

Northern Territory's Tourism Industry Strategy 2030

Annual Report Card
July 2020



2030 Targets

Tourism 2030 and COVID-19

Holiday visitation for both international and interstate arrivals to the NT in 2020 and 2021 will be severely impacted by COVID-19 and associated travel restrictions. Some reprieve to visitation is anticipated by capturing part of the \$65 billion outbound domestic travel market which is expected in part to convert to outbound travel once restrictions begin to lift from 17 July 2020. The initial targets for 2030 of between 2.51 million and 3.03 million visitors with between \$3.01 billion and 3.67 billion of expenditure remain valid.

Development of tourism in the NT

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. This is the first progress report on the *NT's Tourism Industry Strategy 2030*. It provides an update on targets, actions and priorities as well as Tourism NT's response to COVID-19.

Target measurements

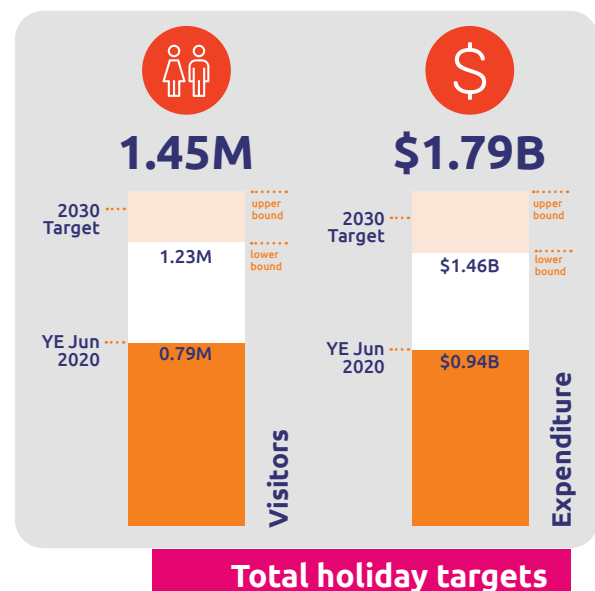
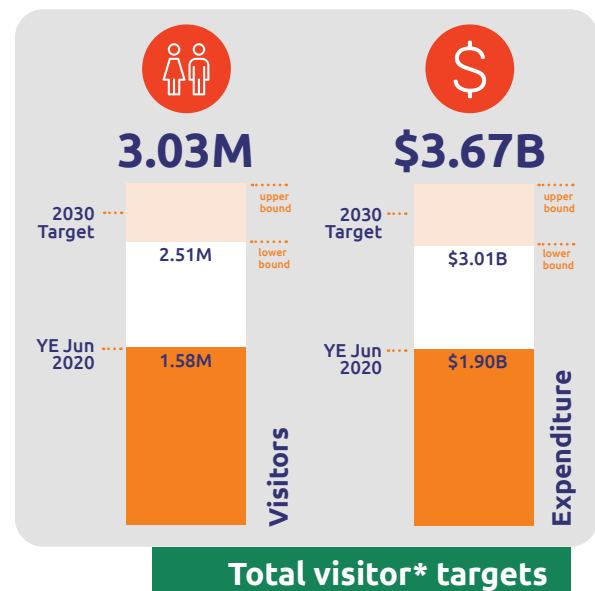
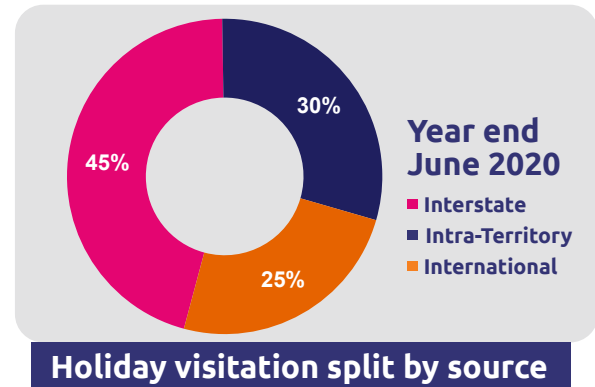
Growth in the tourism industry can be measured in a number of ways; for example, through visitor nights, visitor numbers or visitor spend. Fundamentally, growth is driven by increasing tourism expenditure. Higher levels of tourism expenditure in the Northern Territory translates to income for businesses and jobs for workers, as well as a wide range of benefits for the broader community – including supporting investment in new infrastructure, and enhancing liveability through new experiences and events. The strategy also specifically targets holiday visitors considering the segment's critical importance.

Achieving the strategy target

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 between 1.18 million and 1.45 million holiday visitors by 2030, and \$1.46 billion to \$1.79 billion in holiday visitor expenditure.

At the year ended December 2019 overnight holiday expenditure in the NT was \$1.2 billion, well ahead of expected progress towards the 2030 target. However, between January to June 2020 holiday expenditure fell dramatically as a result of COVID-19, to be \$0.94 billion for the 2019-20 financial year.

Holiday expenditure is expected to fall further during the first half of the 2020-21 financial year, with improvement not expected until the final quarter. In the immediate future, improvement in performance will be driven by the domestic market and segments such as drive and fly/drive.



Source: International Visitor Survey and National Visitor Survey, Tourism Research Australia, Year Ending June 2020. *Total visitor group includes all incoming overnight visitors to the NT.



Response to COVID-19

Australia's tourism industry succumbed to two catastrophic events in the summer of 2019-20. Fires burned around the country peaking between November and January, devastating regional communities across Victoria, South Australia, New South Wales and the ACT.

An outbreak of Coronavirus (COVID-19) at the same time provoked major and disastrous consequences for countries and economies around the world. From the outset of COVID-19, tourism businesses were impacted by Government imposed travel bans on international and subsequently, domestic visitors. As the situation continues to evolve, the full impact of COVID-19 to travel in the Territory has not yet been realised.

Tourism industry shut down

Temporary closure of Territory borders due to COVID-19 on 24 March 2020, followed by restrictions on movements to remote communities and national parks effectively ceased all incoming tourism to the Territory.

Physical distancing regulations forced the closure of most ancillary tourism product still operating for local consumption including restaurants, bars and cafes (excluding takeaway); markets; parks and reserves; events; galleries and sports competitions.

Some operators in the accommodation sector had low levels of rooms sold as incoming visitors and residents were required to spend 14 days in forced quarantine. During the shutdown Tourism NT contacted 880 business owners in the Territory to offer support and assistance in navigating funding grants offered by the Territory Government. At the time of contact at least 56% of businesses reported that operations were suspended.

Rebound and recovery

Looking to the future, the Territory is well placed to emerge from the pandemic by applying priorities and actions identified in *NT's Tourism Industry Strategy 2030*.

International tourism accounts for 19 per cent of all revenue generated by tourism in the NT. While Australia's borders remain closed, there is an immediate opportunity for the Territory to capture a share of the 5.8 million outbound holiday trips Australians made in 2019. Achieving just a 7% share of this market would provide an additional 400,000 visitors to the Territory and fully mitigate losses from international markets in terms of numbers. Continued positioning of the NT by highlighting its nature-based / wide open spaces imagery in tourism marketing will resonate with cautious and safety conscious domestic travellers post COVID-19.

The NT's remarkable products, assets and regions along with its distinctive Aboriginal cultural tourism experiences will be key drivers in capturing this market.

The easing of border restrictions and quarantine measures will be a critical factor in the ability to gain marketshare over other states and territories.

Another factor to consider in the Territory's recovery will be accessibility and rebound of the aviation industry to pre-COVID-19 levels of capacity.

Survival of tourism businesses over the low season until 2021 is a significant risk for the industry.

Territory Government Support

\$2m Tourism Resilience Package

Announced in February to support Territory tourism operators and the communities they support by minimising the impacts of the Australian Bushfires and COVID-19. The package directed funding reconfigured for tourism marketing and industry initiatives in response to these market shocks.

Tourism Fast Track Program

Addressing business survival, business revival and business growth, Tourism NT, in partnership with the then Department of Trade, Business and Innovation and the Business Enterprise Centre NT, extended the Tourism Fast Track business support program. The program involved a minimum of five free one-on-one meetings with an experienced tourism sector business consultant over a three month time period.

\$50m Small Business Survival Fund

Targeted specifically at supporting tourism, hospitality and entertainment industries, the fund assisted Territory businesses through the unprecedented economic impacts of COVID-19. Two payments were received by eligible businesses; an immediate survival cash payment and a rapid adaptation payment to offset costs incurred in adapting the recipients' business model to suit restrictions.

Tourism Business Support Program

The NT Government funded KPMG Business Support program enabled individual business owners and operators access to personalised financial advice and business planning advice. Private two-hour appointments with KPMG representatives were available up to the end of July 2020.

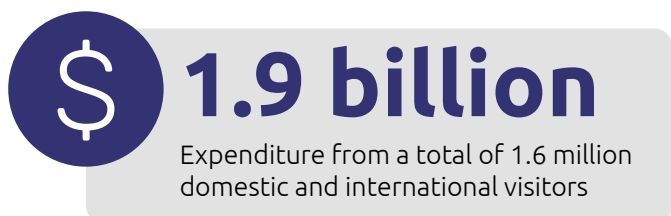
\$20m Business Improvement Grant

Eligible Territory businesses were able to access a \$10,000 payment to make permanent physical improvements to a business or building. For work valued at more than \$10,000, the co-contribution by the Territory Government was limited to \$10,000 on a dollar-for-dollar basis up to a maximum grant of \$20,000.

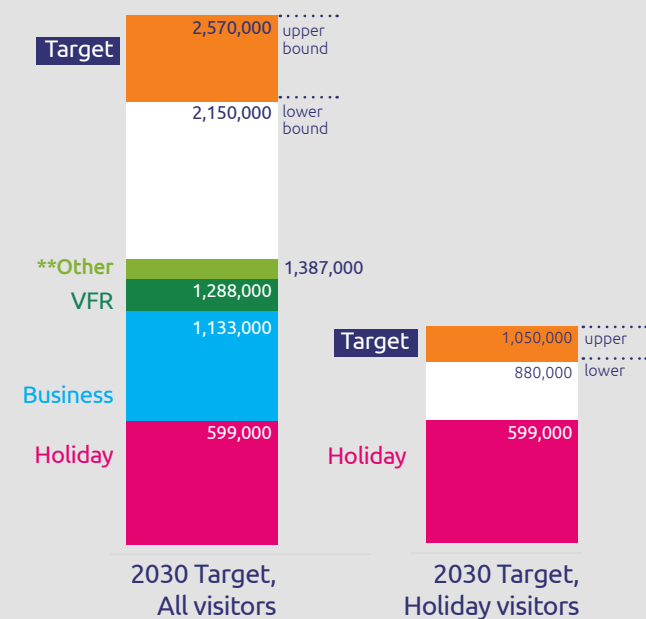
Current visitor data snapshot

Year ending June 2020

Total visitor expenditure



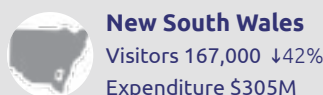
Domestic overnight visitors by type



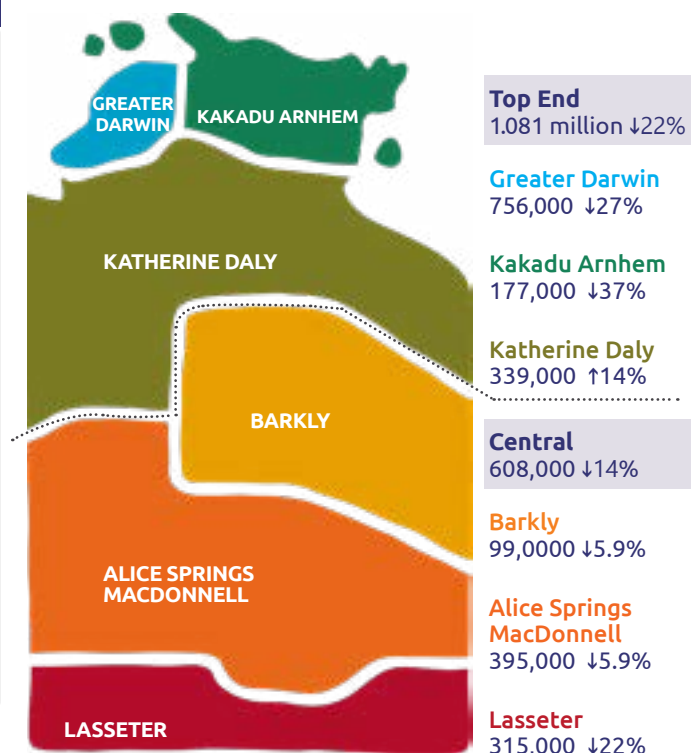
Top international markets



Top national markets



Total visitors by region



Source: International Visitor Survey and National Visitor Survey, Tourism Research Australia, Year Ending June 2020, Tourism NT. Period-to-period percentage changes may differ slightly due to rounding. *China includes Mainland China, Hong Kong and Taiwan. **Other group includes: employment, education, medical reasons, personal appointment, providing transport, attend funeral, other not defined, no other reason, in transit, not stated/not asked.

Achieving priority objectives

The NT's *Tourism Industry Strategy 2030* strategic framework 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. 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 the below four pillars which underpin the framework. The following is a summary and not exhaustive of all actions taken towards achieving NT's *Tourism Industry Strategy 2030*.



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

In partnership with Deloitte, Tourism NT has developed drafts of the first four of seven Destination Management Plans (DMP) for the following regions: Barkly; Katherine and Big Rivers; Alice and MacDonnell; and Lasseter. Anticipated for release in November, each DMP delivers a situation analysis of its region and identifies gaps and opportunities for further tourism development. Derived from these opportunities, an Implementation Action Plan provides specific, tangible actions that support the strategic and sustainable growth of tourism in each region.



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

The NT's ten-year *Aboriginal Tourism Strategy 2020-2030* was released in November 2019 and sets a vision for the NT to strengthen its position as the undeniable leader in Aboriginal cultural tourism. The Strategy will guide the growth of Aboriginal tourism including economic development and employment opportunities for Aboriginal Territorians. Development of the Strategy was guided by the Aboriginal Tourism Advisory Council and the result of extensive consultation with Aboriginal people and organisations, and the wider tourism industry.

To support the release of the Strategy, the NT Government rolled out a range of dedicated activities including an Aboriginal Tourism Grant Program to support Aboriginal owned (greater than 50% Aboriginal owned) and operated tourism business enterprises. The Program provided \$200,000 of grant funding in the 2019-20 financial year supporting 13 Aboriginal owned businesses.



Grow the value of the holiday market in the Northern Territory through strategic marketing activities

Numerous strategic marketing initiatives were undertaken to grow the NT holiday market. The launch of the new tourism brand 'Different in Every Sense' positioned the NT as the premier destination to experience nature, wildlife, Aboriginal culture and adventure. Domestically, the Territory was the feature destination in Channel 10's 'The Amazing Race', finale episode and the brand was further enriched by the Arts Trail campaign and Australian Traveller content partnership.

Internationally, the brand was communicated through partnerships with Tourism Australia and Tripadvisor. Millions of potential travellers have been made more aware of the NT through high profile activities including the finale episode of the USA version of 'The Bachelor', while trade activities have allowed local operators to create global distribution through Inbound NT and Adventure NT trade events.

Conversion campaigns that support access to the Territory through airlines and promotion of drive routes remained paramount and assisted in motivating over 114,000 consumers to book a holiday directly through the partnership marketing activity.

All international marketing was paused in March 2020 as a result of COVID-19.





Leverage and build events to drive visitation

In July 2019, the *NT Long Term Business Events Strategy* was released. The aim of the strategy is that by 2030, business events will deliver \$68M in delegate expenditure to the Territory economy. The NT Business Events Support Fund is instrumental in attracting and securing business events to the Territory. The fund has attracted 180 applications since its launch in early 2018, with 68 events confirmed between 2018 and 2022. These 68 confirmed events will result in an estimated \$50.1M in delegate expenditure from approximately 21,130 delegates visiting the Territory.

Bruce Munro: Tropical Light was developed to increase visitation over Darwin's tropical summer. Tourism NT and NT Major Events Company encouraged tourism product development to support the event through a dedicated mentoring program and an industry workshop series. The event attracted over 46,219 attendees.

The ultimate success of the event is difficult to ascertain as the event concluded early due to COVID-19 and the benefits of many promotional activities undertaken would not have been realised until the latter stages of the event. There were a range of lessons learnt which will inform the continued exploration of what might be delivered to showcase the NT during the typical low season.

Develop ongoing access to and within the NT

The drive market strategy due to be released this year is currently out for tender and will be finalised in 2021. The updated cruise strategy is planned to be released later in 2020. The immediate term aviation focus is to restore interstate and intrastate aviation links for the Northern Territory as part of the recovery phase. Longer term, aviation development plans for growing international and domestic Northern Territory air routes remain an integral part of the strategy.



Governments, all industries and the general public recognise the value of tourism to the Northern Territory

A 'Value of Tourism' video and social media strategy was developed at the beginning of 2020 however was temporarily paused due to COVID-19. This campaign will now be launched to support tourism recovery via social media.

A small positive to come from recent events is that the broader community has a greater appreciation and understanding of the benefits tourism brings to the Northern Territory.

