

# NORFOLK ISLAND TOURIST BUREAU

*Destination Management - Norfolk Island Tourism - Visitors Information Centre*

Taylors Rd. - P.O Box 211 - Norfolk Island - 2899 – Australia - South Pacific

Ph +6723 23310 fx +6723 22708 E.info@nigtb.gov.nf www.norfolkisland.com.au www.facebook.com /Norfolk Island Tourism

## FACT SHEET

### Norfolk Island Government Tourist Bureau: Budget

#### Background:

The Norfolk Island Government Tourist Bureau (NIGTB) is a statutory authority formed under the *Norfolk Island Government Tourist Bureau Act 1980 (the Act)*. Originally it was established to provide a Visitor information service (VIC) and a Norfolk Island Tourism Marketing service (NIT).

- Previous to the establishment of the Act (before 1979) budget funding for Tourism was sourced by the Island Council through a fee collected from all residents on the Island.
- From the commencement of *the Act* funding was provided as a cost of Government in the form of an annual appropriated Budget. This was supplemented with commission from retail and tour sales (VIC) and a percentage (5%) of the Norfolk Island Departure Fee for collecting the fee.
- Currently the Budget funding comes from an annual Appropriated Budget from Government and commission from retail and tour and accommodation sales.

During the period between 2006 - 2011 the functions of the NIGTB were expanded to include destination management functions (DMO). These have included;

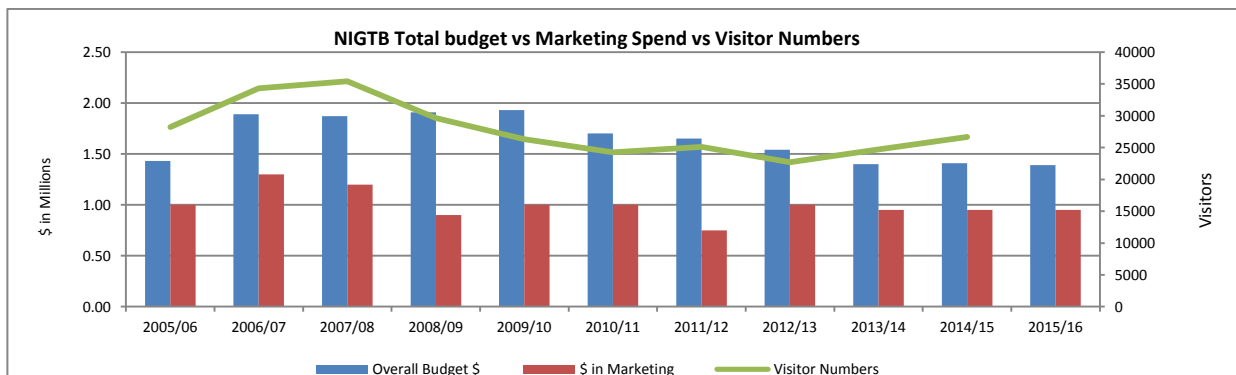
Strategic Plan development	ie. 2007 5 year Tourism plan and the 2013-2023 Tourism Strategic Plan
Government Policy	ie. 2008 Market Options paper, 2012 advice on the Cruise market
Industry Product development	ie. 2008 NIGTB Events co-ordinator, NIGTB Events policy
Industry Communications	ie. Product newsletters, industry newsletter, corporate website
Industry Capacity development	ie. 2012 Customer Service Training on Norfolk Island
Visitor Statistics	ie. Monthly visitor Statistics, Annual visitor survey form reports
Stakeholder Advice	ie. 2011 Norfolk Island Tourism Exchange Online Agent updates

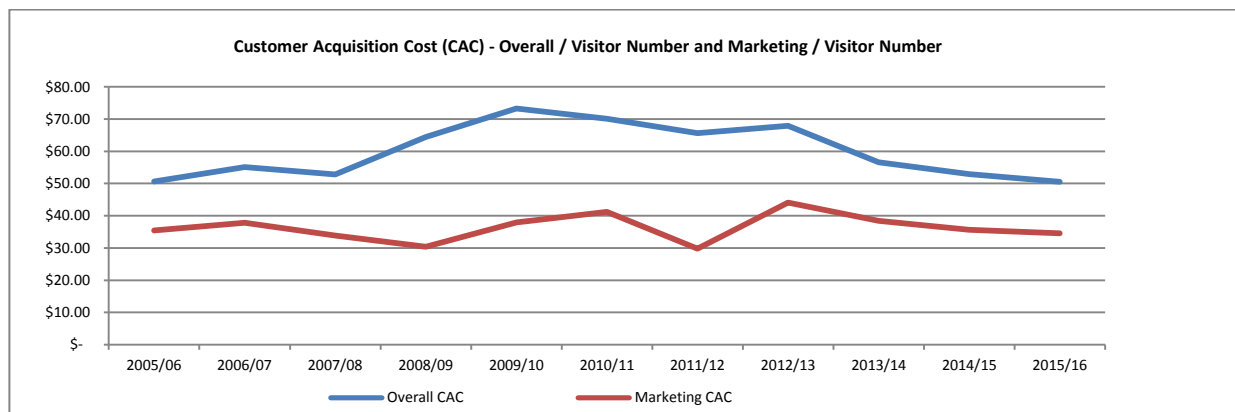
*Note. The examples are from a period of time spanning 10 years*

#### Current:

In the 2012/13 budget the NIGTB was directed to focus funding towards marketing. This was a return to the core functions of the NIGTB and a direct response to the new Australian Government underwritten Air services. This change was endorsed by the Minister of Tourism and the NIGTB advisory Board.

Traditionally the budget for the NIGTB has been reported to show the overall spend and the marketing spend. The following graphs show the Tourism Budget over the past ten years and the relation between expenditure on marketing and visitor numbers as well as an overall cost of the Service per visitor.





These graphs highlight the period between 2006-2011 when

- Overall NIGTB budgets were substantially increased for a period (15/16 budget is 29% less than 09/10) in line with requested support for the 5 Year Tourism Plan 2007-2012 and the commencement of the Government owned, Norfolk Air, Airline Service.
- Expenditure on marketing over this period was reduced to focus on DMO outcomes, the Airline provided a substantial amount (\$800-\$900k) toward sales/tactical marketing.
- A revision of these changes and the implementation of a new direction from 2012/13
- The NIGTB budget, and expenditure on marketing, has been constant since 2012 in line with the direction from Government.

An example of where expenditure was increased, and decreased, can be seen in the different employment structures and the office locations between 2010 and 2015;

2009/2010	Office	2014/15	
<b>General Manager</b>	Norfolk Island Tourism Office (Taylors Rd. offices next to Colony Chinese Restaurant).	<b>General Manager</b>	Visitor Information Centre, Bicentennial Complex.
<b>Operations Manager</b>	Visitor Information Centre	<b>Operations Manager</b>	Visitor Information Centre
<b>Marketing Manager</b>	Norfolk Island Tourism Office	<b>Marketing Co-ordinator</b>	Visitor Information Centre
<b>Business Development Manager</b>	Norfolk Island Tourism Office	<b>Partime - Accounts clerk</b>	Visitor Information Centre
<b>Marketing Co-ordinator</b>	Norfolk Island Tourism Office	<b>Tourism consultant fulltime</b>	Visitor Information Centre
<b>Partime - Accounts clerk</b>	Norfolk Island Tourism Office	<b>Information Centre consultant fulltime</b>	Visitor Information Centre
<b>Tourism consultant fulltime</b>	Visitor Information Centre	<b>Casual Staff x 2</b>	Visitor Information Centre
<b>Tourism consultant fulltime</b>	Visitor Information Centre		
<b>Airport meet and greet</b>	N/A		
Casual VIC Staff Pool x 8			

Additionally the marketing structure set up by the NIGTB Board over the past 5 years has changed significantly.

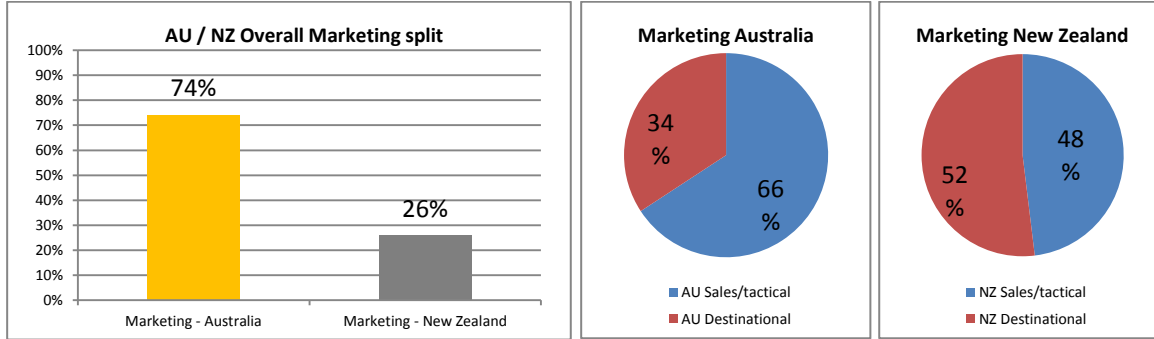
2009/2010	Position	2014/15	
<b>General Manager</b>	Appointed by the NIGTB Board under negotiated terms.	<b>General Manager</b>	Appointed by the Minister on recommendation of the NIGTB Advisory Board.
<b>Marketing Manager</b>	Appointed by the NIGTB Board under negotiated terms.	<b>Combined PR and Trade relation consultants - AU</b>	Contracted by the NIGTB General Manager under negotiated terms.
<b>Creative Consultants</b>	Contracted by the NIGTB Board under negotiated terms.	<b>Trade Consultants – NZ</b>	Contracted by the NIGTB General Manager under negotiated terms.
<b>PR Consultants –AU</b>	Contracted by the NIGTB Board under negotiated terms.		
<b>Trade Consultants – AU</b>	Contracted by the NIGTB Board under negotiated terms.		
<b>PR Consultants – NZ</b>	Contracted by the NIGTB Board under negotiated terms.		
<b>Trade Consultants – NZ</b>	Contracted by the NIGTB Board under negotiated terms.		

**2015-2016 NIGTB Budget**

TYPE	BUDGET ITEMS	2015-16 CONSOLIDATED TOTALS
INCOME	Norfolk Island Government Grant	1,317,000
INCOME	Commonwealth Audit Assistance	13,000
INCOME	VIC Sales Income	71,790
<b>TOTALS</b>	<b>TOTAL INCOME</b>	<b>1,401,790</b>
EXPENSES	Items for Resale	28,500
EXPENSES	Employee Benefits	316,765
EXPENSES	Additional Staff Expenses	6,600
EXPENSES	Financial Expenses	19,500
EXPENSES	Administration Expenses	55,640
EXPENSES	Marketing - Australia	579,900
EXPENSES	Marketing - New Zealand	201,635
EXPENSES	Associated Marketing Expenses	168,250
EXPENSES	Capital Works	25,000
<b>TOTALS</b>	<b>TOTAL EXPENSES</b>	<b>1,401,790</b>

*\*Figures are unaudited*

**Marketing Spend**



**Value of Tourism:**

The value of the Tourism Industry has never been formally established, various economic reports have utilised a range of methodology. The following is a simple calculation based on various averages to establish a base point from which to establish the NIGTB Budget contribution in relation to Overall Industry value.

Source	Components	Per person (gross)	FY 2014-15
Based on Visitor Exit Survey	Avg. Expenditure on Island	\$ 1,050.00	\$ 27,993,000.00
Based on Bookeasy x avg. Stay less avg. Commission	Avg. on Island Accom	\$ 566.00	\$ 15,111,508.00
Current NF tax o/w \$25.70	Norfolk Island (NF) rtn. Taxes	\$ 51.40	\$ 1,370,324.00
Based on Smart Saver fare (Oct 15)	Avg. rtn. Air NZ - NZ	\$ 412.60	\$ 10,999,916.00
Based on Smart Saver fare (May 15)	Avg. rtn. Air NZ - AU	\$ 557.60	\$ 14,865,616.00
<b>Total gross value of all Components</b>	<b>Total Visitor Value</b>		<b>\$ 70,340,365.00</b>
<b>Total gross value 'On Island' Components only</b>	<b>Total 'On Island' Value</b>		<b>\$ 44,474,833.00</b>
Avg Expenditure + Accom + Taxes Only	NIGTB Total Budget		\$ 1,401,790.00
NIGTB Budget as a percentage of Total Gross Value	% of total Visitor Value		<b>2%</b>
<b>NIGTB Budget as a percentage of Total 'On Island' Value</b>	<b>% of 'On Island' Visitor Value</b>		<b>3%</b>

NOTE: This modelling could formulate reference points for future outcomes.