

GROWING THE VISITOR ECONOMY

Submission to the Northern Territory Government
2016-17 Budget

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Tourism & Transport Forum

Tourism & Transport Forum (TTF) is a national, member-funded CEO forum, advocating the public policy interests of leading corporations and institutions in Australian tourism, transport and aviation.

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Wavepool, Darwin: Darwin Waterfront Corporation

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Executive Summary

With the continuing decline of sectors such as manufacturing and the wind down of the mining investment boom, Australians are looking to the sectors that can deliver sustainable growth and jobs into the future. Against the backdrop of an economy in transition, the visitor economy continues to emerge as one of the foundations of Australia's future prosperity.

Tourism has been identified as one of five super-growth sectors that have the potential to collectively add \$250 billion to the Australian economy over the next 20 years¹. Positioned well to capture the demand of the emerging Asian middle class, tourism is an economic development strategy for Australia. Australian Governments have recognised this potential and are working to boost the capacity and competitiveness of the sector. Some of this work to improve the competitiveness of industry is already underway, with the Government releasing the White Paper on Developing Northern Australia with a clear focus on tourism.

The Federal, State and Territory Tourism Ministers have also endorsed the 2020 Tourism Industry Potential goal for Australian tourism to increase overnight visitor expenditure to between \$115 billion and \$140 billion in 2020 and are implementing strategies to meet this target.

The Northern Territory is home to some of the greatest natural wonders and experiences in Australia – and indeed the world. Through effective destination branding and investment in visitor infrastructure the Territory can leverage these unique assets to support growth in the visitor economy. There has never been a more critical time to capitalise on the economic potential of the Territory's tourism offering.

The Northern Territory Government has set growth targets through the Tourism Vision 2020 Strategy to deliver a \$2.2 billion visitor economy by 2020². The Territory's tourism industry can achieve this target if it responds to rising wealth in our emerging international tourism source markets in Asia, while maintaining market share in mature visitor markets.

In pursuit of this strategy, the Tourism & Transport Forum Australia (TTF) recommends the Territory Government builds on the support shown to the sector, by increasing tourism marketing funding for Tourism NT by \$5 million in 2016-17 to undertake cooperative marketing initiatives with airlines and other industry partners. Significant investment is also required in essential tourism infrastructure that will help to drive demand and continued work to improve the industry's competitiveness by removing regulatory barriers.

¹ Deloitte Access Economics (2013) - *Positioning for Prosperity? Catching the next wave*

² Tourism NT (2013) - *Tourism Vision 2020: Northern Territory's Strategy for Growth*

TTF Recommendations

TTF NT BUDGET 2016-17 RECOMMENDATIONS

Grow demand for travel

Increase tourism marketing funding

- Increase funding for Tourism NT by an additional \$5 million for 2016-17 and allocate it to demand-generating activity, such as cooperative marketing initiatives
- Commit to maintaining funding in real terms over the forward estimates to provide funding certainty

Funding for business events

- Support the Northern Territory Convention Bureau in attracting strategic international markets

Boost visitor economy investment

Invest in tourism infrastructure

- Maintain funding for Tourism NT infrastructure grants in real terms for 2016-17
- Investigate opportunities to work with the private sector to develop new tourism products in and around nature-based precincts, including new visitor experience development at Uluru and Kakadu by Parks Australia
- Support the development of enabling infrastructure in and around nature-based precincts
- Advocate for greater connectivity through the mobile network and continue support for free and publicly accessible Wi-Fi in key tourist precincts to improve visitor experience
- Maintain funding for Litchfield National Park in real terms in 2016-17
- Maintain support for delivery of the Darwin Luxury Hotel Development project by 2019

Build cruise tourism capacity

- Allocate funding to support delivery of the Northern Territory Cruise Sector Activation Plan 2015-2020
- Support works on the key Darwin Waterfront mixed-used precinct
- Support development of additional visitor infrastructure surrounding the Port of Darwin

Northern Australia Policy

- Continue to work closely with the Federal, Queensland and Western Australian Governments through the Northern Australia policy implementation process to ensure that tourism and aviation are given high priority

Improve the visitor experience

Attract and retain domestic and international air services

- Advocate to Federal Government for an aviation pricing model to better reflect passenger levels at Darwin Airport and Alice Springs Airport
- Increase Department of Transport funding to support delivery of the NT Aviation Industry and Services Strategy 2020
- Allocate funding for ongoing maintenance of regional and remote aerodromes

Improve road access in tourism regions

- Support delivery of Mereenie Loop Road, Litchfield Loop Road and Kambolgie Creek Crossing by their nominated delivery dates
- Allocate funding for maintenance and upgrades to key tourism gateway roads

Improve public transport access

- Allocate funding to support delivery of the Integrated Transport Planning and Investment Roadmap
- Invest in public transport services from Darwin and Alice Springs to key tourist destinations
- Conduct a review of ferry infrastructure to identify critical upgrades of existing facilities

Improve rental car regulation harmonisation

- Engage the Federal Government to harmonise State/Territory taxes and regulation for the rental vehicle sector

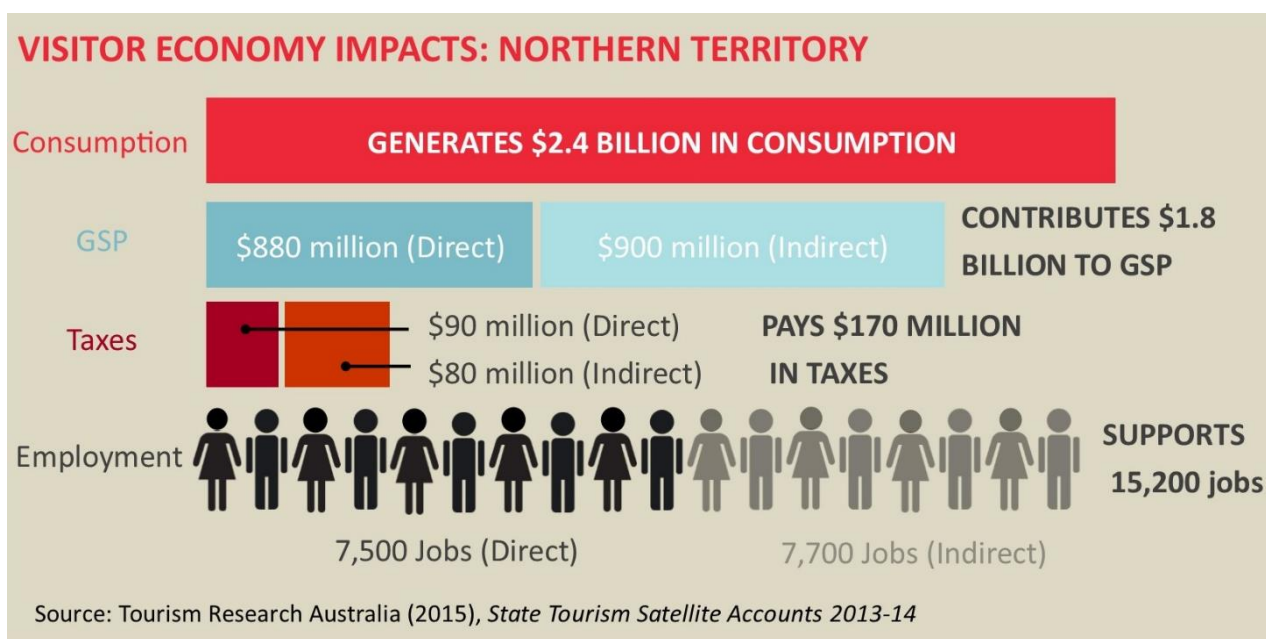
Growing the Northern Territory's visitor economy

The economic impact of tourism

Tourism is a vital component of the Northern Territory economy, supporting 2,150 businesses³, employing 15,200 people and contributing \$1.8 billion to Gross Territory Product. The tourism industry is a key driver of economic activity, export earnings and employment across the Territory, contributing up to a quarter of local economic output in some communities⁴.

In partnership with the private sector, strategic investment by the Territory Government in tourism marketing, events and infrastructure provide a foundation for the growth of the NT visitor economy. If supported and strengthened appropriately, the tourism industry can broaden the Territory's economic base and deliver strong and sustainable growth.

- **\$2.4 billion** – Tourism consumption in the Northern Territory in 2013-14.
- **\$1.8 billion in GTP** – Tourism's contribution to Gross Territory Product (GTP) includes \$0.8 billion in direct GTP and another \$0.9 billion in flow-on GTP, representing an 8.1% share of the NT economy.
- **2,150 businesses** – Northern Territory businesses supported by tourism, including 1,200 in tourism-characteristic industries and 950 in tourism-connected industries.
- **15,200 jobs** – Territory jobs supported by visitor expenditure include 7,500 jobs directly in the tourism industry and another 7,700 in related industries, representing more than one in every nine jobs across the Territory.
- **\$170 million in taxes** – Tax revenue generated by visitor expenditure on tourism products in the Territory.
- **\$2,240 saved per household** – Each Territory household would pay \$2,240 more in taxes without the tax revenue generated by tourism.



³ Tourism Research Australia (2015) – *Tourism Businesses in Australia June 2010 to June 2013*

⁴ Tourism Research Australia (2011) – *The Economic Importance of Tourism in Australia's Regions*

Towards Tourism 2020

The significant potential of Australia's tourism industry was highlighted in the Deloitte Access Economics report, *Positioning for Prosperity? Catching the next wave*. The report identified tourism as one of Australia's five super growth industries, capable of collectively delivering an additional \$250 billion to the national economy over the next 20 years⁵. The report notes that the intersection of global opportunity and national advantage is crucial to prosperity – and that Australian tourism is well positioned to be part of the next wave of wealth creation.

Already, tourism is Australia's largest service export, employing almost twice as many people as the mining industry and generating more than \$100 billion in economic activity every year - more than all our primary industries combined. However, there is still significant room for improvement, driving the next generation of economic growth.

Tourism Vision 2020: Northern Territory's Strategy for Growth sets the direction for the Northern Territory tourism sector; outlining a vision "To grow the visitor economy in the Northern Territory to \$2.2 billion by 2020 as measured by overnight visitor expenditure".

The Northern Territory in particular, with its location and natural beauty, stands at the forefront of Australia's tourism potential to be a world leader in tourism. Increased competition both domestically and abroad and high labour costs are all considerable challenges. As a result, to fully leverage the Northern Territory's potential, adequate funding for destination marketing and visitor infrastructure, combined with a more competitive regulatory framework, will be critical.

Importantly, tourism also stands at the forefront to support the NT economy as large mining construction projects mature – for example, INPEX's Ichthys project transitions from construction to operation in early 2017. The US\$34 billion project commenced back in 2012 and has generated employment for up to 8,000 workers during the construction phase. However, this will fall to 300 once the project shifts from the five-year "construction phase" to the 40-year "operations phase"⁶. As a service industry, tourism is able to provide more opportunities for some of these displaced workers and more importantly as an economic driver is able to support Darwin's economy. However, as with other Australian destinations that are experiencing a similar phenomenon such as Perth, the Government needs to seriously invest in tourism marketing and adjust the investment levers to ensure growth in visitation occurs throughout 2016/17 and beyond.

⁵ Deloitte Access Economics (2013) - *Positioning for Prosperity? Catching the next wave*

⁶ James Purtill, ABC News (23 April 2015) – INPEX: What will happen to Darwin after the last of Australia's natural gas giants has been built?

Growing demand for travel to the Northern Territory

The economic benefit of tourism in the Northern Territory extends well beyond the sector itself. Public sector investment in destination marketing is necessary to foster private sector investment in tourism product.

Increase tourism marketing funding

Tourism NT plays a critical role in generating visitation to the Territory through tourism marketing. In order to achieve the Territory's target of doubling overnight visitor expenditure to \$2.2 billion by 2020 as well as supporting the Territory's economy through transition, funding must be increased to deliver campaigns already in market and build exposure in emerging Asian markets. Tourism marketing drives demand and supports visitation to the Territory. Investing in tourism marketing funding also makes economic sense, with research indicating a return on investment of up to \$15 for every \$1 allocated to destination marketing⁷.

TTF commends the Northern Territory Government for increasing the overall budget for Tourism NT by \$5.3 million in the last budget and maintaining its additional \$8 million injection from 2014-15. Tourism NT must be in a position to compete with interstate and international destinations to create intention to travel, attract events, and stimulate tourism investment and aviation capacity to the Territory. The need for effective, well-resourced destination promotion is especially important given the Territory's visitor economy is dominated by small to medium sized businesses that are dependent on Tourism NT to market the destination to potential visitors. To better leverage marketing funding, Tourism NT undertakes cooperative marketing with international and domestic airlines and other industry partners to help encourage visitation. Not only does this enable the Government to maximise its return on marketing investment but also enables the Territory to leverage the brand name of industry partners in its promotion.

In recognition of Tourism NT's importance as a key demand driver for visitation, TTF recommends that the Northern Territory Government, while maintaining the Tourism NT budget increases from last year, further increase Tourism NT's marketing funding by an additional \$5 million for 2016-17 and allocates it to demand-generating activity, such as cooperative marketing initiatives.

A significant portion of Tourism NT's funding allocation for marketing is currently provided on a one-year basis, rather than across the forward estimates. This creates uncertainty for industry about the ongoing resource allocation for Tourism NT and hampers the opportunity to allow for longer-term planning. Committing to funding over a longer period, ideally over the four year forward estimates, will enable investment in longer term destination campaigns. This will also support the Territory in growing existing events as well as developing its own additional signature annual events.

RECOMMENDATION

- Increase funding for Tourism NT by an additional \$5 million for 2016-17 and allocate it to demand-generating activity, such as cooperative marketing initiatives
- Commit to maintaining funding in real terms over the forward estimates to provide funding certainty

⁷ Tourism Australia (2014), Submission to the Productivity Commission Research Paper on Australia's International Tourism Industry

Funding for business events

Business events have the potential to add to the vibrancy of Darwin, Alice Springs and the broader Territory as well as its visitor offering, in addition to contributing to the Territory's visitor economy.

The impact of business events such as conferences, conventions, exhibitions and trade fairs mirror the impact of events on the economy, providing consistent visitation to the Territory. Business events are also the nexus between the visitor economy and knowledge economy, providing broader benefits in terms of skills, innovation and ideas sharing. Business events attract high-yield domestic and international visitors who spend more and stay longer than the average traveller⁸. These visitors have the capacity to make an important contribution towards the Territory meeting its 2020 targets as well as supporting the NT economy during its transition. Indeed, the business conference sector is a lucrative economic development contributor, currently injecting around \$89 million into the economy each year.

The Darwin Convention Centre and Alice Springs Convention Centre are well positioned to capitalise on increased activity from the Asia-Pacific region, including the lucrative convention, conference and incentive markets. The Northern Territory should seek to attract niche international events, leveraging Darwin's proximity to South East Asia. Further, additional domestic events can be won utilising the significant urban renewal that has occurred around the convention centre. Adequate funding, and certainty of the funding timeframe, is imperative for the Territory to attract and plan for international business events. The industry also supports the continuation of Tourism NT's Business Events Ambassadors program and other similar initiatives to help develop the Northern Territory as a MICE⁹ destination.

Attracting business events to regional areas such as Katherine and Uluru can also assist regional centres in broadening their visitor mix beyond traditional leisure markets by attracting smaller meetings and events.

RECOMMENDATION

- Support the Northern Territory Convention Bureau in attracting strategic international markets

⁸ TTF analysis of Tourism Research Australia (2015) – International and National Visitor Survey, June 2015

⁹ Meetings, Incentives, Conferencing, Exhibitions

Boosting visitor economy investment

Tourism infrastructure is a form of economic infrastructure that generates a public return and is often delivered through a mix of public and private investment. There is therefore a role for government to invest in the construction and upkeep of tourism assets so they continue to attract visitors and deliver an economic dividend for the Territory.

Invest in tourism infrastructure

The Northern Territory is well-positioned to capitalise on the economic benefits of nature-based tourism as it is home to some of the world's most recognisable natural landscapes, including Uluru-Kata Tjuta National Park, Kakadu National Park and Litchfield National Park. Tourism also contributes to broader environmental and social outcomes, providing funding sources and points of engagement for the Territory's natural and indigenous heritage.

A study by Tourism Australia found consumers from some of Australia's key inbound markets viewed its world-class beauty and natural environment as the third most important factor in selecting a holiday destination, behind only safety and value for money¹⁰. However, capitalising on the potential benefits of nature-based tourism requires a legislative framework that supports private investment and strategic public investment in critical visitor infrastructure and amenities.

The industry supports the Territory Government's ongoing commitments to developing and promoting nature-based experiences through Tourism NT and the NT Parks & Wildlife Commission. TTF commends the Government on establishing a new \$4.75 million Tourism Infrastructure Development Fund in the last budget and recommends the maintenance of this funding in real terms for 2016/17. Cultural infrastructure as well as nature-based infrastructure should be eligible for funding support under this Fund.

The Government's call for expressions of interest (EOI) for tourism investment opportunities in Territory parks and reserves have been a positive step forward and the Government should continue to work with the private sector to develop new products in and around nature-based precincts. The NT Government should also continue its partnership with the Federal Government in the development of a one-stop shop for environmental assessments and approvals under the Environment Protection and Biodiversity Conservation Act as well as maintain support for new visitor experience development within the Parks Australia estate. Funding to date for bushwalking trails, viewing platforms, sky-walks in National Parks and visitor amenities has helped to increase nature-based visitation and expenditure within the Territory. The NT Government should also identify and develop enabling infrastructure in and around nature-based precincts to facilitate the visitor experience.

Given the power of social media in driving demand in visiting a destination as well as the growing reliance on mobile-enabled connectivity to facilitate visitor wayfinding, the NT Government should continue to advocate to the Federal Government for greater connectivity through the mobile network in the Territory, working in partnership with other stakeholders. The Government should also continue to provide funding support for free and publicly available Wi-Fi coverage across key tourism locations to improve the visitor experience. The NT Government's investment as part of the 2015-16 Budget in Wi-Fi coverage and deployment of apps and i-beacons is applauded by industry.

¹⁰ Tourism Australia (2013) – Consumer Demand Project

TTF recommends continued Government investment in technological innovations and Wi-Fi beyond 2016-17 to help support visitation and generate higher yield from visitors.

Increased funding over the forward estimates for the NT Parks & Wildlife Commission to continue their visitor services and marketing is critical in supporting regional dispersal and economic activity. Further, facilitating private sector investment in new product and experiences within the natural estate – including iconic nature-based accommodation – will also ensure the Territory is well positioned to capitalise on the benefits of nature-based tourism. For this reason, funding for Litchfield National Park should be maintained in real terms in the 2016/17 Budget.

TTF also recommends the NT Government maintains support for the delivery of the Darwin Luxury Hotel Development by 2019. The Government launched an EOI this year to develop a high-end hotel in Darwin with potential sites on both public and private land being considered. The development is being pitched to fill a gap in demand in high-end business and leisure accommodation in Darwin, helping to attract more tourists and develop the city's reputation as a unique business events destination. Assuming a suitable bid is received, it is anticipated that a two-phase EOI process will conclude in 2016. To ensure the delivery of a quality tourism product that can drive high-yield visitation, the Government should continue to progress development of the project to completion by 2019.

RECOMMENDATION

- Maintain funding for Tourism NT infrastructure grants in real terms for 2016-17
- Investigate opportunities to work with the private sector to develop new tourism products in and around nature-based precincts, including new visitor experience development at Uluru and Kakadu by Parks Australia
- Support the development of enabling infrastructure in and around nature-based precincts
- Advocate for greater connectivity through the mobile network and continue support for free and publicly available Wi-Fi in key tourist precincts to improve visitor experience
- Maintain funding for Litchfield National Park in real terms in 2016-17
- Maintain support for delivery of the Darwin Luxury Hotel Development project by 2019

Build cruise tourism capacity

Cruise shipping in Australia continues to register double-digit annual growth, with more cruise itineraries including Northern Territory port calls each year. In addition to the rapid growth in cruise ship movements, the size of ships visiting the Territory is also increasing. In 2014-15, the cruise ship sector contributed approximately \$54 million to the NT economy, with \$14 million of this from direct passenger and crew expenditure¹¹.

Connectivity with land-based tourism operators continues to be one of the biggest issues impacting the visitor experience. Appropriate planning must occur for the arrival of increasingly large vessels to create a more seamless visitor experience for the large groups of visitors currently disembarking in a predominantly industrial port.

The industry welcomes the draft Northern Territory Cruise Sector Activation Plan 2015-2020. The NT Government should work towards finalising the Plan and then its implementation. Implementation of the Plan should include cruise ship attraction, experience development and investment in visitor infrastructure at Darwin Port to facilitate the flow of passengers, including transport links to and from the port.

¹¹ Tourism NT, <http://www.tourismnt.com.au/en/strategies/cruise-sector-activation-plan>

Over time, additional investment will be required in wharf infrastructure to accommodate larger ships and house customs and immigration facilities for the processing of international visitors.

The development of additional cruise and passenger facilities at the Darwin Waterfront will be necessary to support the Territory's burgeoning harbour cruise market. Investment in berthing infrastructure will help ensure small to medium size tourism businesses can benefit from the influx of visitors in the Darwin area while complementing the significant urban renewal that has already occurred around the foreshore, including the Darwin Convention Centre, cruise ship facilities at Darwin Port, and associated hospitality and residential developments. Surrounding infrastructure near the Darwin Waterfront precinct should be appropriately leveraged.

Despite the opening of Darwin Port's dedicated deep water berth and cruise ship terminal at Fort Hill, vessels occasionally still have to be processed at East Arm Wharf. The current congestion at peak periods of the year could be avoided with the construction of a second major berth and additional smaller berths as the Waterfront development continues.

While the East Arm and Fort Hill Wharves are under a 99 year lease by Landbridge, the role of the Government is to facilitate future infrastructure development. The Cruise Sector Activation Plan should consider such developments.

Growth in the cruise sector has been facilitated by a ministerial exemption from the licensing provisions contained in the *Coastal Trading Act* issued by the Federal Government to large cruise ships. This has ensured that cruise shipping is competitive in what is a highly contested international market. TTF has long advocated for this exemption to also be extended to the high-value expedition cruise ship market. These smaller vessels traditionally visit regional and more remote ports and coastal locations and the NT is an obvious destination for ships in this class. The regulatory hurdles of the *Coastal Trading Act* have meant that Australia has not been able to secure the benefits of this part of the market, especially our regional ports, despite impressive growth internationally.

TTF believes that while the legislation to amend the *Coastal Trading Act* did not pass Federal Parliament, the NT Government should continue to advocate for reforms to grow the expedition cruise ship market. Bringing international tourists to regional areas should be actively supported by both the NT and Federal Governments.

RECOMMENDATION

- Allocate funding to support delivery of the NT Cruise Sector Activation Plan 2015-2020
- Support works on the key Darwin Waterfront mixed-used precinct
- Support development of infrastructure surrounding the Port of Darwin

Northern Australia Policy

The White Paper on Developing Northern Australia was released in June 2015 and sets out a plan to unlock the vast economic potential of the region. It provides one of the best opportunities to allow Northern Australia to vigorously compete with the southern States and includes over \$1.2 billion in investment commitments, spread across 50 policy initiatives and 15 Commonwealth agencies. The NT Government and Tourism NT is to be congratulated for its proactive approach in finalising the White Paper and implementing the recommendations arising from it.

The Northern Australia Forum held in November 2015 as well as the opening of the new Office of Northern Australia headquarters in Darwin are all positive steps in engaging stakeholders and investors with an interest in the development of Northern Australia.

The Northern Australia partnership should also be utilised to help address issues and challenges being faced in Australian tourism destinations above the Tropic of Capricorn. Tourism is a major employer in the Northern Territory including, importantly, of Indigenous people. However, there is limited availability of suitable housing for tourism workers, including Indigenous people, who often have to travel from regional and remote communities in the Territory to take up employment opportunities that exist with tourism operators.

Industry encourages the Federal Government to match the development of remote public housing with locations where employment opportunities exist, as opposed to developing housing in areas where there are limited prospects of economic activity or employment. Tourism should be considered a key economic driver by the Government in its development strategy – supporting development of remote housing in areas where there are employment opportunities in tourism, such as Mutitjulu, Yulara, Kakadu and Arnhem Land.

The commencement of changes to the Working Holiday Maker visa program announced in the Northern Australia White Paper will also provide tourism operators in Northern Australia with significant benefits and help to alleviate some of the labour and skills challenges being experienced.

The industry has, however, expressed concern at the impact of the Federal Government's removal of the tax-free threshold for Working Holiday Makers due to the NT's reliance on backpackers as a source of tourism labour. The concern is that the removal of the tax-free threshold and increase in visa costs will result in backpackers visiting other destinations rather than Australia.

TTF recommends that the Territory Government continues to work cooperatively with the Governments of Western Australia and Queensland as well as the Federal Government to implement the recommendations from the White Paper and identify ways to overcome the barriers to doubling visitation to Northern Australia by 2030.

RECOMMENDATION

- Continue to work closely with the Federal, Queensland and Western Australian Governments through the Northern Australia policy implementation process to ensure that tourism and aviation is given high priority

Improving the visitor experience

The Territory continues to face increasing domestic and international competition for share of the visitor market. The visitor experience – from airport to final destination – is of critical importance in ensuring visitor satisfaction and encouraging repeat visitation.

Aviation attraction and retention

Aviation is central to the Territory's economic and social development and has undergone significant overall growth in the past decade. This rapid expansion represents a substantial windfall to the Territory's economy, which has been supported in part by the resources boom. As a result, the frequency and number of destinations available across the Territory's aviation network has expanded, unlocking new visitor markets and broadening existing ones.

This success is due in part to the Territory Government's aggressive targeting and strong marketing support for aviation attraction. Destination marketing support, along with traffic expectations and airport costs, is a key factor in determining new airline routes. TTF applauds this approach, which has delivered additional air services and routes from key source markets. In order to see growth continue, the tourism industry is seeking Government commitment to continue cooperative marketing activities with domestic and international airlines, focused on key tourism hubs and gateways in the Territory such as Darwin, Alice Springs and Uluru.

TTF commends the NT Government on allocating \$200,000 in the 2015-16 Budget to support the delivery of the Northern Territory Aviation Industry and Services Strategy 2020. The Strategy will provide a framework for the NT Government to support the sustainability and growth of the Territory's aviation sector over the next five years, and the Territory's emerging role as an aviation gateway for Northern Australia. Given its importance, a funding commitment to continue the finalisation and implementation of the strategy in this year's budget is vital.

In addition to driving demand, the Government should also consider aviation supply, specifically providing funding for the ongoing maintenance of regional and remote aerodromes with a focus on those associated with major tourism destinations in the Territory. The NT is heavily reliant on air services, and aerodromes are significant pieces of infrastructure that assist in meeting the travel, freight and business needs of Territorians, especially in regional and remote communities. The Government should continue to monitor demand for air services to identify opportunities for potential additional aviation activities as well as the sustainability of existing air services.

Given the smaller passenger levels at Darwin Airport and Alice Springs Airport, TTF encourages the NT Government to actively advocate to the Federal Government to implement a variable aviation pricing model that is based on passenger numbers. Such a pricing model would consider the requirements of aviation security as well as customs, immigration and quarantine to better reflect passenger levels at less patronised airports, such as Darwin and Alice Springs Airports. This would facilitate a reduction in costs and help to increase the viability of new services and extension of current services to the Territory.

RECOMMENDATION

- Advocate to Federal Government for an aviation pricing model to better reflect passenger levels at Darwin Airport and Alice Springs Airport
- Increase funding for Department of Transport to support delivery of the NT Aviation Industry and Services Strategy 2020
- Allocate funding for ongoing maintenance of regional and remote aerodromes

Improve road access

Visitor access from the gateways of Darwin and Alice Springs to the Territory's natural attractions is crucial in delivering the greatest economic returns from visitor expenditure and brand resonance domestically and abroad. In particular, all-weather road access in and around Kakadu and to tourism assets along the Red Centre Way continues to be a significant concern, requiring upgrade funding to support visitation.

TTF commends the NT Government for recognising the economic benefits to the tourism industry from transport investment with funding commitments in the 2015-16 Budget. It is now paramount that the Territory Government ensures the two-year delivery timeframe of the Mereenie Loop Road, Litchfield National Park Road and Kambolgie Creek Crossing is maintained.

Consideration should also be given for improving access across the East and South Alligator River and upgrading Oenpelli Road. Work should continue to improve the flood immunity of the Northern Territory's main road access route, the Stuart Highway, including seeking investment from the Australian Government in this key project for Northern Australia.

RECOMMENDATIONS

- Support delivery of Mereenie Loop Road, Litchfield Loop Road and Kambolgie Creek Crossing by their nominated delivery dates
- Allocate funding for maintenance and upgrades to key tourism gateway roads

Improve public transport access

As Darwin continues to grow, demand for public transport will increase. A coherent public transport strategy will be required to ensure that both visitors and residents are able to move around easily and to avoid the traffic congestion problems seen in other Australian cities. The Darwin Regional Transport Plan currently being developed by the Department of Transport, is a key piece in the broader NT Government's Integrated Transport Planning and Investment Roadmap. The Darwin Regional Transport Plan aims to summarise key transport issues for the Darwin region and provide high level, strategic direction for regional transport priorities. While public consultation only concluded in December 2015, the NT Government should look to allocate funding in the 2016-17 Budget for the Plan's delivery and implementation.

Funding consideration should also be given to the other outstanding strategies, plans, reviews and reforms that make up the Integrated Transport Planning and Investment Roadmap. While transport authorities understandably focus on the needs of domestic commuters, the visitor must also be a core part of their considerations and operation. In many jurisdictions, transport operators can do better and learn from world's-best practice. TTF therefore believes that each Government transport policy should also look at tourism and outline mechanisms to improve the holistic transport experience of visitors. This includes public transport networks, air transport networks and road networks.

Such policies should consider the customer experience through the lens of international, interstate and intrastate visitors who may face baggage constraints, language barriers and have no familiarity with a particular transport system. It should also consider the travel patterns and preferences of visitors in transport planning and promotion, including time, cost, efficiency and convenience considerations.

As the Territory continues to look to attract visitors from the burgeoning Asian middle classes, encourage visitation from domestic hubs as well as promote regional dispersal, the need to create and promote a transport system that is accessible, legible and intuitive for both visitors and locals will increase in importance.

With a relatively sparse population, expansion of the existing Darwin bus network that operates in greater Darwin, Casuarina and Palmerston remains the most feasible mode of transport in the short and medium term. Longer term, the city has the opportunity to capitalise on its harbour to activate public and private ferries to the Cox Peninsula and Mandorah as well as the planned waterfront suburbs of Murrumujuk.

As the services expand, there should be consideration of the Territory's Department of Transport proposal to develop a ferry terminal in the central business district close to Knuckey Street on the Esplanade. A visible ferry terminal would also encourage day trips to the Tiwi Islands and Mandorah as well as other points in the harbour by visitors.

Given the lead time to develop a ferry terminal, the Territory Government should consider conducting a review of ferry infrastructure in the shorter term to identify critical upgrades of existing facilities. Aging facilities can affect the customer experience and put the reliability, comfort and safety of ferry services at risk.

RECOMMENDATIONS

- Allocate funding to support delivery of the NT Government's Integrated Transport Planning and Investment Roadmap
- Invest in public transport services from Darwin and Alice Springs to key tourist destinations
- Conduct a review of ferry infrastructure to identify critical upgrades of existing facilities

Rental car regulation harmonisation

The rental vehicle industry abides by eight different state and territory regulatory and tax regimes – with only Tasmania recognising rental vehicles within their own regulatory framework. Regulatory guidance and legislative instruments have been created without a clear national policy objective and lack the simplicity and flexibility required for a healthy operating environment.

For operators, this has stymied industry growth, hindered innovation, reduced workforce efficiency, made it difficult to determine the compliance task, created a significant administrative burden, and led to cost inefficiencies. For regulatory agencies, it has fashioned a significant knowledge gap, limited national data on the size, value and economic contribution of the industry, and created cost inefficiencies.

TTF calls for regulation and tax reform to ensure the industry has a framework that allows it to invest in the innovation required to drive the sector forward.

RECOMMENDATION

- Engage the Federal Government to harmonise state and territory taxes and regulation for the rental vehicle sector



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