

## Item 7: Office of the General Manager

---

### 7.1 MRT Quarterly Report: January to March 2021

#### REPORT BY THE GENERAL MANAGER

TO 19 MAY 2021 ORDINARY MEETING

GOV400088, F0770077

#### RECOMMENDATION

**That Council receive the report by the General Manager on the MRT Quarterly Report January to March 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 third 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

<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

---

#### 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

4 May 2021

*Attachments:* 1. MRT Quarterly Report Q3 2020-21.

**APPROVED FOR SUBMISSION:**

BRAD CAM  
GENERAL MANAGER



2020-21 Quarterly Report

Q3: Jan to Mar 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.

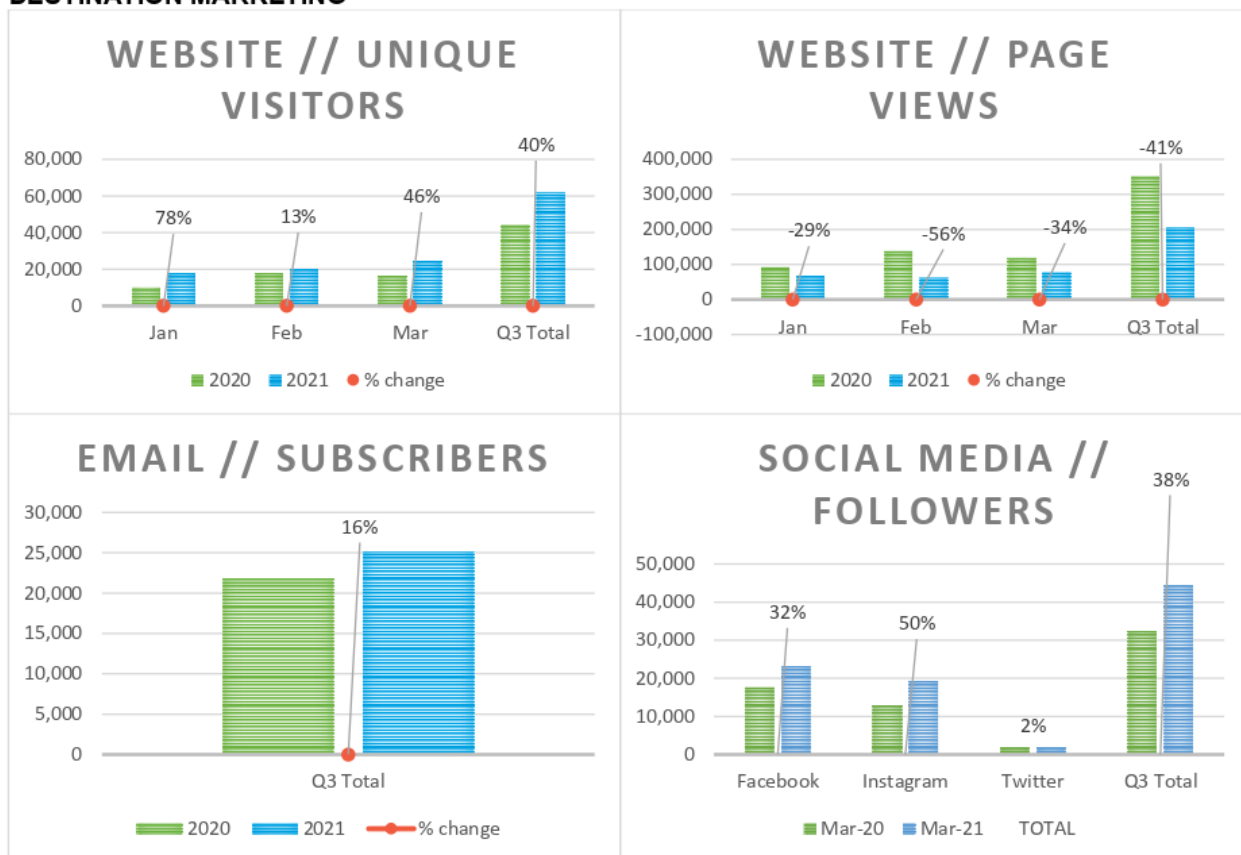
**BOARD + EXECUTIVE TEAM**

- Engaged VUCA to conduct MRT Governance Audit, Governance Audit recommendations received and Governance Training session for the board conducted
- Continued working with MWRC to refine retail and back office fit-out requirements at new art gallery/tourism hub space
- Probationary Performance Evaluations conducted for new team members
- Met with NRL Manly crew to discuss promotional and partnership opportunities ahead of May game
- Re-shared MRT’s Communications Strategy + Action Plan in light of Sydney COVID19 cluster in January
- Hosted quarterly events meeting with MRT, MWRC, MWA and MFF
- Strategic planning day, updating progress + identifying future actions required to implement DMP Prioritised Action Plan
- Finalised 2021-22 Partnership Prospectus
- Attended MWRC Stakeholder meeting regarding signage across the region
- Attended Destination Australia 2021 Conference virtually
- Nominated Mudgee Region, supported by MWRC, for the Top Tourism Town Awards – submission due 26 April
- Commenced liquor licence process to change MRT’s registered premises to 90 Market Street (when applicable)
- Hosted MRT stall at Fermenta Festival (unfortunately rained out with picnic event ultimately cancelled)

**GRANTS + FUNDING**

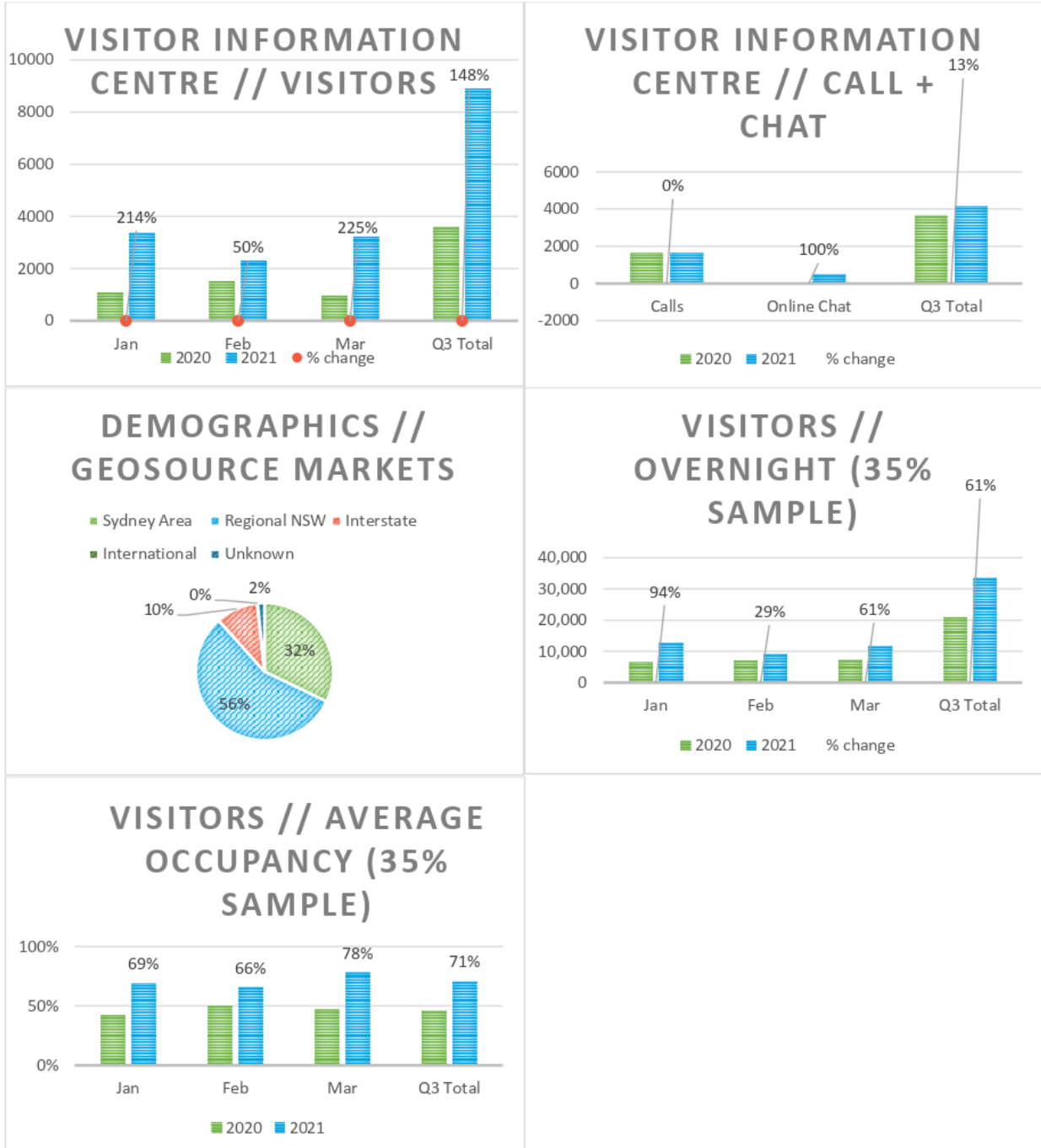
- Destination Network Country + Outback (DNCO) Regional Tourism Bushfire Recovery (RTBR) Grant // completed event video ‘vox pops’ with Brightworks + marketing plan in place to support the promotion of participating events
- Building Better Regions Fund (BBRF) application submitted for the development of three strategic plans (Tourism School of Excellence, Industry Engagement and Wellness Sector). Successful applicants to be announced mid-2021

**DESTINATION MARKETING**



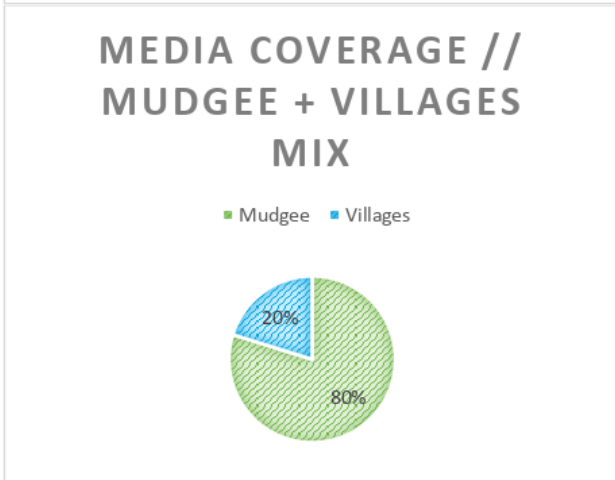
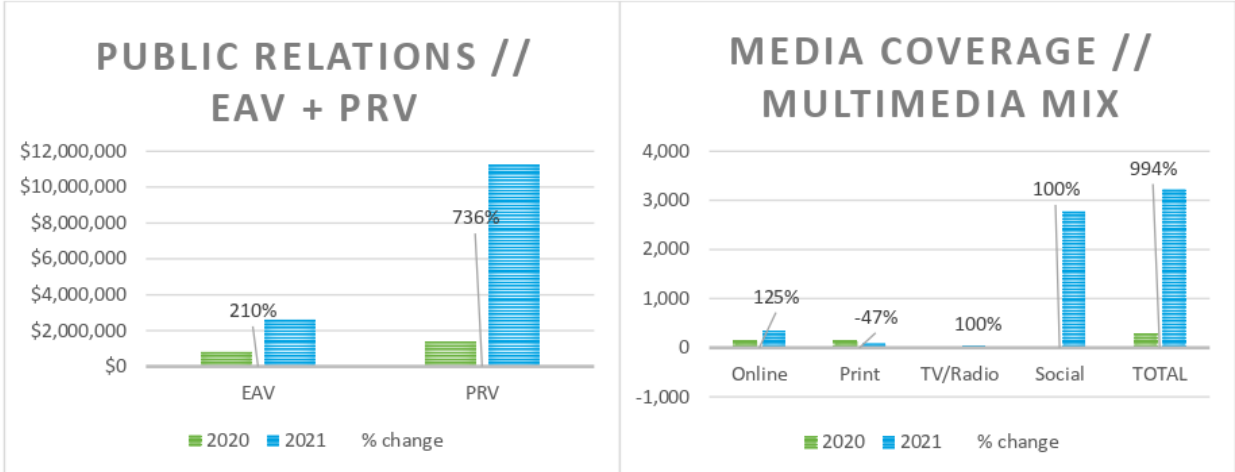
- Unique website visitation up (40%) + page views down (41%) due to an easier navigation platform on the new site (reducing time spent searching for information on multiple pages)
- Email subscribers up (16%), Social Media followers up (38%)
- Promotional activity via communications plan, media outreach + hosting, EDM campaign, social media strategy and print collateral distribution
- Remaining Feel the Love TVC went to air across WIN media network
- Gulgong Gold Cup – reached out to coordinate promotion
- FlyPelican meeting confirmed to establish promotional opportunities to increase leisure market uptake

**VISITOR STATISTICS**



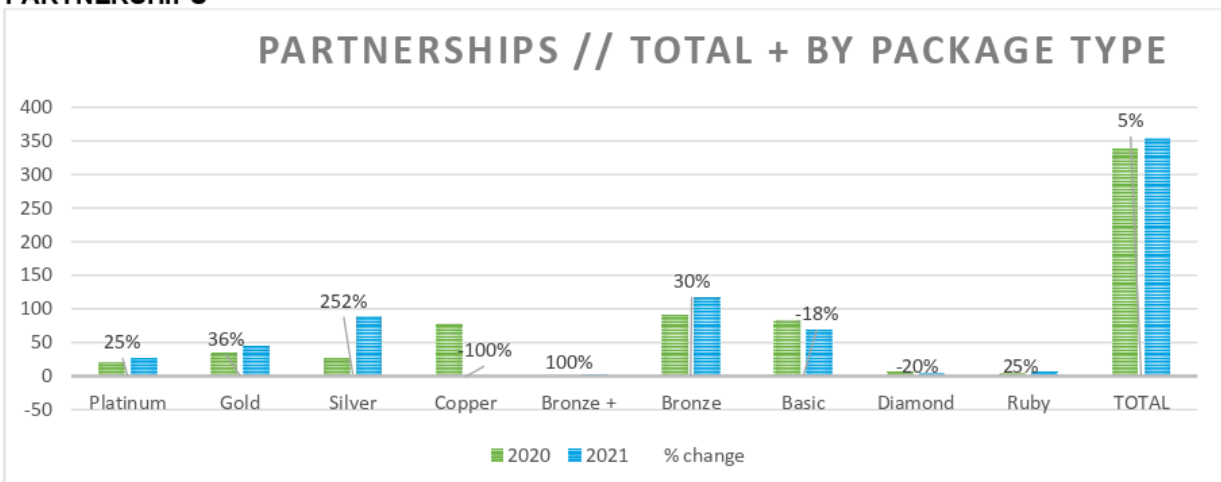
- VIC visitors up (148%), call + online chat (with chat introduced mid-2020) up 13%
- Regional NSW strongest geo-source market (56%) followed by Sydney Region (32%)
- Overnight visitors up (61%)
- Average occupancy up (53%), Q3 average occupancy 71%

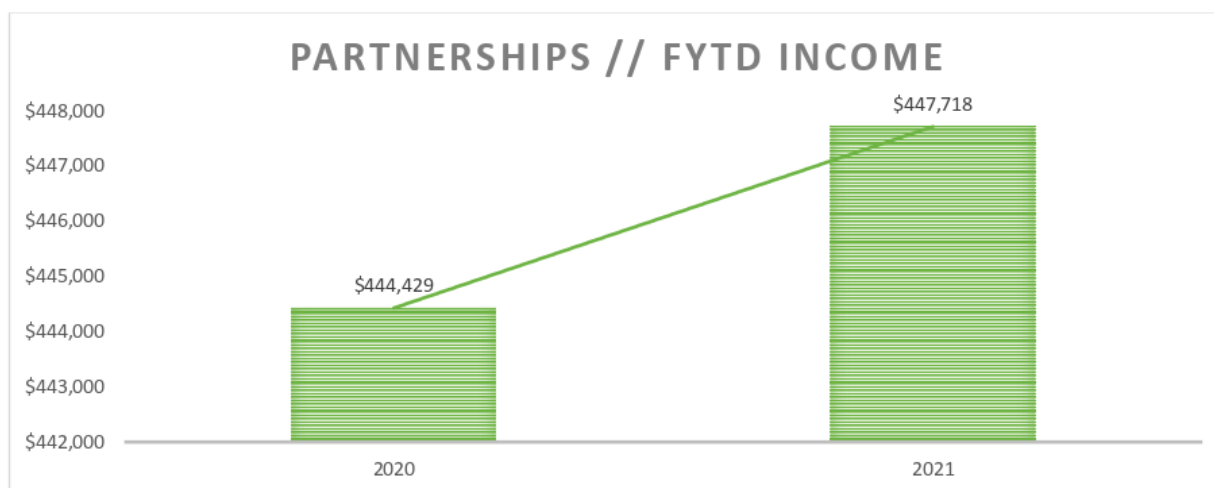
**PUBLIC RELATIONS // MEDIA COVERAGE**



- For access to media coverage/articles, click [here](#) to access our digital press room
- High value media coverage in Q3 with both Estimated Advertising Value (EAV) and Public Relations Value (PRV) up exponentially (210% and 736% respectively)
- Total articles up (994%); noting articles in 2020 were down significantly due to drought, bushfires and COVID19
- 20% of media coverage included reference to villages outside of Mudgee, exceeding target of 15%

**PARTNERSHIPS**





- Total partnership packages up (5%)
- Partnership income up (1%) - 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, as at Mar-21
<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	30% increase in overnight visitation FYTD on previous year
<b>B.</b> Encourage greater regional disbursement 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 FYTD (34%). However, with restrictions easing and consumer confidence returning, ticket sales are on the increase – up 911% in Mar-21 from Feb-21
<b>C.</b> 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 COVID19, a sentiment report was not completed in 2020. A sentiment report is planned for 2021. MRT are 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).  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 & Drink Trail in Mudgee, Henry Lawson Festival in Gulgong and Rylstone StreetFeast in Rylstone
<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	MRT launched a new destination website in Oct 2020. The new platform requires Bronze members and above to be listed on ATDW so

	Warehouse (ATDW) and on online booking platforms	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). 224 local businesses are 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

## FINANCIAL PERFORMANCE

### 1. Nature of Report

- a. This is the financial report for the third 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 March 31<sup>st</sup>, 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 \$308K, \$58K ahead of budget.

### 3. Trading Income

Retail trading income at end Q3 \$162K, \$16K ahead of budget.

### 4. Total Income

Overall revenue \$26K ahead of budget.

Gross Profit \$14K ahead of budget.

### 5. Total Expenses

Total expenses under budget \$44K.

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

### 6. Cash Funds

At the end of Q3 of the 2020–21 Financial Year, Cash on Hand is the primary current asset \$340K (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 – MARCH YTD VS BUDGET YTD**

PROFIT & LOSS	2020/2021 (YTD)	Budget	Budget Variance (\$)	Budget Variance (%)
<b>Revenue</b>				
Retail Sales	\$161,659	\$145,654	\$16,005	10.99%
Ticket and Booking Income	\$3,399	\$1,002	\$2,397	239.26%
Partnership Income	\$447,718	\$440,501	\$7,217	1.64%
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>\$1,387,039</b>	<b>\$1,361,420</b>	<b>\$25,619</b>	<b>1.88%</b>
<b>Cost of Sales</b>				
COGS Mudgee	\$110,975	\$101,585	\$9,390	9.24%
COGS Partnership	\$7,088	\$4,858	\$2,230	45.90%
COGS Ticketing	\$401	\$300	\$101	33.81%
<b>Total Cost of Sales</b>	<b>\$118,465</b>	<b>\$106,743</b>	<b>\$11,722</b>	<b>10.98%</b>
<b>Gross Profit</b>	<b>\$1,268,574</b>	<b>\$1,254,677</b>	<b>\$13,897</b>	<b>1.11%</b>
<b>Expenses</b>				
Bank and Professional / Consultant Fe...	\$25,128	\$24,584	\$544	2.21%
Computer & IT Expenses	\$11,747	\$16,725	-\$4,978	-29.76%
Depreciation	\$12,100	\$14,535	-\$2,435	-16.75%
Partner Costs	\$20,246	\$19,362	\$884	4.57%
Operating Costs	\$33,582	\$35,370	-\$1,788	-5.06%
Regional Marketing	\$145,720	\$150,696	-\$4,976	-3.30%
Staff & Board Costs (not Salaries & W...	\$22,570	\$24,670	-\$2,100	-8.51%
Staff Wages & Salaries	\$492,520	\$507,496	-\$14,976	-2.95%
Magazine and Map	\$197,713	\$211,339	-\$13,626	-6.45%
Suspense	-\$365	\$0	-\$365	-
<b>Total Expenses</b>	<b>\$960,961</b>	<b>\$1,004,777</b>	<b>-\$43,816</b>	<b>-4.36%</b>
<b>Operating Profit</b>	<b>\$307,614</b>	<b>\$249,900</b>	<b>\$57,714</b>	<b>23.09%</b>
<b>Net Income</b>	<b>\$307,614</b>	<b>\$249,900</b>	<b>\$57,714</b>	<b>23.09%</b>

## BALANCE SHEET – MARCH 2021

BALANCE SHEET		Mar 2021
<b>ASSETS</b>		
<b>Cash &amp; Equivalents</b>		
Visa Debit Cards		\$3,296
NAB 14-080-1731		\$335,899
NAB Savings Acc		\$540
<b>Total Cash &amp; Equivalents</b>		<b>\$339,735</b>
<b>Accounts Receivable</b>		
Trade Debtors		\$6,183
Trade Debtors - Sub Account		-\$2,195
<b>Total Accounts Receivable</b>		<b>\$3,988</b>
<b>Inventory</b>		
Stock On Hand Mudgee		\$17,582
<b>Other Current Assets</b>		
ING Management Account		\$7
Float		\$200
Undeposited Funds		-\$2,671
Retail POS System Clearing Account		\$1,862
Membership Fees Clearing Account		\$22,614
Prepayments [13505]		\$14,879
123Tix Ticket Sales		-\$179
<b>Total Other Current Assets</b>		<b>\$36,713</b>
<b>Total Current Assets</b>		<b>\$398,018</b>
<b>Fixed Assets</b>		
Accum Depn M V		-\$23,919
Plant & Equipment		\$45,578
Accum Dep - P&E		-\$16,980
Accum Dep - Intangible Assets		-\$44,952
<b>Total Fixed Assets</b>		<b>-\$40,273</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>\$104,790</b>
<b>Total Assets</b>		<b>\$502,808</b>
<b>LIABILITIES</b>		
<b>Accounts Payable</b>		
Trade Creditors		\$3,508
<b>Tax Liability</b>		
PAYG Withholding Tax		\$12,630
<b>Other Current Liabilities</b>		
GST		-\$6,014
Superannuation Payable		\$4,223
Conversion clearing account		\$56
<b>Total Other Current Liabilities</b>		<b>-\$1,726</b>
<b>Total Current Liabilities</b>		<b>\$14,412</b>
<b>Other Non-Current Liabilities</b>		
Accruals		\$46,668
Chattel Mtg Liability(current)		\$21,915
UnExp Int-Chattel Mtg Current		-\$1,173
Rounding Adj Account		\$4
Provision for Holiday Pay [25600]		\$34,462
Provision for LSL [25602]		\$19,613
FBT Instalment acc		-\$1,521
2020/2021 CC Surcharge		\$5
2020/2021 Additional Advertising		\$325
Seat Advisor EFT		-\$240
Countrylink Tickets		-\$205
<b>Total Other Non-Current Liabilities</b>		<b>\$119,854</b>
<b>Total Non-Current Liabilities</b>		<b>\$119,854</b>
<b>Total Liabilities</b>		<b>\$134,266</b>
<b>EQUITY</b>		
<b>Retained Earnings</b>		
Retained Earnings		\$60,928
<b>Current Earnings</b>		
Current Year Earnings		\$307,614
<b>Total Equity</b>		<b>\$368,542</b>
<b>Total Liabilities &amp; Equity</b>		<b>\$502,808</b>