Tourism 2030

NT's Tourism
Industry Strategy 2030

NORTHERN
TERRITORY
TOURISM NT

Boat Cruise, Nitmiluk National Park.

Cover image: Cultural tours with SEIT Outback Australia.

Contents

List of acronyms

Term	Full name
ABDP	Aboriginal Business Development Program
ALRA	Aboriginal Land Rights (Northern Territory) Act 1976
ATAC	Aboriginal Tourism Advisory Council
CAGR	Compound annual growth rate
CGE	Computable general equilibrium
DAE-RGEM	Deloitte Access Economics Regional General Equilibrium Model
DAMA	Designated Area Migration Agreement
DIPL	Department of Infrastructure, Planning and Logistics
DTBI	Department of Trade, Business and Innovation
DTSC	Department of Tourism, Sport and Culture
FIT	Free and independent traveller
FTE	Full-time equivalent
GDP	Gross domestic product
GFC	Global Financial Crisis
GSP	Gross state product
GVA	Gross value added
IBA	Indigenous Business Australia
IVS	International Visitor Survey
NTBESF	Northern Territory Business Events Support Fund
NTBE	Northern Territory Business Events
NTMEC	Northern Territory Major Events Company
NVS	National Visitor Survey
POV	Purpose of visit
RTO	Regional Tourism Organisation
RV	Recreation vehicle
VFR	Visiting friends and relatives

Uluṟu – Kata Tjuṯa National Park.

Foreword

Tourism is one of the most important sectors in the Northern Territory economy, contributing $2.2 billion in gross value added terms in 2017-18. As the Northern Territory's economy has shifted significantly in recent years, so has the tourism industry – with an increasingly competitive landscape, new technologies and flow-on effects from other industries, such as construction and mining, all at play.

The *Northern Territory's Tourism Industry Strategy 2030* sets out the strategic direction for industry development over the next decade. Over this time period, the tourism landscape will continue to change – and so the *NT's Tourism Industry Strategy 2030* will be reviewed and adapted, to ensure its ongoing relevance. The strategy will also be supported by specific shorter term plans, including Tourism NT's marketing strategy, which is refreshed on a regular basis due to changes in consumer preferences, travel behaviour and marketing tools.

This framework has been co-developed with both industry and government and is designed to unite efforts across the public and private sectors, with priorities and actions targeted towards shifting the current performance of the tourism sector in the Northern Territory to one of sustainable growth. Six priority objectives are identified that, if delivered, will make a material impact on the trajectory of tourism in the Northern Territory:

- Grow investment in the Northern Territory's remarkable assets, product and regions
- Strengthen and showcase the Northern Territory's distinctive Aboriginal cultural tourism experiences
- Through strategic marketing activities grow the value of the holiday market in the Northern Territory
- Leverage and build events to drive visitation
- Develop ongoing access to and within the Northern Territory
- Increase recognition of the value of tourism to the Northern Territory.

Within each priority objective are specific actions to achieve identified goals in the short, medium and long term. Implementing the strategy's actions through to 2030 will create the momentum to attract more domestic and international visitors to the Territory, and prepare the industry to deliver high quality and increasingly diverse experiences. Four pillars: industry development; marketing; workforce development; and collaboration across industry and government also reinforce the actions identified within key priorities to underpin the strategy's success.

The *NT's Tourism Industry Strategy 2030* proposes visitor and expenditure targets to 2030, which assume that identified actions are implemented with sufficient funding and support from across the Northern Territory and Australian Governments, Regional Tourism Organisations, Land Councils and the broader tourism industry.

By 2030, total overnight visitor arrivals to the Northern Territory are projected to reach between 2.51 million and 3.03 million, accounting for between $3.01 billion and $3.67 billion in expenditure. In terms of holiday visitors, projections are for between 1.18 million and 1.45 million holiday visitors by 2030, and $1.46 billion to $1.79 billion in holiday visitor expenditure.

Achieving the targets identified in the NT's Tourism Industry Strategy 2030 will have significant benefits for the economy, which would be $117 million[1] larger in gross state product (GSP) terms in 2029-30, compared to a 'business-as-usual' scenario. The additional economic activity supported by increased visitor expenditure could see up to 3,900 new tourism jobs by 2030. The actual number of jobs reached will be impacted by many things including digitalisation, new technologies, productivity gains, efficiencies and the level of investment by industry and governments.

There is a strong economic imperative to work together to implement the priority objectives and actions in the *NT's Tourism Industry Strategy 2030*. We look forward to continuing to work together to showcase the Northern Territory to the world.

The Hon Lauren Moss MLA
Minister for Tourism, Sport and Culture

Simonne Shepherd
Chief Executive Officer,
Department of Tourism, Sport and Culture

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[1] Real, 2018 dollars.

1 Development of the tourism industry strategy

Tourism is one of five core growth sectors identified in the *Economic Development Framework* to propel the Northern Territory's economy in the long term. With the Territory's distinct landscapes, experiences and cultural offering, it has much to offer the rest of Australia and the world.

The tourism landscape has become increasingly competitive both across Australia and internationally, with more countries opening their doors and competing for visitor dollars. International visitor arrivals to Australia now exceed 9.0 million per year[2] – an increase of almost 3.0 million visitors compared to five years earlier. And while the number of global travellers continues to rise, Australians – the traditional source of the Territory's visitors – often look overseas for holiday destinations, with the number of Australian outbound trips doubling since 2006. As a comparison, domestic overnight trips topped 100 million in 2017-18, increasing by one third over the same period.[3]

Visitors are increasingly engaging with technology in their travels, from inspiration to planning and bookings, through to how they access information while in the destination and sharing their experiences online. New technologies are also disrupting the tourism industry itself – with the sharing economy, aviation technology and digital platforms fundamentally changing how the sector operates.

This landscape highlights the need for a renewed industry strategy: one which acknowledges the work undertaken across a range of initiatives and plans, unites efforts across the public and private sectors, and guides priority objectives and actions towards future growth.
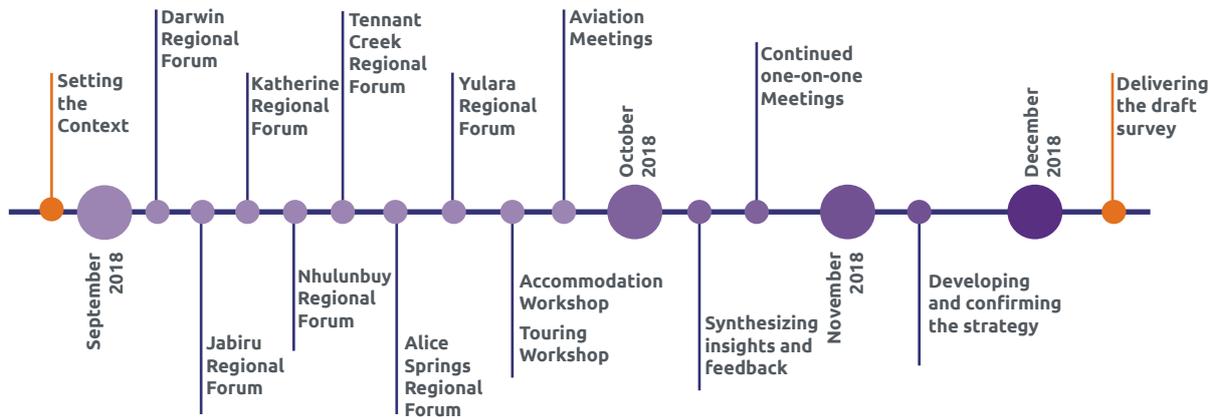
This strategy builds upon the work achieved in earlier tourism strategies developed in the Northern Territory and Australia, including the most recent, *Tourism Vision 2020: Northern Territory's Strategy for Growth*. Targets introduced in that strategy were met halfway through the plan's implementation horizon, with the construction of INPEX's Ichthys LNG facilities resulting in a significant increase in domestic business travellers to the Top End. Domestic holiday trips also increased at a faster rate, a fact at least partially attributable to the INPEX development. However, international visitor arrivals to the Northern Territory peaked in the mid-2000s and, despite a slight recovery since *Tourism Vision 2020*, are well below previous highs. The Northern Territory's unique regions also pose particular challenges and opportunities: the entry points and methods for access differ significantly by region, with major icons and gateways driving dispersal into surrounding areas, while source market preferences also vary significantly. This supports a need for a continued dedicated tourism industry strategy.

The Department of Tourism, Sport and Culture (DTSC) engaged Deloitte Access Economics to co-develop this strategy – *NT's Tourism Industry Strategy 2030* – together with industry and government. Seven regional forums were held across the Territory in Darwin, Jabiru, Katherine, Nhulunbuy, Tennant Creek, Alice Springs and Yulara, in addition to sector workshops and targeted one-on-one sessions with local councils, industry bodies and government agencies. Consultations aimed to capture the insights of businesses, organisations and agencies across the Territory. Over 200 people were consulted from 90 businesses and organisations during the development of the strategy over a three-month period. Submissions were also welcomed through the *Have Your Say* survey website.

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[2] Australian Bureau of Statistics, *Overseas Arrivals and Departures, Australia, Oct 2018*, cat. no. 3401.0.
[3] Tourism Research Australia, *International visitor survey – year ending June 2018* (Australian Government, 2018); Tourism Research Australia, *Domestic visitor survey – year ending June 2018* (Australian Government, 2018). All data used in this strategy is sourced from the above, unless otherwise stated.

Figure 1.1: Timeline of the strategy's development

Setting the Context

Darwin Regional Forum

Katherine Regional Forum

Tennant Creek Regional Forum

Yulara Regional Forum

Aviation Meetings

Continued one-on-one Meetings

Delivering the draft survey

September 2018

Jabiru Regional Forum

Nhulunbuy Regional Forum

Alice Springs Regional Forum

Accommodation Workshop

Touring Workshop

October 2018

Synthesizing insights and feedback

November 2018

Developing and confirming the strategy

December 2018

Further, Deloitte Access Economics analysed trends in the Northern Territory's visitor economy, as well as examined a suite of research and data to understand the Territory's growth trajectory, competitive advantages and challenges. This analysis supplemented the perspectives gained through forums, workshops and consultations, which informed the priority objectives, pillars, actions and targets set in the *NT's Tourism Industry Strategy 2030*.

This document sits within a broader strategic framework that includes whole-of-economy strategies such as the *Economic Development Framework*, the *Northern Territory Infrastructure Strategy* and the *10-Year Infrastructure Plan*.[4] Other connected tourism strategies, including the *Aboriginal Tourism, Business Events* and *Event Development* strategies, were developed concurrently and will provide comprehensive actions in particular areas within the overarching strategy framework established in the *NT's Tourism Industry Strategy 2030*. A number of other initiatives and plans also exist in the Northern Territory and Northern Australia, and they will continue to be important in enabling the development of the sector. This strategy has been developed within a fiscally constrained environment for the NT Government.

Figure 1.2: Tourism-focused and tourism-enabling strategies across the Northern Territory and Northern Australia

Northern Territory plans and initiatives

- *Aboriginal Tourism Strategy*
- *Business Events Strategy*
- *Event Development Strategy*
- *Turbocharging Tourism*
- *NT Aviation and Services Strategy*
- *Creative Industries Strategy*
- *Planning System Reform*
- *Jabiru Masterplan*
- *City Deals*
- *10 Year Infrastructure Plan and Infrastructure Strategy*
- *Anti-Social Behaiviour plan*

Northern Australia plans and initiatives

- *Northern Horizons - Unleashing Our Tourism Potential*
- *Northern Australiasn Tourism Initiative, including Entrepreneur's Program, Tourism Partnerships Program and Business Advisory Service Program*
- *Regional Tourism Infrastructure Investment Attraction Strategy 2016-2021*
- *building better Regions Fund*
- *Northern Australia Infrastructure Facility*
- *Tourism Major Project Facilitation Service*

DTSC acknowledges the participation and engagement of the tourism industry in the development of *NT's Tourism Industry Strategy 2030*. Your insights are core to the strategic framework developed to guide the industry's development and success through to 2030.

4 Department of Trade, Business and Innovation, Northern Territory Economic Development Framework – Our Economic Future (2017) <https://cmsexternal. nt.gov.au/__data/assets/pdf_file/0008/434546/economic-development-framework.pdf>; Department of Trade, Business and Innovation, Infrastructure Strategy May 2017 (2017) <https://cmsexternal.nt.gov.au/__data/assets/pdf_file/0006/430917/infrastructure-strategy.pdf>; Department of Infrastructure, Planning and Logistics, 10 Year Infrastructure Plan 2018-2027 (2018) <https://dipl.nt.gov.au/__data/assets/pdf_file/0011/565184/4-Low-Resolution-PDF-2018.PDF>.

2 Current industry profile and trends

2.1   Current profile of the tourism industry

The Northern Territory welcomed 1.7 million overnight visitors in 2017-18, who spent a total of $2.1 billion across the Territory's regions. Approximately 16 per cent of visitors, or 283,000 people, came from overseas – with the remainder travelling from interstate or within the Northern Territory.

Chart 2.1: Visitation and expenditure in the Northern Territory, 2017-18

Visitors

16%
35%
49%

Spend

19%
22%
59%

- International
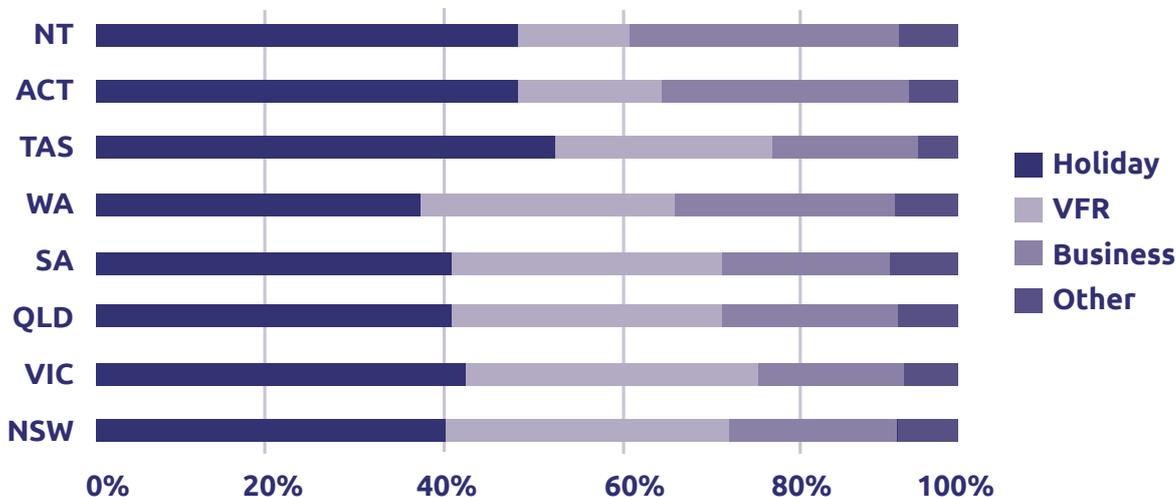- Interstate
- Intrastate
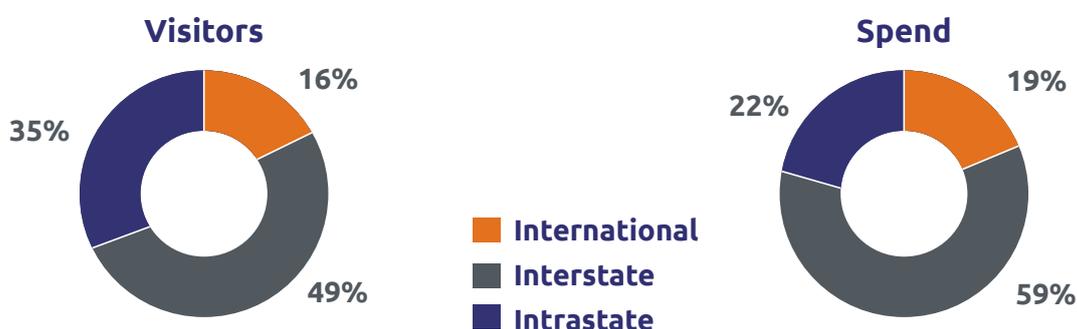
Source: Tourism Research Australia

The majority of all visitors to the Northern Territory travel for a holiday (49 per cent), a higher share than other states and territories with the exception of Tasmania. International travellers feature prominently within the holiday segment, accounting for 28 per cent of holiday visitors to the Territory, a higher proportion than they represent in the overall mix of visitors or expenditure.

The Northern Territory welcomed fewer travellers who were visiting friends and relatives (VFR) compared to other states and territories, which is expected given the Territory's smaller resident population. In 2017-18, VFR travellers accounted for 13 per cent of all domestic and international visitors (234,000) to the Territory.

Business travel accounts for a significant proportion of the Northern Territory's visitors compared to other jurisdictions. In 2017-18, 31 per cent of visitors to the Territory came for business.

Chart 2.2: Main purpose of visitors to Australian jurisdictions, 2017-18

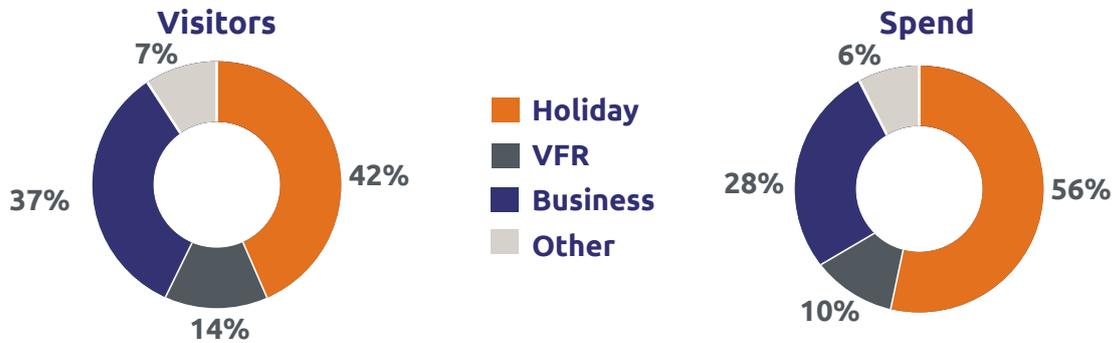- Holiday
- VFR
- Business
- Other

Source: Tourism Research Australia

2.2 Domestic holiday visitors to the Northern Territory

In 2017-18, the Northern Territory welcomed 1.4 million domestic overnight visitors, comprised of 834,000 interstate visitors (58 per cent) and 594,000 intrastate visitors (42 per cent). This reflects a decrease in domestic visitation from the previous year: in 2016-17, the Territory welcomed 1.6 million domestic visitors.

Chart 2.3: Main purpose of visit for domestic visitors to the Northern Territory, 2017-18
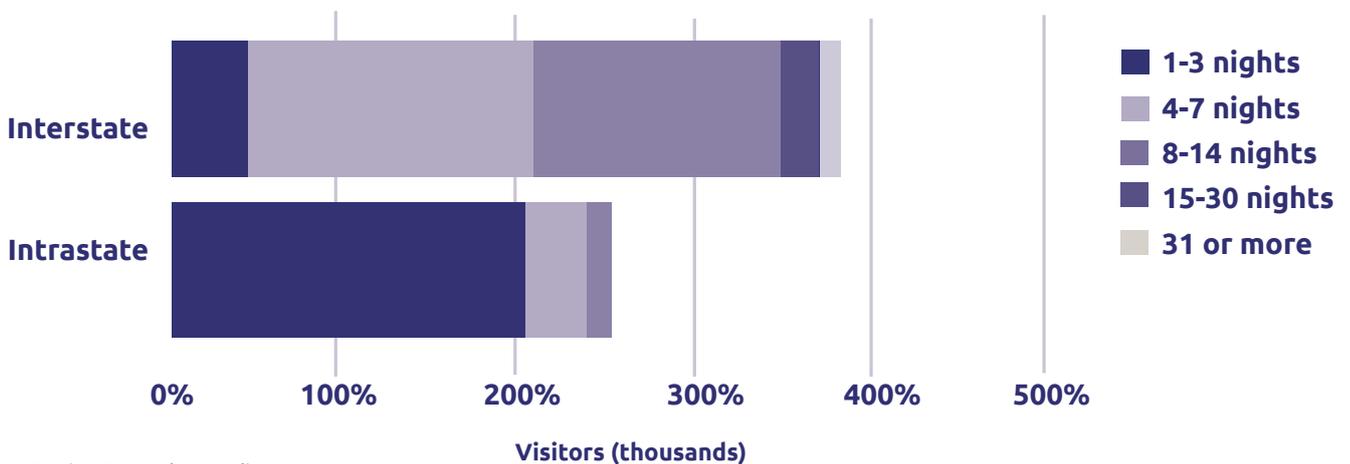

Source: Tourism Research Australia

In 2017-18, 42 per cent of domestic visitors (631,000) travelled for the purpose of a holiday, spending $717 million in the Territory, representing 56 per cent of domestic visitor expenditure.[5] Holiday visitors to and in the Territory spend significantly more per trip on average ($1,136) than holiday travellers to other states or territories (national average of $708). They also tend to stay longer (six nights) compared to holiday visitors to other states or territories (an average of four nights).

Interstate holiday visitors stay longer on average (nine nights) in the Territory compared to those from intrastate (two nights). Similarly, interstate holiday visitors spend more per trip on average ($1,567) than intrastate holiday visitors ($472).

Chart 2.4: Length of stay for domestic holiday visitors in the Northern Territory, 2017-18

Source: Tourism Research Australia

Two in five domestic holiday visitors to the Territory were aged over 55. This is slightly higher than most states and territories, except for South Australia and Tasmania which also have an older visitor profile. In terms of travel parties, most domestic holiday visitors to the Northern Territory travel with friends or relatives (35 per cent) or as a couple (32 per cent).

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[5] Domestic overnight expenditure by purpose is provided in destination expenditure terms. All other expenditure items are provided as regional expenditure.

Chart 2.5: Age groups and travel party type of domestic holiday visitors in the Northern Territory, 2017-18

Age

Bar chart — Visitors (thousands)

Age group	Visitors (thousands, approx)
65+	~118
55-64	~124
45-54	~90
35-44	~105
25-34	~113
15-24	~71

Visitors (thousands)

Travel party type

- Other 3%
- Alone 12%
- Couple 32%
- Family 18%
- Friends and relatives 35%
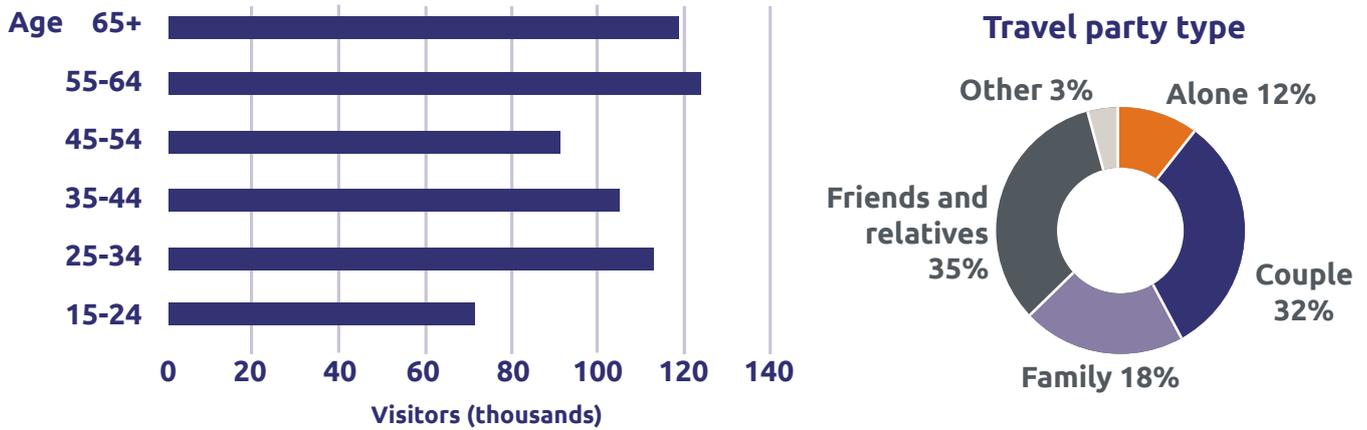
Source: Tourism Research Australia

Likely due, in part, to the relatively low share of travellers visiting friends and relatives in the Northern Territory, the share of visitors staying in commercial accommodation is higher than in most other states and territories. In the Northern Territory, 40 per cent of domestic visitors stayed in a hotel for part of their trip, higher than the national average (31 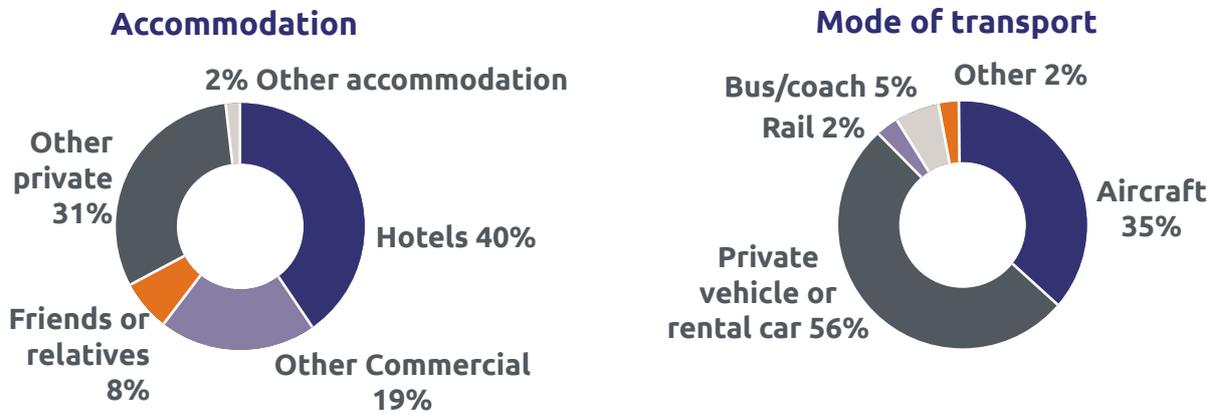per cent). Domestic holiday visitors who stay in commercial accommodation also typically spend more ($1,481) in the Territory than those that stay in private accommodation ($691). The Territory also sees a higher proportion of domestic holiday visitors staying in other private accommodation (which includes homestay and privately owned properties), compared to other states and territories.

A high proportion of domestic holiday visitors to the Territory travel by private vehicle or rental car (56 per cent), while a significant portion also travel by air (35 per cent).

Chart 2.6: Accommodation type and mode of transport for domestic holiday visitors to the Northern Territory, 2017-18

Accommodation

- 2% Other accommodation
- Other private 31%
- Hotels 40%
- Friends or relatives 8%
- Other Commercial 19%

Mode of transport

- Bus/coach 5%
- Other 2%
- Rail 2%
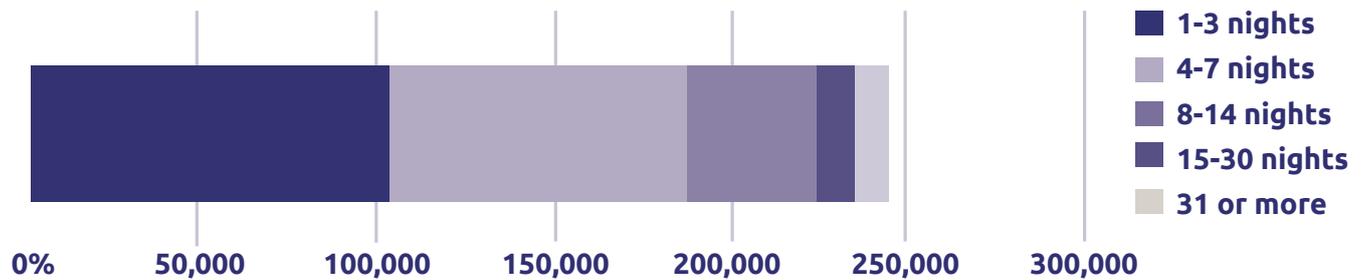- Aircraft 35%
- Private vehicle or rental car 56%

Source: Tourism Research Australia

2.3   International holiday visitors to the Northern Territory

In 2017-18, the Northern Territory welcomed 283,000 international visitors; a five per cent decrease on the previous year's 297,000 visitors. Approximately four in five visitors (244,000) travelled for the purpose of a holiday. International holiday visitors spent $313 million in the Northern Territory in 2017-18 and stayed an average of eight nights, higher than domestic holiday visitors at six nights. International holiday visitors to Australia spend 18 nights on average in the country, and typically make one to three stops during their stay.

Chart 2.7: Length of stay for international holiday visitors to the Northern Territory, 2017-18

Source: Tourism Research Australia

International visitors to the Territory are generally a younger cohort compared to the region's domestic holiday visitors. One in seven international holiday visitors to the Territory were under the age of 24 in 2017-18. A large proportion of international holiday visitors to the Northern Territory are also backpackers[6] (30 per cent), significantly higher than the national average of 13 per cent, although this figure has declined from 43 per cent five years earlier. A significant proportion of international holiday visitors travel alone to the Territory (39 per cent) or as a couple (38 per cent).

Chart 2.8: Age groups and travel party type of international holiday visitors to the Northern Territory, 2017-18
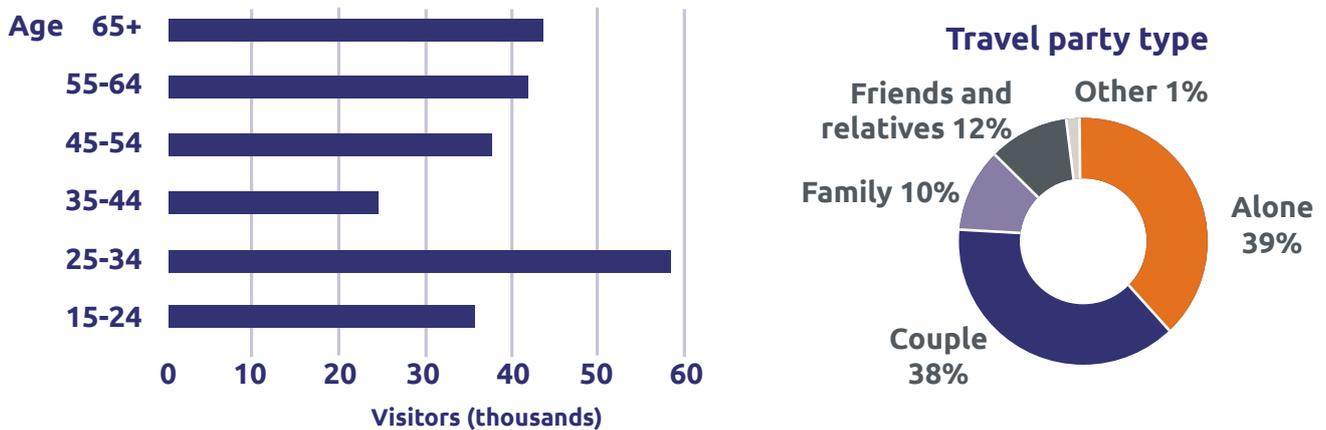
Source: Tourism Research Australia

International holiday visitors are most likely to stay in hotels (50 per cent). A significant proportion also stay in other commercial accommodation (32 per cent) for a part of their trip to the Northern Territory; this includes backpacker or hostel accommodation, caravan parks and guest houses.[7]

International holiday visitors are more likely to travel by air (53 per cent), with bus or coach (21 per cent) and private vehicle or rental car (20 per cent) also common modes of transport.

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[6] Backpackers are classified as visitors spending at least one night in backpacker or hostel during their trip.
[7] Includes visitors who stay one night in a type of accommodation during their trip.

Accommodation

Other private 16%

Other 1%

Friends or relatives 1%

Hotels 50%

Other commercial 32%

Mode of transport

Other 3%

Bus/coach 21%

Aircraft 53%

Rail 3%

Private vehicle or rental car 20%

Source: Tourism Research Australia

The Northern Territory's international visitors arrive predominantly from the traditional markets of the United Kingdom (15 per cent of all international holiday visitors), the United States (13 per cent) and Germany (11 per cent). Increasingly, the Territory has appealed to emerging markets like China and South East Asian countries – with visitor arrivals from these countries increasing over time. While arrivals from some countries declined over the twelve months to June 2018, as international visitors to the Northern Territory decreased overall, there remain pockets of growth, including from Japan and China.

Chart 2.10: International holiday visitor trips to the Northern Territory and percentage change over past twelve months, 2017-18
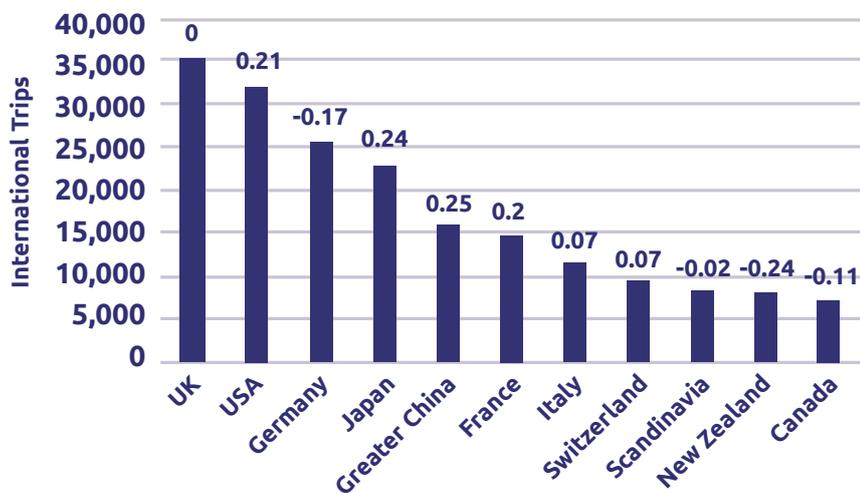
Source: Tourism Research Australia

Note: Greater China includes China, Hong Kong and Taiwan

Based on source market preferences, trends in visitation and aviation connections, Tourism NT focuses its activities on specific key markets. Its tier one priority markets include the United States and Greater China, which represent the greatest potential value for the Territory over the next decade. Tier two markets include the United Kingdom, Japan, Germany, France, Italy and New Zealand, reflecting Tourism NT's marketing and investment priorities informed by available research and insights.

2.4 Trends in visitation to the Northern Territory

Prior to 2013, domestic travel to the Northern Territory had remained relatively steady. After a slight decline from 2009 to 2011, the construction of INPEX's Ichthys LNG project from 2014 saw a significant increase in domestic visitors to the Northern Territory, largely for business purposes as fly-in fly-out workers arrived. At the same time, holiday visitation trended slightly upwards – potentially reflecting an increased number of holiday-related trips of Ichthys workers or their families.

Domestic expenditure in the Northern Territory trended lower from 2007 onwards, likely due to the Global Financial Crisis which saw a decline in consumer confidence. Expenditure increased from 2012-13 as Ichthys workers arrived in the Top End, although declined in the most recent period, as the Ichthys construction phase shifted to production.

Chart 2.11: Domestic overnight trips and domestic overnight expenditure, total and holiday, 2005-06 to 2017-18

Source: Tourism Research Australia

International visitation to the Northern Territory declined from 2006 onwards, although began to recover in 2012, potentially due to a number of Government initiatives to improve international visitation to the region. In 2013, the Northern Territory Government committed to providing additional funding for Tourism NT to increase international marketing activities, potentially improving international visitation to the region.[8]

International expenditure has been relatively flat over the last decade, ranging between $390 million and $470 million in the last five years. International visitor expenditure declined from 2009 onwards – possibly a delayed effect as trips pre-booked before the GFC ran their course.

Chart 2.12: International visitor trips and international visitor expenditure, total and holiday, 2005-06 to 2017-18
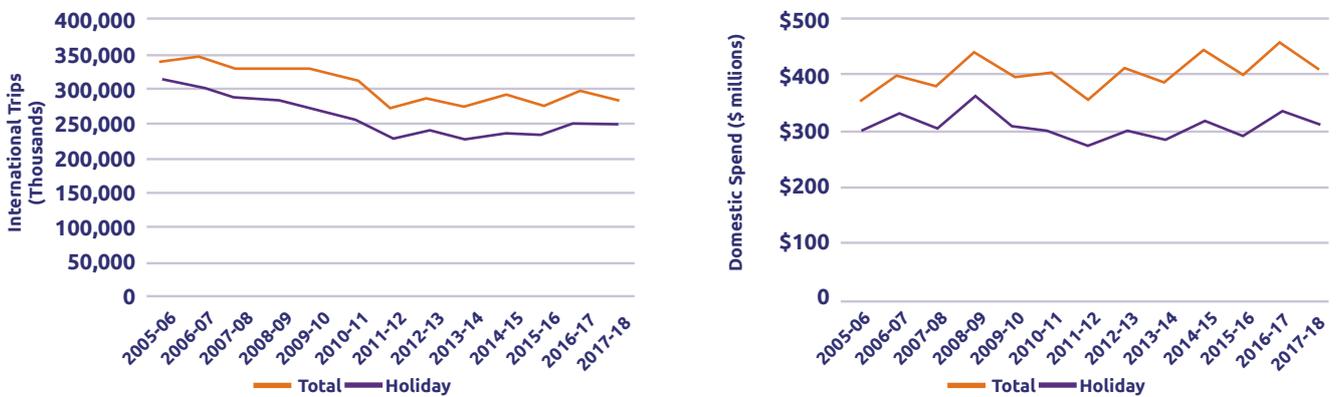
Source: Tourism Research Australia

[8] Department of Tourism, Sport and Culture, 'Tourism industry on road to recovery' (Media Release, 11 September 2013) <http://newsroom.nt.gov.au/mediaRelease/8609>.

3 Importance of tourism to the Northern Territory

3.1   For Northern Territory residents

A strong and competitive tourism industry has widespread benefits for local regions and their residents. Tourists arrive in the Northern Territory and spend money on attractions, meals and accommodation – leading to economic benefits. However, improvements in the tourism offering also enhance the Territory's liveability and enjoyment for locals. Tourism highlights the need for infrastructure investment and development. For example, infrastructure improvements on routes used by self-drive tourists can open up roads th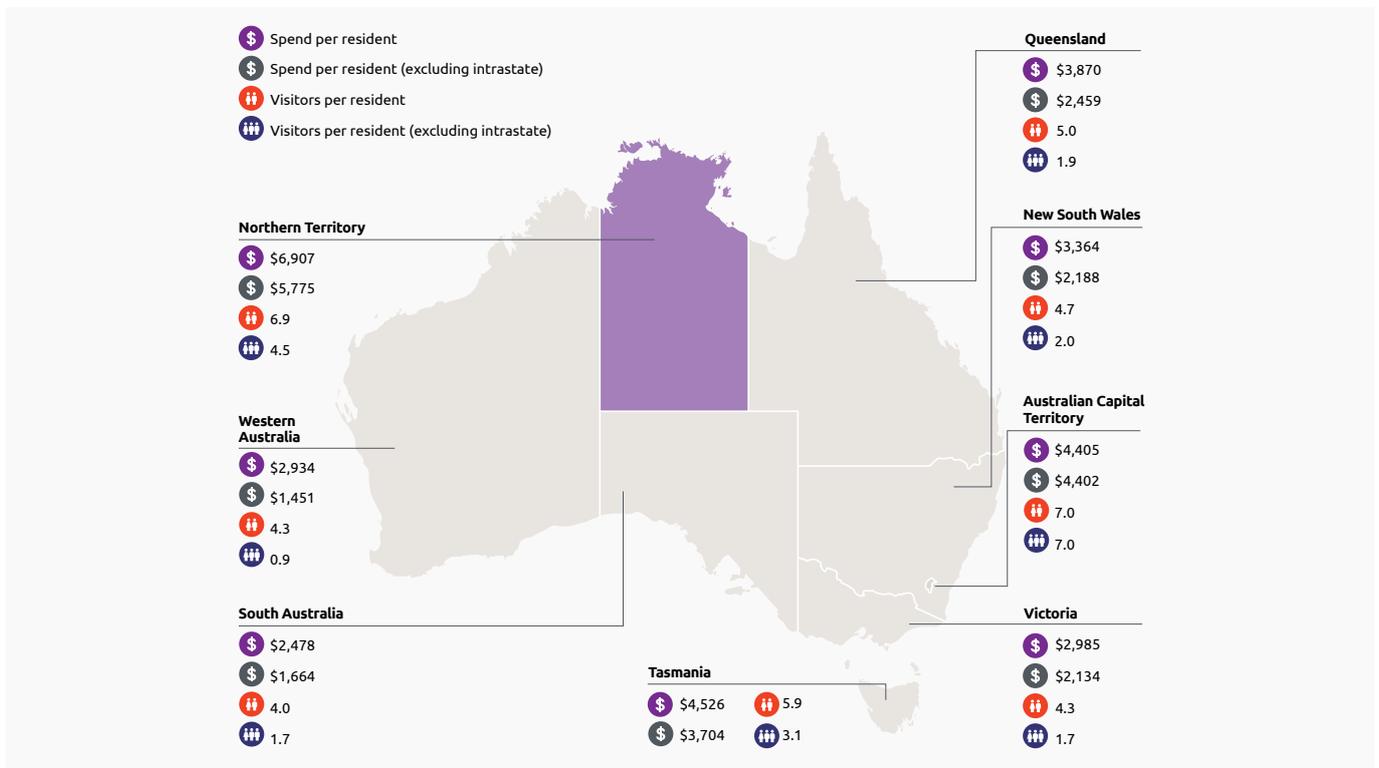at were previously inaccessible during wet periods, providing access to local communities and also enables Territorians to travel more easily for work and pleasure.

Tourism developments, such as art galleries or walking paths, can have tourism benefits through encouraging visitation and spend in the region. However these projects can also provide better facilities and experiences for Territorians. Enjoyable events make a destination attractive for tourists, and can also provide a vibrant and liveable location for residents.

A strong tourism industry also supports the Territory's local economy. Visitors arrive in the Territory and spend in its regions: in local cafes and restaurants, for retail purchases, tours and transport. The majority of tourism expenditure – $5 in every $6 – is sourced from interstate and overseas visitors.

Figure 3.1: Visitors and spend per resident in Australian jurisdictions, 2017-18

Legend:
- $ Spend per resident
- $ Spend per resident (excluding intrastate)
- Visitors per resident
- Visitors per resident (excluding intrastate)

Queensland
- $ $3,870
- $ $2,459
- 5.0
- 1.9

New South Wales
- $ $3,364
- $ $2,188
- 4.7
- 2.0

Australian Capital Territory
- $ $4,405
- $ $4,402
- 7.0
- 7.0

Northern Territory
- $ $6,907
- $ $5,775
- 6.9
- 4.5

Western Australia
- $ $2,934
- $ $1,451
- 4.3
- 0.9

South Australia
- $ $2,478
- $ $1,664
- 4.0
- 1.7

Tasmania
- $ $4,526   5.9
- $ $3,704   3.1

Victoria
- $ $2,985
- $ $2,134
- 4.3
- 1.7

Source: Tourism Research Australia and the Australian Bureau of Statistics[9]

The Territory has a significantly higher visitation per resident and spend per resident compared to other states. This remains the case even excluding intrastate travel, highlighting the importance of interstate and international tourism spending.

[9] Australian Bureau of Statistics, *Australian Demographic Statistics, June 2018*, cat. no. 3101.0 (20 December 2018).
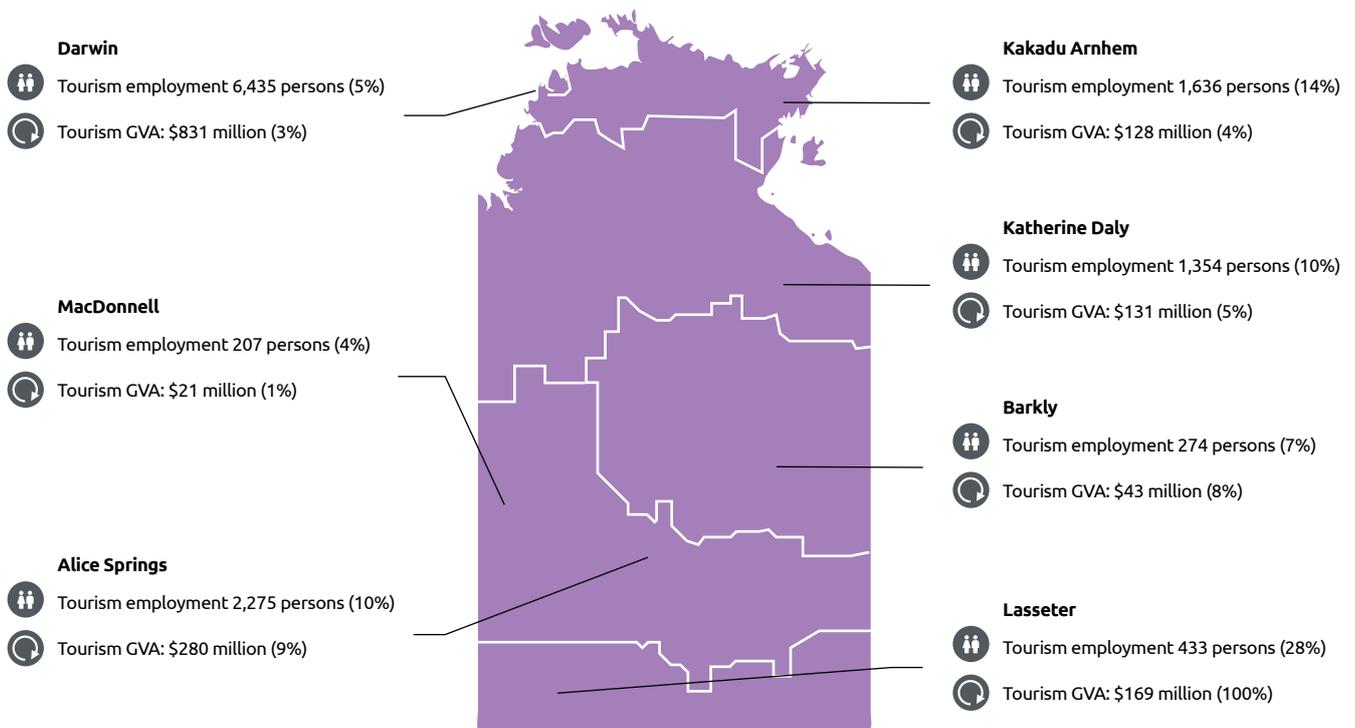
3.2   For the Northern Territory economy

The tourism industry is important to the Northern Territory's economy. In 2017-18, tourism accounted for 9.5 per cent of the Territory's economy, a higher proportion than any other jurisdiction with the exception of Tasmania. The tourism industry was worth $2.2 billion in gross value added, including $1.0 billion in direct contribution and a further $1.2 billion in indirect contribution. The tourism industry accounted for the employment of 17,100 persons in the Territory, directly and indirectly.[10]

The direct contribution reflects the 'contribution generated by transactions between visitors and producers for a good or service that involves a direct physical or economic relationship. The indirect contribution of tourism relates to flow-on effects created by the demand for inputs from industries supplying goods and services to tourists.[11] Every dollar spent in the industry creates additional value elsewhere in the economy: each tourism dollar accounts for 33 cents in direct value added, and the same amount again in indirect value added.[12]

While the tourism industry is important to the Northern Territory as a whole, it is also important to regional areas. Tourism accounts for 28 per cent of employment in Lasseter (the region surrounding Uluru-Kata Tjuta) and 14 per cent in Kakadu Arnhem, for example.

Figure 3.2: Tourism employment and total tourism gross value added, by tourism region, 2016-17

Darwin
Tourism employment 6,435 persons (5%)
Tourism GVA: $831 million (3%)

MacDonnell
Tourism employment 207 persons (4%)
Tourism GVA: $21 million (1%)

Alice Springs
Tourism employment 2,275 persons (10%)
Tourism GVA: $280 million (9%)

Kakadu Arnhem
Tourism employment 1,636 persons (14%)
Tourism GVA: $128 million (4%)

Katherine Daly
Tourism employment 1,354 persons (10%)
Tourism GVA: $131 million (5%)

Barkly
Tourism employment 274 persons (7%)
Tourism GVA: $43 million (8%)

Lasseter
Tourism employment 433 persons (28%)
Tourism GVA: $169 million (100%)

Source: Tourism Research Australia[13]

[10] Tourism Research Australia, *State Tourism Satellite Account: Northern Territory 2017-18* (2019) <https://www.tra.gov.au/tra/stsa/2017-18assets/pdf/nt.pdf>.
[11] Ibid.
[12] Ibid.
[13] Ibid.

4   Foundations of the strategy

4.1   Building on the Northern Territory's strengths

Tourism is a critical sector for the Northern Territory's economy, driving activity and growth across the region. The uniqueness of the Northern Territory and its comparative advantages provide significant potential for the industry.

The Northern Territory is culturally rich: a quarter of the Territory's population are Aboriginal Australians, compared to the national average of three per cent.[14] Research has found that the Territory is viewed as the best location in Australia to authentically experience Aboriginal cultures.[15]

Tourism Australia's Consumer Demand Project found that world class nature and wildlife are growing in importance as factors in travel decisions.[16] The Northern Territory is home to rare species of flora, native wildlife and birds. These offerings distinguish the Territory from other Australian locations, and particularly Uluru-Kata Tjuta and Kakadu National Parks, which have a longstanding reputation with international and domestic visitors. Findings from the market-led Consumer Demand Project have been overlaid against regional strengths as identified by the tourism industry in Figure 4.1, to provide an insight into areas of opportunity for Territory tourism.

Figure 4.1: Strengths of the Northern Territory's regions, as identified in forums

Aboriginal culture   Proximity to Asia   Natural landscape
Multicultural society   Military history   Lifestyle and wellness
Flora and fauna   Oldest living culture   World heritage
Undiscovered   Tropical weather   Adventure
Coast and rivers   Outback   Sophistication   Spiritual heart

Source: Deloitte Access Economics

Australia's tourism industry is expected to continue along its path of strong growth, with the Australian dollar forecast to remain low against the US dollar over the medium term, even as a greater level of uncertainty clouds the Australian and global economic outlook.[17] In the coming decades, around two billion people in Asia will join the middle class,[18] while the number of Chinese citizens holding passports is predicted to grow from 120 million today to 240 million by 2020.[19] As people become wealthier, they are more likely to spend more on discretionary goods such as entertainment or tourism. Provided aviation links are suitable, this places the Territory, as the closest Australian neighbour, in a position to capitalise on an increasing pool of global travellers, and particularly emerging Asian markets.

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[14] Australian Bureau of Statistics, *Census of Population and Housing: QuickStats, Australia, 2016*, cat. 2061.0 (27 June 2017).

[15] Instinct and Reason, *National demand for cultural tourism in Australia* (report commissioned by Tourism NT, 2017) <http://www.tourismnt.com.au/~/media/files/corporate/research/cultural-tourism-report-2016-17.ashx>.

[16] Tourism Australia, *Consumer Demand Project 2017: NT Report* (2017).

[17] Deloitte, *Tourism and hotel market outlook – Edition 1, 2019* (2019) <https://www2.deloitte.com/au/en/pages/consumer-industrial-products/articles/tourism-hotel-outlook.html>.

[18] Homi Kharas, *The unprecedented expansion of the global middle class* (28 February 2018) Brookings Institute <https://www.brookings.edu/wp-content/uploads/2017/02/global_20170228_global-middle-class.pdf>.

[19] David Ramli and Jackie Simmons, 'Ctrip Sees Surge in New Chinese Passports Spurring Tourism Boom', *Bloomberg* (online), 25 January 2018 <https://www.bloomberg.com/news/articles/2018-01-25/ctrip-sees-surge-in-new-chinese-passports-spurring-tourism-boom>.

4.2   Current and future industry context

A number of factors will shape the tourism landscape over the life of the strategy, and therefore the considerations which need to be taken into account in developing the *NT's Tourism Industry Strategy 2030*.

Competition for tourists is growing both globally and nationally. The United Nations' World Tourism Organization reported that 1.3 billion international visitors travelled in 2017, with arrivals expected to reach 1.8 billion by 2030.[20] While the number of travellers is increasing, as is the competition – with many countries and regions recognising the importance of tourism for economic prosperity, and implementing strategies to increase their competitiveness and appeal. The Northern Territory will need to continue to differentiate its product, lift the quality of its products and experiences, and target its marketing to reach a growing pool of tourists: a pool which is open to choosing more locations than ever before.

Technology has changed how consumers plan, travel and consume goods and services. Digital technologies such as virtual reality will influence destination marketing, while big data applications will continue to provide customer insights and provide new tools to businesses and governments alike. The sharing economy – including Airbnb and Uber, but also other platforms – must be considered in planning as its reach increases. It is crucial that technology is not only accounted for in actions under the *NT's Tourism Industry Strategy 2030*, but that all travellers and tourism businesses are connected online to meet customer expectations and enable businesses to deliver quality products – as social media continues to be a central marketing tool. This is particularly important in the Northern Territory, as multiple regions have limited internet and/or phone connections, restricting tourism operators and their ability to effectively and efficiently function.

The aviation sector is changing globally, with airlines redesigning routes to optimise capacity and efficiency. Aviation access has always played a vital link in the Northern Territory; Darwin International Airport has forecast passenger movements to Darwin to almost triple by 2037.[21] As aircraft technology improves, more destinations become accessible using narrow-body aircraft, opening up the region to tourists from new Asian destinations.

Climate change is likely to impact travel and economies in the long term. The impacts of climate change in the Northern Territory – including a warmer climate and more extreme events[22] – could affect consumer travel behaviour, either acting as a deterrent, or affecting the customer experience while on holiday. It is important that future decision-making takes climate change into account, addressing its potential effects on the tourism industry.

In addition to trends affecting the tourism industry globally, there are factors influencing tourism specific to the Northern Territory.

Its demand profile is continuing to shift, as major projects have driven increased travel, resulting in significant changes to the mix of visitors and large contractions in the level of activity after projects conclude. This highlights the need to shift the Northern Territory's focus back to the holiday market. However, consultations revealed that Darwin is sometimes perceived as a stopover destination on the way to other parts of the Northern Territory, while negative perceptions around the Territory's value proposition compared to its cost place barriers on travel for both domestic and international holidaymakers.[23]

Physical access to the Northern Territory also remains a challenge. The Northern Territory's small population means that there is a smaller base of travellers to support outbound aviation services.

[20] World Tourism Organisation, *UNWTO Tourism Highlights 2018 Edition* (2018) <https://www.e-unwto.org/doi/pdf/10.18111/9789284419876>.

[21] Darwin International Airport, *Master Plan* (6 September 2017) <https://www.darwinairport.com.au/corporate/planning>.

[22] CSIRO, *Climate change in Australia's Top End* (2014) <https://publications.csiro.au/rpr/download?pid=csiro:EP1310385&dsid=DS2>.

[23] Tourism Australia, *Consumer Demand Project 2017: NT Report* (2017); Tourism Research Australia, *Driving dispersal of international visitors to South Australia and Northern Territory* (2014) <https://www.tra.gov.au/Archive-TRA-Old-site/Research/View-all-publications/All-Publications/driving-dispersal-of-international-visitors-to-south-australia-and-northern-territory>.

International visitors consider that the long flights and expansive geography of the Territory make it a difficult location for travellers.[24] Some Australian cities have a limited number of direct flights to the Territory, creating constraints for domestic holidaymakers. Airlines continually review routes, presenting both opportunities and challenges for the Northern Territory; as a result, it is crucial to build demand for air services between destinations. Challenges with physical access also extend to roads: the quality of road infrastructure across the Top End means that certain areas are only accessible during the winter season, limiting opportunities to attract visitors in the off-peak, while industry reported that unsealed or ageing roads pose barriers in promoting drive holidays or routes.

Also affecting demand for holiday travel is seasonality, with a significant gap between the number of visitors in the winter and summer months. Seasonality is a particular challenge in the Top End, especially where infrastructure (e.g. in Kakadu or across Arnhem Land) do not allow for passage during the summer months. Seasonality also affects employment, with industry citing high employee turnover and the inability of businesses to retain skilled staff throughout the off-peak season as challenges. Operators in certain regions struggle to attract local staff and are therefore required to hire from interstate and overseas; however, employees sometimes leave soon after arriving, meaning that employers are constantly re-training and re-hiring staff.

The Territory's unique approach to land tenure through the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA) provides Traditional Owners with control over developments on their land. A current challenge regarding land tenure relates to the town of Jabiru, where the mining lease is due to expire in 2021, creating a lack of certainty for potential investors. While some years away, consultees reported similar challenges in Nhulunbuy, where leases are due to expire in 2053. While acknowledging the importance of consultation with Traditional Owners and their sovereignty over their land, industry also noted difficulties with investing and developing new experiences on Aboriginal land, due to the time and requirements for section 19 leases under ALRA.

4.3   Implications for the strategy

The *NT's Tourism Industry Strategy 2030* sets out priorities and actions for the tourism industry for the next decade. The strategic framework itself must take into account current trends and forecasts, but must also be adaptable to changing conditions. While the factors outlined in this chapter set the foundations of the *NT's Tourism Industry Strategy 2030*, it will be important to revisit these over time.

Given the significance of the tourism industry in the Northern Territory, its increasing importance to both the local and Australian economies, and continued worldwide growth in visitation, it is crucial that industry and government work together to support the sustainable growth of the sector. The *NT's Tourism Industry Strategy 2030* sets out the blueprint for continued collaboration and actions to materially contribute to the next phase of the tourism industry's development in the Northern Territory.

Civic Park, Darwin Festival.

[24] Ibid.

5 NT's Tourism Industry Strategy 2030

5.1 Strategic framework

The *NT's Tourism Industry Strategy 2030* strategic framework is designed to unite efforts across the public and private sectors, with priority objectives and actions targeted towards shifting the current performance of the tourism sector in the Northern Territory to one of sustainable growth. The strategic framework reflects perspectives shared during consultations, and was confirmed in collaboration with both industry and government.

The strategic framework incorporates six priority objectives that, if delivered, will make a material impact on the trajectory of tourism in the Northern Territory, and four pillars which underpin the framework. Within each priority objective are specific actions to achieve identified goals in the short, medium and long term, while the pillars reinforce the actions identified within key priorities to underpin the strategy's success. These priority objectives, actions and pillars are described over the subsequent sections in the strategy.

Figure 5.1: *NT's Tourism Industry Strategy 2030* strategic framework
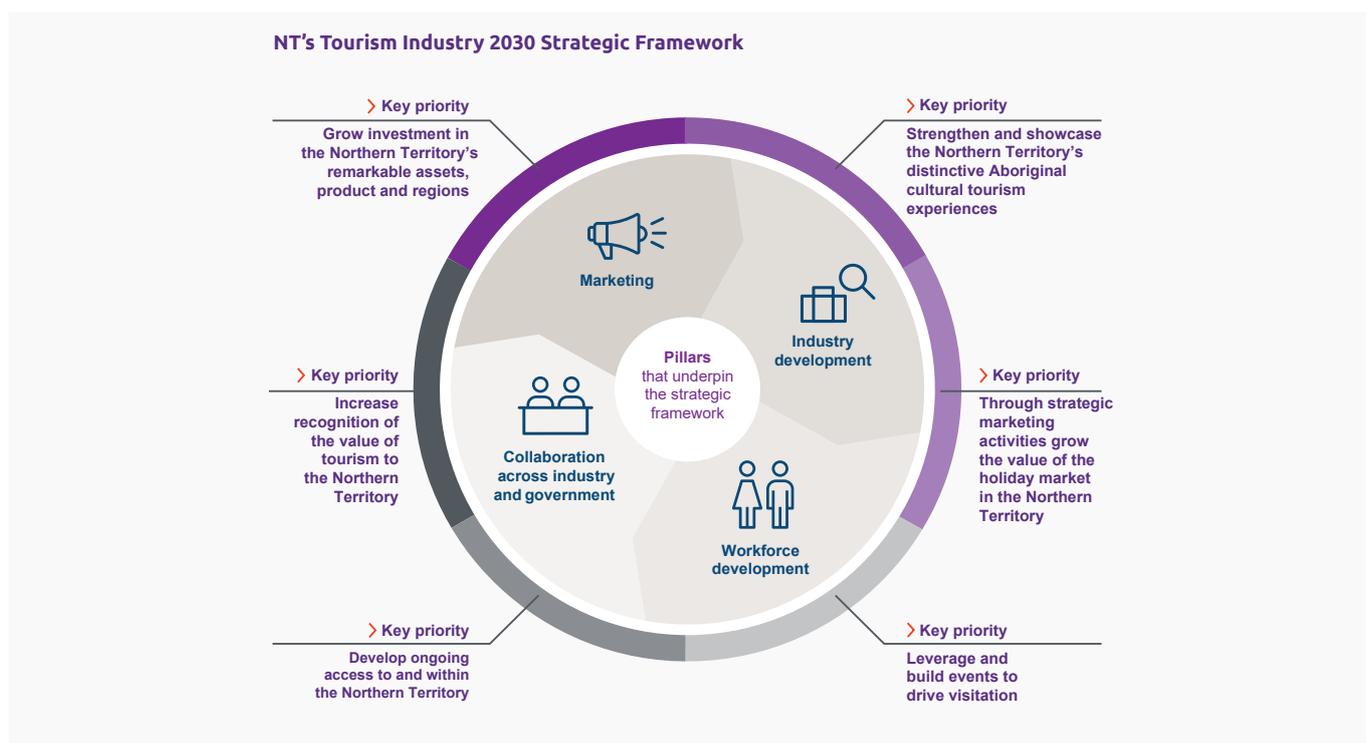
Core considerations that have informed the strategy include building industry capability, defining roles and responsibilities across the public, not-for-profit and private sectors, and driving investment in tourism product and infrastructure to highlight the Northern Territory's unique value propositions.

Reflecting the perspectives and insights of industry and the need for more sustainable and profitable businesses, the strategy also aims to step away from a seasonal mindset: actions are geared towards extending the Territory's peak tourism season, or mitigating seasonal impacts in their entirety.

Delivering the priorities under the *NT's Tourism Industry Strategy 2030* will require action from both industry and governments. Collaboration across and within industry and government will be crucial to the strategy's success. Specific actions outline responsibilities across industry and local, Territory and Australian governments, as well as other partners including Land Councils.

The overarching responsibility for coordinating the implementation, reporting and regular review of the strategy will lie with the Department of Tourism, Sport and Culture; however, industry will play a core role in these activities, with Tourism Top End and Tourism Central Australia supporting industry in taking action to meet the strategy's objectives.

5.2   Priority objectives

5.2.1   Priority: Grow investment in the Northern Territory's remarkable assets, product and regions

Investment into key attractions and regions can drive holiday visitation to the Northern Territory. Core to the *NT's Tourism Industry Strategy 2030* is targeted investment by government and the private sector in the Northern Territory's remarkable product and regions – which has the capacity to drive significant increases in visitation – thereby supporting further investment in the surrounding regions and complementary experiences, spreading the benefits of a growing tourism sector more broadly.

Darwin is home to a world-class convention centre, a casino, numerous attractions and cruise terminal facilities, and is the gateway to the Top End, including popular parks such as Kakadu and Litchfield. At the heart of the Northern Territory is the world famous icon, Uluru, while Alice Springs will be home to Australia's National Aboriginal Art Gallery and Cultural Centre.

The strategy's focus in the short term is to set the foundation for these targeted investments. In the medium and longer term, the emphasis shifts to shaping and ensuring these critical investments are delivered and that further related opportunities are identified and supported.

Why is this a priority?

5% annual increase in visitation to Uluru over the past five years, following capital upgrades worth $90 million at Ayers Rock Resort.[25]

	2019-2020	2021-2025	2026-2030
GOALS	**Short term** Set the foundations for investment	**Medium term** Secure investment in remarkable assets, product and regions	**Long term** Deliver investment in remarkable assets, product and regions
ACTIONS	Streamline and enhance the investor journey through collaboration between Land Councils, Traditional Owners, governments and investors		
	Develop destination management plans	Identify priority segments for the Northern Territory	Renew destination management plans as required
		Deliver new experiences and product as required in destination management plans	
	Develop an annual priority project listing	Deliver identified priority infrastructure projects	
	Develop and implement a facilitated investment process for priority projects (government and private led projects)		
DELIVERY PARTNERS	Department of Trade, Business & Innovation, NT Land Councils, Tourism NT, Australian Government, Regional Tourism Organisations and Tourism Industry		
OUTCOMES	Increased visitation and expenditure in all Northern Territory tourism regions	Increased private sector investment in all Northern Territory tourism regions	Increased visitor satisfaction with Northern Territory tourism experiences

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[25] Indigenous Land Corporation, Submission 66 to Joint Standing Committee on Northern Australia, *Inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia,* 23 July 2017.

Streamline and enhance the investor journey through collaboration between Land Councils, Traditional Owners, governments and investors

There are a number of steps between the initial idea and reality for any investment, whether in the tourism industry or elsewhere. In the Northern Territory, one of the key stages in the investor journey is seeking approval from Traditional Owners under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA) for developments on Aboriginal land. It is important to consult with Traditional Owners and Land Councils not only to satisfy the Act, but out of respect for Traditional Owners and their sovereignty over their land.

Industry reported challenges in investing and developing new experiences on Aboriginal land due to the time and requirements under section 19 of ALRA, with some developments not proceeding at all, or taking many years to do so. This highlights the need to consider how the process can be streamlined and enhanced, while maintaining the importance of working with and obtaining approval from Traditional Owners.

What is the next step?

- Consult with and support traditional owners and land councils to better access Aboriginal Land for tourism activities.

Develop and renew destination management plans

Destination management plans are strategic documents which review a destination's key strengths and assets, and provide recommendations as to opportunities, gaps and potential investments in order to meet visitor demand. For example, a destination management plan may identify required product and infrastructure, distinguish a destination's priority segments, or establish a timeline for strategic action.

Destination management plans are already in place across many of Australia's key tourism destinations, including in regional areas. Their development in the Northern Territory's destinations is crucial to guide future activities at a regional level, and to encourage dispersal across the Territory by providing compelling reasons to visit different regions within the Territory. Plans can also address seasonality seen across much of the Top End, identifying potential tourism product and required infrastructure to mitigate seasonal visitation. Regional tourism associations (RTOs) will be key partners in developing and implementing destination management plans.

Regular renewal of destination management plans is also important such that the Northern Territory's destinations are regularly assessing how to adapt to and respond to the competitive landscape and changing consumer preferences.

How will destination management plans be developed and implemented?

- DTSC to develop destination management plans progressively for key regions, in consultation with RTOs, local councils, industry and the community.
- Destination management plans to identify responsibilities for different actions, although DTSC maintains overall responsibility for the plan.
- Destination management plans to be renewed every three to five years as required.

In particular, destination management plans will:

- Identify investment-ready opportunities across regions, including new experiences and products to be delivered by the private sector, and core infrastructure to be delivered by the public sector.
- Identify priority segments for the regions.

Identify priority segments for the Northern Territory

Another core outcome of destination management plans is the opportunity to identify relevant priority segments at a regional level – sectors which could be aggregated and also considered at a Northern Territory level. Presently, DTSC pursues a number of segments, with resources spread too thinly to make an impact. The development of destination management plans will refocus efforts on the Northern Territory's strengths, enabling both individual regions and the Northern Territory as a whole to attract more visitors in priority segments.

Which priority segments were identified as potential areas of focus in consultation?

- heritage tourism (military and pioneering)
- youth tourism (international study tours and domestic edu-tourism)
- adventure and outdoors (fishing, birdwatching, mountain biking, hiking and 4WDing)
- food and drink
- agri-tourism.

Deliver new experiences and products as required in destination management plans

Destination management plans not only guide government activities in a tourism region, but also those of the private sector. They will identify the new experiences, infrastructure and tourism products which require involvement and investment by businesses. The destination management plans will help identify areas where greater collaboration is needed in the regions. While larger investments may be supported by a whole-of-government approach (e.g. where government assists with negotiating leases under ALRA), equally important are smaller investments in product or the destination which make up the visitor experience in a particular destination. These investments are needed to differentiate the Northern Territory, improve the visitor experience and attract more visitors over time. There should also be a focus on engaging the local industry in meeting demand for new tourism product and infrastructure, as well as international developers for larger investments.

What is the role of industry in upgrading or developing products and experiences for tourists?

- Participate in the development of destination management plans for the regions in which you operate.
- Engage with the final destination management plan to help guide any investment decisions, together with other relevant information.
- Access the available government support when considering an upgrade or developing new products for tourists.

DTSC will assist businesses by delivering a Business Enterprise Program that educates and supports the tourism industry to develop, grow and deliver a world class visitor experience. DTSC will work with its stakeholders such as the Department of Trade, Business and Innovation (DTBI), Hospitality NT and the RTOs to support tourism businesses across the Northern Territory.

Develop an annual priority project listing

While destination management plans will identify key investments required in different regions, it will be crucial for some to be delivered within a certain timeframe to meet urgent needs in the region. DTSC will develop a list of priority projects on an annual basis, based on those projects noted in destination management plans, consultation with RTOs, and submissions from proponents.

What might be the criteria for annual priority projects?

- Attractions or experiences which will materially drive visitation in a region.
- Core infrastructure projects which meet an identified need in a region.
- Projects which are subject to a certain timeframe.

Develop and implement a facilitated investment process for priority projects (government and private sector led projects)

To expedite the realisation of priority projects, the Northern Territory Government will adopt a whole-of-government approach to make those opportunities investment-ready. This facilitated investment process may include processing relevant planning approvals, obtaining a section 19 lease, or approving other licences as necessary, in a thorough but time-sensitive manner. DTSC will design and coordinate the facilitated investment process, together with input from other relevant agencies and departments which are involved with tourism priority projects.

For projects which do not yet have a proponent, DTSC and DTBI can jointly seek potential developers and investors (both locally and internationally) for priority projects, and that are attractive from an investment perspective.

What are the potential benefits of the facilitated investment process?

- Increased recognition of the importance of priority tourism projects in a region.
- Coordinated responses from government departments and agencies, and increased collaboration between departments and agencies, in relation to the project.
- Increased responsiveness or timeliness in terms of necessary government approvals, as appropriate.

Deliver identified priority infrastructure projects

The delivery of priority infrastructure projects has the potential to significantly impact visitation to regions – whether by meeting identified and crucial needs, or driving material gains in visitation through new products and experiences.

While priority projects will be determined on an annual basis, a number of potential inclusions were identified throughout the consultation phase of the *NT's Tourism Industry Strategy 2030.* These included core infrastructure and tourism product in:

Kakadu National Park and Jabiru
With the closure of the Ranger mine, the future of Jabiru is a critical question for operators both in the town and throughout the rest of Kakadu National Park. Initiatives identified in the *Jabiru Masterplan*, as well as planned investments by the Australian Government, could reverse declining visitor numbers and restore Kakadu National Park as an anchor for Australian and Northern Territory tourism. Challenges addressed include the township lease for Jabiru, ageing core infrastructure (e.g. roads) and tourism product (e.g. accommodation).

Uluru-Kata Tjuta National Park and Yulara
Uluru's national icon status, paired with an increasing number of quality experiences, has supported strong tourism industry outcomes, reflected in growing visitor numbers and aviation capacity. A masterplan is currently under development for the future of Yulara. Current infrastructure makes expansion a difficult proposition – worker accommodation in particular is stretched and facilities at the Voyages resort complex are also close to capacity – but more rooms and additional experiences will likely be needed in the medium term to cater for growing demand.

Darwin CBD
The Darwin City Deal, signed in late 2018, provides a ten-year plan which positions Darwin as a vibrant and liveable tropical city. Boosting the visitor economy is a central city-wide commitment of the City Deal and many of the initiatives will create new experiences and enhance urban amenity for locals and visitors alike. While funding has been pledged by the Northern Territory Government, the Australian Government and the City of Darwin, these commitments may be a catalyst for further public or private sector investment which would benefit the visitor economy. For example, a lack of cultural and all-weather experiences in Darwin could be addressed through a new Larrakia Cultural Centre.

Alice Springs
The National Aboriginal Art Gallery in Alice Springs is anticipated to be the centrepiece of the Territory's Aboriginal Arts Trail. Its ambition is to be a globally significant Australia-wide art collection from the world's oldest continuous culture, brought together under one roof. The Gallery will have the potential to drive a significant increase in visitation to Alice Springs, and encourage visitors to extend their trips to Central Australia.
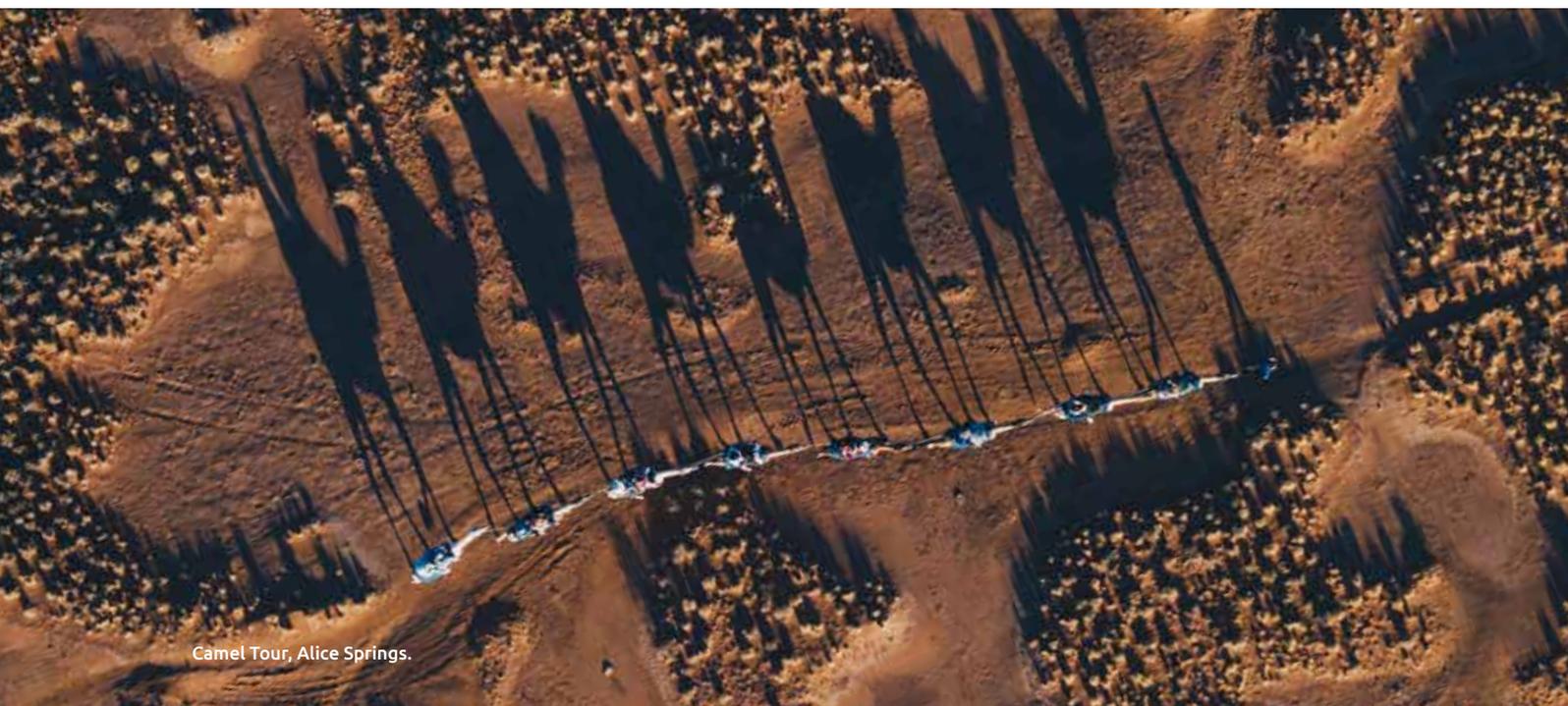
Camel Tour, Alice Springs.

Outcomes

Growing investment in the Northern Territory's remarkable assets, products and regions is intended to lead towards three key outcomes, as the foundations for investment are set in the short term, investment is secured in the medium term, and delivered over the duration of the strategy. The three key outcomes of this priority include:

- **Increased visitation and expenditure in all Northern Territory tourism regions:** investment in new products and experiences should generate increased visitation and therefore expenditure in the Northern Territory. While these increases may be initially focused in the tourism regions where investment is occurring (including Greater Darwin, Alice Springs MacDonnell, Lasseter and Kakadu Arnhem), over the longer term visitors may disperse to surrounding regions (including Barkley and Katherine Daly).
  Progress will be measured through the National Visitor Survey and International Visitor Survey, Tourism Research Australia.
- **Increased private sector investment in all Northern Territory tourism regions:** core to the success of the *NT's Tourism Industry Strategy 2030* is greater investment from the private sector, with government playing a supporting role by providing the right settings and infrastructure to enable development of the industry.
  Progress will be measured through reporting related to destination management plans.
- **Increased visitor satisfaction with Northern Territory tourism experiences:** new products and investments in existing product should also lead to increased visitor satisfaction with tourism experiences in the Northern Territory as a whole. With many existing products across the Territory ageing, and an increasingly competitive tourism landscape, investment in experiences is crucial to satisfy and engage visitors.
  Progress will be tracked using ReviewPro.

5.2.2 Priority: Strengthen and showcase the Northern Territory's distinctive Aboriginal cultural tourism experiences

The unique Aboriginal cultures of the Northern Territory are important features of the region. The Territory offers a number of distinctive Aboriginal tourism experiences, and has the potential to offer many more, given it has the greatest proportion of Aboriginal residents of any state or territory. Demand for cultural tourism experiences is increasing: consumer research indicates that history and cultural experiences are amongst the most popular among international visitors.

In the short term, the *NT's Tourism Industry Strategy 2030* will look to embrace the Territory's unique Aboriginal cultures and develop supply-side capability. In the following years, capacity within Aboriginal tourism needs to be built, along with an increased diversity of offerings to visitors. Ultimately, the strategy will look to establish the Northern Territory as Australia's leader in Aboriginal tourism, and maintain consistent support for operators to underpin the sustainability of the sector. The actions outlined will be supported by the Aboriginal Tourism Strategy, which identifies a number of specific initiatives.

Why is this a priority?

85% of respondents believed that the Northern Territory was the best place to experience Aboriginal culture.[26]

142,000 domestic travellers experienced Aboriginal art, craft and cultural displays in the Territory in 2018.

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[26] Instinct and Reason, *National demand for cultural tourism in Australia* (report commissioned by Tourism NT, 2017) <http://www.tourismnt.com.au/~/media/files/corporate/research/cultural-tourism-report-2016-17.ashx>.

	2019-2020	2021-2025	2026-2030
GOALS	**Short term** Embrace the NT's distinctive Aboriginal cultures and develop supply-side capability	**Medium term** Build capacity and diversity in Aboriginal tourism and increase offerings	**Long term** Establish the NT as a destination with a strong Aboriginal tourism offering and maintain consistent support for operators
ACTIONS	Articulate benefits of building and featuring the Territory's Aboriginal cultural tourism experiences		
	Support the maintenance of cultural practice		
	Identify gaps in Aboriginal tourism product	Encourage development of Aboriginal tourism product to meet gaps	
	Review skills and training support needs	Deliver necessary training	
	Review business support needs	Deliver business support or common services	
		Establish a representative structure for Northern Territory Aboriginal tourism	
		Support development of partnerships between Aboriginal and non-Aboriginal operators and workers	
	Showcase Aboriginal culture through events, experiences and attractions		
DELIVERY PARTNERS	Aboriginal Tourism Advisory Council, Tourism NT, Australian Government, Regional Tourism Organisations and Tourism Industry		
OUTCOMES	Northern Territory is the leading destination to experience Aboriginal culture	Increased proportion of interstate and international visitors experience Aboriginal culture in the Northern Territory	Number of Aboriginal tourism products in the distribution chain has increased

Articulate benefits of strengthening and featuring the Territory's Aboriginal cultural experiences

Strengthening and featuring Aboriginal culture as part of the Territory's tourism offering has benefits not just for Aboriginal tourism operators, but for the broader industry as well. Tourists who are attracted to visit the Northern Territory for an Aboriginal cultural experience are also likely to seek out other tourism products, to spend money on accommodation and travel, and to purchase additional goods and services during their trip. In addition, many Aboriginal tourism experiences are in the Northern Territory's remote and regional areas, providing benefits to local communities which may not otherwise see the benefits of tourism. An increase in the rate of Aboriginal employment can lead to economic benefits for those employed and their families, as well as flow-on benefits such as improved physical and mental health, improved subjective wellbeing and higher rates of home ownership.[27] With Tourism NT research showing that 85 per cent of survey respondents believe the Northern Territory is the best place to experience Aboriginal culture, it makes sense to focus on that culture as a unique selling point of the Territory.

How can all businesses in the tourism industry further embrace the Northern Territory's Aboriginal cultures?

- Engage with Aboriginal tourism operators, guides and custodians during tours.
- Collaborate with Aboriginal custodians to increase knowledge and understanding of Aboriginal cultures, creation stories and cultural protocols.
- Feature Indigenous-produced native bush foods or Aboriginal cooking techniques at cafes, bars and restaurants.
- Incorporate authentic Aboriginal artwork or design in airports, visitor centres, hotels and other venues.
- Promote authentic Aboriginal arts and crafts in retail outlets.
- Open events and tours with a Welcome and Acknowledgement of Country.

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[27] Matthew Gray, Boyd Hunter and Nicholas Biddle, *The economic and social benefits of increasing Indigenous employment* (CAEPR Topical Issue No 1/2014, Centre for Aboriginal Economic Policy Research, ANU College of Arts & Social Sciences, 2014) <https://openresearch-repository.anu.edu.au/bitstream/1885/114086/1/Topical_Issue_1-2014.pdf>.

Support the maintenance of cultural practice

Tourism provides an opportunity for Aboriginal people to pass on knowledge of their language and culture – both to tourists, and even to the local Aboriginal community – while generating economic opportunities for Traditional Owners.

However, the maintenance of cultural practice must also be supported more broadly, through the provision of appropriate education and the sharing of knowledge on country. This support then enables Aboriginal people to participate in tourism enterprises, helping to avoid the loss of culture and instead assisting to maintain that culture and share it with others.

What are the next steps?

- The *Aboriginal Tourism Strategy* to identify an action plan to support the maintenance of cultural practice, enabling the development of Aboriginal tourism.

Identify gaps in Aboriginal tourism product

Destination management plans are currently in development or are intended to be developed across the Northern Territory's tourism regions. Destination management plans will outline a region's strengths and associated priorities in order to provide a pathway forward for investment and growth.

While intended to consider tourism in a broad sense, each destination plan can also consider the value proposition, current offering and potential opportunities for Aboriginal tourism in the region. This will guide the development of new Aboriginal tourism product across the Northern Territory.

How will destination management plans identify gaps in Aboriginal tourism product?

- Aboriginal Tourism Advisory Council (ATAC), Aboriginal tourism operators, Traditional Owners and Land Councils to be consulted when developing destination plans across the Northern Territory.
- Destination management plans to consider consumer preferences in relation to Aboriginal tourism experiences when identfying gaps and determining priorities in individual regions.
- The outcomes of the *Aboriginal Tourism Strategy* will be considered when developing destination management plans.

Encourage development of Aboriginal tourism product to meet gaps

In the short and medium term, our focus needs to shift from identifying gaps in Aboriginal tourism product towards seizing those opportunities. While government may play a supporting role in ensuring the settings for investment are right – for example, through providing the necessary basic infrastructure as identified in destination management plans – it is industry's role to develop the unique experiences which the Northern Territory needs to become Australia's leader in Aboriginal tourism.

What is the approach to developing or upgrading Aboriginal tourism product?

- DTSC to work with other Australian or Northern Territory government departments and agencies and to advocate for upgrades to necessary basic infrastructure which will enable the development of Aboriginal tourism product.
- DTSC (and other government departments and agencies as required) to implement actions identified in the Aboriginal Tourism Strategy to remove or reduce barriers to the investment in and development of Aboriginal tourism product.
- DTSC to publish identified opportunities in Aboriginal tourism resulting from finalised destination management plans, and market major opportunities to investors and operators.
- Industry to consider gaps and opportunities published in destination management plans, and develop or upgrade Aboriginal tourism product.

Review skills and training support needs

Industry and government have identified challenges in the delivery of Aboriginal tourism experiences in the Northern Territory – from the ability to book experiences online in key tourism destinations, to the ability to deliver these experiences consistently at scale and to the standard expected by visitors.

A holistic review should be undertaken to consider the training currently available to Aboriginal tourism enterprises and workers and the skills needs of those enterprises and workers. The review will identify the skills and knowledge gaps across the workforce and industry, and recommend whether new training programs should be developed or existing qualifications tailored to suit the needs of tourism workers and enterprises. It is important that the skills and knowledge taught in any program considers the needs of Aboriginal tourism workers and enterprises specifically.

What are the next steps?

- ATAC to coordinate a review or survey of the skills needs and knowledge gaps across the workforce and business owners.
- DTSC and DTBI to jointly undertake a review of the current suite of government and industry programs delivered to Aboriginal tourism enterprises and workers, including both specific tourism and other available programs in the Northern Territory and Australia.
- DTSC and DTBI to recommend how skills needs and knowledge gaps should be addressed.

Deliver necessary training

Following the completion of the review, implementation of the recommendations are the next stage in the short to medium term. The recommendations made may relate to the development of new programs and qualifications, changes to how existing programs and qualifications are designed or delivered, or other solutions which address the identified skills needs.

Depending on the nature of the recommendations, it may be necessary to adopt a multi-agency approach to training; in the longer term, training may be managed by an Aboriginal tourism representative structure.

How will this interact with programs delivered across the broader tourism sector?

- In some cases, Aboriginal tourism workers and enterprises may have different training requirements compared to the broader sector. It may be appropriate to deliver specific training or qualifications in these situations.
- Aboriginal tourism workers and enterprises should continue to participate in initiatives designed for the broader tourism sector, or for businesses across the Territory when suitable.

Review business support needs

A range of programs are available to support enterprises throughout the business lifecycle. Aboriginal businesses (as defined by Indigenous Business Australia) may benefit from or require additional support, in order to become leaders in the Australian tourism industry.

Led by DTSC and ATAC, a review will be undertaken as to the specific business services or mentoring required to support Aboriginal tourism enterprises. The review will be focused on the specific support required for tourism enterprises, as opposed to generalist business support. The purpose of providing business support is to enhance opportunities for Aboriginal Territorians, while supporting a key objective of the *NT's Tourism Industry Strategy 2030* and enabling Australians and international visitors to experience Aboriginal cultures in the Northern Territory. The review will specifically consider whether financial or other support is required to encourage the development or upgrade of Aboriginal tourism product, such as the Aboriginal Business Development Program (ABDP) or programs delivered through Indigenous Business Australia (IBA).

What might business support look like for Aboriginal tourism businesses?

The following suggestions were raised in the consultation phase of the *NT's Tourism Industry Strategy 2030*:

- Mentoring for new and established Aboriginal tourism businesses
- Shared booking, accounting or marketing services through a platform such as IBA's Cooee Traveller
- Business management skills training
- Finance and partnership arrangements
- Participating in international and domestic trade activities
- Succession planning.

Deliver business support or common services

Following the completion of the business support review, any recommendations as to the necessary business support required should be implemented. Depending on the nature of the business support suggested, it may be appropriate to leverage services already delivered (e.g. partner with IBA), or to provide similar services to all tourism businesses, rather than limiting support to Aboriginal tourism businesses. The appropriate body to deliver business support or services will depend on the recommendations of the review, however, it is important that services are tailored to the tourism industry.

What is the role of Aboriginal tourism businesses in the NT's Tourism Industry Strategy 2030?

- Ensuring more domestic and international visitors can experience Aboriginal cultural experiences in the Northern Territory.
- Providing unique Northern Territory Aboriginal experiences which are not available elsewhere in Australia.
- Differentiate the Northern Territory's distinct Aboriginal tourism offering through engaging with trade and consumers.

Establish a representative structure for Northern Territory Aboriginal tourism

The establishment of a representative structure to oversee the development of Aboriginal tourism would assist in elevating the Northern Territory's Aboriginal tourism offering by supporting the delivery of culturally appropriate business support, delivering holistic marketing for the sector, assisting with industry development activities, and representing the needs of the industry to government. DTSC, together with ATAC and Aboriginal tourism operators, should explore the benefits of establishing a representative structure for Northern Territory Aboriginal tourism operators.

What could be the role of a representative structure for Northern Territory Aboriginal tourism?

- Supporting Tourism NT in marketing Aboriginal experiences in a culturally sensitive way and in marketing the Northern Territory's Aboriginal tourism offering.
- Assisting with industry development, including delivering training, business support and mentoring activities.
- Representing the needs of Aboriginal tourism operators and businesses.

Support development of partnerships between Aboriginal and non-Aboriginal operators and workers

The broader tourism industry expressed a desire in the *NT's Tourism Industry Strategy 2030* consultations to partner more with Aboriginal tourism operators to enhance the visitor experience. While some operators have successfully partnered with Aboriginal businesses or individuals, there is a view that there are more opportunities to do so. Partnerships may take the form of delivering experiences for tour operators, providing accommodation for tour groups, or co-investing and delivering tourism products, for example. These partnerships could assist both Aboriginal and non-Aboriginal businesses in developing new products, engaging with consumers, sharing infrastructure and assets, and operating sustainably.

How do we support the development of partnerships?

- RTOs, in conjunction with ATAC, to coordinate networking and partnership sessions with Aboriginal and other tourism enterprises to facilitate the development of partnerships.
- DTSC to organise the delivery of cultural awareness sessions specific to tourism operators.
- Representative structure for Northern Territory Aboriginal tourism to facilitate and support the development of partnerships in the longer term.

Showcase Aboriginal cultures through events, experiences and attractions

Events are one of the most accessible ways to experience the Northern Territory's Aboriginal cultures. As a starting point, a Welcome to Country can introduce a visitor to the traditional custodians of the land, their culture and their history. But events can also feature Aboriginal culture at their heart: from performances which tell Aboriginal stories, to festivals which share Aboriginal knowledge, or fairs which include Aboriginal cuisine. These events are already occurring across the Territory, including long-running events such as Barunga Festival and Garma, and newer events like Parrtjima.

The success of these events highlights a continued need to consider the inclusion of Aboriginal cultures in the Territory's existing events, and the development of new events to build on this strength and to tell Aboriginal stories to the world. More broadly, Aboriginal cultural attractions can enable similar benefits for visitors year-round, while also hosting special events. For example, the proposed Larrakia Cultural Centre in Darwin, the National Aboriginal Art Gallery in Alice Springs, or the art centres featured on the Arts Trail, can showcase Aboriginal cultures through exhibitions, demonstrations and immersive experiences.

How will we increase the number of events, experiences and attractions featuring Aboriginal cultures?

- NT Major Events Company to lead a review of the Territory's existing Aboriginal events, consider whether there are any gaps, develop events to meet those gaps together with relevant partners (including existing experiences and attractions); and evaluate opportunities to export events to the rest of Australia.
- NT Major Events Company and private enterprises which deliver events to increase Aboriginal content where appropriate and possible.
- Destination management plans to consider consumer preferences in relation to Aboriginal tourism experiences and attractions when identifying gaps and determining priorities in individual regions.

Outcomes

Three key outcomes underpin the priority's goals in the short, medium and long term. Along with tracking implementation of the actions, these outcomes will be used to measure progress towards achieving the overall priority across different phases of the *NT's Tourism Industry Strategy 2030*. These outcomes include:

- **Northern Territory is the leading destination to experience Aboriginal cultures**: potential Australian holidaymakers to the Northern Territory are regularly surveyed as to their perceptions of the Territory as a destination to experience Aboriginal cultures.

Progress towards this outcome will be measured through an increased score over time across relevant questions in Tourism NT's market tracking study.

- **Increased proportion of interstate and international visitors experience Aboriginal cultures in the Northern Territory**: Tourism Research Australia's NVS and IVS question visitors to the Northern Territory as to whether they undertook Aboriginal cultural activities while on their trip.
  Progress will be measured through the National Visitor Survey and International Visitor Survey, Tourism Research Australia.

- **Number of Aboriginal tourism products in the distribution chain has increased:** listings in the Australian Tourism Data Warehouse will indicate whether the number of Aboriginal tourism products offered in the Northern Territory has increased over time, as gaps in tourism product are met and new experiences are developed.
  Progress will be tracked using Australian Tourism Data Warehouse listings.

5.2.3   **Priority: Through strategic marketing activities grow the value of the holiday market in the Northern Territory**

Growing holiday visitation to the Northern Territory will continue to require a split focus between increasing volume and increasing yield, due to differing regional market conditions. In global terms, the budget limitations of a small jurisdiction, combined with the small size of the industry, means Tourism NT, on its own, cannot compete on a level playing field. Only by leading, enabling and supporting all NT tourism businesses so they can promote their own experiences to their potential consumers, will the Territory's share of voice be able to compete against other destinations into the future.

World class and heritage listed parks, established quality tourism products and a 65,000-year-old culture has helped define the Northern Territory and create a brand with a distinctive point of difference. The *NT's Tourism Industry Strategy 2030* marketing focus in the short term is to strengthen the point of difference in the minds of consumers and enable the entire NT industry to amplify the messaging of differentiation and quality across more channels to more consumers than ever before.

In the medium and longer term, as new brand aligned products are built and existing products are enhanced, the aim will be to ensure all products and experiences are able to be found and are available to easily book in the right channel the moment the consumer makes a purchase decision.

Why is this a priority?

500 million more international visitors globally over the next decade, who are open to choosing more locations than ever before.[28]

Aboriginal Art Gallery, Katherine.

[28] Ibid.

	2019-2020	2021-2025	2026-2030
GOALS	**Short term** Drive sales volume through marketing effectively and efficiently	**Medium term** Increase the NT's footprint through product and trade distribution	**Long term** Increase yield through market and product differentiation, improved quality and automated marketing systems
ACTIONS	Build understanding of the changing consumer	Target relevant consumer segments through automated marketing systems	
	Strengthen brand differentiation	Embed brand value and differentiation across new NT product	
	Grow share of voice		
	Develop trusted content	Connect, engage and drive sharing of NT messaging	
	Address seasonality through marketing and new product development		
	Strengthen and develop new relationships with trade, airlines and media partners		
DELIVERY PARTNERS	Tourism NT, NT Major Events Company, Regional Tourism Organisations and Tourism Industry		
OUTCOMES	Increased awareness of the Northern Territory as a tourism destination	Increased consideration for the Northern Territory as a destination of choice	Number of tourism products in the distribution chain has increased

Increase customer insights and understanding of the target market

Consumer behaviour is evolving at a more rapid rate than ever before, both domestically and internationally. Even in previously considered 'emerging markets', consumers who have predominantly travelled through tour groups are turning into Free and Independent Travellers (FIT) at a rate never seen before. New markets, where residents never had the money or access to information to know about destinations such as the Northern Territory, now have growing middle classes and access to new channels of information.

Changes in consumer behaviour in traditional tourism markets, including in Australia, are also having an impact, such as increases in socially conscious, security minded and environmentally responsible travellers or disenfranchised communities that rally together through shared beliefs. These changes are impacting policy and agendas within individual nations and across borders.

In the case of consumers making destination choices and travel decisions, money and access are the historically predominant factors. These new behavioural changes are bringing how, when and why consumers should travel to destinations much higher up the decision making process.

Staying abreast of these changes is paramount. Consumer research needs to be more than just segmenting consumers into demographic or psychographic clusters to efficiently promote messages. Successful marketing now relies on consumer insights that can explain consumers on a much more individual behavioural level to be able to create the message and communicate in a way consumers are seeking.

Greater consumer insights and more regular monitoring of the behaviours must be introduced to stay ahead of rapid changes. These insights will give Tourism NT the ability to identify, track, target and communicate to more customers who have the time, money and predisposition to travel to the NT, where and when they are likely to book. Engaging with them at the optimal time of their day, week or year is paramount in motivating them into making a decision.

What are the next steps?

- Re-examination of the research data and collation methods used across owned and third party sourced data, to ensure the most up to date insights are sourced and communicated.
- In the medium term, the collation of research and data and integration of it into programmatic systems will give Tourism NT the ability to immediately use insights across marketing activities.

Grow desire, awareness and demand to travel

Internationally, in comparison to other Australian locations, there is little known about the Territory so information and awareness generation is required first in international markets. Australians 'think' they know a lot about the Territory, so there is consideration to travel to the Territory at some stage but urgency or desire to travel now still remains a large barrier. This lack of urgency is an historic factor but increasingly is also due to Australians having so many other destinations to choose from. Consumers have more options in their holiday choice than ever before but those options are becoming more generic and mainstream than in previous years.

Focusing on what makes a destination different is the best way to stand out amongst a crowded marketplace. Within Australia, the ease in which consumers can travel to Melbourne, Perth, Fiji or Bali is well established and therefore the Territory's opportunity to entice consumers is by offering something different and that difference needs to be authentic and remain true to who we are.

Over the last ten years the rise in demand for authenticity of products and services brought about industry changing organisations such as AirBnB, Uber and TripAdvisor. Over the next ten years the divide between mainstream products and services and these category changing companies will lessen as products and services become homogenised. For example, hotel chains are already advertising on AirBnB, TripAdvisor is aggregating and selling travel through global retailers as well as contracted products through its own brand, Viator. This shift will continue to drive consumers to seek out authenticity in their purchasing of holiday products and services.

Any effort to get customers is marketing; any effort to keep them is branding.

The Northern Territory has the ability to increase the authenticity of the destination and therefore ensure competitive brand difference is enhanced. The history, location and culture has meant the Territory experience has never only been about one aspect, but it has always been about the authenticity of the experience. This authentic experience is based on the people, the place, the activities and the hospitable culture visitors feel on an emotional level.

What will define the Territory's competitive brand difference and authenticity?

Adjustments to the Territory's tourism brand will be about staying relevant to a changing consumer and staying true to 'who we are': the people, place and culture that makes the Territory different. This difference is essential when marketing but it also has to be embraced by new and existing products to prevent experiences moving to the 'middle' and the destination losing its differentiation and competitiveness by becoming too generic.

Natural environment:

- World class world heritage parks and national parks that provide one-of-a-kind instagrammable moments and access to an abundance of dramatic landscapes and wide open spaces.

- A variety of tropical and desert flora combining to create a blend of experiences connected to food, medicine, clothing and tools told through ancient and modern stories.

- Fauna that can be seen, learnt about and interacted with, that is unique to international visitors and domestic travellers.

History, both ancient and recent, developed through the Territory's geographical location and surrounding terrain:

- 65,000 year old living culture that can be told first hand, seen and felt through experiences and journeys of those that are still part of this living history.

- Pioneer adventurers and military action that defined the modern aspects of the region including the characteristics that make up the hardy country spirit, friendly larrikins and relaxed cosmopolitan towns and cities that populate this land today.

- Being Asia's gateway to Australia has created a vibrant tropical north, a melting pot of cultural integration from early Asian settlers to modern day residents.

Culture and sense of place:

- A connection to the land that can't be described but must be experienced. A place that opens minds and provides a personal journey for locals and visitors to discover their own individual interpretations of what this land is about.

Tourism NT will continue to define the competitive points of difference and integrate these through marketing activities across the organisation, making sure they work across multiple channels to potential visitors.

Develop and initiate marketing that counts

If people are not talking about you, they are forgetting about you.

There are two clear objectives when marketing: to create desire or to create a need. Marketing holiday experiences is all about creating desire; however, the only area surpassing the growth in new holiday destinations is the competitive growth in global destination marketing.

Cinematic style posters, travel brochures and television advertisements may form a portion of an integrated campaign but on their own will never generate the results required in today's marketplace. There is, however, one form of traditional marketing that still influences consumers as much now as in the past. It is universally accepted that the most valuable form of marketing—the one that consumers trust above all others and the one that is most likely to drive consideration, intention to travel and conversion — is word of mouth through a trusted source. This source now predominantly comes in the form of recommendations through social media, reviews through online platforms and mentions through influential and trusted people (friends, family, even celebrities).

According to Nielsen, 92% of consumers believe recommendations from friends and family over all forms of advertising. Tourism bodies, travel companies or operators cannot sit back and hope word of mouth and conversations about their products will just happen organically.

Since the rise of social media and the increase in the amount of data available, companies have focused on 'collecting' instead of 'connecting'. Businesses can become too caught up in collecting social media followers than in connecting with them. Having 100 really passionate followers that love a product or service is exponentially more effective than having 1,000 'fans' who subscribed to a channel to win a free meal or accommodation.

Marketing over the next decade will be more focused on creating a connection, initiating engagement and on the ability for consumers to share the message beyond the initial recipient.

How will we connect better with the target audience?

- Consumers are seeking a connection on a personal and social level from every interaction they have and those organisations and brands that share those personal and social beliefs will be the ones that connect with audiences. When knowing a destination's brand is aligned to them, consumers will bond to that tourism organisation increasing the likelihood of a connection and ultimately visitation and recommendation.

What will drive engagement?

- Engagement with consumers stems from listening and inviting a conversation. It can be through great experiences and products, above normal service standards, local tips, insider knowledge, powerful stories, cultural differences or interesting characters. The key is on listening and understanding the consumers and what they like to converse about, and then providing open dialogue on the right platform and in the right way, with the right content.

How will consumers share the messaging?

- Choosing the right platform and providing the right content is the best way to encourage sharing, however consumers will only share something they trust will reflect well on themselves. The quality of the product and service is a key driver of trust and quality levels are subjective based on an individual's expectations and comparisons to other similar products and services. Once connection, engagement and trust has been created, consumers will share content, messages and opinions willingly. Trust is ultimately the cornerstone of word of mouth and once a consumer trusts a brand or product they will happily communicate that trust to their peers.

Tourism NT's marketing strategy will be based on being credible, social, sharable, measurable and respectful. It will go beyond 'likes' to form a connection, engagement and trust.

A reason for every season

Holiday peak times, shoulder seasons and seasonal travel troughs occur across all destinations. Some destinations are less effected than others but this is often more about macro and environmental factors such as easy access, diverse travel markets, large population bases and location, than marketing success. The Northern Territory has historically been more susceptible to dramatic seasonality than many other established holiday destinations.

The Territory's seasonal lows, to date, have been driven by weather extremes and low population base. From a consumer perspective these factors are magnified through historic messaging, terminology and negative word of mouth when key tourism product is not available due to seasonal closures.

The Red Centre fairs marginally better than the Top End during the summer low season and the creation of new events at the right time of year has been shown to raise sufficient desire to overcome some of the seasonal barriers. Parrtjima and the Easter in the Alice mountain bike race are good examples of events to have helped drive shoulder season visitation.

To give Territory businesses, local residents and visiting friends and relatives assurances that the summer period will have enough demand to allow businesses to stay open and employ people all year round, a dramatic shift must occur.

Can marketing effect historic perception and seasonal factors enough?

- Marketing alone cannot change macro and environmental factors and historical perceptions, however Tourism NT can act as a catalyst, industry leader and enabler to encourage a groundswell and assist in addressing seasonality

Marketing productivity, effectiveness and efficiency through technology
Information and communication technology (ICT) has arguably had more impact on travel in the last 20 years than any other single factor. As technology changes so does customer behaviour. Access and connection to potential travellers has never been greater and there is no reason to expect the next decade will not be as influenced by technology as the last. For example, the continual rise in mobile adoption is playing an ever increasing key role and will continue to do so as 5G services roll out across the world.

Destination marketing has shifted over the years to better inspire, inform and use new channels to reach customers, but there are still three key fundamentals to ICT destination marketing:

- Website: Being available on any device with responsive design, and optimised for search engines (SEO, SEM, remarketing etc.).
- Email/ Instant Messaging: Direct digital mail has seen a resurgence as communication gets more personalised and privacy becomes a concern.
- Social media: The increase in new social media platforms and often complexity of platforms has not dampened its uptake and usage. Instead it has merely fragmented the audience and created challenges in reaching and engaging with relevant large target audiences.

Even with the linear decision making process disintegrating, these three fundamentals remain as important today as ten years ago and will remain so in the next five years at least. As more and more users go online to search for their next holiday, the channel for that customer is getting increasingly crowded and more difficult than ever for any one destination to stand out. To do so is also becoming more costly.

Competing for views on Google has never been more competitive or expensive, with the more generic search terms such as 'restaurants near me' and 'cheap hotels' becoming the most expensive to purchase. There is no getting away from the fact tourism bodies must remain active on Google as consumers will visit this platform at some point in their decision making process and increasingly so when it comes to booking.

Consumers individually are also owning more devices each year making targeting and communicating harder as messaging must be present on each device and then personalised across the multiple devices to be user friendly and effective.

How will we build on the fundamentals in the future?

To ensure the three fundamentals remain effective and Tourism NT stays ahead of competing destinations the following focus areas must be given extra weighting over the medium to long-term.

Data partnerships - Collection and enhancement of real-time audience data:

- By capturing more consumer data Tourism NT will be able to increase its marketing reach, improve the targeting and drive results through better efficiencies and effectiveness.

Tracking, understanding and targeting customers:

- Grow and better understand consumer audiences – Harvest new audience data to better track the customer through their decision making journey, create insights and build segmented audience profiles that are actionable through digital channels.
- Centralised communications – Connect and centralise all digital communications with potential visitors to enable consistent and planned communications.

Personalisation:

- 24 hour tourism – Create easy interaction and transaction platforms, available across any device, time, location or touch point.
- Trusted information source – Build the reputation of northernterritory.com as a trusted source of information.
- Advocacy – Develop solutions to incorporate 'trusted' user generated content and reviews to help drive advocacy across all digital channels.

Maximise distribution and trade marketing

Despite the industry predicting the demise of the high street travel retailer, trade distribution is still a key component for the majority of tourism operators, especially in the international marketplace. However, if retailers are to remain a key component and relevant to the consumer, the trade distribution model must continually adjust as the impact from ICT increases. Currently these adjustments to the distribution model are stifling differentiation in the trade marketplace as retailers broaden their product offerings and enter into more niche travel categories to make up for lost market share. That is not to say there are not strong niche retailers in the market but more frequently they are being bought out by the larger travel distributors and therefore the product range is becoming generic.

To ensure the Northern Territory is top of mind, or at least in a position to be considered amongst all the destinations and products a distributor is selling, relationships remain key. Tourism body, airline and trade distributor relationships need to be strengthened and new relationships formed to guarantee a pipeline of sales can be facilitated. For the relationship to be successful it must be financially beneficial to all sides. Commissions, no matter the scale, must be built into tourism products and a continual product presence in market must be established if partnerships are to be successful.

Facilitation to build new partnerships and ongoing relationship communication between tourism operators and domestic and international distributors will remain a part of Tourism NT's focus in the trade and distribution space.

On top of growing and maintaining these relationships Tourism NT will also action new initiatives such as data sharing partnerships, channel integration and brand alignment to make NT products and experiences more accessible and attractive in bookable channels.

5.2.4 Priority: Leverage and build events to drive visitation

Events are time sensitive – providing visitors an immediate reason to visit. Cultural and outdoor events are strengths for the Northern Territory, and can create awareness of lesser known destinations. Visitors who attend events also promote destinations through positive word-of-mouth, further encouraging visitation to the region.

The strategy, in the short term, will review current events, identify priorities and develop hero events. Attracting business events will be a goal in the medium term, while by 2030, the Territory should have a year-round events calendar, attracting domestic and international visitors. Both the *Business Events Strategy* and the *Event Development Strategy* also identify specific actions in the events sector.

Why is this a priority?

57% of first time visitors to a regional area visited for the purpose of attending an event.[29]	**¾** of event attendees would not have gone to the destination on this occasion if not for the event.[30]

[29] Tourism Research Australia, *Events: Drivers of Regional Tourism* (August 2014) <https://www.tra.gov.au/ArticleDocuments/174/DVS_Events_-_Drivers__of__Regional_Tourism_FINAL_04082014.pdf.aspx?Embed=Y>.
[30] Ibid.

	2019-2020	2021-2025	2026-2030
GOALS	**Short term** Review current events, identify priorities and develop hero events	**Medium term** Attract business events and build visitation to Northern Territory events	**Long term** Establish a year-round events calendar, attracting domestic and international visitors
ACTIONS	Identify and strategically develop internationally significant and time sensitive tourism-focused events which build on the Northern Territory's strengths		
	Develop events calendar	Identify and strategically develop other 'feature' tourism-focused events	
	Establish ongoing business events bid fund		
	Identify barriers to attracting business events	Address barriers to attracting business events	
		Identify and address supply-side constraints affecting events	
DELIVERY PARTNERS	NT Major Events Company, Tourism NT, Regional Tourism Organisations and Tourism Industry		
OUTCOMES	Visitation to internationally significant and time sensitive tourism-focused events increasing at a faster rate compared to the previous five years	Increased private sector investment in tourism-focused events	

Identify and strategically develop internationally significant and time sensitive tourism-focused events which build on the Northern Territory's strengths

The Northern Territory hosts hundreds of events and festivals each year, many of which attract visitors from across Australia and overseas. From internationally significant events to those only seen in the Northern Territory, these provide a time-sensitive motivation for potential visitors to visit the region. Other events are community-focused, enjoyed predominantly by locals and only some tourists, with few travelling specifically for the event.

The ability of events to drive visitation highlights the importance of strategically developing those which are focused on tourism outcomes.

How will we develop events into major drivers of tourism visitation?

- As part of Northern Territory Major Events Company's (NTMEC) *Event Development Strategy*, NTMEC to undertake a full review of events currently delivered in the Northern Territory.
- *Event Development Strategy* to identify internationally significant events which are focused on the tourism market and linked to the Northern Territory's unique positioning. These events may be existing or new to the Territory.
- NTMEC to develop internationally significant events, with delivery to be undertaken by NTMEC or industry as appropriate.
- NTMEC to develop consistent set of performance indicators and reporting measures for all events, to inform future event development and growth opportunities.
- The *Event Development Strategy* will also consider smaller leisure focused and regional events.

Identify and strategically develop other 'feature' tourism-focused events

While some of the Territory's events are internationally significant events which drive significant visitation, others currently attract some visitors but may be more significant in the future. In the medium term, our focus should expand to developing and enhancing a wider range of events to drive visitation, following the successful expansion of internationally significant events. These feature events may require different levels of support, and may be delivered by organisations other than NTMEC. Smaller regional events are also important and may be supported by RTOs through their dedicated regional events strategy.

How will we expand the ability of the Northern Territory to attract visitors through events over time?

- NTMEC to identify feature events which are tourism-focused and attract some visitors, but have the potential to be significant drivers in the future.
- NTMEC and DTSC to support organisers or those delivering feature events to develop events into anchor events over time, through targeted initiatives.
- Continued funding for 'feature' tourism-focused events through Festivals NT and providing funding opportunities for one-off events providing tourism benefits.

Develop events calendar

An overall events calendar can provide a number of benefits from both a consumer and event delivery perspective. From an event delivery perspective, a calendar provides a holistic overview and allows organisers to see event gaps and overlaps – either relating to dates or content – to enable the development of new events or to shift the timing of existing events to alleviate capacity or other constraints. Given the role of events in extending the peak season seen mid-year in the Top End, it is important that events are compatible and do not clash or cause event congestion; rather, events should be deployed into shoulder seasons and into the off-peak season as appropriate. From a consumer perspective, an events calendar can be used as a marketing and decision-making tool – with potential visitors able to make informed travel decisions, while agencies and industry can utilise the calendar in marketing activities.

What are the benefits of developing an events calendar?

- Allow organisers to see and address event gaps and overlaps.
- Assist in decisions to use events strategically to extend the tourism season into shoulder periods or year-round.
- Be used in marketing materials to consumers, with packages build around internationally significant and feature events.
- Be used to communicate events activities to industries.

Establish ongoing business events bid fund

As part of Turbocharging Tourism, the Northern Territory Business Events Support Fund (NTBESF) has invested $1.34 million and attracted 34 confirmed business events as at the end of January 2019. DTSC expects these events to see 10,600 delegates arrive in the Northern Territory, injecting an estimated delegate expenditure of $25.5 million into the economy.

While the NTBESF is not funded on an ongoing basis, the *Business Events Strategy* has indicated an ongoing bid fund is crucial to support the business events sector. Other cities across Australia and the world have bid fund programs to attract business events in an increasingly competitive market. Not only do business events generate economic impacts associated with delegate spending, but the alignment with priority sectors identified in the Economic Development Framework provides for additional, longer term economic benefits. For example, business events help build the relationships key for attracting trade, investment and global talent.

How will we ensure return on investment?

- Northern Territory Business Events (NTBE) to administer the NTBESF, secured for a three-year time horizon and at the size recommended in the *Business Events Strategy*.
- Bid fund to focus on the Northern Territory's focus industries identified in the *Economic Development Framework* and on domestic events in the first instance, although expansion to international events may occur over the medium term.
- Implement other actions in the *Business Events Strategy*.

Identify barriers to attracting business events

A number of barriers in attracting business events were noted throughout the *NT's Tourism Industry Strategy 2030* consultation phase, including poor perceptions of Darwin and Alice Springs held by conference organisers; the time to travel to Darwin or Alice Springs, meaning that delegates are out of the office for longer; and the cost and availability of airfares and accommodation in recent times. There are also macro factors, such as the competitiveness of the market domestically and internationally.

These barriers will be formally considered by a working group, bringing together the NTBE, convention centres, hoteliers, airlines, RTOs and other relevant parties. The group will collectively establish ways to overcome the identified barriers, and assign responsibilities among the group to do so, with support from government as required.

What are the benefits of supporting business events?

- Puts the Northern Territory on a more level playing field with other Australian and international destinations.
- Attracts high-spending travellers to the Northern Territory.
- Introduces visitors to the Northern Territory, who may choose to return again with their families or for business.
- Builds key relationships for attracting trade, investment and global talent.

Address barriers to attracting business events

Over time, the implementation of the *Business Events Strategy* will work to address the barriers in attracting business events to the Northern Territory. Some barriers may be specific to the business events sector, while others are likely to be shared with the broader tourism industry. The *Business Events Strategy* will also identify key opportunities and areas of focus for the Northern Territory to succeed.

What is the plan?

- The *Business Events Strategy* will establish detailed actions to achieve sustainable growth in the business events sector through to 2030.
- The working group will consider barriers and actions to overcome them, and assume responsibility for ensuring actions are implemented.

Identify and address supply-side constraints affecting events

Both industry and government identified in the *NT's Tourism Industry Strategy 2030* consultation phase that supply-side constraints affect tourism visitation to events. For example, when a number of events are held concurrently in peak season, visitors may struggle to find accommodation or flights will be more expensive. While some of these constraints will be addressed through other actions – such as developing an events calendar and shifting the timing of major events – there may still exist supply-side constraints. This is especially so over the medium to long term, as new events are developed, driving visitation across the Northern Territory.

NTMEC will monitor supply-side constraints affecting events over time, and identify appropriate strategic responses to alleviate those constraints.

What do supply-side constraints look like?

- Aviation and accommodation capacity during peak season, particularly with multiple events over the same time period.
- The available workforce to support events, especially those that overlap with other parts of the tourism industry (e.g. hospitality), but also event-specific workers and enterprises (e.g. event management).
- Suitable event infrastructure.

Outcomes

Events are a key driver of visitation across the Northern Territory. A specific focus on events is expected to see visitation to internationally significant tourism-focused events – or the Northern Territory's hero events – increase at a faster rate compared to visitation to the Northern Territory as a whole, as well as increased investment from the private sector. Key outcomes of this priority include:

- **Visitation to internationally significant tourism-focused events increasing at a faster rate compared to the previous five years**: one measure of the impact of an increased focus on events is visitation, either in aggregate terms or when assessing growth compared to visitation across the Northern Territory. Collection of robust visitation data to events will assist in determining the contribution of events to visitor outcomes.
  Progress to be tracked using regular event reporting metrics.
- **Increased private sector investment in tourism-focused events**: central to building and developing new events is the involvement of the private sector, with both the *NT's Tourism Industry Strategy 2030* and the *Events Development Strategy* highlighting the importance of the private sector in developing and delivering events, and supporting the provision of event-related infrastructure.
  Progress to be tracked by NTMEC as part of the Events Development Strategy.

Cocktail event for business event delegates on Cullen Bay sandbar.

5.2.5   Priority: Develop ongoing access to and within the Northern Territory
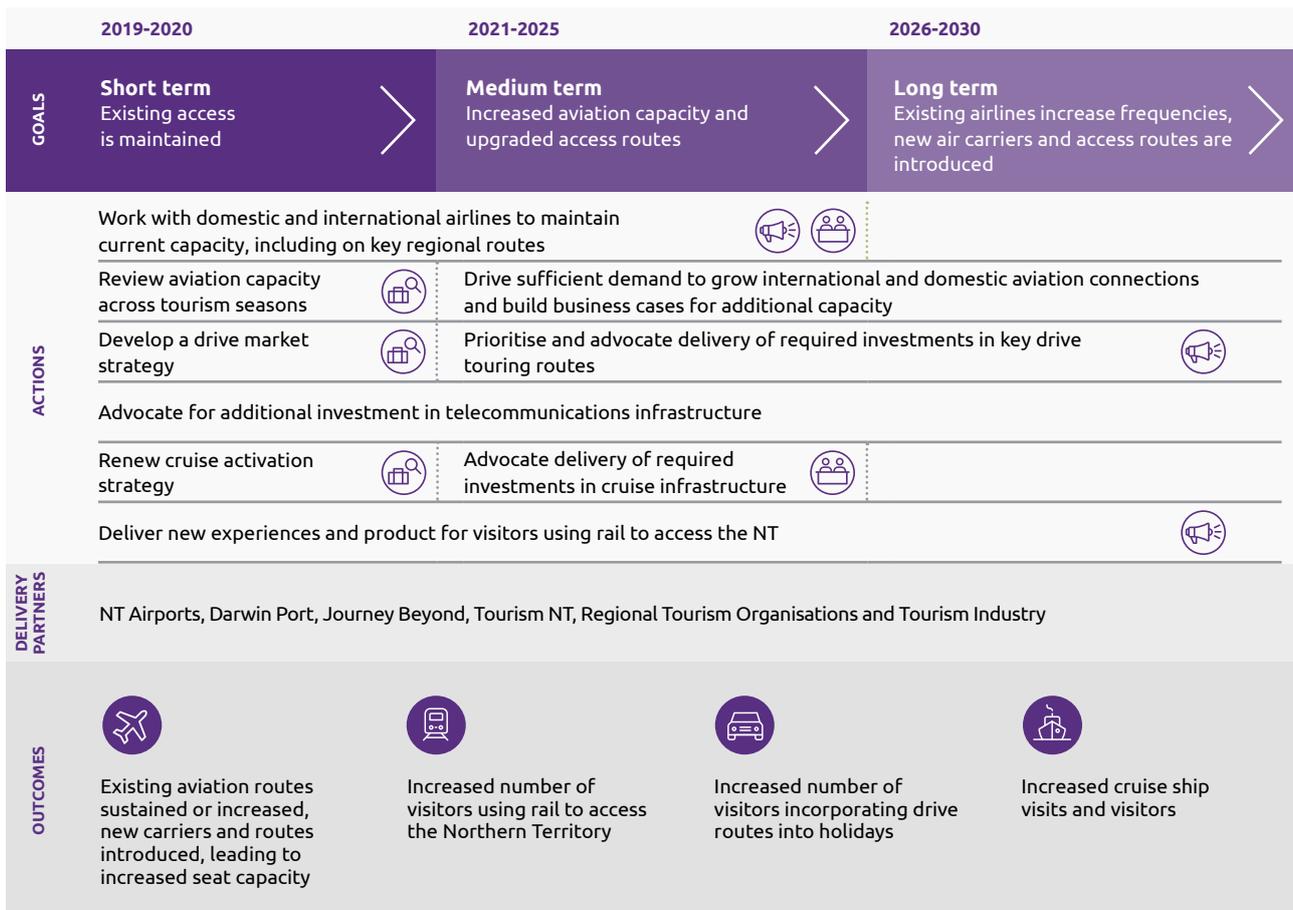
Accessibility is crucial to ensure visitation to the Northern Territory. From flights into major centres, to cruise access across the Top End and drive routes throughout the Territory, access enables visitors to get here. In addition to facilitating greater arrivals into the Northern Territory, ease of accessibility is also vital to encourage dispersal across the Territory.

The *NT's Tourism Industry Strategy 2030* aims to develop ongoing access to and within the Northern Territory, to welcome more visitors over time and become an easier destination for tourists. In the short term, the focus will be on maintaining existing aviation routes and reviewing other physical and digital infrastructure, while in the medium term, the focus will shift to increasing capacity and upgrading key routes. By 2030, new options will exist to access the Northern Territory.

Why is this a priority?

6.3% decrease in domestic and international airline seat capacity to Darwin over the past six years.[31]

2.21 billion vehicle kilometres travelled across the Northern Territory in 2017-18.[32]

	2019-2020	2021-2025	2026-2030
GOALS	**Short term** Existing access is maintained	**Medium term** Increased aviation capacity and upgraded access routes	**Long term** Existing airlines increase frequencies, new air carriers and access routes are introduced
ACTIONS	Work with domestic and international airlines to maintain current capacity, including on key regional routes		
	Review aviation capacity across tourism seasons	Drive sufficient demand to grow international and domestic aviation connections and build business cases for additional capacity	
	Develop a drive market strategy	Prioritise and advocate delivery of required investments in key drive touring routes	
	Advocate for additional investment in telecommunications infrastructure		
	Renew cruise activation strategy	Advocate delivery of required investments in cruise infrastructure	
	Deliver new experiences and product for visitors using rail to access the NT		
DELIVERY PARTNERS	NT Airports, Darwin Port, Journey Beyond, Tourism NT, Regional Tourism Organisations and Tourism Industry		
OUTCOMES	Existing aviation routes sustained or increased, new carriers and routes introduced, leading to increased seat capacity	Increased number of visitors using rail to access the Northern Territory	Increased number of visitors incorporating drive routes into holidays / Increased cruise ship visits and visitors

[31] Northern Territory Airports, Submission No 8 to the Productivity Commission, *Economic Regulation of Airports*, 27 August 2018.
[32] Bureau of Infrastructure, Transport and Regional Economics, *Australian Infrastructure Statistics – Yearbook 2018* (Australian Government, 2018).

Work with domestic and international airlines to maintain current capacity, including on key regional routes
Airline capacity is key to ensuring that visitors are able to conveniently access the Northern Territory and its key tourism sites, important for businesses and workers, and contributes to the liveability of the Territory for residents. Aviation capacity into Darwin Airport has declined slightly since 2011-12, despite a range of market entries and exits by carriers over the period. Alice Springs Airport has seen modest growth with the entry of Virgin Australia to the market, but faces strong competition from Ayers Rock (Connellan) Airport.[33]

With the short-term challenges created by Ichthys' completed construction, the immediate priority is to focus on maintaining existing aviation capacity through targeted investments in airline cooperative marketing, growing the share of holidaymakers choosing to visit the Northern Territory. In the short to medium term, these investments will focus on markets with existing direct flights or those which are important feeder markets for existing hubs.

In addition to strong inbound visitor markets, robust outbound travel and aviation freight are important factors in maintaining capacity. Continued efforts to increase the aviation freight task, such as the current investment around improving facilities at Darwin Airport, support the medium to long term viability of routes.

What can we do to secure existing capacity?

- DTSC to continue to engage in collaborative marketing initiatives with domestic and international airlines, growing holiday visitation to strengthen demand on existing routes.
- Northern Territory Government to coordinate initiatives across departments to increase demand for air freight.

Review aviation capacity across tourism seasons
While maintaining capacity is the first priority over the coming two years, as the market grows there may be opportunities to add capacity during the winter, especially for the domestic market. In July and August 2018, load factors for Darwin city pairs exceeded the national average, pointing to strong demand.[34]

Growth in capacity could be achieved through increasing flight frequencies, but there may be opportunities where the use of larger aircraft may be optimal.
What will we do to work with the industry?

- DTSC will continue to monitor aviation capacity and liaise with the major domestic carriers and airports to understand forward bookings, optimising frequencies and aircraft.

Drive sufficient demand to grow international and domestic aviation connections and build the case for additional capacity
In the medium to long term, there are opportunities to grow domestic and international capacity into Darwin by strengthening existing routes and building new ones. There may also be further opportunities for additional domestic routes or increased capacity into other airports across the Northern Territory. This will be especially so over the life of the *NT's Tourism Industry Strategy 2030*, as different initiatives are implemented and actioned over time.

Increased capacity or frequencies on existing routes enhances flexibility for visitors as an initial step, and allows airlines the opportunity to trial different approaches for their Northern Territory network. For new routes, a targeted approach to development will be important to support inbound visitation. Efforts should be focused on markets where tourism and aviation priorities are aligned to ensure that the market potential for new capacity is strong.

What can we do to work with the industry?

- DTSC will work with Northern Territory Airports and other local airports on a Team NT strategy to prioritising routes, executing targeted approaches to airlines (including joint marketing proposals where there is a broader industry benefit) and monitoring demand across airlines to ensure route viability.

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[33] Ibid.
[34] Bureau of Infrastructure, Transport and Regional Economics, *Australian Domestic Aviation Activity Monthly Publications* (Australian Government, 2018).

Develop a drive market strategy, and prioritise and advocate delivery of required investments in key drive touring routes

The wide open spaces of the Territory make it one of the best road trip destinations in the world. Improving road infrastructure will grow the independent self-drive market, create opportunities for guided tours and other tourism experiences, as well as reduce the cost of vehicle maintenance for operators. These self-drive experiences can be marketed in their own right, both solely within the Territory and when they form part of 'grand tours' assembled across neighbouring state borders.

A drive market strategy will be developed by DTSC to further understand the opportunities and challenges in relation to drive-related tourism – whether that be self-drive visitation or guided tours delivered by operators. The drive market strategy, among other things, will guide the prioritisation of investments required and identify key product and marketing opportunities.

Road infrastructure enhancements would also support the growth of other industries, such as the agribusiness, logistics and resources sectors – and where these complementary benefits exist, they can build a strong case for investment.

Key opportunities for new investment identified in consultations include:

- Sealing the Red Centre Way (Mereenie Loop) to enhance access to Kings Canyon and the West MacDonnell Ranges, and the Savannah Way through Katherine.
- Improving roads in and around Kakadu National Park, especially to enhance access throughout summer.
- Improving road access through Arnhem Land to Nhulunbuy and local communities year-round.
- Safety improvements to existing infrastructure, such as the installation of overtaking lanes.

Self-drive visitors also rely on associated facilities such as camping and recreation vehicle (RV) grounds. Many of these existing facilities in the Territory could be modernised, in consultation with operators in the area.

What will we do to improve the visitor experience on the road in the NT?

- Enhance collaborative efforts with the South Australian Government on marketing the *Explorers Way* route between Adelaide and Darwin, and efforts with the Western Australian and Queensland Governments in marketing the *Savannah Way* from Cairns through Katherine and onto Broome.
- Work with the Australian Government to deliver on prioritised road projects, especially within federal national parks.
- Ensure that tourism benefits are taken into account as part of assessing and prioritising new road infrastructure.
- Develop a plan to modernise camping and RV grounds.
- Work with Land Councils and Traditional Owners to develop and consider tourism opportunities along key drive routes.

Advocate for additional investment in telecommunication infrastructure

Telecommunication is the lifeblood of today's tourism industry. Operators rely on fast broadband internet and reliable fixed and mobile phone coverage to receive bookings, work with suppliers and manage their teams. During consultations, operators in many regions across the Territory reported that access to telecommunications regularly fell short of what they need in order to run their businesses.

While the rollout of the NBN should improve the quality and reach of internet access across the Northern Territory, the Northern Territory Government will continue to work with telecommunications providers and the Australian Government to improve access across the Territory and ensure that remote and regional communities – many of which rely on tourism – are digitally connected.

Operators highlighted that black spots were a perennial issue even close to built-up areas and at major attractions. A lack of connectivity not only creates difficulties for operators running their businesses, but also reduces the quality of visitor experiences.

What steps will we take to improve how the sector uses technology?

- Northern Territory Government to continue to work with the Australian Department of Communications and the Arts to prioritise key tourism destinations and experiences for inclusion in future rounds of the Mobile Black Spot program.
- Northern Territory Government to implement actions identified in the *Digital Territory Strategy* to improve digital capabilities across the tourism industry.
- DTSC to work together with Tourism Top End and Tourism Central Australia on enhancing operator engagement with new technology as it is rolled out across the Territory, as well as highlighting any ongoing issues to be addressed by NBN and other operators.

Renew cruise activation strategy and advocate delivery of required investments in cruise infrastructure

The cruise market is a growing part of the visitor economy, bringing tens of thousands of visitors to the Top End every year. For the most part, cruise visitors arrive at Fort Hill Wharf in the heart of the Darwin Waterfront, whether on large liners or expedition cruises. While the amenity of the immediate area has been significantly enhanced by the Waterfront development, there are opportunities to improve linkages to the rest of Darwin and provide tailored visitor information to cruise passengers, as well as improving the accessibility of coach tours.

While Fort Hill Wharf is currently fit for purpose, increasing ship sizes and frequencies will place greater demands on existing infrastructure. Over time, additional capacity may be required for passenger services (including customs and immigration) or infrastructure to improve the visitor experience or cater for multiple large vessels. Similarly, investment may be required at other wharfs across the Top End, such as Stokes Hill Wharf and Cullen Bay Marina, to accommodate increasing demand for different vessels – for example, expedition vessels, super-yachts and ferry services.

What can we do to work with the industry?

- Continue improvements to the urban environment which better link the Waterfront and the Darwin CBD.
- DTSC to work with Tourism Top End and the City of Darwin to provide targeted visitor information at Fort Hill Wharf and improve the visitor experience in the CBD.
- DTSC to work with Darwin Port to regularly assess whether additional capacity required across passenger services or infrastructure, and consider whether infrastructure is appropriate at other ports and wharfs across the Top End as part of renewed cruise activation strategy.

Deliver new experiences and products for visitors using rail to access the Northern Territory

Travelling through the Territory on the Ghan is one of Australia's iconic journeys – rail travel provides a unique perspective on the Territory's remarkable natural assets and the opportunity to visit remote places in comfort. Rail also brings benefits to local communities through whistle stops across the Territory. Consultations identified the potential to enhance the visitor experience for travellers on the Ghan by expanding the range of products available at stops in the Territory.

How can we enhance the visitor experience for Ghan travellers?

- DTSC to work with Great Southern Rail and operators in Katherine and surrounding areas to understand rail visitor demands and how to meet those demands with new or existing experiences.

Outcomes

Any increase in visitation to the Northern Territory will need to be supported by a prioritisation of access both to and within the Territory. This includes physical access to and within the Territory (by air, road, rail and cruise) as well as digital accessibility. In line with increased visitation, the following outcomes will be measured as progress towards the priority:

- **Existing aviation routes sustained or increased, new carriers and routes introduced, leading to increased seat capacity**: in the short term, it will be crucial that existing aviation routes and capacity is maintained, but in the medium to long term, a core outcome will be to track growth in inbound seats and additional routes or carriers.
  Progress to be measured using BITRE data, in addition to airline announcements.
- **Increased number of visitors using rail to access the Northern Territory**: with an increased focus on rail, a key outcome will be a growing number of passengers using rail to access the Northern Territory over time.
  Progress to be measured using passenger data from the Ghan.
- **Increased number of visitors incorporating drive routes into holidays**: the impact of upgrades to key road infrastructure can be measured by considering the number of tourists undertaking a drive component during their holiday, and how that changes over time, using data from the IVS and NVS.
- **Increased cruise ship visits and visitors**: data sourced from the Darwin Port can be used to track the impact of a renewed focus on the cruise sector, with cruise visits and arrivals increasing across the Top End.

5.2.6 **Priority: Increase recognition of the value of tourism to the Northern Territory**

Tourism has long been an important part of the Northern Territory's economy. Tourism employs thousands of Territorians, provides opportunities for people living in regional and remote areas, and attracts expenditure which flows through many different sectors of the economy.

Tourism is an industry comprised of hundreds of small businesses. As at 2017, 65 per cent of the Territory's tourism businesses (1,381) only consisted of their owners, or employed four or fewer employees as micro businesses. A further 24 per cent (519) were classified as small businesses, employing between 5 and 19 employees. Tourism supports a significant proportion of the retail and hospitality trade in particular.

The importance of tourism – not just from an economic perspective, but also a key contributor to liveability in the Territory – highlights the need to increase awareness of its significance. Through recognising the contribution of tourism to the community, there can be greater engagement across industry, government and the broader population.

Why is this a priority?

9.4% of economic activity in the Northern Territory is attributable to tourism, directly and indirectly.[35]	**65%** of the Territory's tourism businesses only consist of their owners, or employed four or fewer employees.[36]

GOAL	Governments, all industries and the general public recognise the value of tourism to the Northern Territory	❯
ACTIONS	Articulate the importance of tourism to the Northern Territory	📢 👥
	Increase community understanding of tourism's positive impact on liveability and prosperity	📢 👥
	Engage industry to create promoters of tourism and the Northern Territory	📢 👥
DELIVERY PARTNERS	Tourism NT, Regional Tourism Organisations and Tourism Industry	

[35] In gross value added terms. Tourism Research Australia, *State Tourism Satellite Accounts, 2016-17* (4 April 2018) <https://www.tra.gov.au/Economic-analysis/Economic-Value/State-Tourism-Satellite-Account/state-tourism-satellite-account>
[36] Tourism Research Australia, *Tourism Businesses in Australia June 2017* <https://www.tra.gov.au/Economic-analysis/Tourism-Businesses/businesses-results>.

Articulate the importance of tourism to the Northern Territory economy

Tourism's contribution to the Northern Territory economy is not well recognised and, despite official statistics evidencing its importance, there is limited recognition that the industry represents a greater proportion of activity than in most other jurisdictions.

Governments, RTOs and industry can all play a role in articulating tourism's significance to a wide audience. This not only relates to the broad contribution of tourism to the Northern Territory economy, but its importance in particular regions and to certain sectors. Tourists spend money on food and drink, shopping and accommodation – an injection of expenditure which otherwise would not occur, supporting local retail and hospitality businesses as well as those further up the supply chain. In regions with smaller populations, tourist expenditure is particularly important for businesses and residents, supporting local jobs.

How can we work together to articulate the importance of tourism to the Northern Territory economy?

- DTSC to develop materials and communications which are audience-appropriate and can be used to articulate the benefits of tourism.
- All levels of government and RTOs to publicly communicate the importance of tourism to jobs and the economy in the Northern Territory, such as through media releases, publications and feature case studies.
- Industry operators and associations to support governments and RTOs in delivering relevant messaging about tourism in the Northern Territory.

Increase community understanding of tourism's positive impact on liveability and prosperity

Aside from economic benefits, tourism also positively impacts the lives of local residents. From improved aviation connections to special attractions and events, tourists can support new developments which are also enjoyed by local Territorians. These developments support vibrancy and liveability in many regions across the Northern Territory.

Governments can help the community understand these impacts by communicating them alongside major announcements and in media releases, as well as working with local councils and communities to ensure tourism's social licence to operate.

What are the benefits of improved community understanding of tourism's positive impact?

- Greater understanding could encourage local residents to advocate the Northern Territory as a tourism destination to others, driving new visitation among friends and relatives.
- Communities can better consider how to welcome tourists to regions, enhancing the visitor experience.
- Informed communities will better understand the potential impacts of new developments, and can then actively participate in the planning process.

Engage industry to create promotors of tourism and the Northern Territory

The tourism industry itself is one of the greatest promotors of the Northern Territory – reaching existing and potential customers through media platforms and providing leading experiences to visitors from across the world.

DTSC, RTOs and associations such as Hospitality NT or the NT Chamber of Commerce can engage directly with industry to encourage operators to promote tourism both within the Northern Territory and globally through social media. Territory businesses can also contribute to this initiative by striving for constant improvement in customer service and experience – thereby increasing tourists' recognition of the Northern Territory as a leading tourism destination.

5.3   Critical pillars

The following four pillars underpin the *NT's Tourism Industry Strategy 2030* strategic framework. A number of initiatives are identified to support the broader priorities and goals of the strategy, beyond those which are already identified as actions within the key priorities: these initiatives will assist in setting up the industry to make the most of core priorities, and ensure government works effectively to play a supporting role.

5.3.1   Industry development

A number of actions identified in the Strategy relate to industry development. The most significant of these are the development and implementation of destination management plans in key destinations to identify drawcards, gaps and opportunities, as well as the review and introduction of specific skills training and business support programs for Aboriginal enterprises. The development of partnerships between Aboriginal and non-Aboriginal businesses will also support industry development, particularly in remote and regional areas.

However, there are also a series of other industry development initiatives that will underpin the successful implementation of the *NT's Tourism Industry Strategy 2030*. These include:

- **Building tourism business capability through targeted programs:** it was noted in consultations that tourism businesses – and small businesses in particular – require assistance to further develop their capabilities to cater to increasingly discerning visitors. While a number of general business development programs exist, specialist programs are required to suit the specific needs of tourism businesses. DTSC will work together with other government agencies to identify and provide the support and programs to tourism businesses.

- **Collaborating within industry:** led by RTOs, enhanced communication and collaboration across industry could lead to increased business opportunities. This could incorporate a partnership facilitation role, an increased focus on sharing relevant industry and government opportunities, or collaborative marketing.

- **Providing industry development support in regional areas:** the development and implementation of destination management plans should be supported by designated officers in particular regions, in order to build industry capability on the ground and provide the necessary links through to DTSC and government more broadly. RTOs are also key partners in regions.

5.3.2   Workforce development

Challenges relating to the tourism workforce were raised in workshops and meetings throughout the *NT's Tourism Industry Strategy 2030* consultation process. The issues raised included difficulties around staff retention, the ability to hire local staff, difficulties in accessing overseas staff, and challenges in training staff adequately. Many of these issues are exacerbated in remote and regional areas.

Along with the review and delivery of skills training for Aboriginal tourism workers identified as a priority action, there are a number of additional workforce development initiatives which will be required to the development of the workforce to support the *NT's Tourism Industry Strategy 2030*:

- **Raising awareness of tourism-related careers:** DTSC and RTOs should work together to increase awareness of tourism-related careers in both schools and the community, in order to build a sustainable pipeline of workers for the industry. A potential approach may be to explore the integration of tourism qualifications and employment with industries requiring similar skills (such as health), which may also assist in mitigating seasonal employment fluctuations. Increasing the awareness of the value of the tourism sector in the Territory could also assist with this initiative.

- **Ensuring migration arrangements are adequate from the short to the long term**: led by the requirements of industry, and balancing the needs of businesses and local workers, DTSC should work with other agencies and the Australian Government to ensure migration arrangements are suitable as tourism grows in the Territory. While the Designated Area Migration Agreement (DAMA) was renewed through to 2023, consultations indicated that businesses found it difficult to meet the requirements, or that processes were costly and applications slow to progress. Indeed, DTBI statistics indicated that only 32 skilled workers were endorsed in 2017-18. DTSC should continue to work with DTBI and the Australian Government to ensure the DAMA and other visas meet the needs of the tourism industry.

- **Minimising the burden of hiring and training:** RTOs and training organisations should explore new ways to support the hiring and training new workers, particularly for smaller businesses. Suggested approaches in consultations included shared training or job share schemes, whereby businesses share staff resources to minimise seasonal effects, or collaborate to deliver training and apprenticeships. These schemes could be coordinated by RTOs or other industry bodies.

- **Ensuring adequacy of skills training programs:** industry has indicated that there are not sufficient skills training programs for tourism workers that are tailored to their needs, and that programs available in remote and regional areas do not enable the development of a local tourism workforce. RTOs should work together with training providers and other government agencies to consider the suitability of current schemes from a skills and regional development perspective. This may include leveraging existing programs to ensure they are suitable for the needs of tourism.

5.3.3   Marketing

Marketing is critical for the tourism sector. Smaller businesses often do not have the budget to reach consumers, making the role of government agencies in marketing a destination holistically and attracting visitors critical. Tourism NT's marketing strategy is based on consumer insights, growth opportunities and market conditions, and relates directly to the priorities outlined in the *NT's Tourism Industry Strategy 2030*. Other bodies, such as RTOs and NTMEC, will also play an important role in marketing the Northern Territory and its offering.

Marketing will be crucial to underpin initiatives in the *NT's Tourism Industry Strategy 2030* as they come to fruition, such as:

- **Building demand for Aboriginal tourism experiences:** as Aboriginal tourism experiences are developed, marketing can generate interest in those destinations and activities, within markets which are most likely to seek out cultural experiences.

- **Marketing the Territory's remarkable product and regions**: as investment occurs to upgrade and develop new products in regions, marketing can assist in building demand to visit those regions and experience new products, as well as support the marketing of priority segments and activities in destination management plans.

- **Driving time-sensitive travel to leading events**: marketing is crucial to build awareness of events, driving time-sensitive travel to the Northern Territory. Events, as with other tourism products, can also form part of packages marketed to consumers.

- **Collaborative marketing to support aviation capacity**: marketing in partnership with airlines can directly reach consumers who can support particular inbound or outbound routes or destinations. This is particularly important for routes which are essential for Territorian outbound travel but struggle to fill capacity due to the Territory's smaller resident population.

- **Boosting visitation during the shoulder and summer seasons**: seasonality is one of the Territory's core challenges. Destination management plans will consider the need for all-weather suitable products and attractions, with marketing crucial to advertise compelling packages, to shift the mindset about seasonality in the Northern Territory.

- **Driving awareness of the Northern Territory and intention to travel:** marketing campaigns boost awareness of the Northern Territory's broad offering across both domestic and international markets. Importantly, they also convert awareness into intention to travel and hence bookings for operators, with both Tourism NT and RTOs maintaining digital channels leading to operator websites.

- **Continuing to support accredited visitor information centres:** visitor information centres are well utilised across the Northern Territory, and provide a way of marketing tourism products on-the-ground. Around 6.4 million domestic trips across Australia in 2016-17 involved a trip to a visitor information centre, with three-quarters of those trips in regional Australia [37] — highlighting the importance of visitor information centres in regional destinations.

- **Facilitating and hosting travel trade events:** hosting travel industry trade events develops awareness of the Northern Territory's tourism offer and products through firsthand experience, and assists in the development of trade networks. These networks can lead to the inclusion of the Northern Territory and its product across tourism distribution channels.

5.3.4   Collaboration across industry and government

Collaboration across industry and government is crucial to ensure the implementation of the *NT's Tourism Industry Strategy 2030* and long term sustainable success of the tourism sector in the Territory.

Collaboration across government is essential to ensure the alignment of government activities and to confirm that the needs of the tourism sector are considered in decision-making. A cross-government tourism group will be created, to meet regularly, to discuss topics such as:

- Impacts on the tourism industry of upcoming projects and initiatives across departments or agencies, including providing project facilitation services when appropriate.
- Potential efficiencies across government which can be leveraged for the industry, or reforms which are relevant for tourism (e.g. planning system).
- Existing government programs which can be tailored for the tourism industry.
- Infrastructure projects which may benefit or harm tourism, and how to address them.

More broadly, access to government programs, funding and systems could be simplified, enabling easier access for tourism businesses to the services they require to grow. Further, a review of duplicative regulation should occur so as to reduce the administrative burden on businesses, enabling a greater focus on capability development.

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[37] Tourism Research Australia, *State of the industry 2016-17* (February 2018) <https://www.tra.gov.au/tra/soi/2017/TRA_State%20of%20the%20 Industry%202017.pdf>.

Collaboration between government and industry is also necessary for the success of the *NT's Tourism Industry Strategy 2030* and for the sector more broadly: greater communication and alignment can assist in government providing the support required by the industry, while industry can leverage that support to build its own success.

5.4   Ongoing reporting and reviews

To ensure the *NT's Tourism Industry Strategy 2030* remains relevant through to 2030, a series of reporting and review exercises will be undertaken on a regular basis. Reporting is focused on tracking progress against priorities objectives and outcomes and visitor targets established under the strategy, with an annual report card to be published. In terms of targets, a flexible target range has been provided for both visitor arrivals and expenditure, with an upper bound goal identified – allowing for changing conditions and trends.

In addition, the strategy will be reviewed on a three-yearly basis to ensure the strategy remains relevant into the future. Regular reviews allow for new priorities and actions to be identified or existing ones to be refreshed, to take into account current progress or changes in the tourism landscape.

DTSC will maintain responsibility for reporting and review mechanisms.

Figure 5.2: *NT's Tourism Strategy 2030* reporting and review mechanisms

Annual report card

Reporting to occur annually against a set of agreed metrics, both general (e.g. visitors arrivals and expenditure) and action specific (e.g number of businesses supported, additional aviation capacity).

Progress is monitored

Three yearly review

Every three years, the strategy will be reviewed to refresh priorities, and identify further actions to take into account new additions to the tourism landscape if necessary

Strategy remains relevant

Flexible target range

Ranges provided for visitor arrival and expenditure targets, allowing for changing conditions , and consideration of different trends across visitor segments

Adaptable to new conditions

Ongoing marketing plans to underpin and support strategy

5.5   What can we achieve?

The core objective of the *NT's Tourism Industry Strategy 2030* is to achieve sustainable growth in tourism across the Northern Territory. Together, we can foster inclusive growth throughout the industry: across regions, sub-sectors and markets. Implementing the strategy's actions through to 2030 will create the momentum to attract more domestic and international visitors to the Territory, and prepare the industry to deliver high quality and increasingly diverse experiences to those visitors.

Growth in the tourism industry can be measured in a number of ways; for example, through visitor nights, visitor numbers or visitor spend. Fundamentally, growth is driven by increasing tourism expenditure. Higher levels of tourism expenditure in the Northern Territory translates to income for businesses and jobs for workers, as well as a broad range benefits for the broader community – including supporting investment in new infrastructure, and enhancing liveability through new experiences and events.

The *NT's Tourism Industry Strategy 2030* proposes visitor and expenditure targets to 2030, with targets also established specifically for holiday visitors, acknowledging the critical importance of the holiday segment for the Northern Territory now and into the future. The strategy reflects faster growth in the holiday visitor segment, with the bulk of actions within the *NT's Tourism Strategy 2030* aimed towards this segment. Deloitte Access Economics developed a baseline forecast (lower bound) for visitation, as well as projections under a scenario where the strategy's actions are implemented and fully funded (upper bound).

Targets are considered separately for short, medium and long term time horizons as the Northern Territory's visitor economy continues to adjust following the completion of the Ichthys project construction, and as priorities identified in the strategy take time to action, implement and have effect.

By 2030, **total overnight visitor arrivals to the Northern Territory are projected to reach between 2.51 million and 3.03 million**, accounting for between $3.01 billion and $3.67 billion in expenditure. In terms of holiday visitors, **projections are for between 1.18 million and 1.45 million holiday visitors by 2030**, and $1.46 billion to $1.79 billion in holiday visitor expenditure. [38]

Across the strategy's horizon, **the strategy target reflects an annual growth rate of 4.1 per cent** (in compound annual growth rate terms), while the baseline forecast would see total visitor arrivals to the Northern Territory increase by 2.0 per cent each year between 2018-19 and 2029-30. The following charts and tables show how the targets map to each of total and holiday visitation for domestic and international visitors, under the baseline forecast and strategy projections.

Chart 5.1: Domestic total and holiday visitation under baseline and target, 2006-07 to 2029-30

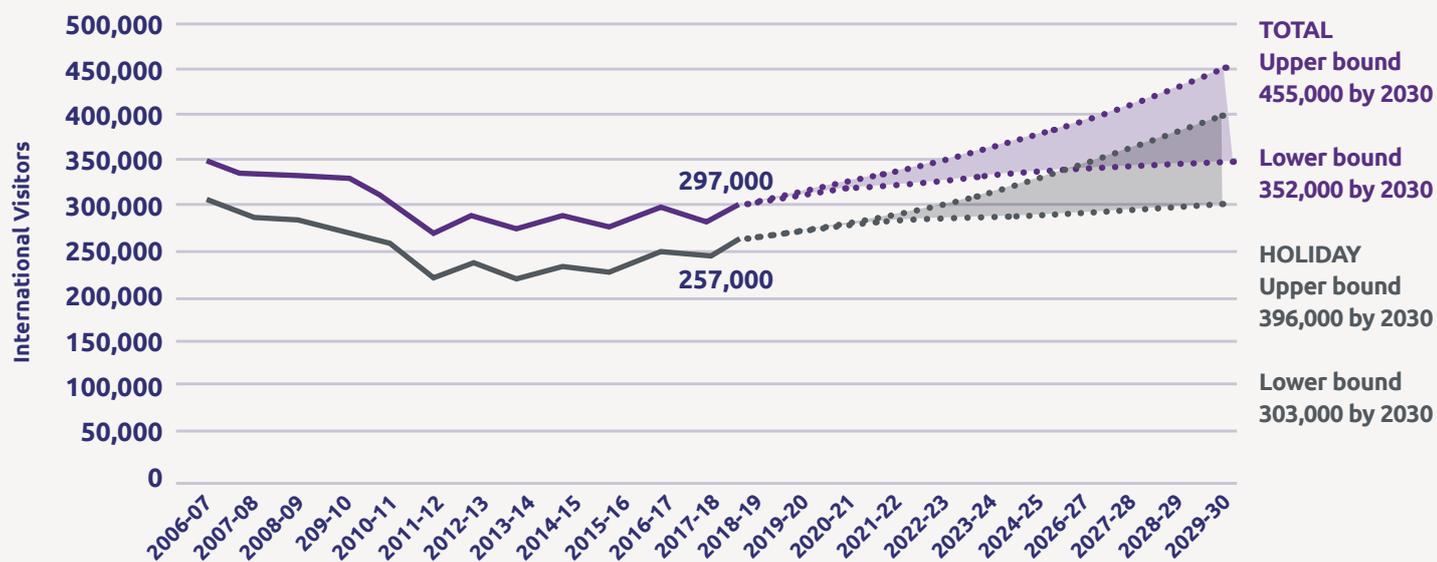Source: Tourism NT, Deloitte Access Economics and Tourism Research Australia

Table 5.1: *NT's Tourism Strategy 2030* domestic total and holiday visitation targets

Strategy target, visitor CAGR	2019-2020	2021-2025	2026-2030	NT's Tourism Strategy 2030
Total domestic	1.4%	3.9%	4.9%	**4.1%**
Domestic holiday	5.1%	3.9%	4.9%	**4.4%**

Source: Deloitte Access Economics and Tourism Research Australia

[38] Deloitte Access Economics developed a baseline forecast (or lower bound) for visitation to the Northern Territory. The lower bound forecast considers factors such as expected national and source market economic performance, historic visitor arrivals and trends across the tourism industry as a whole. The upper and lower bound projections are based upon the latest data available at the time of writing and do not take into account unforeseen impacts, such as major economic, environmental, health or other events. Tourism NT has introduced the lower bound projection from 2020-21, as its budget up to that point has been boosted under the NT Government's "Turbo 2" stimulus.

Chart 5.2: International total and holiday visitation under baseline and target, 2006-07 to 2029-30

TOTAL
Upper bound
455,000 by 2030

Lower bound
352,000 by 2030

HOLIDAY
Upper bound
396,000 by 2030

Lower bound
303,000 by 2030

297,000

257,000

Source: Tourism NT, Deloitte Access Economics and Tourism Research Australia

Table 5.2: *NT's Tourism Strategy 2030* international total and holiday visitation targets

Strategy target, expenditure CAGR	2019-2020	2021-2025	2026-2030	NT's Tourism Strategy 2030
Total domestic	3.0%	3.6%	4.5%	**4.0%**
Domestic holiday	3.5%	3.6%	4.5%	**4.0%**

Source: Deloitte Access Economics and Tourism Research Australia

Gunlom plunge pool, Kakadu National Park.

Total visitor expenditure in the Northern Territory would reach $3.67 billion in 2030 under the *NT's Tourism Industry Strategy 2030* target with $2.85 billion in domestic spend and $814 million in international spend. This is compared to $3.1 billion in the baseline scenario. Expenditure figures are derived based upon visitor arrivals, as well as average expenditure by purpose (for domestic visitors) and by source market (for international visitors).

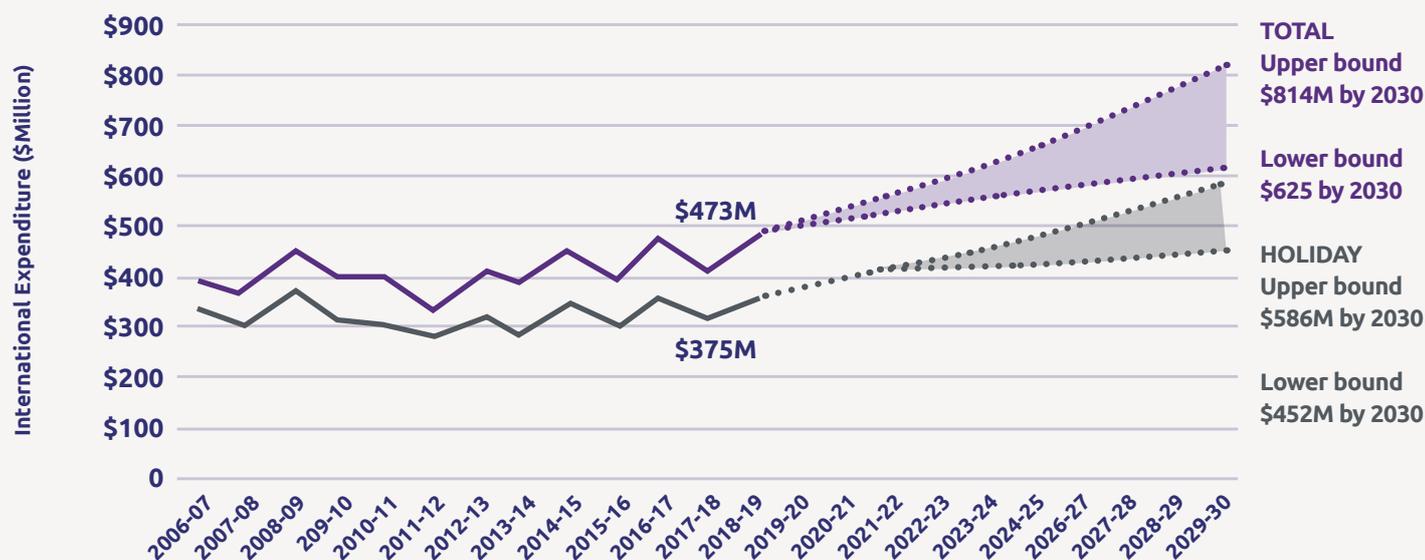Chart 5.3: Domestic total and holiday expenditure under baseline and target, 2006-07 to 2029-30

Source: Tourism NT, Deloitte Access Economics and Tourism Research Australia

Table 5.3: *NT's Tourism Strategy 2030* domestic total and holiday expenditure targets

Strategy target, expenditure CAGR	2019-2020	2021-2025	2026-2030	NT's Tourism Strategy 2030
Total domestic	1.1%	3.3%	4.2%	**3.5%**
Domestic holiday	4.8%	3.5%	4.3%	**4.0%**

Source: Deloitte Access Economics and Tourism Research Australia

Chart 5.4: International total and holiday expenditure under baseline and target, 2006-07 to 2029-30

Source: Tourism NT, Deloitte Access Economics and Tourism Research Australia

Table 5.4: *NT's Tourism Strategy 2030* international total and holiday expenditure targets

Strategy target, expenditure CAGR	2019-2020	2021-2025	2026-2030	NT's Tourism Strategy 2030
Total domestic	4.2%	4.7%	5.6%	**5.1%**
Domestic holiday	4.1%	3.7%	4.6%	**4.2%**

Source: Deloitte Access Economics and Tourism Research Australia

Further to the visitor and expenditure targets established in *NT's Tourism Industry Strategy 2030,* targeted outcomes have also been identified for each key priority within the strategy.

5.6   Impact on the Northern Territory economy

Achieving visitor arrival and expenditure targets identified in the *NT's Tourism Industry Strategy 2030* will have significant benefits for the economy.

Using December 2018 calendar year data as the base, Deloitte Access Economics has estimated an additional $782 million in visitor expenditure is expected to flow through the Territory's economy in 2029-30 if the *NT's Tourism Industry Strategy 2030* visitor target were to be achieved. In this scenario, the Northern Territory economy would be $117 million[39] larger in gross state product (GSP) terms in 2029-30, compared to a 'business-as-usual' scenario with baseline forecast growth. Using an annual real discount rate of 7 per cent, achieving the strategy target would increase GSP by a cumulative $282 million from 2018-19 to 2029-30.[40]

The GSP impact was measured using Deloitte Access Economics' in-house computable general equilibrium (CGE) model. The approach adopted measures the impact of the incremental increase in the Territory's visitor expenditure between the baseline and strategy targets. A description of Deloitte Access Economics' methodology and annual results can be found in Appendix A.

DTSC has calculated a potential tourism jobs impact if the strategy targets are achieved. Up to an estimated 3,900 new tourism jobs would be created across the Northern Territory through the additional economic activity supported by increased visitor expenditure. A description of the methodology behind this calculation is in Appendix B.

[39] Real, 2018 dollars.
[40] Ibid.

6 What does achieving the strategy mean?

6.1   For the Top End

Figure 6.1: Key visitor statistics in the Top End, average from 2015-16 to 2017-18

Total visitors: 1,475,000

Visitor nights: 8,998,000

Domestic visitors: 1,276,000

Average length of stay: 6 nights

International visitors: 199,000

Regional expenditure; $1.4 billion

Source: Tourism Research Australia

Note: The Top End includes the tourism regions of Darwin, Kakadu Arnhem and Katherine Daly

The Top End is set to benefit from a number of actions identified in the *NT's Tourism Industry Strategy 2030*. As the gateway to the Territory in many cases, the visitor experience in Darwin's CBD is a vital contributor to a tourist's overall perception of the NT. Consultations highlighted that poor perceptions of Darwin are a barrier to visitation, together with views around value for money (particularly during the Ichthys construction phase) and accessibility more broadly. Supporting Darwin's City Deal – and continuing relationships between all levels of government after the City Deal has been delivered – is crucial to enhancing the visitor experience and delivering greater value to consumers, positioning Darwin as a tropical capital city with new or upgraded attractions and close proximity to the Northern Territory's regions.

Continued support and actions to enhance domestic and international connectivity through Darwin International Airport will open the region to visitors from new countries and cities, and provide for an increase in traveller numbers, supporting Darwin's regular aviation connections. On a similar note, a renewed approach to the cruise sector and port infrastructure across the Top End will attract new visitors and enhance the visitor experience, along with bringing visitors during the quieter summer period thus improving business profitability.

Events are popular in the Top End, attracting thousands of visitors each year. A focused approach on priority hero events could drive increased visitation to Darwin and its regions. A dedicated bid fund to support business events could also drive delegate visitation to Darwin Convention Centre, hotels across Darwin and pre- or post-trip touring.

Advocating for investments in road infrastructure – including the Savannah Way and Explorers Way – supports the Top End's strong self-drive market. Together with securing public and private investment at Kakadu National Park, these investments have the potential to change the landscape of the Top End and attract a new generation of visitors.

6.2 For Central Australia

Figure 6.2: Key visitor statistics in Central Australia, average from 2015-16 to 2017-18

Total visitors: 1,005,000

Visitor nights: 3,877,000

Domestic visitors: 713,000

Average length of stay: 4 nights

International visitors: 292,000

Regional expenditure; $869 million

Source: Tourism Research Australia

Note: Central Australia includes the tourism regions of Alice Springs, Lasseter, Barkly and MacDonnell

Priorities and pillars in the *NT's Tourism Industry Strategy 2030* will support the tourism industry across Central Australia, with a number of actions specific to the region.

As part of growing investment across the Territory, the strategy specifically identifies the National Aboriginal Art Gallery in Alice Springs as a new demand driver with the potential to generate a significant increase in visitation, and one which is important not only for Alice Springs, but for the Central Australia region. The Gallery could be catalyst for further private investment in the area, with a greater level of activity supporting new enterprises and increased aviation capacity into the region.

Events are often cited as one of Alice Springs' key strengths, and the strategy aims to support the continued development of new and existing tourism-focused events. Alice Springs is set to benefit from actions underpinning this key priority, with boosts to visitation from the strategic development of existing and new events, such as Parrtjima. An increase in visitation will also underpin demand for aviation services, encouraging the development of new routes and providing more certainty for existing routes.

Together with aviation connections, good road infrastructure is vital to connectivity in Central Australia. The *NT's Tourism Industry Strategy 2030* identifies investment in touring routes as an action, with the Mereenie Loop noted in consultations as a key opportunity. A sealed road connecting Alice Springs, Uluru and Kings Canyon through the West MacDonnell Ranges could open the route to more vehicles and greater visitor numbers, encouraging increased dispersal around the region.

Upgrades of visitor accommodation and experiences at Uluru would also provide opportunities for all of Central Australia, attracting visitors which can disperse across the region. Ensuring that core infrastructure at Uluru is adequate for its increasing worker population and visitor arrivals, together with a strategic approach to expanding aviation, accommodation and experience capacity, are identified as actions in the *NT's Tourism Industry Strategy 2030* as crucial to the region's success over the medium to long term.

6.3   For industry

At the heart of tourism is the industry: from enterprise owners to hospitality workers and investors to tour guides, a successful tourism sector is built on the experiences provided to visitors by private businesses. The *NT's Tourism Industry Strategy 2030* identifies a range of actions and initiatives through its priorities and pillars to support industry development, given the private sector's crucial role in attracting, welcoming and delivering services to tourists.

Specific to showcasing Aboriginal cultures, a number of actions relate to reviewing and delivering skills training and business support for Aboriginal enterprises and workers. This initiative is centred on laying the groundwork to establish the Northern Territory as Australia's leader in Aboriginal tourism, maintaining consistent support for operators to underpin the sustainability of the sector.

More broadly, the *NT's Tourism Industry Strategy 2030* notes that industry reported challenges in investing and developing new experiences on Aboriginal land. A key action in the strategy is therefore to streamline and enhance the investment process, particularly for larger investments, while maintaining the importance of working with and obtaining approval from Land Councils on behalf of Traditional Owners.

Industry is also set to benefit from a variety of industry and workforce development initiatives. Related to industry development, destination management plans will identify regional priorities over the medium term, but programs will also be developed to build business capability and provide industry support, particularly in regional and remote areas. These initiatives will work to improve the quality and consistency of offerings for visitors, while ensuring infrastructure and experiences remain in line with consumer demand.

Feedback from consultations highlighted a number of challenges related to the tourism workforce. A range of supporting actions were identified to address those challenges, including raising awareness of tourism-related careers to build the local workforce, ensuring migration agreements are adequate over the life of the strategy, supporting businesses in hiring and training, and reviewing the adequacy of skills training programs for staff. Together, these actions will support the development of a skilled workforce, and therefore enhance the visitor experience.

Crucial to the strategy is collaboration – between government and industry, but also within each sector. Industry is responsible for collectively engaging with government to drive successful outcomes, but also to collaborate within the industry – from developing formal partnerships between Aboriginal and non-Aboriginal businesses, to collaboratively marketing and working together with other businesses. Collaboration is a critical pillar underpinning the strategy, and together with industry and workforce development plus marketing, will form the basis of the *NT's Tourism Industry Strategy 2030's* success.

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Appendix A: Economic modelling methodology and results.

Appendix B: Estimates of tourism jobs.

A.1. Introduction

A change in any part of the economy has impacts that reverberate throughout the economy. For example, increasing visitation to the Northern Territory will involve increased economic activity in the tourism-related industries but it will also have a range of impacts in other parts of the economy:

- As the sector expands it will draw in an increased volume of primary factors as well as intermediate inputs from related service, manufacturing and professional services sectors.
- Apart from the direct effects of expanding tourism, the roll-out will result in changed consumer spending by households whose income and employment have changed with the change in economic activity. This could mean a change in investment flows and consequently a changed capital stock.

A Regional Computable General Equilibrium (CGE) model is the best-practice method available for capturing the different impacts highlighted above. The reason for this is that it is able to explicitly account for behavioural response of consumers, firms, governments and foreigners while evaluating the impacts of a given scenario. At the same time, it observes resource constraints meaning that the estimated economic impact which comes from a CGE model will account for 'crowding out' whereby increased activity will draw resources from other sectors. This is especially important in the context of modelling small regional economies where key sectors account for a major share of output and thus changes in these sectors' activity levels will have large ramifications within the region.

A.2. Modelling framework and methodology

The implications of achieving the visitor arrival and expenditure targets identified in *NT's Tourism Industry Strategy 2030* have been assessed using the in-house Deloitte Access Economics Regional General Equilibrium Model (DAE-RGEM).

The economic impact modelling shows the economy-wide impact of achieving the strategy target in comparison with the baseline scenario, which is characterised by the Northern Territory visitor economy continuing on its current historical trajectory. To transform the visitor targets (outlined in Section 5.2) into 'shocks' that can be inputted into DAE-RGEM, the following methodology and assumptions were adopted:

- Build latest profile of visitors to the Northern Territory using TRA's International Visitor Survey (IVS) and National Visitor Survey (NVS) for year ending December 2018.
- Domestic visitors were decomposed by purpose of visit (POV) and international visitors were decomposed by their source market.
- Forecast the composition of visitors and visitor nights by POV and source market using the latest visitor forecast figures from Tourism Research Australia, which shows the relative growth rates of different market segments.
- Estimate the total expenditure that would be achieved under the strategy target based on the idiosyncratic expenditure profiles of visitors from different POVs and source markets using 2018 data.
- The total expenditure is attributed to tourism expenditure items as given in the IVS and NVS. It is assumed that the expenditure profile of each POV or source market remains consistent with their 2018 profile.
- Tourism expenditure categories are mapped one-to-one to the relevant DAE-RGEM industries. In particular, trade, transport, recreation, and other government services (education) are the key industries that supply goods and services consumed by visitors.
- Only destination expenditure is used as input into DAE-RGEM, as only expenditure incurred in the Northern Territory will lead to economic activity and employment in the region.
- DAE-RGEM is shocked with (1) the difference between the strategy target and the baseline. Consequently, the results can be interpreted as the impact of achieving the strategy target above and beyond the baseline forecasts. All results are given in real 2018 dollars.

A.3.   Results

An additional $782 million in visitor expenditure is expected to flow through the Territory's economy in 2029-30 if the NT's Tourism Industry Strategy 2030 visitor target were to be achieved. In this scenario, the Northern Territory economy would be $117 million larger (in real, 2018 dollars) in gross state product (GSP) terms by 2030, compared to a 'business-as-usual' scenario with baseline forecast growth. Using an annual real discount rate of 7 per cent, achieving the strategy target would increase GSP by a cumulative $282 million from 2018-19 to 2029-30 (in real, 2018 dollars). Chart A.1 shows the annual increase in GSP resulting from achieving the strategy visitor target.

Chart A.1: Impact on gross state product associated with achieving the NT's Tourism Industry Strategy 2030 visitor target, 2018-19 to 2029-30 (real 2018 dollars)
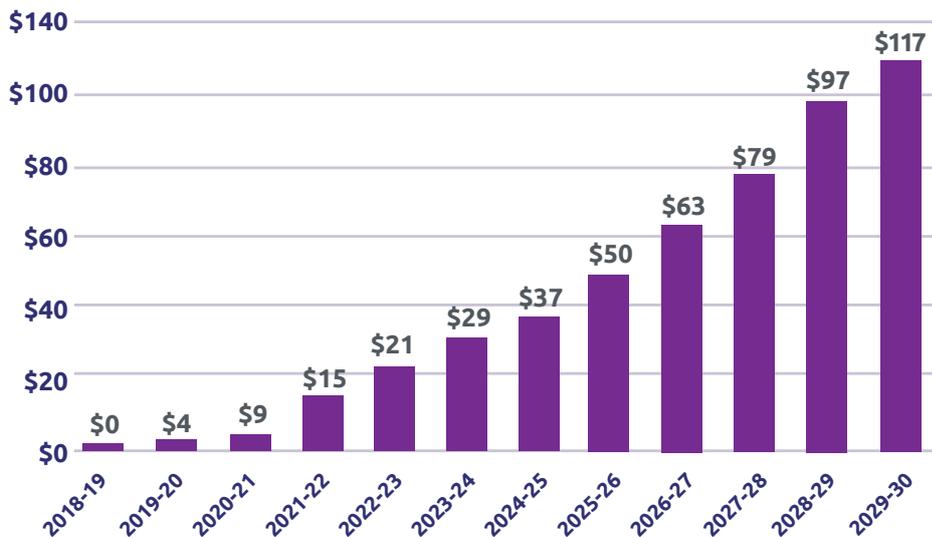
Source: Deloitte Access Economics

A.4.   DAE-RGEM

The Deloitte Access Economics regional general equilibrium model (DAE-RGEM) belongs to the class of models known as Computable General Equilibrium (CGE), or Applied General Equilibrium (AGE) models. Other examples of models in this class are the Global Trade and Analysis Project (GTAP) model, the Victoria University Model (the Vic-Uni Model) and The Enormous Regional Model (TERM).

Like GTAP, DAE-RGEM is a global model, able to simulate the impact of changes in any of the 140 countries in the GTAP database (including Australia) onto each of the 140 countries. The ability to incorporate the flow-on impacts of changes that may occur in rest of the world is a key feature of global models that is not available in singlecountry models, such as the Vic-Uni Model or TERM.

However, like those models, DAE-RGEM is a bottom-up model of regional Australia. So DAE-RGEM is able to project the impacts on different States and sub-State regions of Australia of changes occurring in any region of Australia or in rest of the world within a single, robust, integrated economic framework.

This model projects changes in macroeconomic aggregates such as GDP, employment, export volumes, investment and private consumption. At the sectoral level, detailed results such as output, exports, imports by commodity and employment by industry are also produced.

The following diagram gives a stylised representation of DAE-RGEM, specifically a system of interconnected markets with appropriate specifications of demand, supply and the market clearing conditions determine the equilibrium prices and quantity produced, consumed and traded.

Figure A.1: A stylised representation of DAE-RGEM
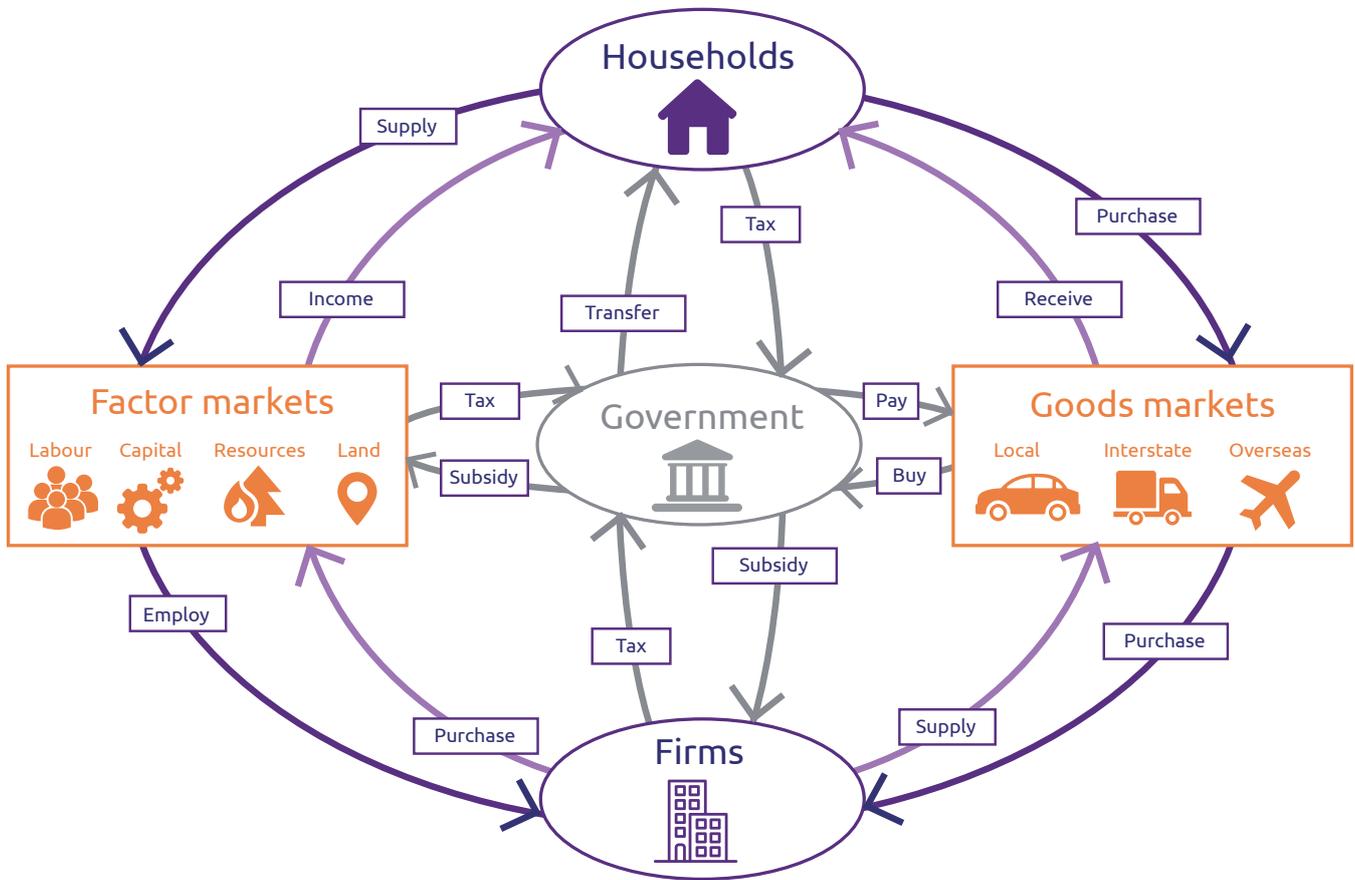
The model rests on the following key assumptions:

- All markets are competitive and all agents are price takers
- All markets clear, regardless of the size of the shock, within the year.
- It takes one year to build the capital stock from investment and investors take future prices to be the same as present ones as they cannot see the future perfectly
- Supply of land and skills are exogenous. In the business as usual case, supply of natural resource adjusts to keep its price unchanged; productivity of land adjusts to keep the land rental constant at the base year level.
- All factors sluggishly move across sectors. Land moves within agricultural sectors; natural resource is specific to the resource using sector. Labour and capital move imperfectly across sectors in response to the differences in factor returns. Inter-sectoral factor movement is controlled by overall return maximizing behaviour subject to a CET function. By raising the size of the elasticity of transformation to a large number we can mimic the perfect mobility of a factor across sectors and by setting the number close to zero we can make the factor sector specific. This formulation allows the model to acknowledge the sector specificity of part of the capital stock used by each sector and also the sector specific skills acquired by labour while remaining in the industry for a long time. Any movement of such labour to another sector will mean a reduction in the efficiency of labour as a part of the skills embodied will not be used in the new industry of employment.

DAE-RGEM is based on a substantial body of accepted microeconomic theory. Key features of the model are:

- The model contains a 'regional household' that receives all income from factor ownerships (labour, capital, land and natural resources), tax revenues and net income from foreign asset holdings. In other words, the regional household receives the gross national income (GNI) as its income.

- The regional household allocates its income across private consumption, government consumption and savings so as to maximise a Cobb-Douglas utility function. This optimisation process determines national savings, private and government consumption expenditure levels.

- Given the budget levels, household demand for a source-generic composite goods are determined by minimising a CDE (Constant Differences of Elasticities) expenditure function. For most regions, households can source consumption goods only from domestic and foreign sources. In the Australian regions, however, households can also source goods from interstate. In all cases, the choice of sources of each commodity is determined by minimising the cost using a CRESH (Constant Ratios of Elasticities Substitution, Homothetic) utility function defined over the sources of the commodity (using the Armington assumption).

- Government demand for source-generic composite goods, and goods from different sources (domestic, imported and interstate), is determined by maximising utility via Cobb-Douglas utility functions in two stages.

- All savings generated in each region are used to purchase bonds from the global market whose price movements reflect movements in the price of creating capital across all regions.

- Financial investments across the world follow higher rates of return with some allowance for country specific risk differences, captured by the differences in rates of return in the base year data. A conceptual global financial market (or a global bank) facilitates the sale of the bond and finance investments in all countries/regions. The global saving-investment market is cleared by a flexible interest rate.

- Once aggregate investment level is determined in each region, the demand for the capital good is met by a dedicated regional capital goods sector that constructs capital goods by combining intermediate inputs in fixed proportions, and minimises costs by choosing between domestic, imported and interstate sources for these intermediate inputs subject to a CRESH aggregation function.

- Producers supply goods by combining aggregate intermediate inputs and primary factors in fixed proportions (the Leontief assumption). Source-generic composite intermediate inputs are also combined in fixed proportions (or with a very small elasticity of substitution under a CES function), whereas individual primary factors are chosen to minimise the total primary factor input costs subject to a CES (production) aggregating function.

- Labour in DAE-RGEM is distinguished by occupational classes. The exact number of the occupation class depends on the aggregation dictated by the engagement at the time of model application. However, version 9 of the GTAP database recognises five occupational classes. These occupational classes are substitutable with each other and with other factors of production.

- Demand for each occupational class in each production sector in each region is met by the workers equipped with different skill levels (educational degree and discipline). The composition of skills in each occupation and sector is dictated by cost minimisation rule subject to a CES aggregation function. The smaller the elasticity of skills substitution within a given occupation, the difficult it becomes for occupational labour to move across skills regardless of the wage differences. This means that a given skill will be employed in a given occupation. The number of skill types also depends on the need at the time of model application. In the default aggregation, DAE_RGEM solves with one occupation class and one skill type.

- The supply of skills is exogenous to the model. However, following the literature on the wage curve, DAE-RGEM maintains that the skill specific unemployment rate in each region responds negatively to rise in corresponding real wage rate. In other words, the skill specific unemployment rates in DAE-RGEM are endogenously determined and they fall with the rise in equilibrium real wage rates

- Normally international migration in DAE-RGEM is treated as exogenous, but interstate migration within Australia is derived endogenously. It is maintained that wage differences in the regions observed in the base year reflects the risks and remoteness differences, any difference is the growth rates in the skill-specific regional real wage rates induces interregional migration.

- With respect to the sources of intermediate inputs, producers minimise costs by choosing between domestic, imported and interstate intermediate inputs subject to a CRESH aggregating function.
- Prices are determined via market-clearing conditions that require sectoral output (supply) to equal the amount sold (demand) to final users (households and government), intermediate users (firms and investors), foreigners (international exports), and in Australia to other Australian regions (interstate exports).
- For internationally-traded goods (imports and exports), the Armington assumption is applied whereby the same goods produced in different countries are treated as imperfect substitutes. But, in relative terms, imported goods from different regions are treated as closer substitutes than domestically-produced goods and imported composites (home-bias). Goods traded interstate within the Australian regions are assumed to be closer substitutes than overseas imports.

Marksies Camp Tucker Experience, Katherine.

B.1   Estimates of Jobs

As the tourism industry is most familiar with jobs estimates as produced in the Tourism Satellite Accounts (TSA), a decision was made to produce a similar figure which could result from achieving the strategy targets. It was felt a jobs estimate, rather than FTEs to be created, would have more resonance in the tourism industry and allow contextual comparisons with current TSA estimates.

To transform the visitor expenditure target into a jobs estimate the following methodology was adopted:

•   The relativity between tourism jobs and visitor expenditure in 2017-18 was calculated using estimates from the NT Tourism Satellite Accounts, and National and International Visitor Surveys, respectively.

•   The upper bound of the 2030 total visitor expenditure target was discounted by 3% per annum to account for the impact of inflation on job creation.

•   The 2017-18 NT job relativity estimate was applied to the discounted 2030 visitor expenditure target, to provide an estimate of job creation over the strategy duration.

This estimate is considered an upper range for job creation. It is acknowledged the actual number of new jobs created over the period of the strategy will be impacted by a variety of factors including actual CPI figures, digitalisation and new technologies, productivity gains, efficiencies, substitution from interstate or overseas, the level of public and private sector investment, competition for labour from other industry sectors, and changes in consumer behaviour.

Banubanu Wilderness Retreat, East Arnhem Land.

Banubanu, Bremer Island, East Arnhem Land.

NORTHERN TERRITORY
TOURISM NT