

# Territory Discoveries

| Business Line                            | 2007-08<br>Estimate | 2008-09<br>Budget |
|--|---------------------|-------------------|
|  | \$000               | \$000             |
| <b>Income</b>                            | <b>8 418</b>        | <b>9 021</b>      |
| Holiday Sales                            | 8 418               | 9 021             |
| <b>Expenses</b>                          | <b>8 418</b>        | <b>8 674</b>      |
| Holiday Sales                            | 8 418               | 8 674             |
| <b>SURPLUS/DEFICIT BEFORE INCOME TAX</b> |                     | <b>347</b>        |

2008-09 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 selected international marketplaces. The core performance objective of Territory Discoveries is to increase the exposure of, and potential economic returns to, the Territory's tourism industry, particularly small to medium-sized operators.

Strategic issues facing Territory Discoveries in 2008-09 include:

- introduction of new online travel product distribution tools such as the Australian Tourism Exchange (ATX);
- increasing competition from rival destinations worldwide;
- decreasing yield from gross holiday sales due to low-cost carriers increasing flights into the Northern Territory and the decreasing commissions paid by airlines;
- increasing service expectations from the global marketplace, with real-time bookings and contact mechanisms progressively becoming the industry standard;
- escalating prices associated with marketing, information and communication systems; and
- increasing the Territory's share of domestic and selected international markets by converting consumer desire to visit the Territory into actual visitation.

## Budget Highlights

- Increased focus on consumer direct activities through the new online booking system, proactive marketing of the website to draw consumers to it and immediate response mechanisms utilising call centre sales staff.
- Developing niche travel packages that appeal to global experience seekers who travel with a key purpose or special interest in mind (for example, Indigenous culture enthusiasts and wildlife enthusiasts, art enthusiasts).
- Adopting a more targeted marketing approach aimed at high yield consumer segments in both the domestic and international marketplaces.

## Performance

An improved performance result is anticipated due to increased revenue from packaged holiday sales to consumers.

### Business Line: Holiday Sales

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

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

| Performance Measures |  | 2007-08<br>Estimate | 2008-09<br>Estimate |
|----------------------|--|---------------------|---------------------|
| <i>Quantity</i>      | Territory tourism products featured in wholesale programs <sup>1</sup> | 2 670               | 2 680               |
|                      | Average value of holiday bookings generated <sup>2</sup>               | \$1 550             | \$1 600             |
|                      | Gross travelled revenue <sup>3</sup>                                   | \$26.3M             | \$27.4M             |
| <i>Quality</i>       | Client satisfaction  | 80%                 | 80%                 |
| <i>Timeliness</i>    | Call abandonment rate <sup>4</sup>                                     | 3%                  | 3%                  |

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

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

3 Gross travelled revenue estimates reflects total travelled holiday packages sold.

4 Call abandonment rates are based on total calls not answered within set service level standards. The 3% estimate represents call centre national industry standards.

## Operating Statement

|  | 2007-08<br>Estimate | 2008-09<br>Budget |
|--|---------------------|-------------------|
|  | \$000               | \$000             |
| <b>INCOME</b>                                  |                     |                   |
| Grants and subsidies revenue                   |                     |                   |
| Current  | 1 925               | 1 934             |
| Capital  |                     |                   |
| Community service obligations                  | 793                 | 833               |
| Sales of goods and services                    | 5 300               | 5 774             |
| Interest revenue                               | 400                 | 480               |
| Rent and dividends                             |                     |                   |
| Gain(+)/loss(-) on disposal of assets          |                     |                   |
| Other revenue                                  |                     |                   |
| <b>TOTAL INCOME</b>                            | <b>8 418</b>        | <b>9 021</b>      |
| <b>EXPENSES</b>                                |                     |                   |
| Employee expenses                              | 3 230               | 3 327             |
| Administrative expenses                        |                     |                   |
| Purchases of goods and services                | 5 186               | 5 347             |
| Repairs and maintenance                        |                     |                   |
| Depreciation and amortisation                  | 2                   |                   |
| Other administrative expenses                  |                     |                   |
| Grants and subsidies expenses                  |                     |                   |
| Current  |                     |                   |
| Capital  |                     |                   |
| Interest expense                               |                     |                   |
| <b>TOTAL EXPENSES</b>                          | <b>8 418</b>        | <b>8 674</b>      |
| <b>SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX</b> |                     | <b>347</b>        |
| Income tax expense                             |                     |                   |
| <b>NET SURPLUS(+)/DEFICIT(-)</b>               |                     | <b>347</b>        |

## Balance Sheet

|   | 2007-08<br>Estimate | 2008-09<br>Budget |
|---|---------------------|-------------------|
|   | \$000               | \$000             |
| <b>ASSETS</b>                             |                     |                   |
| Cash and deposits                         | 10 578              | 10 925            |
| Receivables                               | 78                  | 78                |
| Prepayments                               |                     |                   |
| Inventories                               | 115                 | 115               |
| Advances and investments                  |                     |                   |
| Property, plant and equipment             | 3                   | 3                 |
| Other assets                              |                     |                   |
| <b>TOTAL ASSETS</b>                       | <b>10 774</b>       | <b>11 121</b>     |
| <b>LIABILITIES</b>                        |                     |                   |
| Deposits held                             | 6 942               | 6 942             |
| Creditors and accruals                    | 461                 | 461               |
| Borrowings and advances                   |                     |                   |
| Provisions                                | 213                 | 560               |
| Other liabilities                         |                     |                   |
| <b>TOTAL LIABILITIES</b>                  | <b>7 616</b>        | <b>7 963</b>      |
| <b>NET ASSETS</b>                         | <b>3 158</b>        | <b>3 158</b>      |
| <b>EQUITY</b>                             |                     |                   |
| Capital                                   |                     |                   |
| Opening balance                           | 5 676               | 5 676             |
| Equity injections/withdrawals             |                     |                   |
| Reserves                                  |                     |                   |
| Accumulated funds                         |                     |                   |
| Opening balance                           | - 2 518             | - 2 518           |
| Current year surplus(+)/deficit(-)        |                     | 347               |
| Dividends paid/payable                    |                     | - 347             |
| Accounting policy changes and corrections |                     |                   |
| <b>TOTAL EQUITY</b>                       | <b>3 158</b>        | <b>3 158</b>      |

## Cash Flow Statement

|   | 2007-08<br>Estimate | 2008-09<br>Budget |
|---|---------------------|-------------------|
|   | \$000               | \$000             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                     |                   |
| <b>Operating receipts</b>                   |                     |                   |
| Grants and subsidies received               |                     |                   |
| Current                                     | 1 925               | 1 934             |
| Capital                                     |                     |                   |
| Community service obligations               | 793                 | 833               |
| Receipts from sales of goods and services   | 5 072               | 5 774             |
| Interest received                           | 400                 | 480               |
| <b>Total operating receipts</b>             | <b>8 190</b>        | <b>9 021</b>      |
| <b>Operating payments</b>                   |                     |                   |
| Payments to employees                       | 3 218               | 3 327             |
| Payments for goods and services             | 4 958               | 5 347             |
| Grants and subsidies paid                   |                     |                   |
| Current                                     |                     |                   |
| Capital                                     |                     |                   |
| Interest paid                               |                     |                   |
| Income tax paid                             |                     |                   |
| <b>Total operating payments</b>             | <b>8 176</b>        | <b>8 674</b>      |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   | <b>14</b>           | <b>347</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b> |                     |                   |
| <b>Investing receipts</b>                   |                     |                   |
| Proceeds from asset sales                   |                     |                   |
| Repayment of advances                       |                     |                   |
| Sales of investments                        |                     |                   |
| <b>Total investing receipts</b>             |                     |                   |
| <b>Investing payments</b>                   |                     |                   |
| Purchases of assets                         |                     |                   |
| Advances and investing payments             |                     |                   |
| <b>Total investing payments</b>             |                     |                   |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>   |                     |                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b> |                     |                   |
| <b>Financing receipts</b>                   |                     |                   |
| Proceeds of borrowings                      |                     |                   |
| Deposits received                           |                     |                   |
| Equity injections                           |                     |                   |
| <b>Total financing receipts</b>             |                     |                   |
| <b>Financing payments</b>                   |                     |                   |
| Repayment of borrowings                     |                     |                   |
| Finance lease payments                      |                     |                   |
| Dividends paid                              |                     |                   |
| Equity withdrawals                          |                     |                   |
| <b>Total financing payments</b>             |                     |                   |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>   |                     |                   |
| Net increase(+)/decrease(-) in cash held    | 14                  | 347               |
| Cash at beginning of financial year         | 10 564              | 10 578            |
| <b>CASH AT END OF FINANCIAL YEAR</b>        | <b>10 578</b>       | <b>10 925</b>     |