

## Item 7: Office of the General Manager

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### 7.1 MRT Quarterly Report: October - December 2020

#### REPORT BY THE GENERAL MANAGER

TO 17 MARCH 2021 ORDINARY MEETING

GOV400088, F0770077

#### RECOMMENDATION

**That Council receive the report by the General Manager on the MRT Quarterly Report October to December 2020.**

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#### Executive summary

As per the funding and performance agreement entered into in July 2017 between Mudgee Regional Tourism (MRT) and Council, MRT is required to report quarterly to Council on their performance.

#### Disclosure of Interest

Nil.

#### Detailed report

The MRT report for the second quarter of the 19/20 financial year has been delivered to Council in accordance with the funding and performance agreement. The report is attached for Council's consideration.

#### Community Plan implications

<b>Theme</b>	<b>Building a Strong Local Economy</b>
Goal	An attractive business and economic environment
Strategy	Promote the Region as a great place to live, work, invest and visit

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#### Strategic implications

##### Council Strategies

A key strategy in the Mid-Western Region Community Plan is to promote the Region as a great place to live, work, invest and visit. This strategy recognises the important role that tourism plays in building a strong local economy.

Council has a contract with MRT for the supply of tourism services within the Mid-Western Local Government Area. The term of this contract is for four years ending on 30 June 2021. Under this contract, MRT must provide quarterly reports to Council.

**Council Policies**

Not applicable.

**Legislation**

Not applicable.

**Financial implications**

This report is for information purposes only, as per Council's contractual arrangement with MRT. There are no additional financial implications.

**Associated Risks**

This report is for information purposes only, as per Council's contractual arrangement with MRT.

BRAD CAM  
GENERAL MANAGER

3 March 2021

*Attachments:* 1. MWRC Quarterly Report Q2 2020-21.

**APPROVED FOR SUBMISSION:**

BRAD CAM  
GENERAL MANAGER



2020-21 Quarterly Report

Q2: Oct to Dec 2020

*prepared for*

MID-WESTERN REGIONAL COUNCIL

## PURPOSE

Mudgee Region Tourism (MRT) tables this report to the Mid-Western Regional Council (MWRC) as a requirement of the contract between MWRC and MRT 2017-22, an agreement subject to the following key performance indicators and as referenced in Appendix 1 of the Contract.

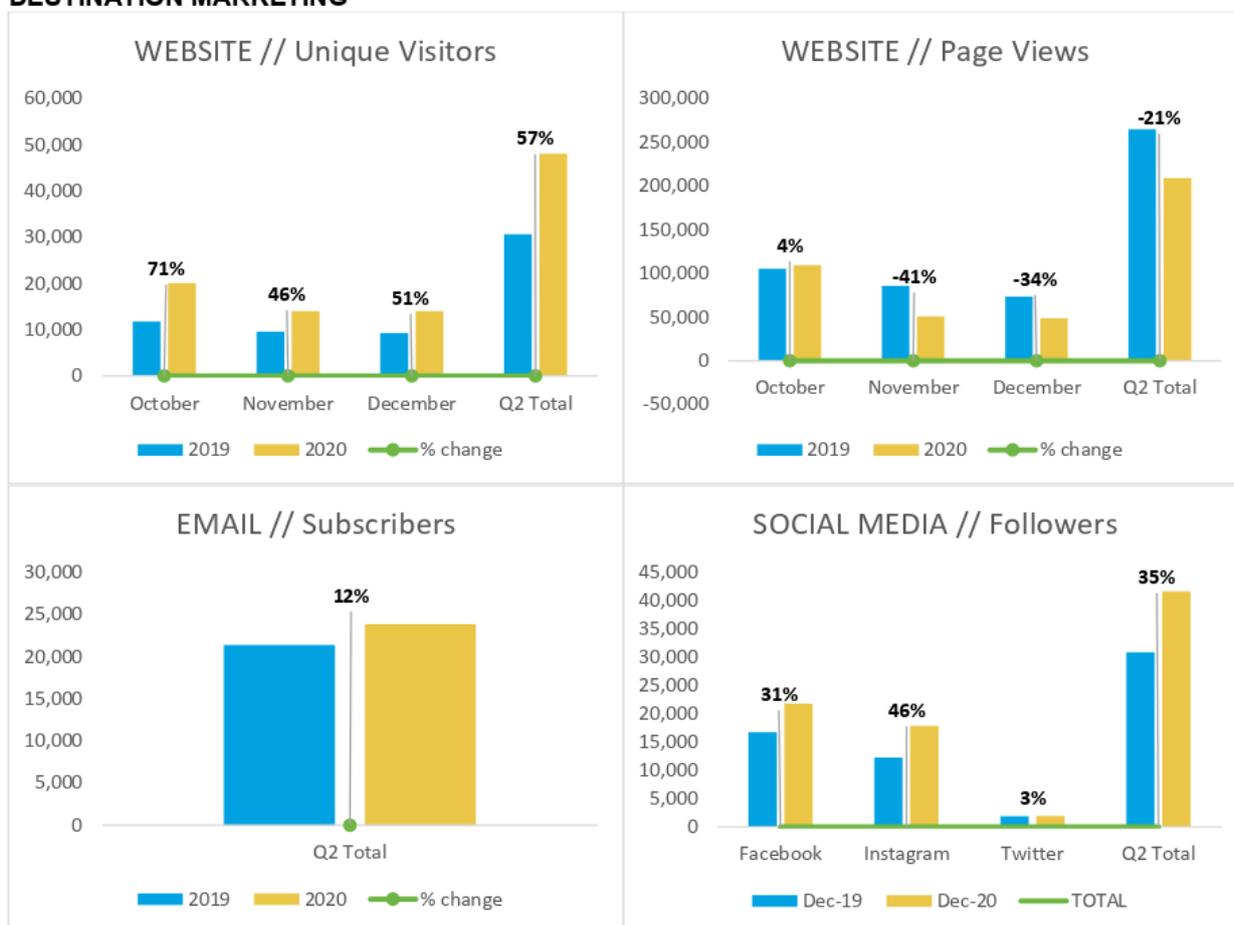
## BOARD + EXECUTIVE TEAM

- Prepared MRT 2019-20 Annual Report, distributed to partners and MWRC
- Cancelled 2020 MRT AGM due to COVID19 in accordance with Fair Trading conditional allowance to take 2019-20 financials to 2021 AGM
- Continued work with MWRC to develop retail and back office fit-out plans for new MRT premises at 90 Market Street (anticipated relocation Jul/Aug 2021)
- Finalised Governance Audit quote process, engaged VUCA to conduct Governance Audit early 2021
- MWRC/MRT contract amendments finalised

## GRANTS + FUNDING

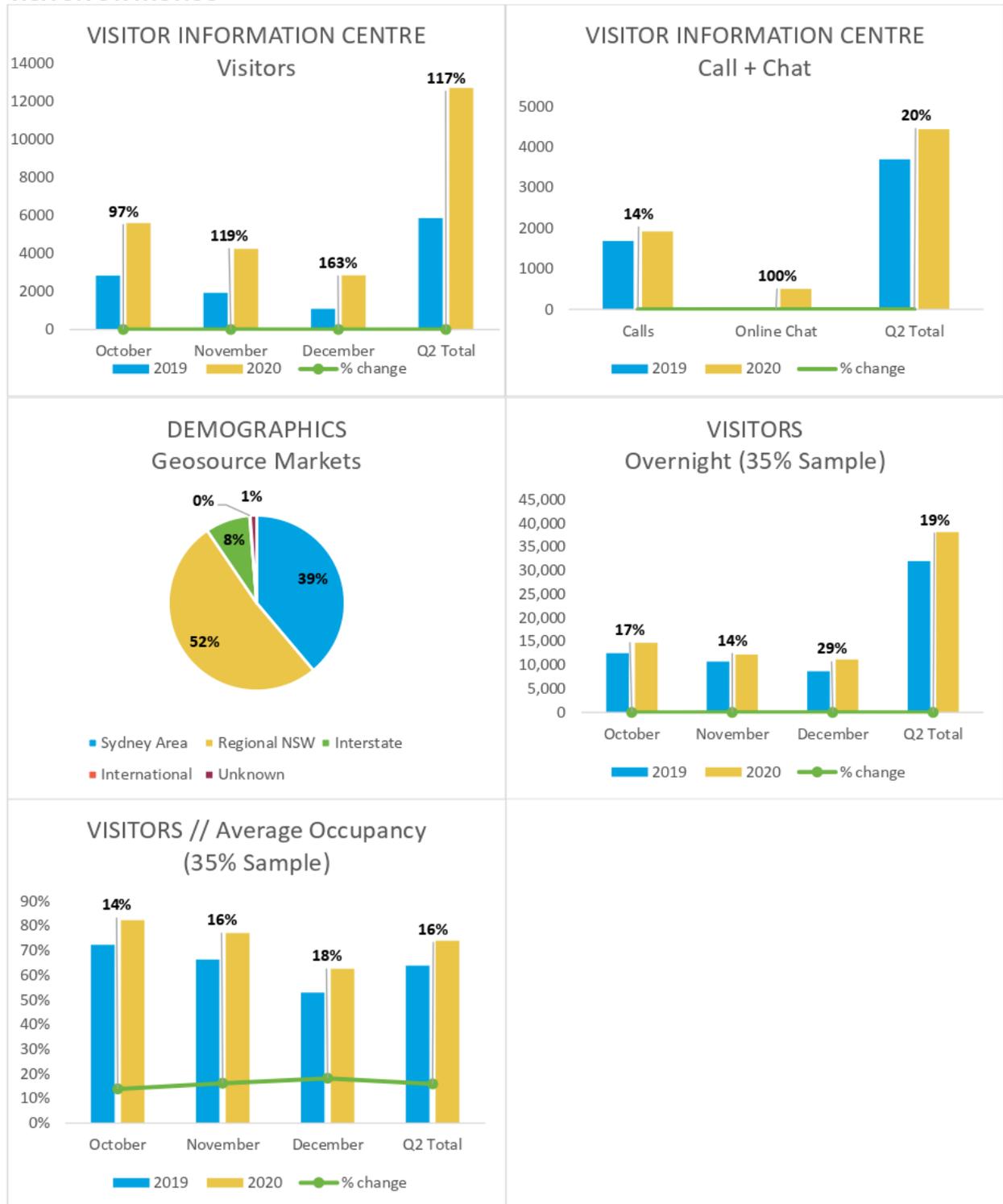
- Destination Network Country + Outback (DNCO) Regional Tourism Bushfire Recovery (RTBR) Grant // successful application for \$20K + GST. Engaged Brightworks to develop vox pop video content to promote series of events/experiences across the region in Gulgong, Rylstone, Kandos and Mudgee.

## DESTINATION MARKETING



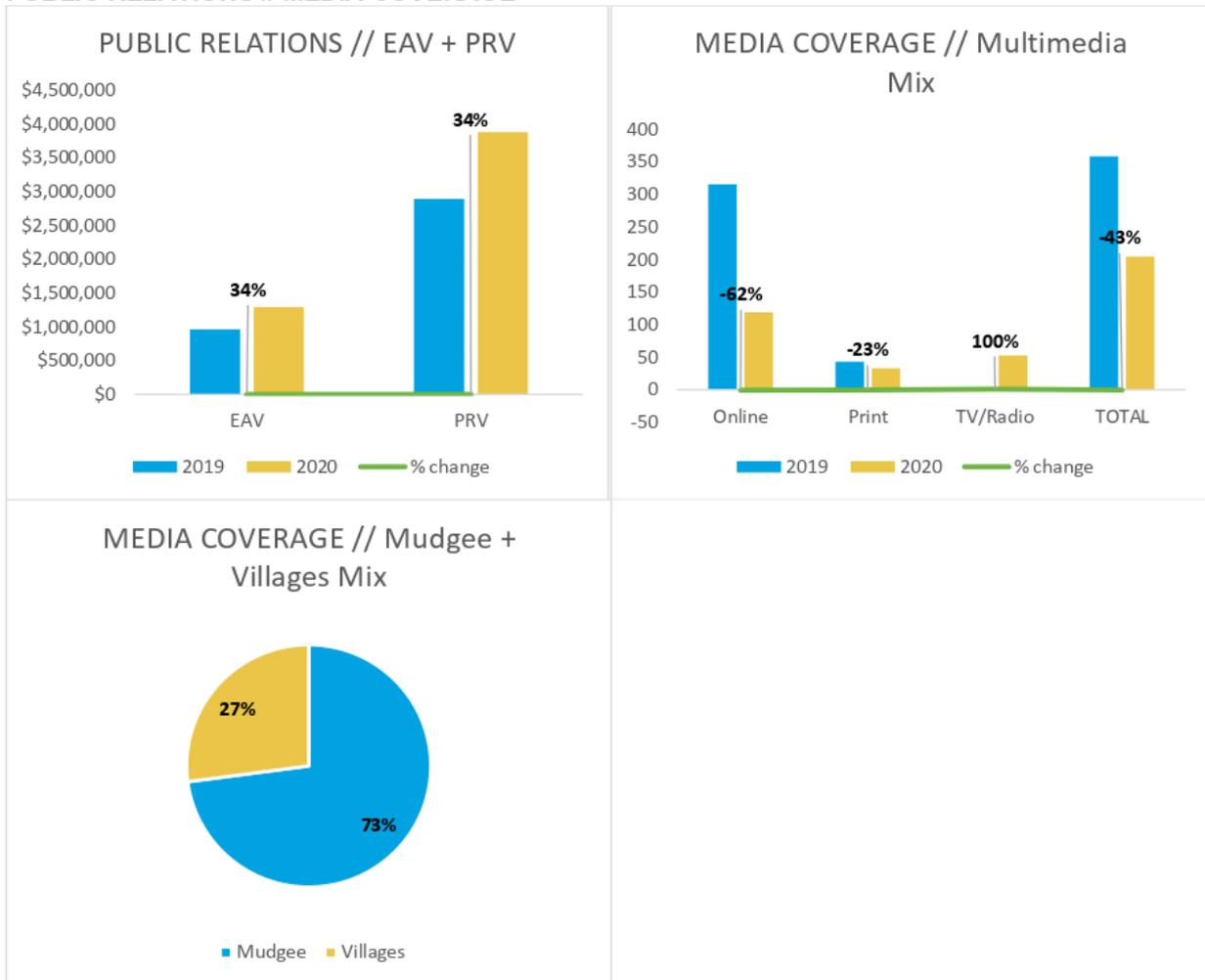
- Launched new destination website October 2020. Unique website visitation up (57%). Page views down (21%) - due to an easier navigation platform on the new site, home page scroll function and streamlined customer usability (reducing time spent searching for information on multiple pages)
- Due to COVID19, MRT did not attend any promotional events or trade shows
- EDM campaign to subscribers monthly, including MWRC Councillors
- 21,845 magazines + 10,840 maps distributed (in and outside of region)
- Feel the Love Campaign on hold due to continued strong demand
- MRT promotional activations via strategic public relations and communications plan, media outreach and hosting, EDM campaign, social media strategy and print collateral distribution

**VISITOR STATISTICS**



- VIC visitors up (117%), call + online chat (with chat introduced mid-2020) up 20%
- Regional NSW strongest geo-source market (52%) followed by Sydney Region (39%)
- Overnight visitors up (19%)
- Average occupancy up (16%), Q2 average occupancy 74%

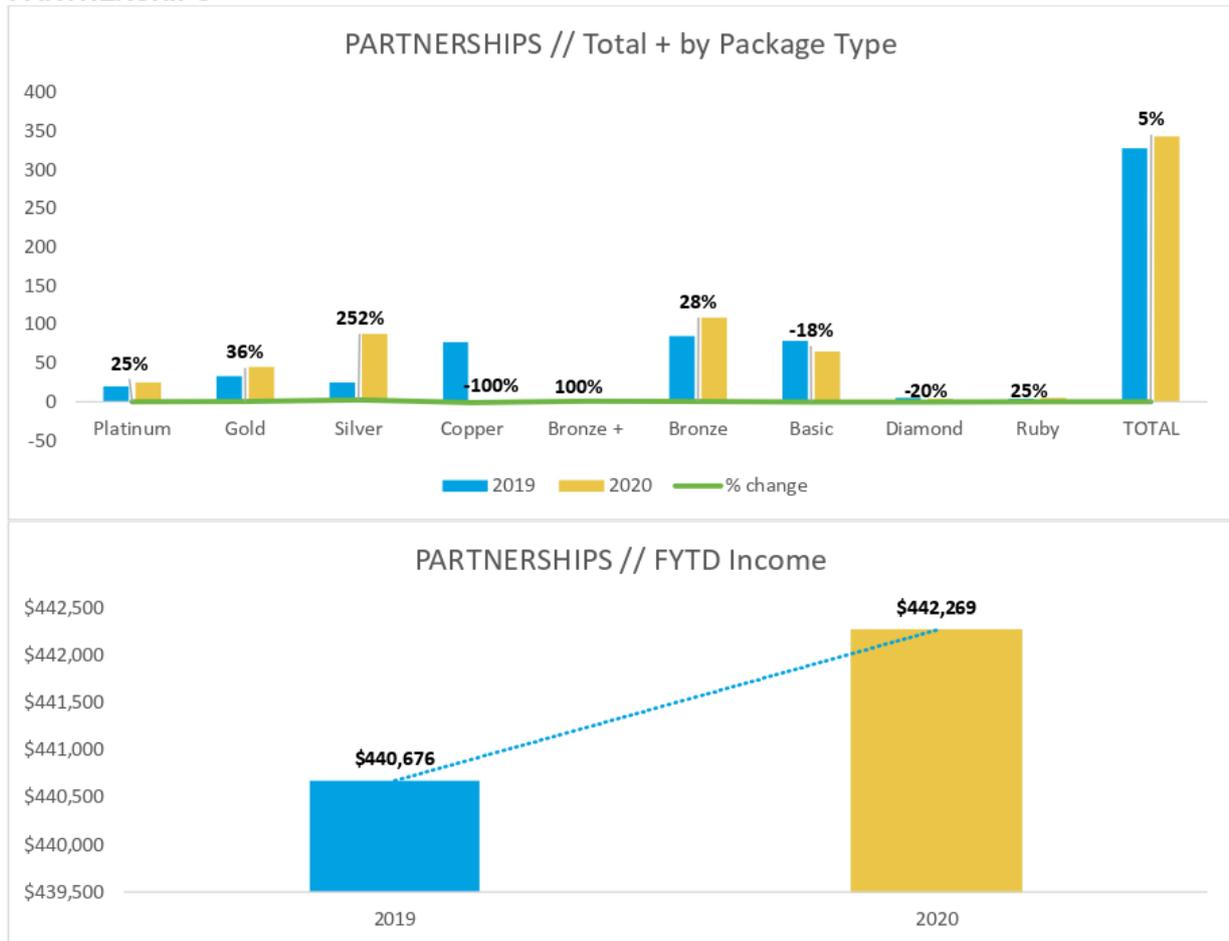
**PUBLIC RELATIONS // MEDIA COVERAGE**



For access to media coverage/articles, click [here](#) to access our digital press room.

- High value media coverage in Q2 with both Estimated Advertising Value (EAV) and Public Relations Value (PRV) up (34%)
- Total articles down (43%), however stronger engagement noted with EAV and PRV results much higher than same time previous year (note: 2019 results included major investment by Wotif.com for Snag Festival promotion)
- 27% of media coverage included reference to villages outside of Mudjee, exceeding target of 15%

**PARTNERSHIPS**



- Total partnership packages up (5%)
- Partnership income up slightly (note: FY21 reduced partnership package fees to support the local industry during COVID19 crisis)
- Note: Copper packages were not offered in FY21 and Bronze Plus packages were introduced

## 2020-25 DESTINATION MANAGEMENT PLAN GOALS + ACTIVITY

Goal	Measurable Objectives (over the period 2020 to 2025)	Progress or action taken to date
<b>A.</b> Leverage existing visitor markets to encourage increased length of stay and yield	Increase the visitor economy spend by 20% or 200,000 visitor nights	19% increase in overnight visitation to date
<b>B.</b> Encourage greater regional dispersal to share the benefits of tourism across the entire Mudgee Region	Increase in participation in events and tickets sales at museums and attractions by 10% in centres such as Gulgong, Kandos and Rylstone	Due to COVID19, event and attraction ticket sales were down in 2020 (93%). With restrictions easing (and bushfires not impacting visitation in 2020 compared to 2019), Dec 2020 ticket sales were up (727%) - primarily due to increased promotion and interest in a Gulgong NYE event and Kayaking Tours in Rylstone/Ganguddy
<b>C.</b> Strengthen the appeal of the region year-round to contribute to the viability of local businesses and to support vibrant communities	<p>Increase in positive sentiment achieved as measured by an analysis of social media and online media sentiment</p> <p>Increase in digital content delivered for multichannel distribution relating to low and shoulder seasons</p>	<p>Due to COVID19, a sentiment report was not completed in 2020. A sentiment report is planned for 2021. Aiming to increase positive sentiment from 2019 baseline NPS (Net Promoter Score) of 50. Note: Mudgee Region's NPS rating in 2019 was already significantly higher than competitors (Orange Region = 40, Margaret River = 38, Hunter Valley = 29, Shoalhaven = 25, Southern Highlands = 23).</p> <p>8 new event vox pop videos created by MRT, funded by successful grant application (DNCO RTBR) promoting Cementa in Kandos, Southern Cross Kayaking in Rylstone/Ganguddy, Mudgee Farmers Markets in Mudgee, MudgeeQue in Mudgee, Prince of Wales Opera House in Gulgong, Food &amp; Drink Trail in Mudgee, Henry Lawson Festival in Gulgong and Rylstone StreetFeast in Rylstone</p>
<b>D.</b> Focus on higher-yield markets by enriching the experience offer	Increase in the number of higher-yield products, tours and experiences listed on the Australian Tourism Data Warehouse (ATDW) and on online booking platforms	MRT launched a new destination website in Oct 2020. The new platform requires Bronze members and above to be listed on ATDW so content can be managed by the business owner and pulled through automatically to visitmudgeeregion.com.au. This project increased ATDW listings significantly (180% from a base of 80). 224 local businesses are now listed on ATDW. MRT will continue to work with local industry to increase our region's digital presence
<b>E.</b> Enhance collaboration and partnerships to support the visitor economy	Increase partnership engagement and resulting financial contribution to MRT by 10%	5% increase in partnerships FYTD

## FINANCIAL PERFORMANCE

### 1. Nature of Report

- a. This is the financial report for the second quarter of the MRTI 2020–21 financial year, given to Mid-Western Regional Council (MWRC) under the reporting format as agreed under the contract executed between MWRC and MRTI.
- b. The report demonstrates the preliminary trading result for the financial quarter ended December 31<sup>st</sup>, 2020. Note: mid-year budget revisions took effect December 2020.

### 2. Accounting Conventions

- a. The attached P&L and Balance Sheet have been prepared from the Xero General Ledger with no external intervention other than formatting.
- b. Accrual accounting is used under GAAP.

### Overall Result

- a. Operating Profit/Net Income \$568K, \$20K ahead of budget.

### 3. Trading Income

Retail trading income at end Q2 \$129K, \$11K ahead of budget.

### 4. Total Income

Overall revenue \$13K ahead of budget.

Gross Profit \$13K ahead of budget.

### 5. Total Expenses

Total expenses under budget \$7K.

- a. The organisation continues to be under financial control.

### 6. Cash Funds

At the end of Q2 of the 2020–21 Financial Year, Cash on Hand is the primary current asset \$520K (primarily due to MWRC contract payment upfront to support deferred payment plan option for partners due to COVID-19).

### 7. Balance Sheet

- a. A balance sheet is included as part of this report.

## Consolidated - December YTD vs Budget YTD

PROFIT & LOSS	2020/2021 (YTD)	Budget	Budget Variance (\$)	Budget Variance (%)
<b>Revenue</b>				
Retail Sales	\$129,453	\$118,513	\$10,940	9.23%
Ticket and Booking Income	\$1,036	\$757	\$279	36.86%
Partnership Income	\$442,269	\$440,501	\$1,768	0.40%
Mid Western Regional Council	\$632,763	\$632,763	\$0	0.00%
Grants & Other Income	\$141,500	\$141,500	\$0	0.00%
<b>Total Revenue</b>	<b>\$1,347,020</b>	<b>\$1,334,034</b>	<b>\$12,986</b>	<b>0.97%</b>
<b>Cost of Sales</b>				
COGS Mudgee	\$87,183	\$87,368	-\$185	-0.21%
COGS Partnership	\$2,629	\$2,058	\$571	27.73%
COGS Ticketing	\$275	\$300	-\$25	-8.19%
<b>Total Cost of Sales</b>	<b>\$90,087</b>	<b>\$89,726</b>	<b>\$361</b>	<b>0.40%</b>
<b>Gross Profit</b>	<b>\$1,256,933</b>	<b>\$1,244,308</b>	<b>\$12,625</b>	<b>1.01%</b>
<b>Expenses</b>				
Bank and Professional / Consultant Fe...	\$15,677	\$15,557	\$120	0.77%
Computer & IT Expenses	\$7,732	\$10,137	-\$2,405	-23.72%
Depreciation	\$8,025	\$8,231	-\$206	-2.51%
Partner Costs	\$20,111	\$17,725	\$2,386	13.46%
Operating Costs	\$25,451	\$25,446	\$5	0.02%
Regional Marketing	\$110,438	\$110,986	-\$548	-0.49%
Staff & Board Costs (not Salaries & W...	\$9,858	\$10,362	-\$504	-4.86%
Staff Wages & Salaries	\$332,041	\$343,239	-\$11,198	-3.26%
Magazine and Map	\$159,216	\$153,895	\$5,321	3.46%
<b>Total Expenses</b>	<b>\$688,549</b>	<b>\$695,578</b>	<b>-\$7,029</b>	<b>-1.01%</b>
<b>Operating Profit</b>	<b>\$568,384</b>	<b>\$548,730</b>	<b>\$19,654</b>	<b>3.58%</b>
<b>Net Income</b>	<b>\$568,384</b>	<b>\$548,730</b>	<b>\$19,654</b>	<b>3.58%</b>

<b>BALANCE SHEET</b>		Dec 2020
<b>ASSETS</b>		
<b>Cash &amp; Equivalents</b>		
Visa Debit Cards		\$1,102
NAB 14-080-1731		\$518,751
NAB Savings Acc		\$540
Visa Debit Cards [11306]		\$0
<b>Total Cash &amp; Equivalents</b>		<b>\$520,393</b>
<b>Accounts Receivable</b>		
Trade Debtors		\$2,390
Trade Debtors Original		-\$2,195
<b>Total Accounts Receivable</b>		<b>\$196</b>
<b>Inventory</b>		
Stock On Hand Mudgee		\$18,059
<b>Other Current Assets</b>		
Electronic Payment Clearing		\$0
ING Management Account		\$7
Float		\$200
Undeposited Funds		-\$592
Retail POS System Clearing Account		\$1,994
Membership Fees Clearing Account		\$123,761
Prepayments [13505]		\$2,928
123Tix Ticket Sales		\$701
<b>Total Other Current Assets</b>		<b>\$128,999</b>
<b>Total Current Assets</b>		<b>\$667,647</b>
<b>Fixed Assets</b>		
Accum Depn M V		-\$22,212
Plant & Equipment		\$34,641
Accum Dep - P&E		-\$15,922
Accum Dep - Intangible Assets		-\$43,641
<b>Total Fixed Assets</b>		<b>-\$47,134</b>
<b>Investments or Other NCAs</b>		
Motor Vehicle		\$53,227
Web update		\$91,836
<b>Total Investments or Other NCAs</b>		<b>\$145,063</b>
<b>Total Non-Current Assets</b>		<b>\$97,929</b>
<b>Total Assets</b>		<b>\$765,576</b>
<b>LIABILITIES</b>		
<b>Accounts Payable</b>		
Trade Creditors		\$22,883
<b>Tax Liability</b>		
PAYG Withholding Tax		\$10,022
<b>Other Current Liabilities</b>		
GST		\$8,898
Superannuation Payable		\$4,812
<b>Total Other Current Liabilities</b>		<b>\$13,710</b>
<b>Total Current Liabilities</b>		<b>\$46,615</b>
<b>Other Non-Current Liabilities</b>		
Accruals		\$11,668
Chattel Mtg Liability(current)		\$25,202
UnExp Int-Chattel Mtg Current		-\$1,533
Rounding Adj Account		\$4
Provision for Holiday Pay [25600]		\$34,462
Provision for LSL [25602]		\$19,613
2020/2021 CC Surcharge		\$5
Seat Advisor EFT		-\$240
Countrylink Tickets		\$397
<b>Total Other Non-Current Liabilities</b>		<b>\$89,579</b>
<b>Total Non-Current Liabilities</b>		<b>\$89,579</b>
<b>Total Liabilities</b>		<b>\$136,194</b>
<b>EQUITY</b>		
<b>Retained Earnings</b>		
Retained Earnings		\$60,998
<b>Current Earnings</b>		
Current Year Earnings		\$568,384
<b>Total Equity</b>		<b>\$629,382</b>
<b>Total Liabilities &amp; Equity</b>		<b>\$765,576</b>