

**LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY****WRITTEN QUESTION**

Ms J Carney

to Minister for Tourism

**Territory Discoveries**

1. Does Territory Discoveries pay its way, and is it actually growing the market to the NT and not competing for market share with independent distributors of NT product?

**ANSWER*****Does Territory Discoveries pay it way?***

Territory Discoveries should record a profit for the year ended 30 June 2005 of around \$1 million. However, it is important to note that the NT Tourist Commission provides an operating subsidy of \$2.118 million to Territory Discoveries. If this operating subsidy was not provided, the end of year position for Territory Discoveries would be around \$1.117 million in deficit. Territory Discoveries is working to reduce its dependency on this operating subsidy in line with NT Treasury commercial guidelines.

In the 2004-2005 fiscal year, Territory Discoveries generated \$16.2 million in gross sales for the Northern Territory and its operators. This is an increase of 44.6% compared to 2003-2004 sales.

The increased sales is a result of business and culture change within Territory Discoveries (TD). Over the past year, TD has introduced booking ownership within the call centre and specific conversion incentives for sales consultants. TD has also delivered call control training, conversion training and more detailed product training and over the past year, TD has increased its average value of booking from \$1 100 to \$1 300 showing higher conversion and increased up-sell and cross-sell.

***Is TD growing the market to the NT and not competing for market share?***

Territory Discoveries has increased its gross sales and grown the Northern Territory market by:

- completing a full year of servicing the New Zealand market - this contributed approx. \$500 000 in gross sales. This is new business to the Northern Territory via the New Zealand travel agents and consumer network;
- increased conversion;
- increased its average value per PNR from \$1 100 to \$1 300;
- increased training for staff; and
- reduced YTD call abandonment by 51%.

Territory Discoveries' objective is to drive visitation to the Northern Territory and increase sales for Northern Territory industry. TD is the only wholesaler that fully focuses on the Northern Territory product, not only supporting the larger operators but the medium and smaller operators as well. TD is the only wholesaler that has a total of 209 listed operators.

Territory Discoveries has a 60-page Central Australia brochure, a 72-page Top End brochure, a 60-page New Zealand brochure (Northern Territory product) and a 28-page Asia brochure (Northern Territory product).

Graph 1:

The NT Tourist Commission research shows the following increases in holiday visitor numbers from July 2004 – March 2005 (most current research).

**Northern Territory holiday visitor numbers and nights by usual place of residence**

	Total		Intra-Territory		Interstate		International	
	Visitors ('000)	Visitor nights ('000)	Visitors ('000)	Visitor nights ('000)	Visitors ('000)	Visitor nights ('000)	Visitors ('000)	Visitor nights ('000)
YE Mar 2004	710	4,733	173	371	238	2,221	299	2,141
YE Mar 2005	819	4,826	215	566	294	2,103	309	2,157
Var	15%	2%	25%	52%	23%	-5%	4%	1%

While this growth has been occurring, Territory Discoveries' volume of calls decreased from 2003-04 to 2004-05 by 7%, leaving this mode of contact available for other operators, most of whose business is call-based.