

Territory Discoveries

Business Line	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Revenue	6 328	7 992
Holiday Sales	6 328	7 992
Expenses	7 055	7 657
Holiday Sales	7 055	7 657
SURPLUS /DEFICIT BEFORE INCOME TAX	- 727	335

2006-07 Staffing: 56

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 2006-07 include:

- rising use of the internet as a travel planning and booking tool;
- increasing competition from rival destinations offering similar products to those sold by Territory Discoveries;
- escalating prices associated with marketing and information and communication systems; 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

- Further developing cost-effective and user-friendly online booking and payment facilities for trade and consumer groups.
- Progressing towards a 24 hours a day, 7 days a week operation at the Northern Territory Holiday Centre.
- Maximising the benefits of the partnership with Tourism Tasmania, including co-location of a retail shop in Sydney and pursuing cooperative marketing opportunities.

Performance

Revenue is expected to increase due to initiatives designed to improve sales and an increase of \$0.7M in the operating subsidy paid by Tourism NT.

Expenses are also expected to increase, and will include operational costs associated with the Sydney-based Northern Territory Travel 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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Territory tourism products featured in wholesale programs ¹	3 379	3 500
	Average value of holiday bookings generated ²	\$1 207	\$1 200
	Gross sales revenue ³	\$19.3M	\$25.2M
<i>Quality</i>	Client satisfaction	80%	80%
<i>Timeliness</i>	Call abandonment rate ⁴	3.0%	3.0%

1 The calculation of the number of products featured in wholesale programs now includes total volume available for Territory Discoveries to sell.

2 Average value of holiday bookings generated excludes any air travel component of booking.

3 Growth of \$5.9 million reflects an increase in forecast holiday package sales, with commissions reflecting similar growth.

4 Call abandonment rates are based on total calls not answered within set service level standards. The set target is at call centre national industry standards (i.e. 3 per cent).

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current	1 781	2 444
Capital		
Community service obligations	448	448
Sales of goods and services	3 934	4 894
Interest	165	206
Rent and dividends		
Miscellaneous		
Gain(+)/loss(-) on disposal of assets		
TOTAL INCOME	6 328	7 992
EXPENSES		
Employee expenses	2 836	2 908
Administrative expenses		
Purchases of goods and services	4 205	4 736
Repairs and maintenance		
Depreciation and amortisation	14	13
Other administrative expenses		
Grants and subsidies		
Current		
Capital		
Interest expense		
TOTAL EXPENSES	7 055	7 657
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	- 727	335
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	- 727	335

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	6 026	6 374
Receivables	55	55
Prepayments		
Inventories	43	43
Advances and investments		
Property, plant and equipment	20	7
Other assets		
TOTAL ASSETS	6 144	6 479
LIABILITIES		
Deposits held	3 919	3 919
Creditors and accruals	546	546
Borrowings and advances		
Provisions	222	222
Other liabilities		
TOTAL LIABILITIES	4 687	4 687
NET ASSETS	1 457	1 792
EQUITY		
Capital		
Opening balance	5 676	5 676
Equity injections/withdrawals		
Reserves	- 1	- 1
Accumulated funds		
Opening balance	- 3 491	- 4 218
Current year surplus(+)/deficit(-)	- 727	335
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	1 457	1 792

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	1 781	2 444
Capital		
Community service obligations	448	448
Receipts from sales of goods and services	3 934	4 894
Interest received	165	206
Total operating receipts	6 328	7 992
Operating payments		
Payments to employees	2 833	2 908
Payments for goods and services	4 205	4 736
Grants and subsidies paid		
Current		
Capital		
Interest paid		
Income tax paid		
Total operating payments	7 038	7 644
NET CASH FROM OPERATING ACTIVITIES	- 710	348
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	- 710	348
Cash at beginning of financial year	6 736	6 026
CASH AT END OF FINANCIAL YEAR	6 026	6 374