NT Government agencies deliverables. 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. Reporting in this format is a requirement of NT Government agencies.

Key deliverables	Budget 2013-14		Budget 2014-15		Budget 2015-16
	Estimate	Actual	Estimate	Actual	Estimate
<b>Marketing Output</b>					
Holiday visitor expenditure <sup>1</sup>					
- Domestic	\$444 million	\$540 million	\$507 million	\$531 million	\$580 million
- International	\$306 million	\$293 million	\$330 million	\$326 million	\$357 million
Holiday visitors <sup>1</sup>					
- Domestic	467,000	431,000	413,000	456,000	447,000
- International	242,000	224,000	243,000	237,000	257,000
Holiday visitors to regions <sup>1,2</sup>					
- Central Australia	323,000	337,000	337,000	396,000	349,000
- Top End	441,000	389,000	389,000	415,000	426,000
Proportion of holiday visitors outside the peak season <sup>1,3</sup>	67%	67%	67%	66%	67%
Number of successful business tourism event bids <sup>4</sup>	72	70	72	69	72
Territory Discoveries - gross travel revenue <sup>5</sup>	\$10.4 million	\$12.4 million	\$12.1 million	\$6.4 million	\$9 million
<b>Corporate and Governance Output</b>					
Client satisfaction with services	n/a	70%	80%	80%	80%
Staff satisfaction with leadership and direction	n/a	70%	80%	80%	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).

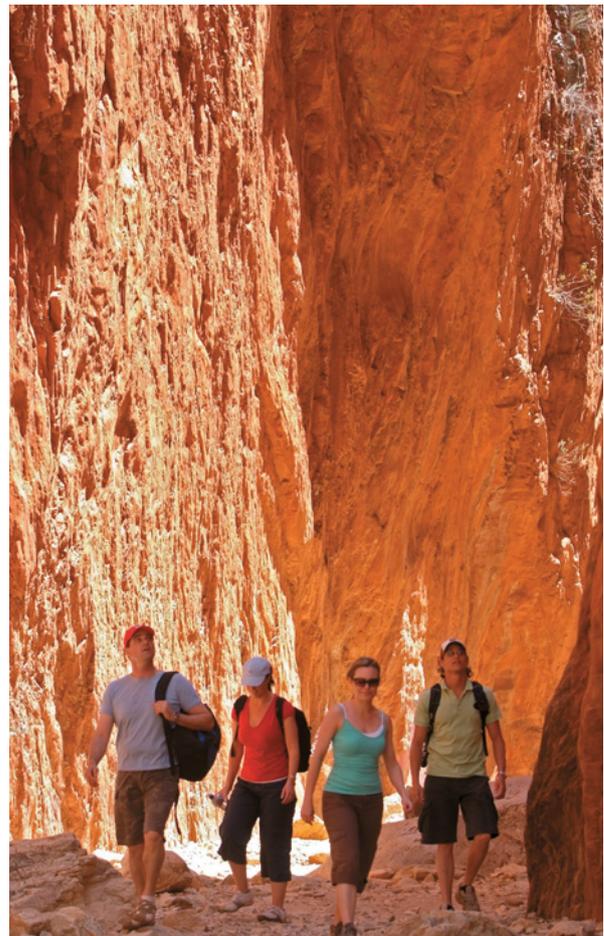
4. Business tourism is travel undertaken for the purpose of attending or participating in a convention, meeting, exhibition or incentive.

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

## PERFORMANCE REVIEW

### Key variations:

- Visitation: actual results for 2014-15 differed from the estimate set in the 2014 Budget:
  - domestic results for holiday visitation and expenditure were better than estimated. The 2014-15 estimate was set based on data for the 2013 calendar year when leisure markets were being constrained by supply issues in Darwin hotels and the impact of the 'Do the NT' campaign had not yet been realised.
  - International results were 1%- 2% lower than estimated, however this still represented strong growth on the year prior. A continued low Australian dollar moving forward will benefit the Territory tourism industry.
- Territory Discoveries: the 2014-15 result represented the first year the business was operated under licence. The lower than expected sales is a result of Flight Centre Limited cancelling its preferred agreement with Territory Discoveries when the licence was transferred to AOT. AOT and Flight Centre are competitors. Although we have seen a drop in gross sales through Territory Discoveries, key wholesalers selling the Northern Territory have confirmed sales increases for 2014-15, suggesting that Territory tourism products was still being sold through distribution mechanisms other than Territory Discoveries.
- Business events: Successful bids were slightly below the ambitious target of 72 bids for the year. We achieved 69 successful bids out of a total of 122 bids made, with an estimated economic contribution of \$69 million, much the same as the 2013-14 figures. 14 decisions worth \$15 million were still pending at 30 June 2015.



**Top:** Aboriginal rock art at Nourlangie Rock, Kakadu National Park.

**Above:** Traversing through the West MacDonnell Ranges, Central Australia.

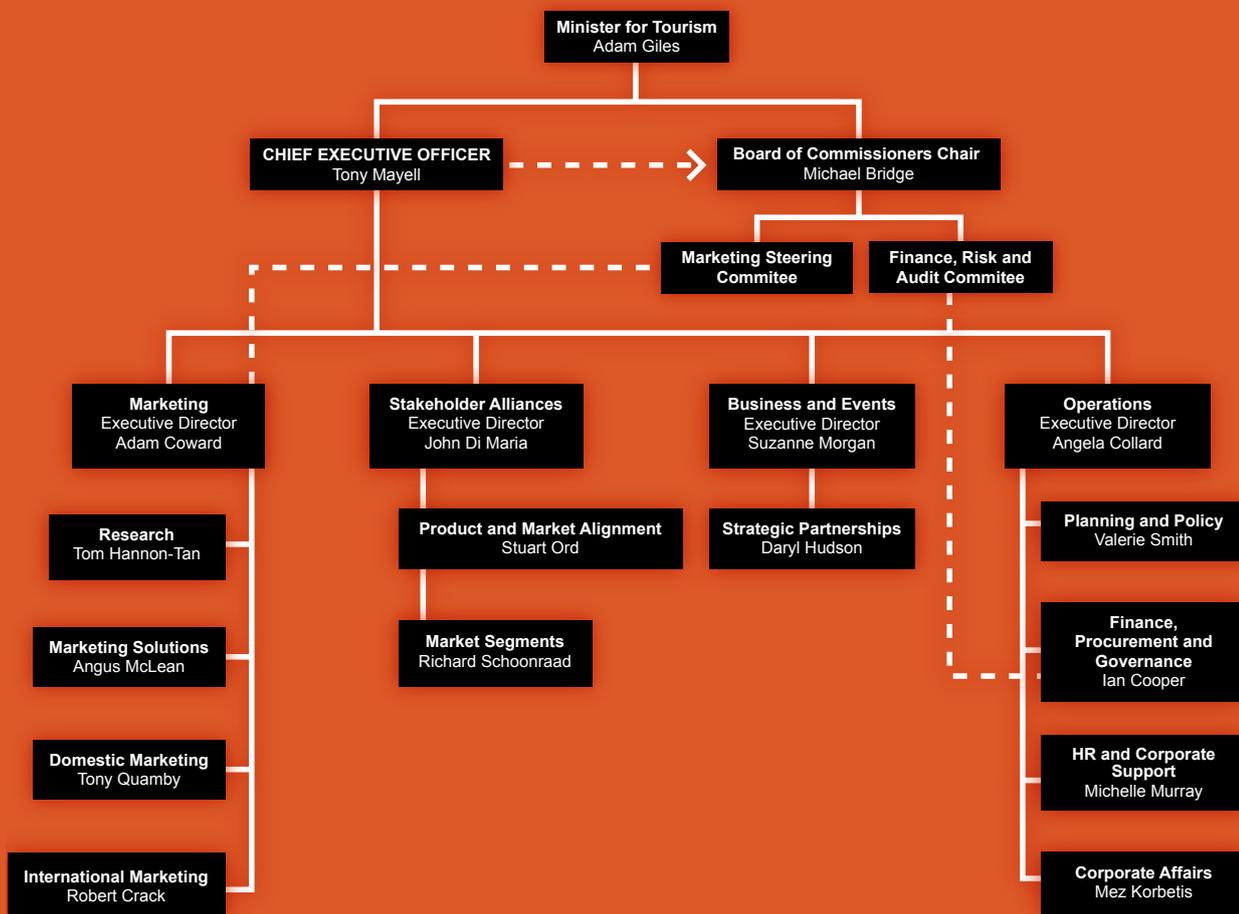
OUR ORGANISATION

# ORGANISATIONAL CHART

Guiding the strategic direction and objectives of Tourism NT are the Minister for Tourism, the Hon Adam Giles 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

In the second half of the year we created two business units and re-established the tourism investment attraction function.

The Product and Market Alignment unit was established to provide high level advocacy to ensure tourism products - either existing or under development - meet the needs and

expectations of consumers. It also provides a secretariat function to the new Indigenous Tourism Advisory Council.

The Corporate Affairs unit was formed by combining the corporate communications and secretariat functions to improve operational efficiency.

## 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 comprises the following units:

- International Marketing
- Domestic Operations
- Digital Marketing
- Research.

### Stakeholder Alliances

The key responsibilities of this division are to:

- advocate alignment of products with the market, provide liaison with key stakeholders, and oversee relationships with the regional tourism organisations and visitor information centres
- provide a secretariat function to the Indigenous Tourism Advisory Council
- help promote and grow niche market segments
- 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.

The division comprises the following units:

- Product and Market Alignment
- Market Segments.

### Business and Events

Key responsibilities are the attraction of business events, event acquisition, partnership leverage through our sponsorships and promotion of business excellence.

The division includes the following areas:

- business events
- sponsorships
- tourism awards.

The business events area is known in the marketplace as the Northern Territory Convention Bureau. It promotes the NT as a desirable, viable and distinctive business events destination. It works collaboratively with the NT tourism and events industry to grow capacity and profile, identify business event leads and submit bids to win business. It also provides impartial expert advice and assistance for event planners considering the Northern Territory for meetings, incentives, conferences, exhibitions and other business related events.

### Operations

The key responsibilities of this division are:

- to add to and support our operational effectiveness in delivering on our targets
- providing strategic policy advice across the agency and government in relation to contemporary and emerging issues relevant to tourism
- coordinating core policy outputs such as the 2020 tourism strategy and strategic tourism product initiatives
- responding to and working to influence whole of government policy matters.

Its functions include tourism investment attraction and acting as secretary to the Board of Commissioners.

The division includes the following units:

- Planning and Policy
- Finance, Procurement and Governance
- Human Resources and Corporate Support
- Corporate Affairs.

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

## EXECUTIVE TEAM



### **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 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 and the Kakadu Board of Management.



### **Angela Collard - Executive Director, Operations**

Angela has over 20 years' senior management experience in the public sector, predominantly in tourism. Her division has whole of agency responsibility for strategy and policy, corporate governance, financial and human resource management, organisation development and corporate affairs. 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 the agency. She is currently Board Secretary of Tourism NT.



### **Adam Coward - Executive Director, Marketing**

Adam has developed a strong focus on conversion as a result of working with diverse stakeholders and industry categories in international franchise companies. He built 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. Adam's primary focus is creating an integrated approach to all facets of marketing in order to deliver the best outcomes for Tourism NT's short and long term strategies.



### **John Di Maria - Executive Director, Stakeholder Alliances**

John Di Maria has worked in a range of different roles within Tourism NT for the past 15 years including project management, operational management, sales and marketing and General Manager of Territory Discoveries from 2010 to February 2014. A Territorian, he commenced his career in hospitality before progressing to a management role in the Qantas regional office in Central Australia.



### **Suzanne Morgan - Executive Director, Business and Events**

Suzanne leads activities to grow business tourism, driving the use of new technology enabling a smarter, more targeted approach. Development of business excellence, via the Broлга Awards, is a key focus, as is growing visitation through third party endorsement with key sponsorships. She is a former Executive Director Industry Development and since 2000 has been Director of International Operations for Tourism NT twice. She has extensive experience in international operations, including positioning the NT in markets such as China and Singapore.



## 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 Tourism NT.

### Highlights

- Developed and embedded organisational and divisional competencies into our Performance Enhancement Program.
- Obtained 80% overall satisfaction level in the 2015 staff opinion survey.

### Overview

Our staff are employed under the *Northern Territory Public Sector 2013 - 2017 Enterprise Agreement*. Staff transferred to the NT Public Sector employment framework in 2010 to achieve greater consistency in employment conditions across the public sector.

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. They:

- identify and implement strategic initiatives to improve retention and increase employee satisfaction
- advise on conditions of service and human resource processes
- develop and review of human resources policies
- coordinate recruitment and selection activities
- provide occupational health and safety advice (in conjunction with occupational health and safety committees)
- coordinate performance management cycles
- provide corporate training and development
- devise and monitor individual case management strategies as required.

### 2014-15 Snapshot

- 79 people were employed across the Northern Territory and Australia.
- Contracted representatives are in place in nine overseas offices, looking after 14 international markets.
- 8% of our staff are employed as Executive Contract Officers.
- 13% of our staff are part-time or casual workers.
- 30% of staff are aged 30 years or under.
- 53% of our staff work in the Marketing division.
- 73% of our workforce is female.
- Approximately \$102,500 was spent on learning and development activities.
- 12 employees accessed formal flexible work arrangements.
- One redundancy was recorded.
- No new workers' compensation claims were made.
- 9 employees or their family accessed free, confidential counseling services under our Employee Assistance Program.
- No formal discipline processes were invoked.



## Employment-related staff statistics

	2014-15	2013-14	2012-13	2011-12	2010-11
Total paid staff	79	87	116	134	161
Full-time equivalent staff	70.9	70.2	99.5	117	129
Staff turnover	35.4%	37%	34%	28%	27.3%
Staff redundancies*	1	23	1	2	0
Average age of employees	38 years	38 years	35 years	36 years	38 years
% of female employees	73%	72%	73%	75%	77%
Employees of Aboriginal or Torres Strait Islander background	2	0	1	3	3
Employees with a disability	0	1	0	0	0
Employees from a non-English speaking background	4	4	3	1	2
Sick leave days per person	5.8	8.2	4.5	5.2	5.8
Recreation leave days per person	23.7	30.9	18.7	20.3	17.9
Long service leave days per person	4.8	0.2	1.4	1.3	0.8
Miscellaneous leave days per person**	50.2	33.9	34.9	35.5	13.4
New workers' compensation claims	0	0	0	0	0

\*One executive contract officer separated on redundancy grounds due to an internal restructure.

\*\*Increase due to staff taking leave prior to retirement.

### What we did

We implemented various initiatives during the year to build and strengthen our workforce capability and retain staff.

#### Sought staff opinions

As part of a continuous improvement process, we conduct regular staff opinion surveys and use the findings to inform corporate training requirements and, if necessary, develop divisional action plans to address areas of concern.

The most recent survey was conducted in June 2015, with a participation rate of 80% and an average satisfaction level of 80%. This is an increase from our last survey where overall satisfaction scored 76% and exceeded our target level of 75%.

Overall results demonstrate that staff were most satisfied with job enjoyment, team work, work environment and work and family life balance. Staff were least satisfied with our performance review process, resourcing and change management. The next survey is planned for June 2016.

#### Developed a competency framework

We developed a competency framework to support our Performance Enhancement Program (PEP). The framework identifies general core competencies required to work in Tourism NT and specific divisional competencies including an emotional quotient component.

Although participation in our PEP was good at approximately 80% of staff, the PEP is still scoring lower than we would like in our staff opinion survey. Our program is based on linking individual work objectives at the start of the year to business plans which support our strategic objectives, and the identification of training or development needs for staff to achieve these objectives. Corporate training funds are allocated based on analysis of these training needs.

A critical element of both programs is the exchange of feedback between employees and supervisors with regard to performance, workplace satisfaction and career aspirations. Training is planned for the 2015-16 cycle to ensure staff are appropriately skilled and informed prior to discussions on work objectives taking place.

# OUR PEOPLE

## Provided a variety of training

We have several generic training packages such as appropriate workplace behaviour workshops which we facilitate from time to time. Other training activities undertaken during the year included:

- team management system profiles
- recruitment and merit selection
- conflict management
- report preparation and presentation.

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

We spent \$102,500 on learning and development activities, equating to approximately \$1300 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.

## Built cohesive teams

At the commencement of each financial year, individual units usually hold business planning workshops to identify the key actions required in order to deliver on 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.

## Assisted external study

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

One employee accessed Studies Assistance during the year and received \$2,100.

## Supported students in-house

We employed one Indigenous cadet during the year as part of a program where an Indigenous person is supported to undertake full-time studies towards a tertiary qualification, and provided with 12 weeks on the job work experience during university breaks.

Unfortunately our cadet withdrew from the program due to personal circumstances following completion of the first semester's studies. A new cadetship placement will be offered in 2015-16.

We also took on a student for a required work placement as part of her studies towards a Bachelor of Business (Marketing)/ Bachelor of Communications (Advertising) with Charles Sturt University.

## Demonstrated flexibility and diversity

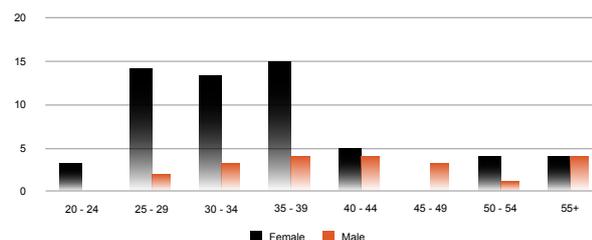
We pride ourselves on being supportive of staff in finding an appropriate work-life balance. We foster flexible working arrangements which are negotiated directly with employees and can be on a permanent or temporary basis. Such agreements have been used to support graded return to work programs for employees returning from maternity leave, to provide assistance to employees with family care responsibilities or to assist employees with career transitions.

During 2014-15, 15% of our staff took up the opportunity of a flexible work arrangement. Examples of the types of support provided are:

- one full-time employee works from home; three others worked partially from home or on a casual basis from home
- two employees job share
- three other permanent staff work part-time hours
- one staff member temporarily reduced their work hours pending maternity leave
- two staff members temporarily reduced their work hours on return from maternity leave
- one staff member has adjusted their full-time hours to enable study attendance.

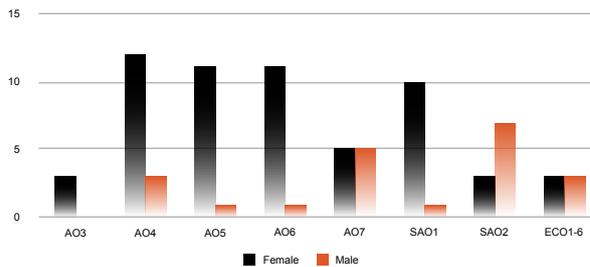
We increased the number of Indigenous employees and expect to continue to do so as a result of our targeted participation in initiatives such as the National Indigenous Cadetship Program. We have maintained our number of staff employed who identify as coming from a non-English speaking background, however we have fewer staff identifying as having a disability.

## Age and gender



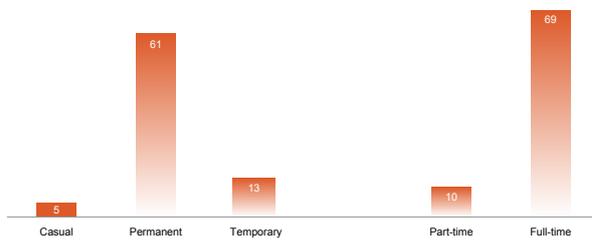
# OUR ORGANISATION

## Classification and gender

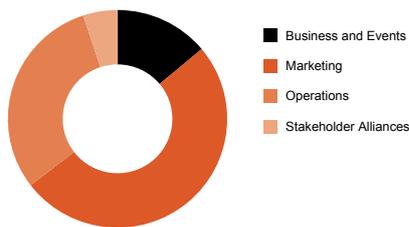


Overall 73% of our total workforce is female, and two of our five executive directors are female, which demonstrates our commitment to encouraging women to pursue leadership roles.

## Employment status



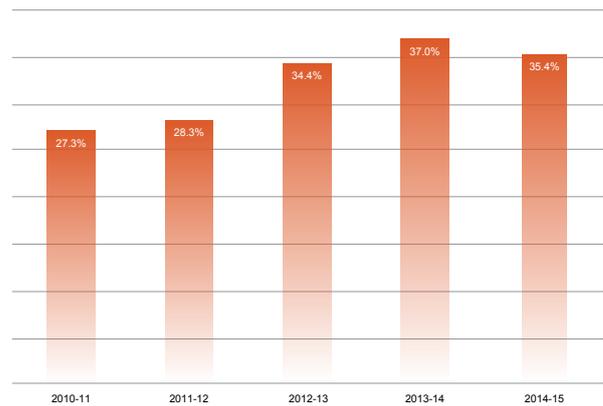
## Employees by Division



### Sought to reduce staff turnover

Our staff turnover for the year was 35%, which included staff employed on temporary contracts for a short time and staff who transferred to other areas of the NT Public Sector (NTPS). If transfers to the NTPS were excluded, our separation rate was 25% which is consistent with that reported across the public sector.

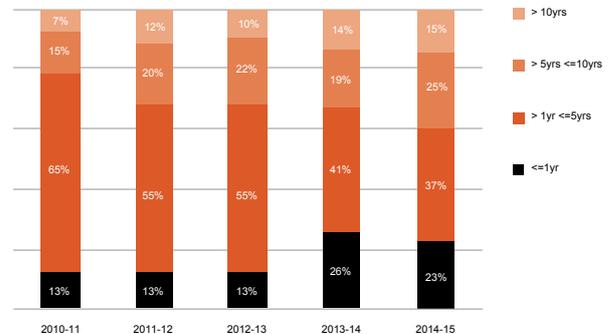
## Annual staff turnover



### Retained longer-term employees...

We continued to retrain our longer-term employees. Those with more than five years' service comprised 40% of our workforce, greater than last financial year.

## Length of service



### ...and looked after new ones

We continued to have a significant percentage of our workforce employed for less than a year, as a result of which we put significant emphasis on our inductions for new starters.

All of our new starters received a personal induction with a Human Resources staff member in which important information is imparted concerning organisational charts, operational plan, our *Code of Conduct*, conditions of service, work health and safety imperatives and generic building information.

We provided a checklist to all new employees and their supervisors to help ensure new recruits are fully informed about these matters as soon as possible after commencement.

# OUR PEOPLE

## Probation

12 staff were subject to probation during 2014-15, with three appointments confirmed after three months in recognition of staff performance. There were no terminations of staff during probationary periods.

## How we looked after staff health, welfare and safety

### Work health and safety (WHS)

We continued running work health and safety committees in our major offices in Darwin and Alice Springs as part of our commitment to the health, safety and welfare of our employees.

We reviewed our WHS policies, procedures and related documentation, and our revised *Work Health and Safety Management Framework* was formally approved in December 2014.

We provided training for fire wardens and first-aid officers to ensure adequate numbers of staff are available to provide support in Alice Springs and Darwin. In Sydney, our staff are co-located with Tourism Australia and its staff take on these responsibilities for this location given their greater numbers.

The Cyclone Response Team which we form at the commencement of each cyclone period reviewed cyclone procedures and circulated this information to staff prior to the 2014-15 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, which we mainly considered to be 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 worker' compensation claim at a later date, should they choose to do so.

Two staff reported incidents; neither required medical attention and both occurred while working out of the office.

	Incidents	New claims	Cost
2010-11	1	0	\$150
2011-12	0	0	Nil
2012-13	0	0	Nil
2013-14	0	0	Nil
2014-15	2	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.

Staff can choose from four providers: Darwin Consulting Psychologists, Employee Assistance Service NT Incorporated, Wisemind Psychology and MAXIS Health. They 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.

In 2014-15, nine employees or their family members accessed this program, with 21 sessions attended. The peak in 2013-14 was due to an increase in counselling support services being accessed by staff employed in Territory Discoveries during the transition to being operated under licence.

	Employees Accessing Program	% of total employees
2010-11	8	5.0%
2011-12	12	8.9%
2012-13	11	9.4%
2013-14	30	30%
2014-15	9	11%

## OUR ORGANISATION

### Flu vaccinations

In order to promote wellness amongst our employees, we continued our flu vaccination program in Darwin, Alice Springs and Sydney. Participation increased, with 37% of staff volunteering for vaccinations.

	Participating employees	% of total employees
2010-11	50	31.1%
2011-12	34	20.1%
2012-13	29	25%
2013-14	20	29%
2014-15	29	37%

### Industrial relations and enterprise bargaining

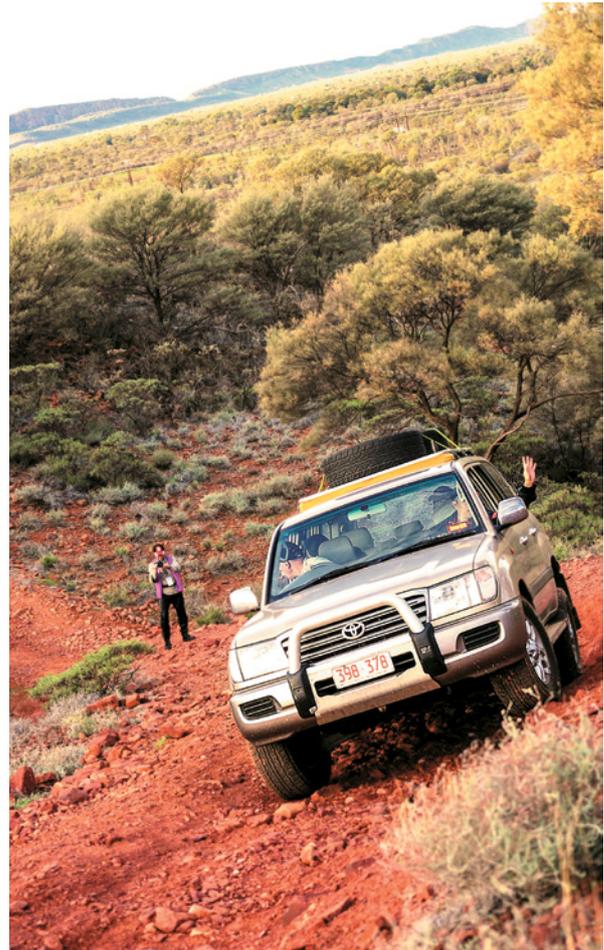
No new industrial relations claims were lodged against us by employees during 2014-15. The last industrial relations claim was in 2007-08.

### Legislative requirements

Under the *NT Public Sector Employment and Management Act*, we are required to report our performance against each Employment Instruction. Please see Appendix 7.

### Future initiatives

- In recognition of lower scores in our staff survey for our Performance Enhancement Program, we will develop and deliver training across the organisation
- Develop a health and wellbeing program following consultation with all staff.
- Achieve 75% or higher overall satisfaction level in the 2016 staff opinion survey planned for June 2016.
- Increase our Indigenous representation of employees in line with the NT Government's commitment.

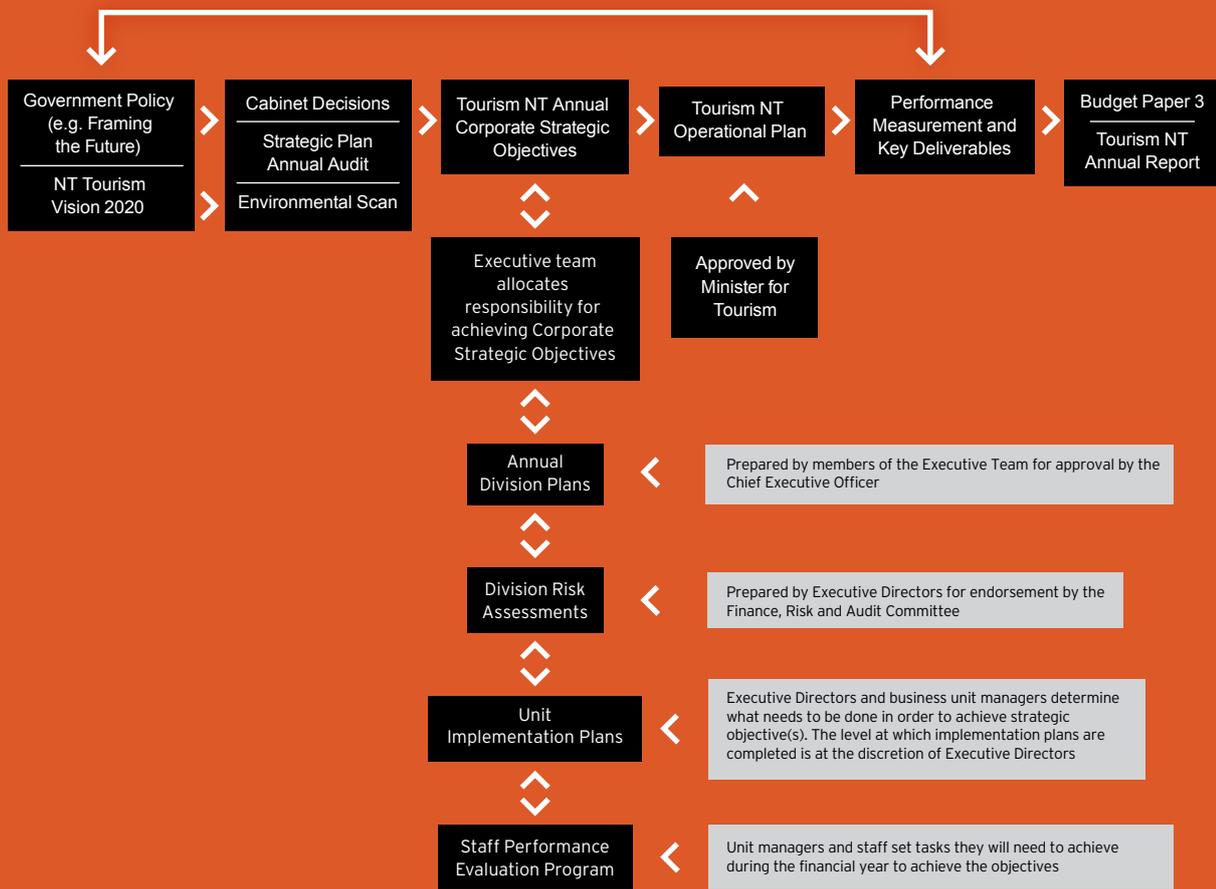


**Top:** Driving on a rough track in the Red Centre.

**Above:** quad bike riding in Central Australia is great fun.

# 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

Annual audits of progress towards delivering on our strategic plan, Tourism Vision 2020, 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 in the tourism strategies section of our website [www.tourismnt.com.au](http://www.tourismnt.com.au).

## Operational Plan

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.



Four wheel driving on the  
Old Gan Finke Track, Binns  
Track, Simpson Desert

# CORPORATE GOVERNANCE

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 our performance. 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.

## Statutory responsibilities

Under the *Administrative Arrangements Order (1 July 2015)*, 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

Tourism NT was established under the *Tourism NT Act 2012* and 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 and 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 45.

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](http://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 2015, the Board consisted of nine 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. Members must have the capacity to set the overall strategic direction for Tourism NT and maintain ongoing responsibility for agency and industry performance.

They must be equipped with the relevant skills, knowledge, experience and qualifications to oversee the operations of the organisation and direct its budget.

## Pecuniary interests

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

## Key outcomes

In 2014-15, the Board:

- delivered the *NT Cruise Sector Activation Plan 2015-2020*
- oversaw the launch of the third and fourth bursts of our domestic consumer campaign 'Do the NT'
- provided strategic advice into a range of issues impacting the industry, including funding allocations across markets, road and other infrastructure priorities and strategic product initiatives to leverage the Territory's natural and heritage strengths
- successfully put a case to the NT Government to continue its additional investment in tourism, with the Government providing an extra \$8 million in Budget 2015 for marketing and strategic product development; \$4.75 million for the Tourism Infrastructure Development Fund and \$1 million over two years to expand a tourism WiFi network across key locations used by visitors, building on the trial conducted in national parks during the year.

## Interaction with industry

The Board continued to hold its meetings in regional locations across the Territory, to enable it to obtain a better understanding of the complexities of each location. Whenever possible, the Board took the opportunity to meet industry by holding a networking function to give local tourism operators the opportunity to connect directly with Commissioners.

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

Meetings were held on The Ghan, in Tennant Creek, Darwin, Glen Helen and Bamurru.

## BOARD OF COMMISSIONERS (as at 30 June 2015)



**MICHAEL BRIDGE - CHAIR** Michael was appointed Chair of the Board of Commissioners in November 2012. Michael is CEO of Airnorth and overseen its 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 2014 to  
30 Jun 2015  
Meetings held: 6  
Meetings attended: 6



**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 2014 to  
30 Jun 2015  
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.

1 July 2014 to  
30 Jun 2015  
Meetings held: 6  
Meetings attended: 5



**COL FULLER - AO** Col has extensive experience as a CEO in the Northern Territory public sector, across all major infrastructure and business-oriented agencies. He has served on most ministerial and advisory boards in the NT, and on a wide range of development orientated boards, including Palmerston Development Authority, Darwin Port Precinct Development Committee, NT Business Consultative Council and the former Tourism NT Advisory Council.

16 Nov 2014 to  
30 Jun 2014  
Meetings held: 3  
Meetings attended: 3



**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.

1 July 2014 to  
30 Jun 2015  
Meetings held: 6  
Meetings attended: 4



**LYNDEL GRAY** Lyndel is CEO of the Caravan, Camping and Touring Industry and Manufactured Housing Industry Association of NSW (CCIA). She was Head of Tourism NSW, a member of Tourism Australia's senior executive team responsible for the Western Hemisphere markets, and spent 14 years in the USA responsible for the Americas. She is also the Deputy President, Tourism Division of NSW Business Chamber.

16 Nov 2014 to  
30 Jun 2015  
Meetings held: 3  
Meetings attended: 2



**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 2014 to  
30 Jun 2015  
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.

1 July 2014 to  
30 Jun 2015  
Meetings held: 6  
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 2014 to  
30 Jun 2015  
Meetings held: 6  
Meetings attended: 6

Kylie Bonanni retired from the Board in November 2014 having served her full term. Michael Bridge was appointed as chairperson for two years to 16 November 2016. Amanda Wood, Denis Pierce, Michael Toomey, Geoff Weeks, Lyndel Gray and Col Fuller were appointed Commissioners for a two year period effective 16 November 2014. Mick Burns' appointment as a Commissioner was extended to 15 November 2016.

## Committees

### 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 Executive Director Operations also attends meetings as an observer.

FRAC held five meetings during the year. In January 2015 Commissioner Kylie Bonanni resigned and was replaced by Board Commissioner Col Fuller. A list of members and their attendance is provided at Appendix 4.

### 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:

- Mates of the Territory – The objective of this audit was to assess the approach taken and governance process applied to the public relations ambassador initiative Mates of the Territory identified in risk registers. The scope was to identify how contract management and procurement controls are identified in the risk registers and the extent of reliance being placed on the proper functioning of those controls to derive the residual risk rating. See Appendix 3 for a list of period and panel contracts awarded.
- Familiarisation (Famil) activities – The objective of this audit was to review the effectiveness of the familiarisation activity 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.
- Website content accessibility - The objective of this audit was to review the level of compliance in Tourism NT meeting level A and AA accessibility 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

There were no external audits undertaken by the Auditor General during the year.

#### Internal reviews

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

FRAC in 2014-15:

- ✓ reviewed the 2013-14 Annual Report
- ✓ monitored progress of the strategic risk reviews
- ✓ monitored progress of the operational risk reviews
- ✓ reviewed and monitored the development of a new strategic risk register
- ✓ reviewed and monitored the development of a new operational 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 Mates of the Territory
- ✓ considered the internal audit report on Familiarisation Activities
- ✓ monitored progress on audit recommendations from previous audits.



Walking through Rainbow Valley near Alice Springs.

## Marketing Steering Committee

The role of the committee is to oversee our marketing activity and provide input on industry engagement. Following a Board decision, the committee began meeting monthly instead of quarterly to enable more reporting and an improved information flow.

Committee membership comprises three Commissioners. Staff who attend include the CEO, Executive Director Marketing, Executive Director Business and Events and senior marketing managers. Details of the Commissioners and their attendance are provided at Appendix 4.

Topics discussed included:

- budget expenditure
- industry engagement
- burst five of the 'Do the NT' brand campaign
- campaigns and creative from the concept stage
- exploring new markets.

A full day strategy session was held in December 2014 to review outstanding projects for 2014 and to also plan the strategic intent for 2015-16. We took the resulting plan on our Industry Roadshow for further input and feedback from operators.

## Work Health and Safety Committees

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

### Darwin Fire Safety and WHS 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 have also worked in the Department of Business during the year as a result of shared corporate service arrangements and have continued with WHS responsibilities.

WHS Committee Members	Don Duthie Michael Richardson
Fire wardens	Don Duthie Michael Richardson
First-aid officers	Sarah Hope Michael Richardson

### Alice Springs Fire Safety and WHS Team

In Alice Springs there are two fire wardens and first-aid officers tasked with looking after the welfare of our staff in Alice Plaza throughout the year, with other staff trained as back ups to cover any absences from the office.

Fire wardens	Sara Jentsch Melanie Mutch
First-aid officers	Damien Vanderwolf Chrissy Gorey

## CORPORATE GOVERNANCE

### 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 three FOI applications during 2014-15.

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. This reporting period a major focus for the team was on reviewing our records in storage with an aim to disposing of unrequired documents and creating cost savings.

### 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.

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 5.

	2014-15	2013-14	2012-13	2011-12	2010-11
FOI applications received	3	Nil	Nil	2	3
% FOI applications granted	100%	n/a	n/a	100%	100%
Requests to access or correct personal information	Nil	Nil	Nil	Nil	Nil



Pausing for a breath in the Brinkley Bluff area of the Larapinta Trail in Central Australia.

## FINANCIAL OVERVIEW

We are required to prepare financial statements for the purposes of the *Financial Management Act*. Our financial performance in 2014-15 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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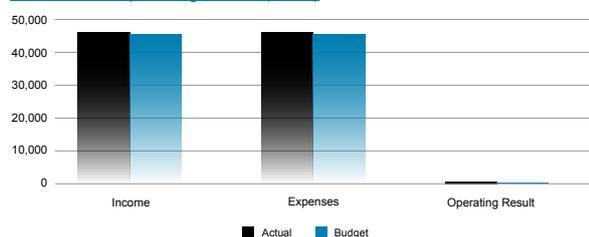
## TOURISM NT - FINANCIAL OVERVIEW 2014-15

Our Finance, Risk and Audit Committee requested that the analysis and narrative of the financial statements for the 2014-15 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 achieved a small operating surplus of \$38,000.
- Income of \$45.7 million was \$0.6 million more than budget, primarily due to additional goods and services received free of charge revenue received during the year.
- Compared to 2013-14 (\$47.9 million), income was \$2.2 million lower comprised primarily of:
  - \$2.5 million less in output appropriation received by us for funding previously provided to Territory Discoveries
  - a decrease of \$0.8 million whole-of-government administrative efficiencies applied to us
  - an additional \$0.8 million from the Australian Government for the Tourism Demand Driver Infrastructure (TDDI) program
  - other minor items.
- Expenses totalled \$45.7 million which was \$0.5 million more than budget, due to the additional goods and services received free of charge expenses incurred during the year.
- Compared to 2013-14 (\$48.1 million), expenditure was \$2.4 million lower mainly due to the licensing out of our wholesale arm, Territory Discoveries, to a private sector operator (the AOT Group). Territory Discoveries had been established as a government business division which attracted operating and community service obligation payments that are no longer required to be made.
- Total assets decreased by \$2.6 million compared to budget which is largely attributable to the decrease in cash balances of \$2.9 million and the increase in prepayments of \$0.3 million.
- Total liabilities decreased by \$2.8 million compared to budget, principally due to a decrease in payables.
- Total equity increased by \$0.1 million compared to last year, attributable to the small operating surplus achieved and minor contributions from equity transfers and injections from Government.

Tourism NT Operating Result (\$'000)



## Operating Statement

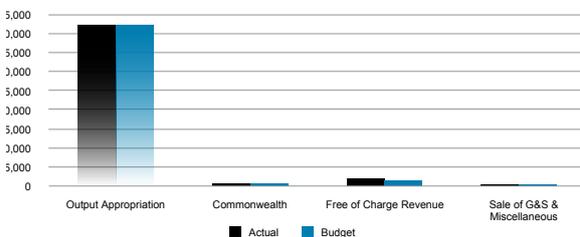
The operating statement provides information on our financial performance during the year. A surplus or deficit for the year is calculated by subtracting expenses from income.

### Income

We received income of \$45.7 million (2013-14: \$47.9 million) or \$0.6 million more than budget. The main component of this variance was the additional goods and services received free of charge income received during the year. Our revenue (with the relative percentage of total income in brackets) was comprised of the following elements:

- Output appropriation: \$42.2 million (92%) funding received from the Northern Territory Government.
- Commonwealth appropriation: \$0.8 million (2%) funding received from the Australian Government for the TDDI program.
- Goods and services received free of charge: \$2.1 million (5%) which was predominantly comprised of \$1.7 million from the Department of Corporate and Information Services (DCIS) for the provision of a range of corporate support functions and a further \$0.4 million in contra account funding from airline partners. This was \$0.5 million more than budget due to additional DCIS revenue received that was unbudgeted
- Sale of goods and services and other income totalled \$0.6 million (1%) which was marginally higher than budget. This revenue was sourced mainly from partnership marketing activities, trade and consumer show participation fees, and other minor items.

Tourism NT Revenue - by source (\$000)

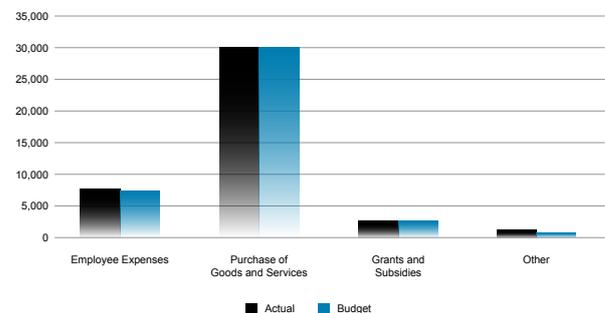


### Expenses

For the 2014-15 year, we incurred expenses of \$45.7 million (2013-14: \$48.1 million) or \$0.5 million more than budget. This was mainly due to additional goods and services received free of charge expenses incurred during the year. Expenditure was comprised of the following:

- Employee expenses: \$8.7 million (19%). Expenditure was incurred for staffing costs, which includes salary, payroll tax and fringe benefits tax. This was \$0.3 million more than budget mainly due to a one-off redundancy payment.
- Purchase of goods and services: \$31.2 million (68%). This primarily reflects activities undertaken by our marketing team including services procured through creative and media buy agencies. This was \$0.2 million less than budget and provided partial offset to the one-off redundancy payment in employee expenses.
- Grants and subsidies: \$3.6 million (8%). The majority of this funding is passed on to other organisations such as the regional tourism associations and visitor information centres. Expenditure was on budget.
- Other expenses (including repairs and maintenance, depreciation, impairment decrement, and services received free of charge): \$2.2 million (5%). This represents our non-cash expenses. This was \$0.5 million over budget mainly due to additional free of charge services incurred (which was the same as free of charge services income received, with a nil net effect on the budget overall).

Tourism NT Expenditure - by category (\$000)



# TOURISM NT - FINANCIAL OVERVIEW 2014-15

## Balance Sheet

The balance sheet provides a summary of our balances at the end of the financial year for assets, liabilities and equity, including the results of its operations for the year.

### Assets

We held \$5.2 million worth of assets at 30 June 2015. This represents a \$2.6 million decrease compared to 30 June 2014. The main movements were:

- decrease of \$2.9 million in cash as a result of increased cash payments during the year (also refer payables below)
- increase of \$0.3 million in prepayments relating to insurance, client familiarisations, and other marketing activities.

### Liabilities

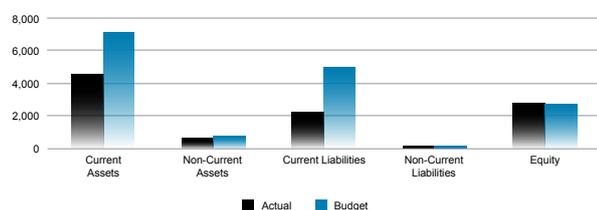
Our liabilities at 30 June 2015 totalled \$2.4 million. This is a \$2.7 million decrease compared to 30 June 2014. The main movement was a:

- decrease of \$2.7 million in payables as a result of increased payments of expenses during the year and prior to balance date, resulting in fewer outstanding creditors at year end.

## Equity

Equity reflects our net assets, which at 30 June 2015 were \$2.8 million. Accumulated funds increased marginally to a deficit of \$1.066 million, reflecting our performance in the comprehensive operating statement of a \$0.038m million surplus.

Tourism NT Financial Position (\$'000)



### Statement of Changes in Equity

The statement of changes in equity discloses the equity movements by category. The equity balance discloses a small \$0.111 million increase arising from the \$0.038 million operating surplus and minor equity capital transfers/ injections of \$0.073 million. These equity capital transactions are for work in progress (WIP) transfers (\$0.036 million) from the Department of Infrastructure and a transfer arising from machinery of government changes (\$0.037 million).

## 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 which also includes a range of non-cash items.

The cash flows are summarised as follows:

Region	2014-15 \$'000
Net Cash provided by/(used in) Operating Activities	(2 890)
Net Cash provided by /(used in) Investing Activities	-
Net Cash provided by/(used in) Financing Activities	37
Net Increase/(Decrease) in Cash Held	(2 853)
Cash at Beginning of Financial Year	6 540
<b>Cash at End of Financial Year</b>	<b>3 687</b>



FINANCIALS

A frilled lizard. Getting up close to nature is a major attraction for visitors to the Northern Territory.

# CERTIFICATION OF THE FINANCIAL STATEMENTS

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, Balance Sheet, 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 2015 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  
26/08/2015



---

IAN COOPER  
A/Director Finance,  
Procurement and Governance  
26/08/2015

# COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$'000	2014 \$'000
<b>INCOME</b>			
<i>Grants and Subsidies Revenue</i>			
Current		20	-
<i>Appropriation</i>			
Output		42,225	45,151
Commonwealth		799	-
Sales of Goods and Services		396	701
Goods and Services Received Free of Charge	4	2,058	2,041
Interest Income		75	1
Other Income		121	7
<b>TOTAL INCOME</b>	<b>3</b>	<b>45,694</b>	<b>47,901</b>
<b>EXPENSES</b>			
Employee Expenses		8,703	7,738
<i>Administrative expenses</i>			
Purchases of Goods and Services	6	31,146	32,755
Repairs and Maintenance		18	7
Depreciation	10	89	81
Impairment decrement	10,5	7	100
Other Administrative Expenses <sup>(1)</sup>		2,073	2,031
<i>Grants and Subsidies Expenses</i>			
Current		3,620	4,735
Community Service Obligations	17	-	625
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>45,656</b>	<b>48,072</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>38</b>	<b>(171)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in Accounting Policy		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>38</b>	<b>(171)</b>

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

<sup>1</sup>Includes the Department of Corporate and Information Services Free of Charge.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2015

	NOTE	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	7	3,687	6,540
Receivables	8	543	530
Prepayments		306	9
<b>Total Current Assets</b>		<b>4,536</b>	<b>7,079</b>
<b>Non-Current Assets</b>			
Advances and Investments	9	-	-
Property, Plant and Equipment	10	678	745
<b>Total Non-Current Assets</b>		<b>678</b>	<b>745</b>
<b>TOTAL ASSETS</b>		<b>5,214</b>	<b>7,824</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	1,000	3,702
Provisions	13	1,219	1,236
<b>Total Current Liabilities</b>		<b>2,219</b>	<b>4,938</b>
<b>Non-Current Liabilities</b>			
Provisions	13	152	154
<b>Total Non-Current Liabilities</b>		<b>152</b>	<b>154</b>
<b>TOTAL LIABILITIES</b>		<b>2,371</b>	<b>5,092</b>
<b>NET ASSETS</b>		<b>2,843</b>	<b>2,732</b>
<b>EQUITY</b>			
Capital		3,909	3,836
Accumulated Funds		(1,066)	(1,104)
<b>TOTAL EQUITY</b>		<b>2,843</b>	<b>2,732</b>

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

# STATEMENT OF CHANGES IN EQUITY

## AS AT 30 JUNE 2015

	NOTE	Equity at 1-Jul \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30-Jun \$'000
<b>2014-15</b>					
<b>Accumulated Funds</b>		<b>(1,104)</b>	<b>38</b>	<b>-</b>	<b>(1,066)</b>
Changes in Accounting Policy		-	-	-	-
		<b>(1,104)</b>	<b>38</b>	<b>-</b>	<b>(1,066)</b>
<b>Capital - Transactions with Owners</b>					
<b>Equity Injections</b>					
Capital Appropriation		3,518	-	-	3,518
Equity Transfers In		1,209	-	36	1,245
Other Equity Injections		614	-	37	651
<b>Equity Withdrawals</b>					
Capital Withdrawals		(1,505)	-	-	(1,505)
		<b>3,836</b>	<b>-</b>	<b>73</b>	<b>3,909</b>
<b>Total Equity at End of Financial Year</b>		<b>2,732</b>	<b>38</b>	<b>73</b>	<b>2,843</b>
<b>2013-14</b>					
<b>Accumulated Funds</b>		<b>(933)</b>	<b>(171)</b>	<b>-</b>	<b>(1,104)</b>
Changes in Accounting Policy		-	-	-	-
		<b>(933)</b>	<b>(171)</b>	<b>-</b>	<b>(1,104)</b>
<b>Capital - Transactions with Owners</b>					
<b>Equity Injections</b>					
Capital Appropriation		3518	-	-	3518
Equity Transfers In		1108	-	101	1209
Other Equity Injections		367	-	247	614
<b>Equity Withdrawals</b>					
Capital Withdrawals		(1,505)	-	-	(1,505)
		<b>3,488</b>	<b>-</b>	<b>348</b>	<b>3,836</b>
<b>Total Equity at End of Financial Year</b>		<b>2,555</b>	<b>(171)</b>	<b>348</b>	<b>2,732</b>

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 2015

	NOTE	2015 \$'000	2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Operating Receipts</i>			
Current Grants and Subsidies		20	-
Output Revenue			
Output		42,225	45,151
Commonwealth		799	-
Receipts from Sales of Goods and Services		2,927	4,000
Interest Revenue		7	(5)
<b>Total Operating Receipts</b>		<b>45,978</b>	<b>49,146</b>
<i>Operating Payments</i>			
Payments to Employees		8,687	8,013
Payments for Goods and Services		36,561	35,512
Grants and Subsidies Paid			
Current		3,620	4,735
Community Service Obligations		-	625
<b>Total Operating Payments</b>		<b>48,868</b>	<b>48,885</b>
<b>Net cash from/(used in) Operating Activities</b>	14	<b>(2,890)</b>	<b>261</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Investing Receipts</i>			
Proceeds from Asset Sales	-	-	-
<b>Total Investing Receipts</b>	-	-	-
<b>CASH RECEIPTS FROM INVESTING ACTIVITIES</b>			
<i>Proceeds from Asset Sales</i>			
Sale of Investment	9	-	3173
<b>Total Investing Receipts</b>		-	<b>3173</b>
<b>Net cash from/(used in) Investing Activities</b>		-	<b>3173</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Financing Receipts</i>			
Equity Injections		37	248
<b>Total Financing Receipts</b>		<b>37</b>	<b>248</b>
<i>Financing Payments</i>			
Equity Withdrawals		-	-
<b>Total Financing Payments</b>		-	-
<b>Net cash from/(used in) Financing Activities</b>		<b>37</b>	<b>248</b>
Net increase/(decrease) in Cash Held		(2,853)	3,682
Cash at Beginning of Financial Year		6,540	2,858
<b>CASH AT END OF FINANCIAL YEAR</b>	7	<b>3,687</b>	<b>6,540</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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
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12. Payables
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## **OTHER DISCLOSURES**

14. Notes to the Cash Flow Statement
15. Financial Instruments
16. Commitments
17. Community Service Obligations
18. Contingent Liabilities and Contingent Assets
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# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 1. OBJECTIVES AND FUNDING

Tourism NT is a statutory authority established under the *Tourism NT Act* that markets the Northern Territory as a desirable visitor destination and encourages and facilitates the sustainable growth of the tourism industry in the Territory.

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 two 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 Balance Sheet;
- (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 also consistent with 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.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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 2014)**

Effective for annual reporting periods beginning on or after 1 January 2018. The standard incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace AASB 139 Financial Instruments: Recognition and Measurement. Implementation will not have a material impact on the financial statements.

#### **AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]**

Effective for annual reporting periods beginning on or after 1 January 2016. The amendments to AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. Implementation will not have a material impact on the financial statements.

#### **AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]**

Effective for annual reporting periods beginning on or after 1 January 2016. Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements, and to ensure entities are able to use judgement when applying a standard in determining what information to disclose. Implementation will not have a material impact on the financial statements.

#### **AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]**

Effective for annual reporting periods beginning on or after 1 January 2016. Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle. Implementation will not have a material impact on the financial statements.

#### **AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]**

Effective for annual reporting periods beginning on or after 1 January 2016. Extends the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. Implementation 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.

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Comparatives

Where necessary, comparative information for the 2013-14 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 2014-15 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.

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 of 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.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Income Recognition (continued)

#### **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.

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 provides free of charge services to Tourism NT.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 previously funded Territory Discoveries for the following non-commercial activities, though this ceased when Territory Discoveries was licenced to a private operator in January 2014. 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 were higher recruitment and training costs because Alice Springs is a small regional centre. Each consultant received 2-3 months training prior to commencing with the Holiday Centre. Staff were generally more transient than in other industries and recruitment to a position in Alice Springs had proved difficult in the past. NT Holiday Centre paid 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 meant that they did not have the capacity to contribute via cost-recovery and as a result would have otherwise left the industry.

### (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.

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.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Depreciation and Amortisation Expense (continued)

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

	2015	2014
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. Analysis 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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Property, Plant and Equipment (continued)

#### *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.

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.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

### (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 in 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 was partially funded by DoTF in recognition that it carried out activities on a non commercial basis, though this ceased in January 2014 (refer (i) Income Recognition – Community Service Obligation Funding above). Such funding is termed a 'Community Service Obligation' and is reflected as such in the Comprehensive Operating Statement.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	NOTE	Marketing 2015 \$'000	Marketing 2014 \$'000	Corporate 2015 \$'000	Corporate 2014 \$'000	Total 2015 \$'000	Total 2014 \$'000
<b>INCOME</b>							
Current Grants and Subsidies		20	-	-	-	20	-
Output Revenue							
Output		40,063	42,900	2,162	2,251	42,225	45,151
Commonwealth		799	-	-	-	799	-
Sales of Goods and Services		386	701	10	-	396	701
Goods and Services Received Free of Charge	4	361	379	1,697	1,662	2,058	2,041
Investment Income		75	1	-	-	75	1
Other Income		114	7	7	-	121	7
<b>TOTAL INCOME</b>		<b>41,818</b>	<b>43,988</b>	<b>3,876</b>	<b>3,913</b>	<b>45,694</b>	<b>47,901</b>
<b>EXPENSES</b>							
Employee Expenses		6,894	6,005	1,809	1,733	8,703	7,738
<b>Administrative Expenses</b>							
Purchase of Goods and Services	6	30,786	32,326	360	429	31,146	32,755
Repairs and Maintenance		18	7	-	-	18	7
Depreciation and Amortisation	10	89	81	-	-	89	81
Impairment decrement	5, 10	7	-	-	100	7	100
Other Administrative Expenses <sup>(1)</sup>		366	380	1,707	1,651	2,073	2,031
<b>Grants and Subsidies Expenses</b>							
Current		3,620	4,735	-	-	3,620	4,735
Community Service Obligations		-	625	-	-	-	625
<b>TOTAL EXPENSES</b>		<b>41,780</b>	<b>44,159</b>	<b>3,876</b>	<b>3,913</b>	<b>45,656</b>	<b>48,072</b>
<b>NET SURPLUS / (DEFICIT)</b>		<b>38</b>	<b>(171)</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>(171)</b>

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

(1) Includes the Department of Corporate and Information Services Free of Charge

	2015	2014
	\$'000	\$'000
<b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>		
Department of Corporate and Information Services	1,697	1,661
Qantas	195	195
Silk Air	166	185
<b>Total Goods And Services Received Free of Charge</b>	<b>2,058</b>	<b>2,041</b>
<b>5. REVALUATION INCREMENT FOR INVESTMENTS</b>		
Revaluation Increment / (Impairment) - Tourism Northern Territory Pty Ltd	-	(100)
<b>Total Revaluation Increment For Investments</b>	<b>-</b>	<b>(100)</b>
<b>6. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Consultants <sup>(1)</sup>	257	505
Agent Service Arrangements <sup>(2)</sup>	-	636
Client Travel <sup>(3)</sup>	1,871	1,849
Marketing and Promotion <sup>(4)</sup>	25,611	26,389
Document Production	56	82
Information Technology Charges <sup>(5)</sup>	1,288	1,476
Legal Expenses <sup>(6)</sup>	60	60
Recruitment <sup>(7)</sup>	20	37
Training and Study	103	54
Official Duty Fares	307	334
Travelling Allowance	89	97
Other Expenditure not separately disclosed	1,484	1,236
<b>Total Goods and Services Expenses</b>	<b>31,146</b>	<b>32,755</b>

(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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$'000	2014 \$'000
<b>7. CASH AND DEPOSITS</b>		
Cash on Hand	1	1
Cash at Bank	2,891	5,822
Foreign Currency Account	795	717
<b>Total Cash And Deposits</b>	<b>3,687</b>	<b>6,540</b>
<b>8. RECEIVABLES</b>		
<i>Current</i>		
Accounts Receivable	61	53
Less: Allowance for Impairment Losses	(15)	-
	<b>46</b>	<b>53</b>
GST Receivables	497	468
Interest Receivable	-	6
Other Receivables	-	3
<b>Total Current Receivables</b>	<b>543</b>	<b>530</b>
<b>9. INVESTMENTS</b>		
<i>Non-Current</i>		
Investment - Territory Discoveries (Government Business Division)	-	5,676
Less: Transfer of Physical Assets from Territory Discoveries	-	(9)
Less: Allowance for Impairment Losses	-	(2,494)
Less: Sale of Investment	-	(3,173)
	-	-
Investment - Tourism Northern Territory Pty Ltd	-	100
Less: Allowance for Impairment Losses	-	(100)
	-	-
<b>Total Non-Current Investments</b>	<b>-</b>	<b>-</b>
<i>Reconciliation of the Allowance for Impairment Losses</i>		
Allowance for Impairment Losses at 1 July	-	2,451
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	43
<b>Allowance for Impairment Losses at 30 June</b>	<b>-</b>	<b>2,494</b>

	2015 \$'000	2014 \$'000
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
<i><b>Buildings</b></i>		
At Fair Value	-	658
Less: Accumulated Depreciation	-	(658)
	-	-
<i><b>Construction (Work in Progress)</b></i>		
At Capitalised Cost	-	-
	-	-
<i><b>Plant and Equipment</b></i>		
At Cost	932	1,012
Less: Accumulated Depreciation	(254)	(267)
	<b>678</b>	<b>745</b>
<i><b>Computer Software</b></i>		
At Fair Value	170	170
Less: Accumulated Depreciation	(170)	(170)
	-	-
<i><b>Computer Hardware</b></i>		
At Fair Value	-	13
Less: Accumulated Depreciation	-	(13)
	-	-
<b>Total Property, Plant and Equipment</b>	<b>678</b>	<b>745</b>

**Impairment of Property, Plant and Equipment**

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2015.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 2014-15 is set out below:

2015	Buildings	Construction (Works in Progress)	Plant & Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Carrying Amount as at 1 July 2014</b>	-	-	745	-	-	745
Additions	-	-	-	-	-	-
Depreciation and Amortisation	-	-	(89)	-	-	(89)
Impairment losses	-	-	(7)	-	-	(7)
Additions/(Disposals) from Asset Transfers	-	-	29	-	-	29
<b>Carrying Amount as at 30 June 2015</b>	-	-	<b>678</b>	-	-	<b>678</b>

### 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:

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

## 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:

2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
<b>Asset Classes</b>				
Plant and Equipment (Note 10)	-	-	678	678
<b>Total</b>	<b>-</b>	<b>-</b>	<b>678</b>	<b>678</b>

2014	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
<b>Asset Classes</b>				
Plant and Equipment (Note 10)	-	-	745	745
<b>Total</b>	<b>-</b>	<b>-</b>	<b>745</b>	<b>745</b>

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:

	Level 2 Techniques	Level 3 Techniques
<b>Asset Classes</b>		
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 plant and equipment were determined by calculating their depreciated replacement cost.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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

2015	Plant & Equipment \$000
Fair value as at 1 July 2014	745
Additions	29
Disposals	-
Depreciation	(89)
Gains/losses recognised in net surplus/deficit	(7)
Gains/losses recognised in other comprehensive income	-
<b>Fair Value as at 30 June 2015</b>	<b>678</b>

#### (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.

	2015 \$'000	2014 \$'000
<b>12. PAYABLES</b>		
Accounts Payable	172	2,124
Accrued Expenses	828	1,578
<b>Total Payables</b>	<b>1,000</b>	<b>3,702</b>
<b>13. PROVISIONS</b>		
<b>Current</b>		
<b>Employee Benefits</b>		
Recreation Leave	539	572
Leave Loading	85	90
Leave Fares	-	-
<b>Other Current Provisions</b>		
Other Provisions	595	574
	<b>1,219</b>	<b>1,236</b>
<b>Non-Current</b>		
<b>Employee Benefits</b>		
Recreation Leave	152	154
<b>Total Provisions</b>	<b>1,371</b>	<b>1,390</b>
<b>Reconciliation of Provisions</b>		
<b>Balance as at 1 July 2014</b>	<b>574</b>	<b>594</b>
Additional Provisions Recognised	21	-
Reductions Arising from Payments	-	(20)
<b>Balance as at 30 June 2015</b>	<b>595</b>	<b>574</b>

Tourism NT employed 88 employees as at 30 June 2015 (2014: 87 employees)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2015	2014
\$'000	\$'000

## 14. NOTES TO THE CASH FLOW STATEMENT

### Reconciliation of Cash

The total of Agency cash and deposits of \$3.687 million 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)	38	(171)
(Profit)/Impairment on revaluation of non-current assets	-	-

#### Non-Cash Items

Depreciation	89	81
Asset Write-Downs	7	100
R&M - Minor New Work Non Cash	7	-

#### Changes in Assets and Liabilities

Decrease/(Increase) in Receivables	(13)	366
Decrease/(Increase) in Prepayments	(297)	(10)
(Decrease)/Increase in Payables	(2,702)	148
(Decrease)/Increase in Provision for Employee Benefits	(40)	(233)
(Decrease)/Increase in Other Provisions	21	(20)

<b>Net Cash From Operating Activities</b>	<b>(2,890)</b>	<b>261</b>
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## 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 instrument of another entity. Financial instruments held by Tourism NT include cash and deposits, receivables and 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.

	2015	2014
	\$'000	\$'000
<b>Financial Assets</b>		
Cash and Deposits	3,687	6,540
Loans and Receivables	543	530
<b>Financial Liabilities</b>		
Payables	1,000	3,702

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 15. FINANCIAL INSTRUMENTS (continued)

### (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.

	2015 Internal \$'000	2015 External \$'000	2015 Total \$'000	2014 Internal \$'000	2014 External \$'000	2014 Total \$'000
<b>Aging of Receivables</b>						
Not Overdue	-	497	497	4	490	494
Overdue for less than 30 Days	-	15	15	-	4	4
Overdue for 30 to 60 Days	-	8	8	-	8	8
Overdue for more than 60 Days	-	38	38	-	24	24
<b>Total Receivables</b>	-	<b>558</b>	<b>558</b>	<b>4</b>	<b>526</b>	<b>530</b>

<b>Aging of Impaired Receivables</b>						
Impaired Receivables for 30 to 60 Days	-	-	-	-	-	-
Impaired Receivables for more than 60 Days	-	(15)	(15)	-	-	-
<b>Total Impaired Receivables</b>	-	<b>(15)</b>	<b>(15)</b>	-	-	-

<b>Net Receivables</b>	-	<b>543</b>	<b>543</b>	<b>4</b>	<b>526</b>	<b>530</b>
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<b>Reconciliation of the Allowance for Impairment Losses</b>						
Allowance for Impairment Losses at 1 July	-	-	-	-	12	12
Amounts written off during the year	-	-	-	-	-	-
Amounts recovered during the year	-	-	-	-	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	15	15	-	(12)	(12)
<b>Allowance for Impairment Losses at 30 June</b>	-	<b>15</b>	<b>15</b>	-	-	-

## 15. FINANCIAL INSTRUMENTS (continued)

### (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.

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				
<b>2015</b>								
<b>Assets</b>								
Cash and deposits	-	-	-	-	3,687	3,687	-	
Receivables	-	-	-	-	543	543	-	
Advances	-	-	-	-	-	-	-	
<b>Total Financial Assets</b>	-	-	-	-	<b>4,230</b>	<b>4,230</b>	-	
<b>Liabilities</b>								
Deposits held	-	-	-	-	-	-	-	
Payables	-	-	-	-	1,000	1,000	-	
<b>Total Financial Liabilities</b>	-	-	-	-	<b>1,000</b>	<b>1,000</b>	-	
<b>2014</b>								
<b>Assets</b>								
Cash and deposits	-	-	-	-	6,540	6,540	-	
Receivables	-	-	-	-	530	530	-	
Advances	-	-	-	-	-	-	-	
<b>Total Financial Assets</b>	-	-	-	-	<b>7,070</b>	<b>7,070</b>	-	
<b>Liabilities</b>								
Deposits held	-	-	-	-	-	-	-	
Payables	-	-	-	-	3,702	3,702	-	
<b>Total Financial Liabilities</b>	-	-	-	-	<b>3,702</b>	<b>3,702</b>	-	

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 have borrowings denominated in foreign currencies and has minimum (once a year) transactional currency exposures arising from purchases in a foreign currency.

## 15. FINANCIAL INSTRUMENTS (continued)

### (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.

	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
<b>2015</b>					
<b>Financial Assets</b>					
Cash and deposits	3,687	3,687	-	-	3,687
Receivables	543	543	-	-	543
<b>Total Financial Assets</b>	<b>4,230</b>	<b>4,230</b>	-	-	<b>4,230</b>
<b>Financial Liabilities</b>					
Payables	1,000	1,000	-	-	1,000
<b>Total Financial Liabilities</b>	<b>1,000</b>	<b>1,000</b>	-	-	<b>1,000</b>
<b>2014</b>					
<b>Financial Assets</b>					
Cash and deposits	6,540	6,540	-	-	6,540
Receivables	530	530	-	-	530
<b>Total Financial Assets</b>	<b>7,070</b>	<b>7,070</b>	-	-	<b>7,070</b>
<b>Financial Liabilities</b>					
Payables	3,702	3,702	-	-	3,702
<b>Total Financial Liabilities</b>	<b>3,702</b>	<b>3,702</b>	-	-	<b>3,702</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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:

	2015 \$'000	2014 \$'000
<b>Internal</b>		
Within one year	35	62
Later than one year and not later than five years	43	59
Later than five years	-	-
	<b>78</b>	<b>121</b>
<b>External</b>		
Within one year	7	12
Later than one year and not later than five years	6	8
Later than five years	-	-
	<b>13</b>	<b>20</b>
<b>Total Operating Lease Commitments</b>	<b>91</b>	<b>141</b>

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

2015	2014
\$'000	\$'000

## 17. COMMUNITY SERVICE OBLIGATIONS

### NT Holiday Centre Alice Springs

Community Service Obligation received	-	283
Subsidy paid to Territory Discoveries	-	(283)
<b>CSO Funding Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>

### Small Operators In Reservation System

Community Service Obligation received	-	342
Subsidy paid to Territory Discoveries	-	(342)
<b>CSO Funding Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>

Territory Discoveries was paid the CSO for the period 1 July 2013 to 31 January 2014.  
Territory Discoveries was licenced to a private operator from 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, Tourism NT has comprehensive risk management procedures in place.

### (b) Contingent assets

Tourism NT had no contingent assets at 30 June 2015 or 30 June 2014

## 19. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 20. WRITE OFFS, POSTPONEMENTS AND WAIVERS

	2015		2014	
	\$'000	No. of Trans.	\$'000	No. of Trans.
Write offs, Postponements and Waivers Under the <i>Financial Management Act</i>				

Represented by:

### Amounts written off, waived and postponed by Delegates

Irrecoverable amounts payable to the Territory or an Agency written off	2	2	-	-
Losses or deficiencies of money written off	-	-	-	-
Public property written off	7	1	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-
<b>Total written off, waived and postponed by Delegates</b>	<b>9</b>	<b>3</b>	<b>-</b>	<b>-</b>

### Amounts written off, waived and postponed by the Treasurer

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

## 21. BUDGETARY INFORMATION - COMPREHENSIVE OPERATING STATEMENT

(a)	2015		Variance	Note
	Actual	Original Budget		
	\$'000	\$'000		
<b>Income</b>				
<b>Grants and Subsidies Revenue</b>				
Current	20	-	20	
<b>Appropriation</b>				
Output	42,225	42,571	(346)	1
Commonwealth	799	-	799	2
Sales of Goods and Services	396	438	(42)	
Goods and Services Received Free of Charge	2,058	1,582	476	3
Interest Income	75	-	75	
Other Income	121	-	121	4
<b>Total Income</b>	<b>45,694</b>	<b>44,591</b>	<b>1,103</b>	

	2015 Actual \$'000	2015 Original Budget \$'000	Variance \$'000	Note
<b>Expenses</b>				
Employee Expenses	8,703	8,697	6	
<b>Administrative expenses</b>				
Purchases of Goods and Services	31,146	30,860	286	5
Repairs and Maintenance	18	20	(2)	
Depreciation	89	71	18	
Impairment losses	7	-	7	
Other Administrative Expenses	2,073	1,582	491	3
<b>Grants and Subsidies Expenses</b>				
Current	3,620	3,470	150	6
Community Service Obligations	-	-	-	
<b>Total Expenses</b>	<b>45,656</b>	<b>44,700</b>	<b>956</b>	
<b>Net Surplus/(Deficit)</b>	<b>38</b>	<b>(109)</b>	<b>147</b>	
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Comprehensive Result</b>	<b>38</b>	<b>(109)</b>	<b>147</b>	

**Notes:**

- 1 Cumulative summary of net movements of various budget adjustments for inter-agency transfers, property lease and other minor items.
- 2 New Australian Government appropriation received for the Tourism Demand Driver Infrastructure program.
- 3 Goods and Services Free of Charge (FoC) includes notional revenue and expenditure for services provided by DCIS in excess of budget. FoC revenue and expenditure are equal and offset each other to have a nil overall impact on the budget.
- 4 Various miscellaneous revenue items including prior year grant refunds, interstate payroll tax refunds and other minor items for which there was a nil budget.
- 5 Variation is a combination of net budget increases and reduced expenditure. The budget was increased for property lease expenses, category of cost transfer (note 6 refers) to realign operational priorities, and other minor items. Expenditure was lower to offset unbudgeted redundancy payment included in employee expenditure.
- 6 Variation is primarily due to cessation of payments to Territory Discoveries which was licensed to a private operator, and the combination of budget increases for grants (note 2 refers), category of cost transfers to realign operational priorities (note 5 refers), and inter-agency budget transfers.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 21. BUDGETARY INFORMATION - STATEMENT OF FINANCIAL POSITION

(b)	2015 Actual \$'000	2015 Original Budget \$'000	Variance \$'000	Note
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Deposits	3,687	5,879	(2,192)	1
Receivables	543	896	(353)	2
Prepayments	306		306	3
<b>Total Income</b>	<b>4,536</b>	<b>6,775</b>	<b>(2,239)</b>	
<b>Non-Current Assets</b>				
Advances and Investments	-	100	(100)	4
Property, Plant and Equipment	678	571	107	5
<b>Total Non-Current Assets</b>	<b>678</b>	<b>671</b>	<b>7</b>	
<b>TOTAL ASSETS</b>	<b>5,214</b>	<b>7,446</b>	<b>(2,232)</b>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	1,000	3,553	(2,553)	6
Provisions	1,219	1,642	(423)	7
<b>Total Current Liabilities</b>	<b>2,219</b>	<b>5,195</b>	<b>(2,976)</b>	
<b>Non-Current Liabilities</b>				
Provisions	152	-	152	7
<b>Total Non-Current Liabilities</b>	<b>152</b>	<b>-</b>	<b>152</b>	
<b>Total Liabilities</b>	<b>2,371</b>	<b>5,195</b>	<b>(2,824)</b>	
<b>Net Assets</b>	<b>2,843</b>	<b>2,251</b>	<b>592</b>	
<b>Equity</b>				
Capital	3,909	993	2,916	8
Accumulated Funds	(1,066)	1,258	(2,324)	8
<b>Total Equity</b>	<b>2,843</b>	<b>2,251</b>	<b>592</b>	

**Note:**

- 1 Higher than anticipated payments during the year resulting in increased use of cash balances and decreased payables at year end (note 6 below refers).
- 2 Lower than anticipated level of outstanding receivables at year-end.
- 3 Includes prepayments for insurance, client familiarisation and other marketing activities for which there was nil Budget Paper Number 3 budget.
- 4 Variation is the write-down arising from the winding up of Northern Territory Tourism Pty Ltd for which there was a nil Budget Paper Number 3 budget.
- 5 Includes some building lease improvements for which there was nil Budget Paper Number 3 budget.
- 6 Payables are lower than budget due to higher than anticipated payments during the year arising from improved alignment of payments with activity, resulting in fewer creditors and accruals at year-end.
- 7 Lower than anticipated net level of current and non-current employee entitlements at year-end.
- 8 Variation arises from disposal of Tourism NT's investment in Territory Discoveries.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 21. BUDGETARY INFORMATION - CASH FLOW STATEMENT

(c)

	2015 Actual \$'000	2015 Original Budget \$'000	Variance \$'000	Note
<b>Cash Flows from Operating Activities</b>				
<b>Operating Receipts</b>				
Current Grants and Subsidies	20	-	20	
<b>Output Revenue</b>				
Output	42,225	42,571	(346)	1
Commonwealth	799	-	799	2
Receipts from Sales of Goods and Services	2,927	438	2,489	3
Interest Revenue	7	-	7	
<b>Total Operating Receipts</b>	<b>45,978</b>	<b>43,009</b>	<b>2,969</b>	
<b>Operating Payments</b>				
Payments to Employees	8,687	8,697	(10)	
Payments for Goods and Services	36,561	30,880	5,681	4
<b>Grants and Subsidies Paid</b>				
Current	3,620	3,470	150	
Community Service Obligations	-	-	-	
<b>Total Operating Payments</b>	<b>48,868</b>	<b>43,047</b>	<b>5,821</b>	
<b>Net cash from/(used in) Operating Activities</b>	<b>(2,890)</b>	<b>(38)</b>	<b>(2,852)</b>	
<b>Cash Flows from Investing Activities</b>				
<b>Investing Receipts</b>				
Proceeds from Asset Sales	-	-	-	
<b>Total Investing Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash Receipts from Investing Activities</b>				
<b>Proceeds from Asset Sales</b>				
Sale of Investment	-	-	-	
<b>Total Investing Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net cash from/(used in) Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Financing Receipts</b>				
Equity Injections	37	-	37	
<b>Total Financing Receipts</b>	<b>37</b>	<b>-</b>	<b>37</b>	

	2015 Actual \$'000	2015 Original Budget \$'000	Variance \$'000	Note
<b>Financing Payments</b>				
Equity Withdrawals	-	-	-	
<b>Total Financing Payments</b>	-	-	-	
<b>Net cash from/(used in) Financing Activities</b>	<b>37</b>	-	<b>37</b>	
<b>Net Increase/(Decrease) in Cash Held</b>				
Net increase/(decrease) in Cash Held	(2,853)	(38)	(2,815)	
Cash at Beginning of Financial Year	6,540	5,917	623	
<b>Cash at end of financial year</b>	<b>3,687</b>	<b>5,879</b>	<b>(2,192)</b>	

Notes:

- 1 Cumulative summary of net movements of various budget adjustments for inter-agency transfers, property lease and other minor items.
- 2 New Australian Government appropriation received for the Tourism Demand Driver Infrastructure program.
- 3 Actual cash receipts higher than budget due to inclusion of GST receipts for which there was nil budget.
- 4 Actual cash payments higher than budget due to inclusion of GST payments for which there was nil budget, additional revenue-related payments, and higher than anticipated payments during the year which resulted in increased use of cash balances and decreased payables at year end.

# APPENDIX 1

## Funding

Details follow of all the different types of funding we provided during the year.

### 1. Events Sponsorship Program

Event	Destination	\$ Amount (incl GST)
Australian Outback Marathon	Uluru	\$10,000
Lasseters Easter in the Alice Mountain Bike Muster	Alice Springs	\$5,000
Henley on Todd Regatta	Alice Springs	\$10,000
The Redback	Alice Springs	\$5,000
Run Larapinta Stage Race	Alice Springs	\$5,000
Alice Desert Festival	Alice Springs	\$10,000
Alice Springs Beanie Festival	Alice Springs	\$20,000
Club Marine Insurance Barra Nationals	Katherine	\$5,000
Barunga Festival	Katherine	\$5,000
Walking With Spirits	Katherine	\$5,000
Summer Session Music Festival	Darwin	\$10,000
Darwin Aboriginal Art Fair	Darwin	\$10,000
Mindil Beach Sunset Markets	Darwin	\$10,000

### 2. Regional Tourism Organisations and Visitor Information Centres

Organisation	Activity	Funding amount
Tourism Top End	Visitor Information Services – Darwin Marketing and Industry Enhancement Activities –Top End region (including Darwin, Katherine, Kakadu and Arnhem Land)	\$878,548
Katherine Town Council	Visitor Information Services – Katherine	\$313,500
Battery Hill Mining Centre / Tennant Creek Foundation	Visitor Information Services – Tennant Creek	\$102,602
Tourism Central Australia	Visitor Information Services – Alice Springs Marketing and Industry Enhancement Activities –Central Australian region (including Alice Springs,Uluru and the Barkly region)	\$886,581
	<b>TOTAL (inc GST)</b>	<b>\$2,181,231</b>

## APPENDICES

### 3. Tourism Infrastructure and Development Support

29 projects at a total value of almost \$3 million were supported through a \$1.3 million pool of NT and Australian Government funding for tourism infrastructure and product development projects. The Australian Government funding is from the Tourism Demand-Driven Infrastructure (TDDI) program.

Business	Project Summary	Tourism NT funding	TDDI program (Australian Government)
Trek Larapinta	Additional new private semi-permanent campsite located near the Western End of the Larapinta Trail	\$42,445	
Curtin Springs Station	Hand-made paper production and private, guided walking tours of the salt lakes	\$41,527	
Wetland Explorer Cruises	A new departure point for cruises at Corroboree billabong incorporating an information centre, shaded waiting area and also an upper level viewing deck	\$26,818	
Three Camels Unit	Expansion of camel history information and development of a 'Staging Post' and working blacksmith workshop'	\$14,960	
*Wirib Tourism Park	Computer server upgrades for Timber Creek Caravan Park	\$9,091	
NT Water Ski Association	Coin-operated viewing binoculars on the beach fence at the Ski Club in Darwin	\$7,555	
*Tiwi Enterprises	Development and signage for a walking trail linking key tourism sites at Warrumiyanga	\$13,636	\$22,727
Venture North Australia	Infrastructure upgrades including solar hot water, an additional eco-toilet and upgrades to the communal area/ shelter/ kitchen area	\$40,439	
Sea Swift (NT)	New tourism experience: refit of existing "Malu Trader" cargo vessel to allow for a new weekly passenger cruise service Darwin-Nhulunbuy-Galiwin'ku		\$90,909
Alice Springs Reptile Centre	Cladding the outside of the existing building and renovating the interior flooring.		\$32,698
World Expeditions	Building a 3rd exclusive campsite on the Larapinta Trail at Rocky Bar	\$45,455	\$45,455
Bamurru Plains	Construction of a bird hide to enable guests to book the space for exclusive use for bird watching and photography	\$36,364	\$67,167
*Angkerke Aboriginal Corporation	Concreting entrance to carpark and provision of vehicle access to the back of the shop at Standley Chasm	\$19,354	\$42,081

# APPENDIX 1

Business	Project Summary	Tourism NT funding	TDDI program (Australian Government)
Bultech Pty Ltd	Leaders Creek fishing base: install a new building incorporating a shop/kiosk, kitchen, office and sheltered outdoor seating area		\$50,000
*Injalak Arts & Crafts	Improve the Injalak art centre in West Arnhem Land by creating a Visitor Interpretive Centre	\$19,091	\$71,818
Gove Sports Fishing	Infrastructure upgrades to fishing lodge on Wigram Island	\$15,706	\$61,343
DIY Tour Guide	Develop Australia's longest audio tour, traversing the Stuart Highway between the NT/SA border and Darwin (1800km)	\$8,750	\$26,250
Wauchope Hotel	Upgrade to Wauchope Hotel property including installation of new accommodation cabins		\$90,909
Milikom (Earth Sanctuary)	New eco-dome facility, interpretative nature walk and signage	\$35,887	
*Remote Tours	Improvements at Lilla by building a multipurpose shed type structure to accommodate large groups	\$41,789	
AAT Kings	Development of the foreign language commentary, including Mandarin on the most popular day tours		\$29,890
Sea Dragon (il lido)	Development of an interactive cooking demonstration kitchen		\$40,633
Royal Flying Doctor Service	Install Mursion hologram technology in the existing visitor facility		\$50,000
*Dhimurru Aboriginal Corporation	Upgrades to the main access road (Daliwuy Road) into four coastal designated recreational areas		\$75,000
Marchant Enterprises Pty Ltd	WWII Oil Tunnels interpretation, displays and creation of an exhibition space	\$36,364	
National Road Transport Hall of Fame	Creation of a cannonball run exhibition in Alice Springs	\$16,364	
Darwin Waterfront Corporation	Signage project at Stokes Hill Wharf, including promotion of available harbour cruise tours	\$20,000	
*Kathleen Buzzacott	Sign for art studio	\$3,959	
Tailormade Tours	Equipment to fit-out a kitchen for the Quarry experience	\$4,300	
	<b>SUB-TOTAL</b>	<b>\$499,854</b>	<b>\$796,880</b>

\*Indigenous projects  
Figures exclude GST

## APPENDICES

#### 4. Alice Springs Convention Centre

This funding was provided to assist with maintaining a high level of sales and marketing activity to attract business events and economic benefits to Alice Springs.

Organisation	\$ Amount (incl GST)
Under the Partnership Agreement	
Lasseters Hotel Casino	(4 x \$27,500) \$110,000
Under the Event Support Funding Agreement	
Lasseters Hotel Casino	\$100,000
<b>TOTAL</b>	<b>\$210,000</b>

#### 5. Fishing the Wild Project

This funding was to assist in the filming, editing and distribution of a six episode series showcasing fishing in the Arnhem Land region to be broadcast by the Seven Network. It will then be marketed to international channels such as the World Fishing Network and National Geographic. The project was deemed to assist in growing tourism in the area following the closure of Rio Tinto's alumina refinery.

Organisation	\$ Amount (incl GST)
Fishing the Wild Pty Ltd	\$60,500

#### 6. Education Tourism Support Program

This funding was to assist in the delivery of the Australian School Education Tourism Activation Plan and support members of the Education Tourism Operators Network.

Organisation	\$ Amount (incl GST)
Wildlife Management International Pty Ltd	\$2,640
Wilderness 4WD Adventures	\$3,000
Super Croc Pty Ltd	\$2,978
Milikom Pty Ltd	\$7,445
Maruku Arts and Crafts	\$3,000
Alice Springs Reptile Centre Pty Ltd	\$3,000
Katherine Outback Experience	\$3,000
Outback Cycling Pty Ltd	\$2,585
Nitmiluk Tours	\$3,000
Adventure Bound NT	\$1,540
Australian Sailing Experiences	\$3,000
<b>TOTAL</b>	<b>\$38,551</b>

## APPENDIX 2

### Festivals NT: Events featured in TV commercials

Name of festival	Location
Alice Desert Festival	Alice Springs
Desert Song Festival	Alice Springs
Alice Springs Cup Carnival	Alice Springs
Alice Springs Beanie Festival	Alice Springs
Top Half Folk Festival	Alice Springs
Darwin Festival	Darwin
Palmerston Festival	Darwin
Greek Glenti	Darwin
Fist Full of Films Festival	Darwin
Walking with Spirits Festival	Katherine
Barunga Festival	Katherine
Milpirri Festival	Lajamanu/Katherine
Garma Festival	Nhulunbuy
XXXX Gove Game Classic	Nhulunbuy
Darwin Symphony Orchestra in Nhulunbuy	Nhulunbuy
Desert Harmony Festival	Tennant Creek
Two Cup Race Day	Tennant Creek
Lasseters Camel Cup	Uluru
Uluru Astronomy Festival	Uluru
Uluru Camel Cup	Uluru

## APPENDIX 3

### Procurement

Tender Number	Type of Procurement	Contractor Name	Contract Value
15-0614	Marketing project – Music Licence	Mushroom Records	\$66,000
14-0250	Panel Contract for the Provision of Domestic Creative and Media Services for a Period of 36 Months	Atomic Search Pty Ltd Bellette Media Pty Ltd Boab Design Common Ventures Pty Ltd Joanne Ellen Robertson Foundation Works Pty Ltd Imparja Television Pty Ltd guerrilla digital Pty Ltd Peter Eve STW Communications Group Limited DHM Group Pty Ltd Optimum Media Direction Pty Ltd Publicis Communications Pty Limited SRA Information Technology Pty Ltd Simon Says Television Pty Ltd Studio McNaught NT Balance Advertising and Marketing Pty Zadro Pty Ltd	\$28,000,000
14-0482	Supply Delivery and Installation of Secure Technology and Provision of a Reporting Analysis Platform to Measure Visitor Numbers for a Period of 12 Months	Blix Pty Ltd	\$206,245
14-1591	Provision of a Sitecore Licence Agreement and Software Maintenance for Europe for a Period of 9 Months	Sitecore Australia Pty Ltd	\$24,000
14-0461	Provision of Public Relations and Social Media Representation Services for Tourism NT in Italy for a Period of 12 Months - with option for further 2 x 12 month	AIGO Srl	\$71,519

## APPENDIX 3

Tender Number	Type of Procurement	Contractor Name	Contract Value
14-0462	Provision of Trade Marketing Representation Services for Tourism NT in Italy for a Period of 12 Months - with options for further 2 x 12 months	Giancarlo Truffa	\$68,285
14-1479	Provision of a Customer Relationship Management (CRM) System License, ongoing Maintenance and Support to suit Destination Marketing Organisations for a Period of 36 Months	Simpleview Inc	\$184,300
14-1284	Provision of Experian Hitwise Access Order Renewal Agreement for a period of 24 Months	Experian Hitwise	\$84,700
14-1048	Provision of Support Maintenance Agreement for a Period of 12 Months	SRA Information Technology	\$29,425
14-0021	Provision of Full Tourism Representation Services for Tourism NT in the United Kingdom, Ireland, Netherlands and Scandinavia for a Period of 24 Months	Endeavour Tourism Marketing	\$615,000
14-0363	Provision of Business Tourism Media and Public Relations Services for a Period of 12 Months	Queensland Conventions & Incentives	\$61,700
14-0179A	Provision of the Development and Administration of Tourism Pathways Internship Program for a Period of 18 Months	Group Training NT	\$150,000
14-0256	Supply, Delivery, Installation and Maintenance of a Free Public WiFi System at Three NT Tourist Attractions for a Period of 36 Months	Easyweb Digital	\$283,811
14-0499	Provision of Registered Intellectual Property Portfolio Management Services to Tourism NT for a Period of 24 Months	Clayton Utz	\$47,850

The above list contains all period and panel contracts awarded in 2014-15 except for one contract to the value of up to \$50,000 which is commercial in confidence.

## APPENDIX 4

### Board Committee membership

#### Finance, Risk and Audit Committee

FRAC held five meetings during the year. In January 2015 Commissioner Kylie Bonanni resigned and was replaced by Board Commissioner Col Fuller. The Executive Director Operations attended meeting as an observer following the retirement of the Chief Financial Officer in January 2015.

Role	Member	Meetings Attended	Meetings Held
Chairperson	Michael Toomey – Commissioner Tourism NT	5	5
Member	Geoff Weeks – Commissioner Tourism NT	5	5
Member (resigned)	Kylie Bonanni – Commissioner Tourism NT	1	2
Member	Col Fuller – Commissioner Tourism NT	3	3
Member	Rex Schoolmeester – Chief Financial Officer, Department of Corporate and Information Services	3	5
Observer (resigned)	Noelene Biddell – Chief Financial Officer, Tourism NT	3	3
Guest	Angela Collard – Executive Director Operations, Tourism NT	4	4
Observer	Ian Cooper – Acting Director Finance, Governance and Procurement Tourism NT	1	1
Committee Secretariat	Don Duthie – Manager Business Solutions Tourism NT	5	5

#### Marketing Steering Committee

Role	Member	Meetings Attended	Meetings Held
Chairperson	Denis Pierce – Commissioner Tourism NT	5	7
Member	Michael Toomey – Commissioner Tourism NT	6	7
Member	Amanda Wood – Commissioner Tourism NT	6	7
Guest	Tony Mayell – CEO, Tourism NT	6	7
Guest	Adam Coward – Executive Director Marketing, Tourism NT	7	7
Guest	Angela Collard – Executive Director Operations, Tourism NT	3	7
Guest	Suzanne Morgan – Executive Director Business and Events, Tourism NT	3	7
Guest	Tony Quarmby – Director Domestic Marketing, Tourism NT	7	7
Guest	Danielle Thomas – A/g Director International Marketing, Tourism NT	6	6
Guest	Robert Crack – Director International Marketing, Tourism NT	1	1
Guest	Tom Hannon-Tan – Director Research, Tourism NT	6	7
Guest	Sarah Hope – Director Digital Marketing, Tourism NT <sup>1</sup>	3	4
Guest	Ian Crawshaw – A/g Director Digital Marketing, Tourism NT <sup>1</sup>	3	3
Committee Secretariat	Emma Fraser – Executive Projects Officer	3	7

# APPENDIX 5

## Insurance Arrangements

### Self-Insurance Arrangements

Insurable Risk Category	Mitigation Strategies	2014-15		2013-14		2012-13	
		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"> <li>Commercial insurance purchased</li> <li>Employees are instructed on occupational health and safety guidelines and incorporate this at all public events and tradeshow</li> <li>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.</li> <li>Assessment undertaken with all procurement processes to ensure public liability is in accordance with the conditions of contract</li> </ul>	Nil	Nil	Nil	Nil	Nil	Nil
Workers' Compensation	<ul style="list-style-type: none"> <li>Occupational health and safety policy developed and implemented</li> <li>Occupational Health and Safety Committee meets regularly,</li> <li>Table workplace issues, communications information and new mitigation strategies</li> <li>Utilisation of Employee Assistance Program</li> <li>Fully trained and paid first aid officers in each building</li> <li>Early Intervention Program</li> <li>Work-life balance strategies</li> <li>Job specific training, support and inductions</li> <li>Work site assessments</li> <li>Purchase of commercial travel insurance to cover employees travelling overseas</li> <li>Purchase of commercial workers' compensation insurance for employees who reside interstate</li> </ul>	Nil	Nil	Nil	Nil	Nil	Nil

## APPENDICES

Insurable Risk Category	Mitigation Strategies	2014-15		2013-14		2012-13	
		No of Claims	Value of Claims	No of Claims	Value of Claims	No of Claims	Value of Claims
Assets and Inventories - All	<ul style="list-style-type: none"> <li>• Portable and Attractable item policy and asset policy to provide guidance to employees regarding their responsibilities and accountability</li> <li>• Compliance with Treasurer's Directions</li> <li>• Regular inspections and/or stocktakes</li> </ul>	Nil	Nil	Nil	Nil	Nil	Nil
Buildings	<ul style="list-style-type: none"> <li>• Building audits eg security, maintenance, compliance</li> <li>• Appropriate security and testing eg fire systems, alarms, patrols</li> <li>• Repairs and maintenance and minor new works programs</li> </ul>	Nil	Nil	Nil	Nil	Nil	Nil
Vehicles	<ul style="list-style-type: none"> <li>• Regular service and maintenance checks in accordance with manufacturer's recommendations</li> <li>• Comprehensive motor vehicle policy for employees travelling out of city limits</li> </ul>	3	\$4,203	7	\$4,831	15	\$7,185
Indemnities	<ul style="list-style-type: none"> <li>• Agency governance officer checks all contracts and agreements that contain indemnities and where possible indemnity clauses are removed from the contracts.</li> <li>• Any new high risk indemnity is checked by the Department of Attorney-General and Justice</li> <li>• A risk assessment is conducted on each indemnity and the project officer is required to confirm it is commercially acceptable</li> <li>• Approval process is in accordance with section 34 of the Financial Management Act and Treasurer's Direction G2.5</li> <li>• Purchase of commercial Directors and Officers insurance to cover Board members.</li> </ul>	Nil	Nil	Nil	Nil	Nil	Nil

## APPENDIX 5

### Commercial Insurance Arrangements

Insurable Risk Category	2014-15			2013-14			2012-13		
	Cost	No of Claims	Value of Claims	Cost	No of Claims	Value of Claims	Cost	No of Claims	Value of Claims
Public Liability	\$30,646	Nil	Nil	\$29,523	Nil	Nil	\$21,642	Nil	Nil
Workers Compensation	\$2,275	Nil	Nil	\$3,642	Nil	Nil	\$3,664	Nil	Nil
Business Travel (overseas)	\$2,449	Nil	Nil	\$3,545	Nil	Nil	\$4,163	Nil	Nil
Personal Accident (Non-employees)	N/A	N/A	N/A	\$511	Nil	Nil	\$516	Nil	Nil

## APPENDIX 6

### 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.

	2014-15	2013-14	2012-13	2011-12	2010-11
Ministerials	282	274	239	327	307
Legislative Assembly briefings	87	80	60	103	104
Estimates Committee briefings	57*	76	90	63	99
Agency Cabinet Submissions	5	5	6	1	3
Comments on Cabinet Submissions	33	31	11	12	32

\*comprises 23 briefs and 34 advance questions from the Opposition.

# APPENDIX 7

## Employment Instructions

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

Employment Instruction and NTPS Agency Requirement	Our Action
<p><b>Number 1 – Filling Vacancies</b></p> <p>Chief Executive to develop a procedure for the filling of vacancies consistent with the Act.</p>	<p>Merit Selection has been reformed across the NT Public Sector (NTPS). Tourism NT has adopted the revised process and templates and ensured there are adequate numbers of trained selection panel members as required by the NTPS recruitment and selection policy.</p>
<p><b>Number 2 – Probation</b></p> <p>Chief Executive to develop a probationary process for the Agency and convey details of the probationary process to employees as soon as practicable after commencing duty.</p>	<p>Our probation form and policy was reviewed this reporting period.</p> <p>Probation is specifically covered by HR during individual inductions with new starters.</p> <p>No employees were terminated this year under the probation process.</p>
<p><b>Number 3 – Natural Justice</b></p> <p>The rules of natural justice to be observed in all dealings with employees.</p>	<p>We have a natural justice policy available on our Intranet. We apply the principles of natural justice in all dealings with employees.</p>
<p><b>Number 4 – Employee Performance Management and Development Systems</b></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>Our performance management program was expanded to include a competency framework for the organization. Our participation rate for 2014-15 was 80%, although questions around the program still scored lower in our annual staff survey.</p> <p>Corporate training and development needs were identified as part of the program and have been pursued.</p>
<p><b>Number 5 – Medical Examinations</b></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><b>Number 6 – Performance and Inability</b></p> <p>No reporting requirements.</p> <p>Natural justice is to be observed with employees provided an opportunity for comment should proceedings under this legislation be invoked.</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 2014-15.</p>
<p><b>Number 7 – Discipline</b></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 staff 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 2014-15.</p>

## APPENDIX 7

Employment Instruction and NTPS Agency Requirement	Our Action
<p><b>Number 8 – Internal Agency Complaints and Section 59 Grievance Reviews</b></p> <p>Chief Executives will establish an internal policy and procedures for handling internal employee grievances.</p>	<p>We have a dispute resolution policy available on our 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><b>Number 9 – Employment Records</b></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><b>Number 10 – Equality of Employment Opportunity Programs</b></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>Our number of Indigenous employees increased in 2014-15 and our number of staff identifying as coming from a non-English speaking background remained stable.</p> <p>We are committed to increasing representation of EEO groups in our workforce in accordance with our diversity and equal employment opportunity policy.</p> <p>We participated in the National Indigenous Cadetship Program in early 2015 and will continue with this program in 2015-16.</p>
<p><b>Number 11 – Work Health and Safety Standards Programs</b></p> <p>Chief Executive to develop programs to ensure employees are consulted in the development and implementation of work health and safety programs.</p> <p>Chief Executive to report annually to the OCPE on occupational health and safety programs.</p>	<p>Our work health and safety framework and related documentation was reviewed during this reporting period and made available on our intranet.</p> <p>Funding is provided for WHS initiatives such as regular fire warden and first aid training, and related equipment.</p> <p>We provided fully funded flu vaccinations for employees during the year.</p>
<p><b>Number 12 – Code of Conduct</b></p> <p>Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees.</p>	<p>All new starters are provided with a copy of the Code of Conduct and their understanding of the content is checked during individual induction meetings with HR.</p>
<p><b>Number 13 – Appropriate Workplace Behaviour</b></p> <p>Chief Executive will develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect, and deal effectively with inappropriate workplace behaviour and bullying.</p>	<p>The agency has an appropriate workplace behaviours policy that clearly identifies expectations for all staff and establishes mechanisms for dealing with internal complaints effectively and in accordance with natural justice.</p>
<p><b>Number 14 – Redeployment and Redundancy Procedures</b></p> <p>Chief Executive must maintain a confidential case file for all relevant documentation relating to the case management of redeployees.</p>	<p>As at 30 June 2015 the agency did not have any redeployees. All staff being managed under these provisions were successfully placed during the reporting period.</p>
<p><b>Number 15 – Special Measures</b></p> <p>Sets out requirements and conditions for an agency special measures program, plan or arrangement.</p>	<p>The agency did not pursue any special measures activities during the reporting period.</p>

## CONTACT US

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www.australiasoutback.cn  
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