

Territory Discoveries

Business Line	2004-05 Estimate	2005-06 Budget
	\$000	\$000
Operating Revenue	5 821	6 327
Holiday Sales	5 821	6 327
Operating Expenses	5 794	6 316
Holiday Sales	5 794	6 316
Operating Result	27	11

2005-06 Staffing: 44.5

Profile

Territory Discoveries contributes to the Northern Territory's economic growth by developing tourism products for sale to consumers in the domestic and select international marketplaces. The core performance objective of Territory Discoveries is to increase the exposure of, and potential economic returns to, the Territory tourism industry, particularly small to medium sized operators.

Strategic issues facing Territory Discoveries in 2005-06 include:

- increasing competitiveness with other Australian and select international destinations; and
- increasing the Territory's share of domestic and select international markets by converting consumer desire to visit the Territory into actual visitation.

Budget Highlights

- Enhance booking system (CalypsoNet) to facilitate cost-effective and user-friendly online facilities for trade and consumer groups. CalypsoNet will allow retail agents to login via the internet to make bookings, pay online via credit card and issue travel documents.
- Territory Discoveries currently employs 44.5 staff, 27.5 of whom are situated at the Northern Territory Holiday Centre and Product Unit in Alice Springs. As the business expands to a 24 hours a day, 7 days a week operation, staffing will increase, primarily in Alice Springs.

Performance

Operating revenue is expected to increase due to initiatives designed to improve sales, including enhancement of CalypsoNet and expansion into Singaporean and Malaysian markets. Marketing will initially focus on self-drive, rail and fishing, as well as touring and accommodation options.

Operating expenses are also expected to increase, mostly as a result of increasing staffing to facilitate continuous operation of the Northern Territory Holiday Centre.

Business Line: Holiday Sales

Territory Discoveries packages Northern Territory tourism products for sale in the domestic and select international marketplaces. It promotes packaged products through the domestic retail network and directly to consumers through advertising and other promotional activities.

The outcome is increased tourist visitation to the Northern Territory from the domestic and select international marketplaces.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Territory tourism operators participating in wholesale program	190	200
	Territory tourism products featured in wholesale program	1 410	1 420
	Number of holiday packages sold	10 092	11 000
	Value of holiday packages sold ¹	\$15.2M	\$19.3M
	Value of commissions earned from holiday packages sold ¹	\$1.7M	\$2.0M
	Holiday package bookings for shoulder and low season periods	2 690	2 800
<i>Quality</i>	Average yield per holiday package sold ²	10%	11.3%
	Client satisfaction	80%	80%
<i>Timeliness</i>	Key activities delivered in accordance with operational timeframes	90%	90%

1 Growth of \$4.1 million reflects an increase in the average value of holiday packages sold following 'brand refresh' activities and increased marketing, with commissions reflecting similar growth.

2 Average yield is calculated as the proportion of commission earned relative to total holiday package cost.

Statement of Financial Performance

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
OPERATING REVENUE		
Grants and subsidies		
Current	2 118	2 265
Capital		
Community service obligations	448	448
Sales of goods and services	3 085	3 449
Interest revenue	132	165
Rent and dividends		
Miscellaneous revenue		
Profit/loss on disposal of assets	38	
TOTAL OPERATING REVENUE	5 821	6 327
OPERATING EXPENSES		
Employee expenses	2 409	2 772
Administrative expenses		
Purchases of goods and services	3 369	3 530
Repairs and maintenance		
Depreciation and amortisation	16	14
Other administrative expenses		
Grants and subsidies		
Current		
Capital		
Interest expense		
TOTAL OPERATING EXPENSES	5 794	6 316
OPERATING SURPLUS BEFORE INCOME TAX	27	11
Income tax expense		
NET OPERATING SURPLUS	27	11

Statement of Financial Position

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
ASSETS		
Cash and deposits	4 703	4 731
Receivables	42	42
Prepayments	2	2
Inventories		
Advances and investments		
Land and improvements	7	7
Plant and equipment	27	13
Other assets		
TOTAL ASSETS	4 781	4 795
LIABILITIES		
Deposits held		
Creditors and accruals	1 276	1 276
Borrowings and advances		
Provisions	151	154
Other liabilities	2 207	2 207
TOTAL LIABILITIES	3 634	3 637
NET ASSETS	1 147	1 158
EQUITY		
Capital		
Opening balance	5 676	5 676
Equity injections/withdrawals		
Reserves		
Accumulated funds		
Opening balance	-4 556	-4 529
Current year surplus(+)/deficit(-)	27	11
Dividends paid/payable		
TOTAL EQUITY	1 147	1 158

Statement of Cash Flows

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	2 118	2 265
Capital		
Community service obligations	448	448
Receipts from sales of goods and services	3 085	3 449
Interest received	132	165
Total operating receipts	5 783	6 327
Operating payments		
Payments to employees	2 408	2 769
Payments for goods and services	3 369	3 530
Grants and subsidies paid		
Current		
Capital		
Interest paid		
Income tax paid		
Total operating payments	5 777	6 299
NET CASH FROM OPERATING ACTIVITIES	6	28
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets		
Advances and investing payments		
Total investing payments		
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings		
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments		
NET CASH FROM FINANCING ACTIVITIES		
Net increase in cash held	6	28
Cash at beginning of financial year	4 697	4 703
CASH AT END OF FINANCIAL YEAR	4 703	4 731