

Item 7: Office of the General Manager

7.1 MRT Quarterly Report: April to June 2021

REPORT BY THE GENERAL MANAGER
TO 13 OCTOBER 2021 ORDINARY MEETING
GOV400088, F0770077

RECOMMENDATION

That Council receive the report by the General Manager on the MRT Quarterly Report April to June 2021.

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 fourth quarter of the 20/21 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

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

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

27 September 2021

Attachments: 1. MRT Quarterly Report Q4 2020-21.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER



2020-21 Quarterly Report

Q4: Apr to Jun 2021

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.

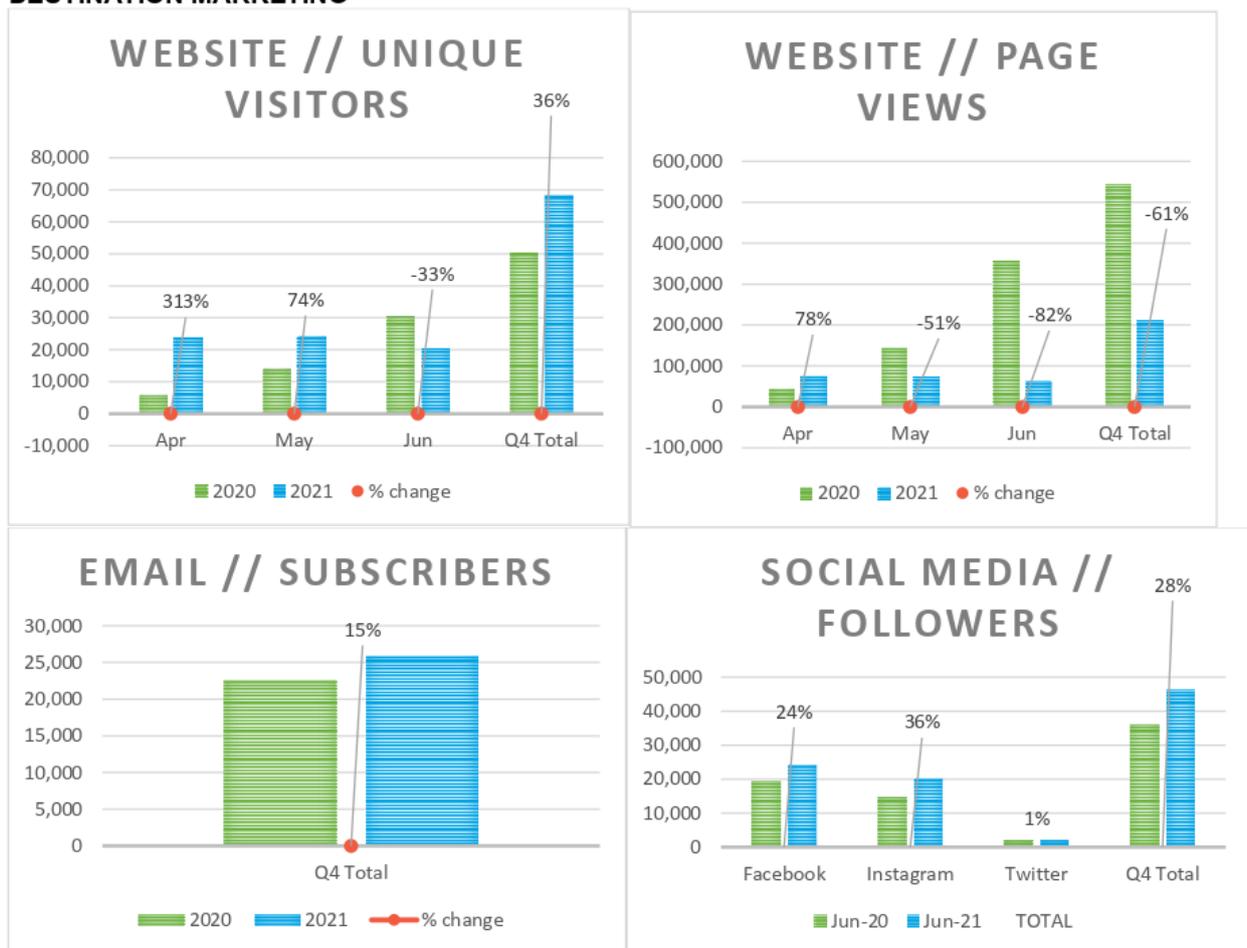
BOARD + EXECUTIVE TEAM

- Mudgee named NSW Top Tourism Town following successful submission/public vote bid
- Strong results for 2021–22 Partnership Drive, income up 27%
- Production of the new 2021–22 Mudgee Region Magazine and Map
- Governance Audit recommendations in process
- Continued working with MWRC to refine retail and back-office fit-out requirements at new Mudgee Arts Prescient
- Attended the Mudgee Region Gallery Brand platform consultation
- Hosted quarterly events meeting with MRT, MWRC, MWA and MFF
- Virtually presented at the LGNSW Destination and Visitor Economy Conference

GRANTS + FUNDING

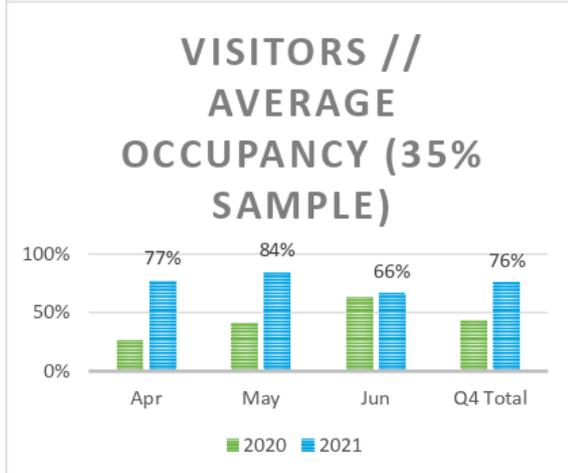
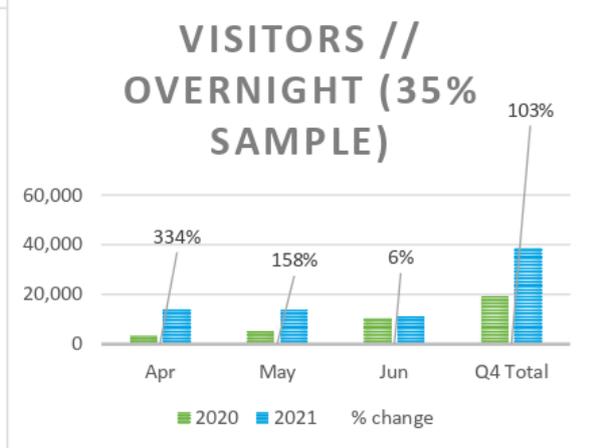
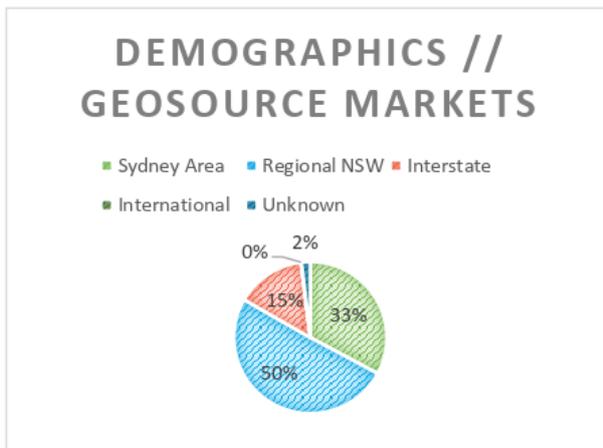
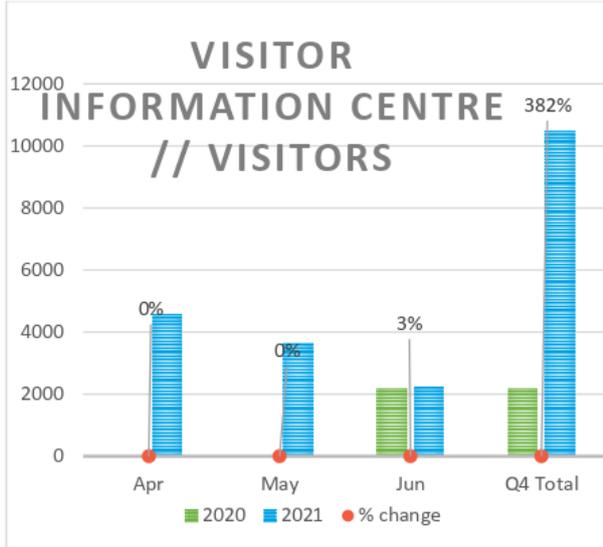
- Building Better Regions Fund (BBRF) application submitted for the development of three strategic plans (Tourism School of Excellence, Industry Engagement and Wellness Sector). Successful applicants to be announced mid-2021 – outcome pending
- Bushfire Local Economic Recovery Fund (BLERF) application submitted to continue our Feel the Love campaign in the Mudgee Region across the next two years – our submission was announced successful in July

DESTINATION MARKETING



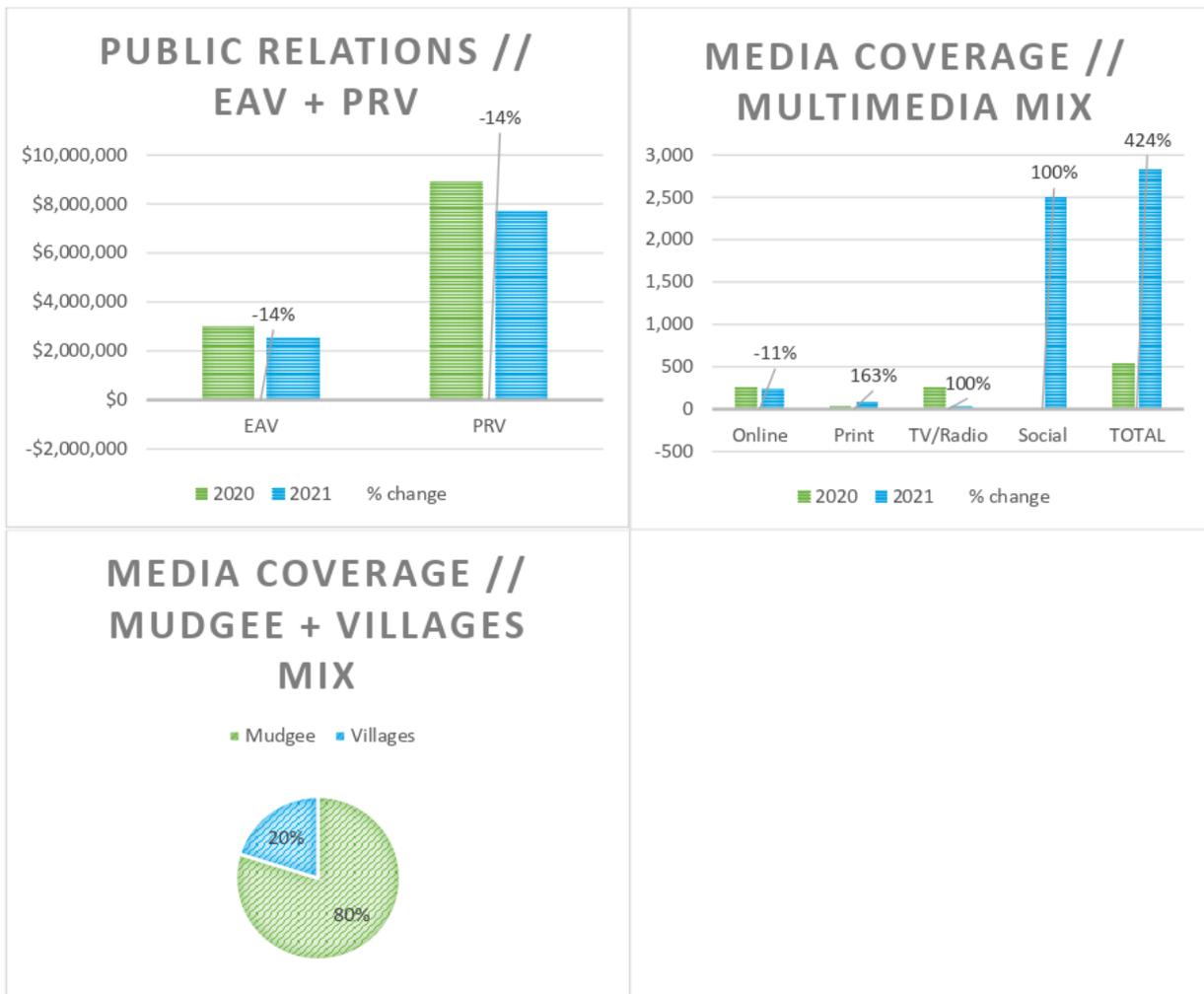
- Unique website visitation up (36%) + page views down (-61%) due to an easier navigation platform on the new site (reducing time spent searching for information on multiple pages)
- Email subscribers up (15%) + Social Media followers up (28%)
- Promotional activity via communications plan, media outreach + hosting, EDM campaign, social media strategy and print collateral distribution
- FTL campaign final TVC campaign activated x six weeks across the WIN network
- *Australian Traveller* magazine tip-on of *Mudgee Region* magazine (20k copies)

VISITOR STATISTICS



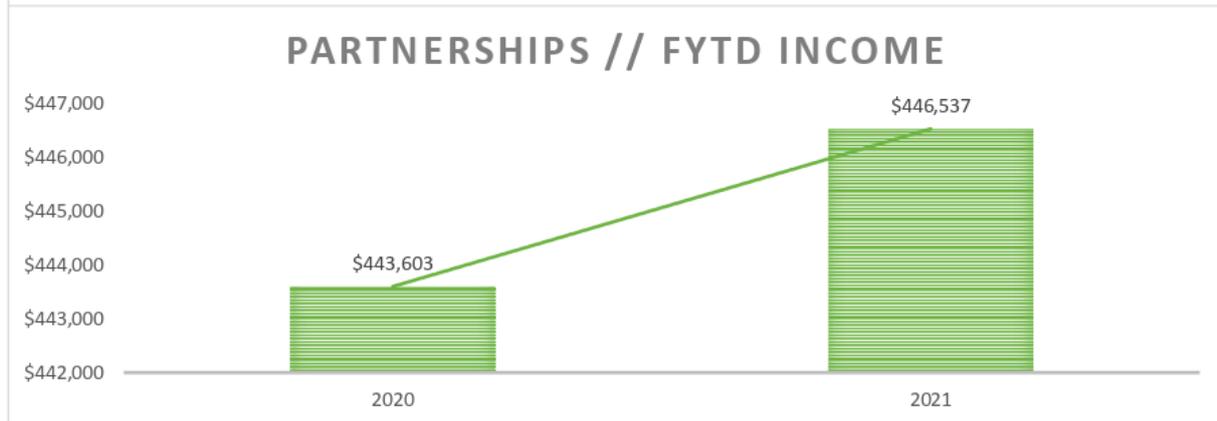
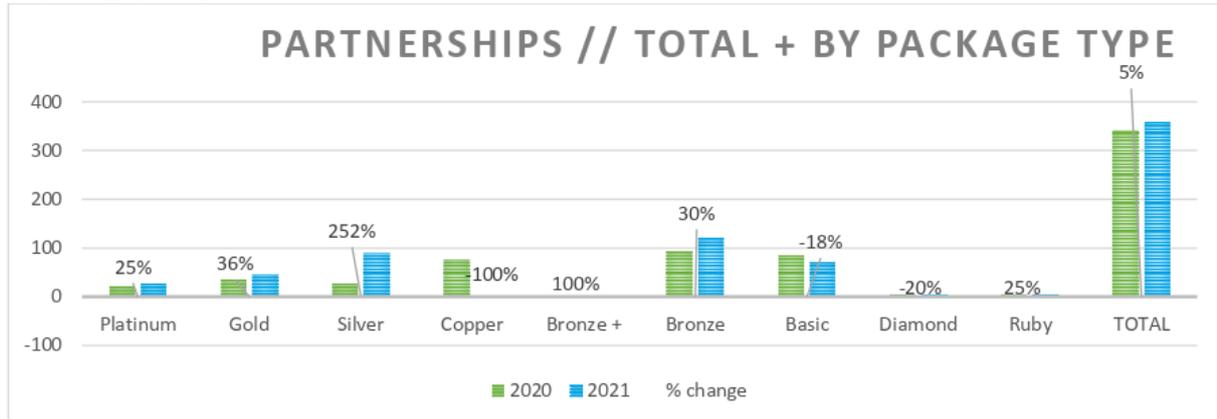
- VIC visitors increasing exponentially over the quarter (382%); call + online chat (with chat introduced mid-2020) up 20%
- Regional NSW strongest geo-source market (50%) followed by Sydney Region (33%)
- Overnight visitors up (103%)
- Average occupancy up (75%); Q4 average occupancy 76%
- May saw our highest recorded average monthly occupancy (since 2015) average monthly occupancy for the region at 84%
- A positive response from visitors with 87% indicating they will return within 12 months

PUBLIC RELATIONS // MEDIA COVERAGE



- Media coverage/articles – to access our digital press room click [here](#)
- High value media coverage again in Q4 despite both Estimated Advertising Value (EAV) and Public Relations Value (PRV) being down exponentially (14%, respectively)
- Total articles up (424%). Note: articles in April + May 2020 were down significantly due to COVID-19
- Maintained a media coverage of 20% for villages outside of Mudgee coverage; exceeding the target of 15% of total coverage

PARTNERSHIPS



- Total partnership packages up (5%)
- Partnership income up (1%). Note: FY21 reduced partnership package fees to support the local industry during the COVID-19 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, as at Ju
A. Leverage existing visitor markets to encourage increased length of stay and yield	Increase the visitor economy spend by 20% or 200,000 visitor nights	46% increase in overnight visitation FYTD on previous year FY20 COVID19 travel restrictions in place.
B. Encourage greater regional disbursal 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 restrictions, event and attraction ticket sales are down.
C. Strengthen the appeal of the region year-round to contribute to the viability of local businesses and to support vibrant communities	Increase in positive sentiment achieved as measured by an analysis of social media and online media sentiment Increase in digital content delivered for multichannel distribution relating to low and shoulder seasons	Due to COVID-19, a sentiment report was not completed in 2020. A sentiment report is planned for 2021. MRT are aiming for an increase in positive sentiment from 2019 baseline NPS (Net Promoter Score) or 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). Mudgee named NSW Top Tourism Town. <i>Australian Traveller</i> magazine tip-on package included online editorial + social coverage through the Australian Traveller website and social channels.
D. 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% – baseline 80). There are 224 local businesses now listed on ATDW. MRT will continue to work with local industry to increase our region's digital presence.
E. Enhance collaboration and partnerships to support the visitor economy	Increase partnership engagement and resulting financial contribution to MRT by 10%	5% increase in partnership packages + 5% increase in financial contribution FYTD. FY22, partnership packages are up 2% with a 27% increase in financial contribution.

FINANCIAL PERFORMANCE**1. Nature of Report**

a. This is the financial report for the fourth 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 June 30th, 2021.

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 \$52K, \$10K ahead of budget.

3. Trading Income

Retail trading income at end Q4 \$204K, \$27K ahead of budget.

4. Total Income

Overall revenue \$39K ahead of budget.

Gross Profit \$16K ahead of budget.

5. Total Expenses

Total expenses under budget \$24K.

a. The organisation continues to be under financial control.

6. Cash Funds

At the end of Q4 of the 2020–21 Financial Year, Cash-on-Hand is the primary current asset \$523K (primarily due to 2021–22 Partnership pre-payments).

7. Balance Sheet

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

CONSOLIDATED – JUNE YTD VS BUDGET YTD

Consolidated - June YTD vs Budget YTD

PROFIT & LOSS	2020/2021	Budget	Budget Variance (\$)	Budget Variance (%)
Revenue				
Retail Sales	\$204,474	\$177,260	\$27,214	15.35%
Ticket and Booking Income	\$8,548	\$2,500	\$6,048	241.91%
Partnership Income	\$446,537	\$440,501	\$6,036	1.37%
Mid Western Regional Council	\$632,763	\$632,763	\$0	0.00%
Grants & Other Income	\$146,500	\$146,500	\$0	0.00%
Total Revenue	\$1,438,822	\$1,399,524	\$39,298	2.81%
Cost of Sales				
COGS Mudgee	\$140,793	\$120,788	\$20,005	16.56%
COGS Partnership	\$8,061	\$5,700	\$2,361	41.42%
COGS Ticketing	\$825	\$300	\$525	175.09%
Total Cost of Sales	\$149,680	\$126,788	\$22,892	18.06%
Gross Profit	\$1,289,142	\$1,272,736	\$16,406	1.29%
Expenses				
Bank and Professional / Consultant Fe...	\$33,874	\$33,284	\$590	1.77%
Computer & IT Expenses	\$15,306	\$21,980	-\$6,674	-30.37%
Depreciation	\$16,550	\$20,841	-\$4,291	-20.59%
Partner Costs	\$20,393	\$21,000	-\$607	-2.89%
Operating Costs	\$42,460	\$43,558	-\$1,098	-2.52%
Regional Marketing	\$195,311	\$209,000	-\$13,689	-6.55%
Staff & Board Costs (not Salaries & W...	\$28,363	\$31,000	-\$2,637	-8.51%
Staff Wages & Salaries	\$683,546	\$663,742	\$19,804	2.98%
Magazine and Map	\$202,214	\$218,022	-\$15,808	-7.25%
Total Expenses	\$1,238,018	\$1,262,427	-\$24,409	-1.93%
Operating Profit	\$51,124	\$10,309	\$40,815	395.92%
Other Income				
DNSW Get Connected	\$1,170	\$0	\$1,170	-
Earnings Before Interest & Tax	\$52,294	\$10,309	\$41,985	407.27%
Net Income	\$52,294	\$10,309	\$41,985	407.27%

BALANCE SHEET – JUNE 2021

BALANCE SHEET	Jun 2021
ASSETS	
Cash & Equivalents	
Visa Debit Cards	\$3,275
NAB 14-080-1731	\$518,842
NAB Savings Acc	\$540
Total Cash & Equivalents	\$522,658
Accounts Receivable	
Trade Debtors	\$56,068
Trade Debtors - Sub Account	-\$2,195
Total Accounts Receivable	\$53,874
Inventory	
Stock On Hand Mudgee	\$21,304
Stock on Hand - Consignment	\$192
Total Inventory	\$21,496
Other Current Assets	
ING Management Account	\$7
Float	\$200
Undeposited Funds	-\$887
Retail POS System Clearing Account	\$1,862
Membership Fees Clearing Account	\$61,750
Prepayments [13505]	\$18,780
123Tix Ticket Sales	\$1,046
Prepayment Partnership Drive	\$26,983
Prepayment COGS Membership Paym...	\$3,311
Prepayment - Office Relocation	\$53,216
FBT Prepayment	\$6,083
Total Other Current Assets	\$172,352
Total Current Assets	\$770,379
Fixed Assets	
Accum Depn M V	-\$25,626
Plant & Equipment	\$53,556
Accum Dep - P&E	-\$18,412
Accum Dep - Intangible Assets	-\$46,263
Office Equipment	\$2,014
Total Fixed Assets	-\$34,731
Investments or Other NCAs	
Motor Vehicle	\$53,227
Web update	\$91,836
Total Investments or Other NCAs	\$145,063
Total Non-Current Assets	\$110,332
Total Assets	\$880,711
LIABILITIES	
Accounts Payable	
Trade Creditors	\$65,769
Tax Liability	
PAYG Withholding Tax	\$10,766