

# ATTACHMENT

ITEM 6.2.5 – MUDGEES REGION TOURISM INC



MUDGEEREGION



*sensory perfection*

**Mudgee Region Tourism  
Inc.**

**December 2010  
Quarterly Report  
for  
Mid-Western Regional  
Council**

# MRTI December 2010

## Quarterly Report

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# Executive Summary

## Financial Summary

The organisation continues to operate soundly with the overall result of actual to budget in excess of \$30,612. This is due primarily to unexpended Regional Marketing costs in conjunction with strong staff management. Retail trading income indicates an excess to budget of \$6948, with an overall income in excess to budget of \$4519. The MRTI annual audit was completed in November 2010 and presented and accepted by the members at the AGM on 8 December 2010.

## Membership Summary

Membership of MRTI has increased 11% on the same quarter in 2009. Variances in different sectors of membership show: winery ↓13%, touring ↑13%, attractions ↑33%, restaurants ↓6%, local businesses ↑21%, accommodation ↑15%.

## Projects Summary

**Governance** – in the December quarter, MRTI undertook a consultative process to review the MRTI constitution to account for changes to the Associations Incorporations Act 2009 and to incorporate the requirement to adopt a skills-based board of directors. This process was completed in October 2010 & new constitution lodged and accepted by the Dept of Fair Trading in December 2010.

**Online activity**- an initiative with Aeropelican and partners The Willow Lane Vineyard, Wildwood Guesthouse and Thrifty, an online competition was initiated in November to build the database and promote the region and its products. All products were donated.

**Recruitment** of permanent part-time marketing and administration assistant was conducted and completed in this quarter. Of 44 applicants, a tertiary tourism graduate who has relocated to Mudgee was selected for the position. This recruitment follows an organisation restructure in 2009. The organisation is staffed by 2 fulltime (CEO and Administration Officer), one permanent part time and 8 casual positions.

**Pymont Uncorks Mudgee** – initiated planning of new food & wine event at Pymont in collaboration with Mudgee Wine Grape Grower's Association, MWRC's Economic Development Officer, City of Sydney and Pymont Chamber of Commerce.

## Marketing & Promotions Summary

28 articles to promote the Mudgee Region from October to December 2010. Our success involved features in quality target media with a double page art-trail feature in the 'Sydney Morning Herald Traveller', a double page drive to historic towns and attractions story in the 'Sun-Herald Travel', a double page review on food, wine, art, history and nature experiences in the 'Weekend Australian Travel & Indulgence', a six-page food and wine feature in 'Jetstar' magazine, and articles in Madison magazine, Hospitality, National Liquor News and Australian Financial Review. Channel 7's Sydney Weekender filmed in the Region with Mike Whitney, and the segment went to air on Sat 20 November promoting Mudgee Fine Foods Farm Walks and Gulgong's Owl Head Lodge. Two press releases with Mudgee news and story ideas written and issued to 300+ media. Itineraries and bookings were made for three media groups visiting the Region from The Weekend Australian, Sydney Weekender (Channel 7) and The Rough Guide to Australia (UK) Advertising Value - the equivalent advertising value (EAV) of publicity generated is approximately \$260,000. This is based on major articles only and includes the TV segment Public Relations Value - approx \$780,000 in PR value. PR value is established based on multiplying the EAV x 3 to give a PR value.

**Trade Show** attendance included the Canberra Travel & Lifestyle Show and a new event in Newcastle on 25 October which, while attended, was abandoned due to rain.

**Statistics Summary** Visitation to the region's visitor centers show an increase of 5% on the same quarter in 2009.

## Funding Report

MRTI applied for funding through NSW Industry & Investment's 'Travelling Expert Programme' and received \$4020 to deliver professional development courses for members. The application identified the need for social media workshops to assist members with marketing initiatives involving Facebook, Twitter, LinkedIn and other social media applications.

## Key Performance Indicators met December Quarter:

During this quarter MRTI met the following obligations to Mid-Western Regional Council to provide Visitor Information Services as detailed in **Section 5** of the agreement dated 21 June 2010 between Mid-Western Regional Council and Mudgee Region Tourism Inc. These are outlined below:

- (a) MRTI will provide the Visitor Information Services in a proper and efficient manner from the Mudgee Visitors Information Centre at 84 Market Street, Mudgee on a seven (7) day a week basis between the hours of 9.00am to 5.00pm, in Gulgong from premises known as 'The Shanty' on a five (5) day basis between the hours of 10.00am and 3.00pm (Thursday to Monday) or such other premises in those respective towns as MWRC and MRTI may agree and in doing so will provide a range of services at least comparable with those services provided by MRTI under the Funding and Performance Agreement between the parties for the period from the 1 July 2007 – 30 June 2010.

**KPI fully completed.**

- (b) MRTI will also promote and develop in a proper and efficient manner the provision of Visitor Information Services from MWRC's Administration Office at Rylstone during the usual business hours of that office and additional at Lakelands Olive Tasting Room between the hours of 10.00am and 4.00pm on Saturdays and Sundays in accordance with the specifications set out in Appendix 2.

**KPI fully completed.**

- (c) During the continuance of this Agreement, MRTI must:

- (i) Participate in at least 2 significant tourist trade shows annually in major cities to increase the number of domestic tourists to the LGA
- (ii) Develop key indicators that measure tourist numbers to the LGA including the number of visitors attending each visitor centre, where they are from and how they have heard about the LGA and conduct a bi-annual targeted campaign for participation in web based surveys about visitor experience in the LGA.
- (iii) Ensure that the Visitor Centres and other suitable locations outside the LGA are stocked sufficiently to promote the LGA's attractions as a tourist destination
- (iv) Develop and update from time to time a promotional booklet(s) that covers the LGA.
- (v) Review and update from time to time its constitution to ensure that this document is and remains relevant and effective for the efficient provision of Visitor Information Services

**KPI fully completed.**

- (d) In performing the Visitor Information Services, MRTI will operate as a principal and will not hold itself out as being the agent or contractor of MWRC or purport to bind MWRC under any contract or agreement with third parties or otherwise incur any liability on behalf of MWRC.

**KPI fully completed.**

# Finance Report

## Mudgee Regional Tourism Inc - Treasurer's Report - Q2/2010 December 2010

### 1. Nature of Report

- a. This is the financial report for the second quarter of the MRTI 2011 financial year, given to Mid-Western Region Council (MWRC) under the reporting format as agreed under the contract executed between MWRC and MRTI
- b. The report demonstrates the trading result for the financial quarter ended 30 December 2010.

### 2. Accounting Conventions

- a. The attached P&L and Balance Sheet have been prepared directly from the MYOB General Ledger with no external intervention other than formatting.
- b. Accrual accounting is used under GAAP.
- c. The Budget for the year has been included for comparative purposes.

### 3. Overall Result

- a. The overall result of actual to budget is an excess of \$30,613. This is largely due to unexpended Regional Marketing, which will be expensed within the next quarter

### 4. Trading Income

- a. Retail trading income indicates an excess to budget of \$6948, which can in part be attributed to increased trading income from the MRTI's Gulgong Visitor Information Centre.

### 5. Total Income

- a. Overall income indicates an excess to budget of \$6,948, being 4.3% above the budget forecast for the period under review.

### 6. Overhead Expenses

- a. Overhead expenses are \$6270 under budget.
- b. The organisation continues to be under financial control and is being well managed.

### 7. Cash Funds

- a. At the end of the second quarter the majority of the cash asset is \$164,959, which includes income for the Visitor Guide advertising and Membership income. The cash became unrestricted on 1 July 2011.

### 8. Balance Sheet

- a. A balance sheet is included as part of this report.
- b. Total assets are very strong. The major component in liabilities is the accrual of prepaid income, which will be amortised during the 2010/11 financial year.

### 9. Auditor

Matthew Dean, Partner of Norton's Business Advisors has completed the 2010 Audit, a copy of which is attached to this report. As the continuing audit contract finishes this year, a draft tender document has been prepared for new auditors.

# Mudgee Region Tourism

84 Market Street  
MUDGEE NSW 2850

## Profit & Loss [Budget Analysis]

July 2010 through December 2010

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	Selected Period	Budgeted	\$ Difference	% Difference
<b>Income</b>				
Retail Sales	\$59,197.78	\$52,249.65	\$6,948.13	13.3%
Membership Income	\$38,743.14	\$36,812.48	\$1,930.66	5.2%
Visitor Guide Advertising	\$111,380.75	\$110,000.02	\$1,380.73	1.3%
Booking Agency Fees	\$327.53	\$500.02	-\$172.49	(34.5%)
Tourism Subsidy - MSC	\$157,500.00	\$157,500.00	\$0.00	0.0%
Other Income	\$1,863.58	\$0.00	\$1,863.58	NA
Interest Received	\$6,771.67	\$3,249.98	\$3,521.69	108.4%
<b>Total Income</b>	<b>\$375,784.45</b>	<b>\$360,312.15</b>	<b>\$15,472.30</b>	<b>4.3%</b>
<b>Cost Of Sales</b>				
COGS Retail	\$38,391.56	\$27,438.70	\$10,952.86	39.9%
<b>Total Cost Of Sales</b>	<b>\$38,391.56</b>	<b>\$27,438.70</b>	<b>\$10,952.86</b>	<b>39.9%</b>
<b>Gross Profit</b>	<b>\$337,392.89</b>	<b>\$332,873.45</b>	<b>\$4,519.44</b>	<b>1.4%</b>
<b>Expenses</b>				
Advertising	\$664.80	\$750.00	-\$85.20	(11.4%)
Audit Fees	\$3,999.96	\$4,250.02	-\$250.06	(5.9%)
Bank Charges	\$2,923.13	\$1,749.98	\$1,173.15	67.0%
Bad Debts	\$272.71	\$0.00	\$272.71	NA
Cleaning	\$2,611.00	\$2,000.02	\$610.98	30.5%
Computer Expenses	\$2,872.43	\$2,250.00	\$622.43	27.7%
Depreciation	\$3,498.79	\$3,500.02	-\$1.23	0.0%
Electricity	\$755.43	\$1,125.00	-\$369.57	(32.9%)
Freight & Cartage	\$222.25	\$225.00	-\$2.75	(1.2%)
Insurance	\$1,926.52	\$1,749.98	\$176.54	10.1%
Insurance - Workers Comp	\$563.83	\$549.98	\$13.85	2.5%
Motor Vehicle Expenses	\$3,140.57	\$3,906.00	-\$765.43	(19.6%)
Office Supplies	\$2,872.93	\$1,749.98	\$1,122.95	64.2%
General Postage	\$416.73	\$999.98	-\$583.25	(58.3%)
Member Expenses	\$953.64	\$1,250.02	-\$296.38	(23.7%)
Printing & Stationery	\$1,260.66	\$1,500.00	-\$239.34	(16.0%)
Professional Fees	\$10,577.94	\$11,750.02	-\$1,172.08	(10.0%)
Rent Mudgee Visitors Centre	\$6,000.00	\$6,633.22	-\$633.22	(9.5%)
Rylstone running costs	\$5,767.50	\$4,955.02	\$812.48	16.4%
Repairs & Maintenance	\$1,420.09	\$999.98	\$420.11	42.0%
Staff Amenities & Ent	\$2,437.27	\$3,750.00	-\$1,312.73	(35.0%)
Seminars & Training	\$888.59	\$2,600.02	-\$1,711.43	(65.8%)
Sponsorships	\$0.00	\$500.02	-\$500.02	(100.0%)
Subscriptions & Memberships	\$3,437.12	\$3,576.98	-\$139.86	(3.9%)
Sundry Expenses	\$2,930.34	\$2,299.96	\$630.38	27.4%
Telephone, Fax & Internet	\$5,931.32	\$4,500.00	\$1,431.32	31.8%
Travel Expenses	\$248.30	\$500.02	-\$251.72	(50.3%)
Website Expenses	\$0.00	\$375.00	-\$375.00	(100.0%)
Visitor Guide Exp	\$66,233.67	\$57,889.04	\$8,344.63	14.4%
Wages and Salaries	\$119,767.66	\$132,980.02	-\$13,212.36	(9.9%)
Regional Marketing Expenditure	\$49,323.91	\$69,147.30	-\$19,823.39	(28.7%)
<b>Total Expenses</b>	<b>\$303,919.09</b>	<b>\$330,012.58</b>	<b>-\$26,093.49</b>	<b>(7.9%)</b>
<b>Operating Profit</b>	<b>\$33,473.80</b>	<b>\$2,860.87</b>	<b>\$30,612.93</b>	<b>1,070.1%</b>
<b>Other Income</b>				
<b>Other Expenses</b>				
<b>Net Profit/(Loss)</b>	<b>\$33,473.80</b>	<b>\$2,860.87</b>	<b>\$30,612.93</b>	<b>1,070.1%</b>

# Mudgee Region Tourism

84 Market Street  
MUDGEE NSW 2850

## Balance Sheet

As of December 2010

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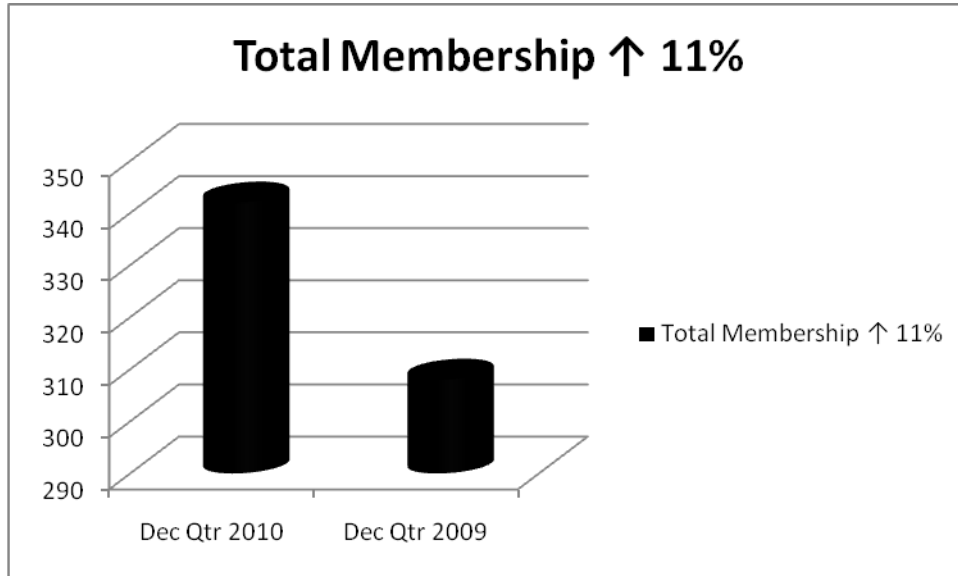
<b>Assets</b>	
Current Assets	
Cash on Hand	\$221,427.14
Debtors	\$12,101.12
Stock on Hand	\$36,224.46
Prepayments	\$51,658.83
Total Current Assets	<u>\$321,411.55</u>
Non-Current Assets	
Motor Vehicle (Nett)	\$30,255.00
Office Furn & Equip (Nett)	\$17,752.63
Total Non-Current Assets	<u>\$48,007.63</u>
Total Assets	<u>\$369,419.18</u>
<b>Liabilities</b>	
Current Liabilities	
Trade Creditors	\$18,922.87
Visa Card	\$0.00
Accruals	\$11,529.76
Hire Purchase	\$29,820.05
GST Liabilities	\$1,019.22
Payroll Liabilities	\$4,729.16
Provision for Holiday Pay	\$8,553.57
Prepaid Income	\$164,959.51
Other Current Liability	\$4,710.00
Ticket sales	\$14,734.50
Total Current Liabilities	<u>\$258,978.64</u>
Total Liabilities	<u>\$258,978.64</u>
Net Assets	<u>\$110,440.54</u>
<b>Equity</b>	
Retained Earnings	\$76,966.74
Current Earnings	\$33,473.80
Total Equity	<u>\$110,440.54</u>



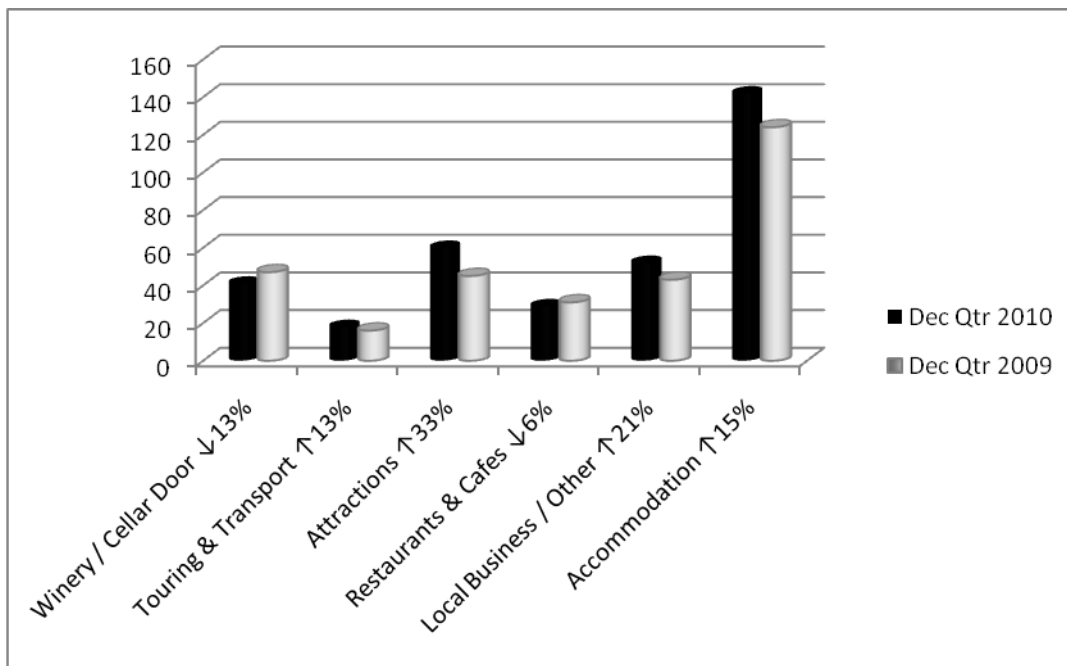
# Membership Report

## Membership

Membership at MRTI has increased 11% on the same quarter in 2009.



Analysis of member types can be seen in the chart below:



**During the December quarter, MRTI completed the following for our members:**

- Completed a constitutional review to incorporate a new skills based board and some amendments to the Incorporations Act. The final document was adopted at a special general meeting on 18 October.
- Sent Visitor Guides to all the NSW Visitor Information Centres for distribution
- Distributed weekly e newsletters to members
- Participated in MWRC's Cultural Development Committee
- Provided ongoing online services with bookings, merchandise sales and public relations
- Staff conducted family programmes on an individual basis

# Projects Report

## **Constitution Review completed and appointment of 4 skills based board members**

As outlined in the KPIs with council, **Section 5 (c) (v) - Review and update constitution:**

The board of directors of MRTI employed the services of local solicitors Yeates Betts to oversee the amendments to the constitution. As well as addressing the need to amend the document to make provision for a new 7 member skills based board, the constitution had to comply with recent changes to the Incorporations Act. The process involved considerable consultation and member involvement. Changes were made and circulated and a member forum held on 18 October at which the amended document was adopted by the members.

## **Pymont uncorks Mudgee**

In collaboration with Mudgee Wine Grape Growers, Mudgee Fine Foods & Mid Western Regional Council, MRTI has taken a lead role in the instigation of a new event in the Sydney food & wine precinct of Pymont. The event will run for 12 days in May 2011 and will involve dinners, winemaker activities at restaurants and will culminate in a food & wine fair in Pirrama Park on 15 May. MRTI organised and collaborated with MWGGAI & MFFI to attend meetings and AGM and present a range of food & wine to the Pymont Chamber of Commerce members as a pre-publicity event on 14 December 2010.

## **Performance reviews**

All staff went through a 3 stage performance programme during the quarter. All staff are meeting their KPIs and have had customised performance plans designed. Performance continues to be monitored and is a vital element in the requirement of MRTI staff. Staff at MRTI remain committed and motivated and enjoy working in the visitor centres at Gulgong and Mudgee.

## **Recruitment**

Following an organisational restructure in 2009, MRTI board endorsed the employment of 2 full time (from 3 full time) staff and a permanent part time position. After advertising and receiving 44 applications, MRTI employed Erin Weir, a tertiary tourism graduate who commenced permanent part time work in December 2010.

## **AGM & Annual Report**

The MRTI annual general meeting was held on 8 December. The meeting endorsed the appointment of the 4 skills based directors who were appointed by the independent selection panel and in line with the contractual requirement of MWRC and MRTI's tourism agreement. The organisation produced a report adhering to appropriate governance guidelines. All councillors and the General Manager received hard copies of this report. A copy of this report is attached to this quarterly report.

# Public Relations Report – October, November, December 2010

Prepared by Gabrielle Brewer Lifestyle & Tourism PR, January 2011

## Topic

1. Executive Summary
2. Press Release Schedule
3. Media Visits
4. PR Projects and Media Relations
5. Feedback from media visits and quotes in the press
6. Publicity Results

### 1. Executive Summary

- ❖ Generated over 28 articles to promote The Mudgee Region from October to December 2010. Our success was promotional features in quality target media with a double page art-trail feature in the 'Sydney Morning Herald Traveller', a double page drive to historic towns and attractions story in the 'Sun-Herald Travel', a glowing double page review on food, wine, art, history and nature experiences in the 'Weekend Australian Travel & Indulgence', a six-page food and wine feature in 'Jetstar' magazine, and articles in Madison magazine, Hospitality, National Liquor News and Australian Financial Review
- ❖ Channel 7's Sydney Weekender filmed in the Region with Mike Whitney, and the segment went to air on Sat 20 November promoting Mudgee Fine Foods Farm Walks and Gulgong's Owl Head Lodge
- ❖ Two press releases with Mudgee news and story ideas written and issued to 300+ media
- ❖ Itineraries and bookings were made for three media groups visiting the Region from The Weekend Australian, Sydney Weekender (Channel 7) and The Rough Guide to Australia (UK)
- ❖ Advertising Value - the equivalent advertising value (EAV) of publicity generated is approximately \$260,000. This is based on major articles only and includes the TV segment
- ❖ Public Relations Value - approx \$780,000 in PR value. PR value is established based on multiplying the EAV x 3 to give a PR value
- ❖ Almost 100% of the articles have a call to action and print the Mudgee Region Visitor Information website and phone number [www.visitmudgeeregion.com.au](http://www.visitmudgeeregion.com.au) and 02 6372 1020

### 2. Press Release Schedule

1. "Top 10 Unique Experiences in the Mudgee Region for 2011" included Capertee Valley Helicopters, Ruwenzori Retreat, Bridge View Inn, Spun out at Gulgong, Symbol Trail in Gulgong, Airwest Flight Training and nature sites like The Drip
2. "New Food, Wine and Travel Experiences from the Mudgee Region of NSW" newsletter style story included the Food and Wine Lovers Trail, Huntington Estate Music Festival, New Organics and wineries opening, and gigs at Roths Wine Bar.

### 3. Media Visits

1. Michelle Rowe, The Weekend Australian, 29-31 October
2. Mike Whitney, Channel 7's Sydney Weekender, October
3. Gemma Sharkey, Rough Guide to Australia, 12-14 November

### 4. PR Projects and Media Relations

- ❖ **Mudgee Region on Channel 7's 'Sydney Weekender' Saturday 20 November** - Mike Whitney came to town and filmed the Mudgee Farm Walks - Clearview Estate, Ormiston Free Range Pork and Cudgegong Olives - plus Owl Head Lodge in Gulgong. The segment went to air on Saturday 20 November and was a fantastic promotion for the region's food and wine
- ❖ **Tourism Australia recognises Mudgee as 1 of 6 'Emerging Destinations'** - Mudgee Region has been recognised as 1 of 6 'emerging destinations' by Tourism Australia and a writer Alison

Plummer has been commissioned to write feature stories on the Region. GB has liaised with her on content. A great opportunity for the international visitor market and new media

- ❖ **GBPR presented yearly PR report at the December AGM** - Gabrielle presented a PR report to MRTI members at the AGM in Mudgee on 8 December 2010. This included an overview of key publicity results, advertising value, media events and activity completed to promote the region
- ❖ **Familiarisation of Gulgong, Rylstone and Kandos** - Gabrielle spent a day at Kandos and Rylstone on 9 December to meet with key tourism stakeholders and identify story angles for 2011. This includes the Historical Society at Bridgeview Inn in Rylstone and a walk around Kandos with Colleen O'Sullivan. She also visited Gulgong on 8 Dec to inspect new shops and restaurants
- ❖ **Pymont Uncorks Mudgee** - GB attended first meeting with the events group in Sydney.
- ❖ **Media enquires** - provided information and images to the *Sunday Times UK Magazine* who are including Mudgee Region in Feb 2011; and *Discover Magazine* for the summer issue on Australia Day's Day on the Green, including sourcing images
- ❖ **Reporting** Weekly PR updates and reports with copies of articles are issued via email to the MRTI board and tourism stakeholders

## 5. Feedback from media visits and quotes in the press

### Feedback from media on how we managed media visits:

*"Had a terrific time in Mudgee. Mark Seymour was the best live act we have ever seen; just amazing. They are doing a great job at Roths, and most of the other experiences were equally enjoyable. Loved Deeb's (I think that couple are terrific) and also really loved the yum cha in Rylstone (another great pair)...we had a fab time and hope to get back to Mudgee some time soon."*

*Michelle Rowe, Indulgence Editor from **The Weekend Australian***

## 6. Publicity Results

Generated over 28 articles to promote The Mudgee Region from October to December 2010. Highlights included Sydney Morning Herald Traveller, Sun-Herald Travel, Weekend Australian Travel & Indulgence, Jetstar, Madison magazine, Hospitality, National Liquor News and Australian Financial Review.

Media Outlet	Story	Circulation
<b>October 2010</b>		
The Sun-Herald Travel	'A little slice of Tuscany, pizza bake the old way accompanied by Italian variety wines transport Louise Hall a long way from Mudgee. An excellent accommodation review for Riverlea Retreat which also includes a visit to Skimstone winery. This media visit was supported by Tourism NSW	circulation 442,357
The Saturday Daily Telegraph	Mudgee Fine Foods Farm Walks	circulation 322,456
Sydney Morning Herald	'Country Party - Fed up with Sydney's property prices? You could take the government's advice and head for the bush where houses cost less than \$300,000. Stephen Lacey reports. This story in Domain property section promotes Gulgong, Kandos, Mudgee and Rylstone as ideal villages and towns for buying real-estate and is a great review from a tourism perspective covering key cafes, restaurants, services and attractions. Stephen Lacey is a freelance writer who is on our distribution for stories and information	circulation 353,878
The Sunday Telegraph	'The Best of Mudgee' – John Fordham includes the Manly Wine and Food Fair in his weekly column	circulation 638,550

Western Advocate	'Sydney Weekender visits Mudgee' – this story is a result of us inviting the Advocate to join Sydney Weekender when they filmed the farm walks last week	circulation 3,802
Madison Magazine	Huntington Estate Music Festival in November has a lovely events piece in the 'Living' pages with an image inside the barrel room <ul style="list-style-type: none"> <li>• Madison was a guest of MRTI's media visits program this year</li> </ul>	circulation 90,166
Sydney Morning Herald 'Traveller'	'Traveller NSW - Art, wine and wit, Lance Richardson follows an inspirational trail through the towns of the central west' – the writer takes our 'artists trail' recommended route for visitors around the region to some of the best art galleries, studios and workshops. It features Roths Wine Bar (which also had a wonderful photography exhibition on at the time!), Mandurah Studio, the Mud Factory, Cudgegong Gallery and Beverley House recommended for accommodation <ul style="list-style-type: none"> <li>• Lance was a guest of MRTI's media visits program in July this year and we secured this story by pitching it to the editor of the section</li> <li>• To those partners who are featured, please let us know any responses to this article</li> </ul>	circulation 353,878
The Sun-Herald Travel	'Days of glory... and Elvis - Gold-rush towns, galleries and echoes of the King lure, Lee Atkinson away from the Mudgee wine trail'. This story over 2 pages in the Travel section was based on a 5-day drive loop taken by Lee Atkinson from Gulgong via Cowra and Parkes and back to Mudgee. The historic visitor attractions of Gulgong was the main theme with the Prince of Wales hotel, Cudgegong Gallery, Gulgong Pioneers Museum and the Opera House all featured. In Mudgee the Regent Theatre and A Market Place are included.	circulation 442,357
	Lee Atkinsons story  <a href="http://www.brisbanetimes.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html">http://www.brisbanetimes.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html</a>  <a href="http://www.smh.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html">http://www.smh.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html</a>  <a href="http://www.theage.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html">http://www.theage.com.au/travel/days-of-glory--and-elvis-20101014-1619d.html</a>	
Saturday Daily Telegraph Best Weekend	Mudgee Wine and Food Fair at Manly	circulation 322,456
<b>November 2010</b>		
Sunday Herald Sun Escape Travel (Victoria)	"Indulge your tastebuds in wonderland - You'll find plenty of delicious food and fine wine in central NSW. writes Anna Warwick" - a great food and wine themed story from Tourism NSW's media trip features Logan Wines, di Lusso Estate, Mudgee Fine Goods Group and Botobolar. The visit was themed around the 100 mile diet and also went to Orange	circulation 514,000
Sunday Telegraph Escape Travel (NSW)	same story as above in NSW. "Indulge your tastebuds in wonderland - You'll find plenty of delicious food and fine wine in central NSW. writes Anna Warwick" - a great food and wine themed story from Tourism NSW's media trip features Logan Wines, di Lusso Estate, Mudgee Fine Goods Group and Botobolar. The visit was	circulation 638,550

	themed around the 100 mile diet and also went to Orange	
National Liquor News	<p><i>'The Natural Approach - Winemakers in the NSW Central Ranges region are committed to creating not just the best wines they can, but even more importantly, a sustainable fixture of their region, writer Christine Satins'.</i></p> <p>An excellent feature in this key trade publication is a result of MRTI hosting Christine at the September Wine Festival this year. Christine visited various wineries and was educated on how Mudgee is at the forefront of a movement in the Central Ranges towards sustainability.</p> <p>Features a large range of our wineries including Thistle Hill, Botobolar, The Small Winemakers Centre, Charnwood Estate by Greg Dowker, Robert Oatley, di Lusso, Robert Stein (three five-star wineries in James Hallidays Wine Companion), Logan Wines, Burnbrae Wines (with great images), Miramar Wines, Frog Rock It also highlights the finalists in the 'Young Winemakers of the Year Awards' (good luck Jacob Stein!)</p>	circulation 12,253
Hospitality Magazine	<p><i>'Lighten up for Summer'</i> a story by Christine Salins on shaping your wine lists for the summer days includes Thistle Hill with comments by Michael Slater</p> <p>Christine writes for a range of wine, travel and trade media and was a guest of our media visits program at this years September Wine Festival</p>	circulation 14,004
The Weekend Australian 'Travel and Indulgence'	<p><i>'A lip-smacking surprise in store off the beaten track'</i> – glowing reviews for 29 Nine 99, Debeaurepaire Wines and Deeb's Kitchen in Menu Watch. In her review of 29 Nine 99 Michelle describes how '...the two settled in Rylstone where they run what is surely one of the country's funkiest shop-restaurants'</p> <p>And congrats to Deeb's as Michelle says '...Detective, who has never tasted a better flourless chocolate cake than that served here...'</p> <p>Michelle was a guest of our media visits program two weeks ago and is will be writing a larger destination piece for us soon</p>	circulation 300,079
Australian Financial Review Perspective	<p><i>'Vineyard's revival proves fertile ground for food, wine and music'</i> a piece on the Huntington Music Festival by Katrina Strickland, who was a guest of our media visits program this year (due to copyright restrictions AFR clips have no layout/visuals just text)</p>	circulation 72,898
Saturday 20 November Sydney Weekender Channel 7 5.30pm	<p>Mike Whitney takes viewers on a Mudgee Region journey that includes the Farm Walks at Ormiston Free Range Pork, Clearview Estate and Cudgegong Olives, plus accommodation at Owl Head Lodge just outside Gulgong. Mudgee is dotted throughout the show and is the main story, and word from inside at the show is it looks great.</p> <p><a href="http://www.sydney.com/Sydney_Weekender_p1488.aspx">http://www.sydney.com/Sydney_Weekender_p1488.aspx</a></p>	
<b>December 2010</b>		
The Weekend Australian 'Travel & Indulgence'	<p><i>'Art and Appetite, there's much more to Mudgee than what meets the eye'</i> Michelle Rowe's Destination Australia feature perfectly positions the Region as an artistic, cultural, historical, food and wine getaway for the high-yield traveller. The story is anchored around the live music scene at Roths Wine Bar and A Day on the Green at Robert Oatley Vineyards, coming up on 25 January. Gulgong, Mudgee, Lue and Rylstone are all featured with Ormiston Free Range Pork, Thistle Hill, Deeb's Kitchen, Fairview</p>	circulation 300,079

	<p>Art Space, Mudgee Gourmet, Lakelands Olives, Lue Pottery, 29 Nine 99, Cherry Red, Alley Cats, Andrew Harris cellar door on Market Street, Gulgong's Cudgegong Gallery, Butcher Shop Café, High Valley...</p> <ul style="list-style-type: none"> <li>Michelle was a guest of our media visits program in October and attended the Mark Seymour concert at Roths</li> </ul>	
The Weekend Australian 'Travel & Indulgence'	<p>Article from print featured online  <a href="http://www.theaustralian.com.au/travell/art-and-appetite/story-e6fgr8rf-1225967439585">http://www.theaustralian.com.au/travell/art-and-appetite/story-e6fgr8rf-1225967439585</a></p>	
Canberra Times	'Mudgee has more to offer than wine'	circulation 55,000
Toowoomba Chronicle	'Lots more to Mudgee than meets the eye'	circulation 30,266
Mornington Bulletin	'Mudgee has list of top 10 things'	circulation 23,337
Northern Daily Leader	'More to Mudgee than meets the eye'	Circulation 11,053
	<p>Websites that featured our Top 10 Unique Things</p> <p><a href="http://www.foodandtravel.com.au/new-south-wales/top-10-unique-experiences-in-the-mudgee-region-for-2011">http://www.foodandtravel.com.au/new-south-wales/top-10-unique-experiences-in-the-mudgee-region-for-2011</a></p> <p><a href="http://www.etravelblackboard.com/.../top-10-unique-experiences-in-the-mudgee-region-for-2011">www.etravelblackboard.com/.../top-10-unique-experiences-in-the-mudgee-region-for-2011</a></p>	
Jetstar Magazine	<p>'Going the Distance' eat like a local and feast like a king in New South Wales countryside' – an excellent food and wine feature on the Central West where Mudgee Region producers dominate the story! With Logan Wines, di Lusso, The Farmers Pantry, Simon Staines from Mudgee Fine Foods and the Farmers Market, Angela's Edibles</p> <ul style="list-style-type: none"> <li>The feature is a result of a media visit by Tourism NSW around the 100-mile diet theme and story ideas and product provided by MRTI</li> </ul>	free inflight magazine of Jetstar Airways, Australia's leading low-cost carrier. Reaching more than 1 million passengers per monthly issue, the magazine provides entertaining insights into 52 Australian and international destinations

### Increasing community awareness of the importance of tourism

This continues to be a focus and is achieved with regular media releases sent to the Mudgee Guardian and 2MG radio and ABC local radio, as well as:

- A weekly radio spot on 2MG is recorded every Friday. This activity is aimed at raising community awareness of the importance of the tourism industry, to promote member activities and events, and to promote the visitor centres in Gulgong, Rylstone and Mudgee

- Website – ‘latest news’ and media articles are published on the website and changed weekly as the media monitoring reports are received
- A weekly e-newsletter to members about events & tourism related news
- A weekly ‘What’s On’ document is produced in-house and distributed to visitors to further promote the region once they are here. This document is also available on the website.

### **Online Marketing & support of events**

MRTI has continued to focus on online activity to capitalise on our investment in search engine optimisation . It is critical that the [vismudgeeregion.com.au](http://vismudgeeregion.com.au) website continues to rank highly on web searches and is easy and intuitive to navigate, providing information that is tailored for each of the target markets. Strategies for attracting destination visitors and specific target markets are seen in the online competition which was launched in November 2010:

To do this and to build our database, we enlist the donations of members to run online competitions. This drives traffic to the website and creates an incentive for potential visitors for whom events are a key driver for visitation. All products included in this promotion are donated by MRTI members.

### **Trade-Show Activities**

A number of promotional activities were conducted during the quarter to promote the region including locations outside of Mudgee.

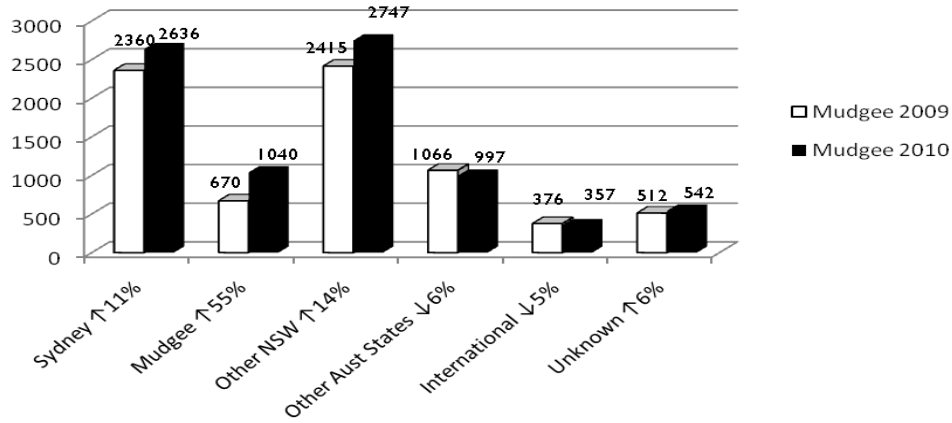
The following activities relate to the MRTI marketing strategy - (Objective 5 Develop Role to champion and support new and exiting events / work collaboratively with MWGGAI & other local stakeholder groups / identify synergies to avoid duplication and develop co-op marketing opportunities. To that end, MRTI's activities March – June included:

Promotion	Location	Duration	Outcomes	KPI compliant
Canberra Travel & Lifestyle Show	Canberra	22 – 25 October	Collaboration with Central NSW Tourism	Complied – as an extra promotional activity in quarter
'Frocktober' Wine & Food Fair	Newcastle	22 October	Event abandoned mid morning due to rain	Complied with MWRC KPI for promotional activity in quarter

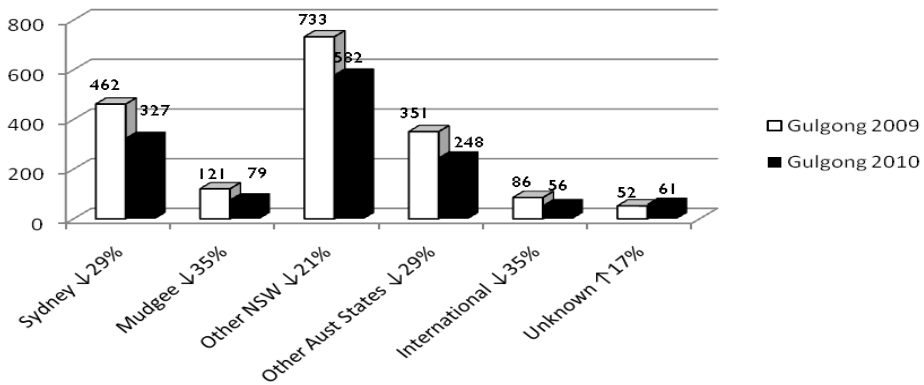


# Statistics Report – Visitation Numbers

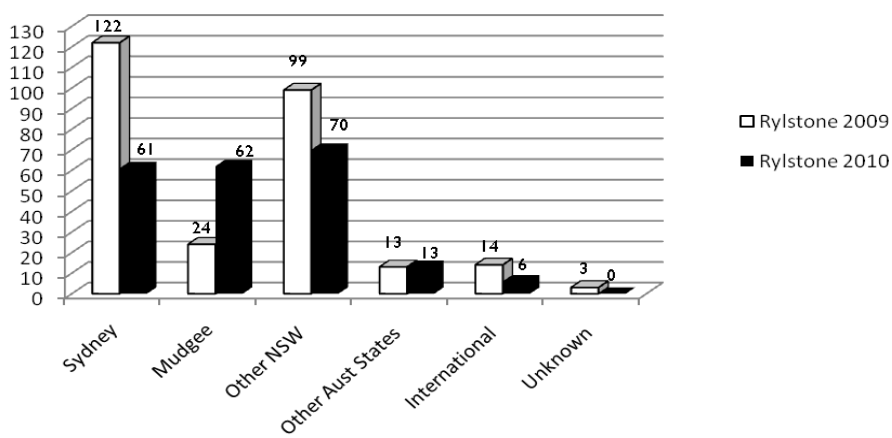
## Mudgee Visitor Centre



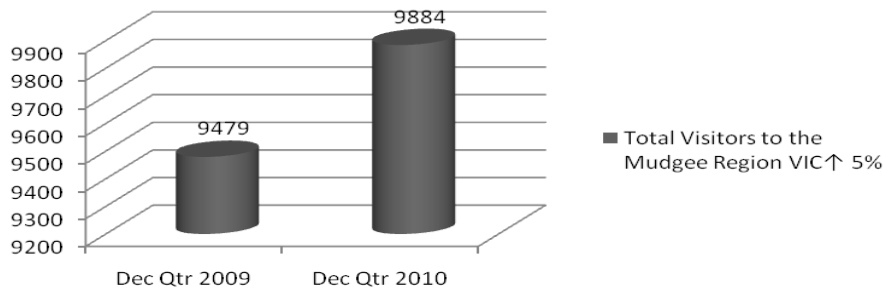
## Gulgong Visitor Centre



## Rylstone Visitor Centre

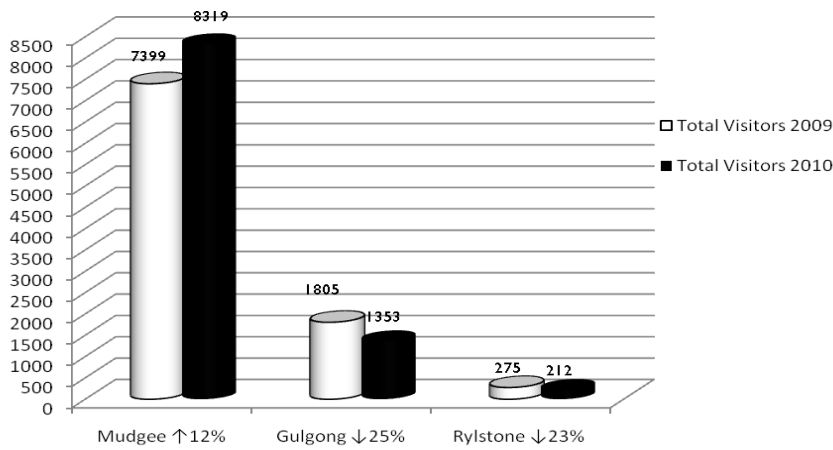


## Total Visitors to the Mudgee Region VIC ↑ 5%



Total Visitation for Mudgee Region Visitor Centres has increased 5% on the same quarter in 2009. This trend is in line with regional and national statistics which are showing that domestic tourism is gaining momentum after a considerable period of flatlining, and in some areas, a big decline.

The decline in visitation to the Gulgong Visitor Centre can be explained by the cancellation of the annual Gulgong Folk Festival. The numbers show a clear relationship between events and visitation.



## MRTI Statistics Summary

	Dec Qtr 2010	Dec Qtr 2009	Percentage Increase/Decrease to Dec 2009
<b>Membership</b>			
Current Membership	342	308	↑11%
<b>Membership Breakdown</b>			
	<b>2010</b>	<b>2009</b>	<b>Increase/Decrease</b>
Winery/Cellar Door	41	47	↓13%
Touring & Transport	18	16	↑13%
Attraction	60	45	↑33%
Restaurant	29	31	↓6%
Local Business/Other	52	43	↑21%
Accommodation	142	124	↑15%
<b>Membership Totals</b>			
<b>Statistics</b>			
	<b>2010</b>	<b>2009</b>	
Visitor No: Mudgee	8319	7399	↑12%
Visitor No: Gulgong	1353	1805	↓25%
Visitor No: Rylstone	212	275	↓23%
Total Visitor No	9884	9479	
<b>Telephone Enquiries</b>			
	2511	2091	↑20%
<b>New Web Based Enquires</b>			
	182	190	↓4%
<b>Total Web Based Enquires</b>	9692	6748	↑44%
<b>Website Statistics</b>			
Unique Visitors	23542	19566	↑20%
Pages	221694	187219	↑18%
Hits	2058208	1952432	↑5%
Member Web Pages	380	373	↑2%
<b>Staff</b>			
Total Hours Worked Mudgee	1052	1630	↓35%
9am-5pm - 7 days per week			
Total Hours Worked Gulgong	363	363	0%
5 Days per week 5.5 hours per day			
Total Hours Worked Rylstone	91	91	0%
7 hours per weekend in a staff share with Lakeland Olives	112	112	
Total Hours Worked	<b>2134.5</b>	<b>2473</b>	<b>-14%</b>

## Funding Report

MRTI applied for funding through NSW Industry & Investment's 'Travelling Expert Programme' and received \$4020 to deliver professional development courses for members. The application identified the need for social media workshops to assist members with marketing initiatives involving Facebook, Twitter, LinkedIn and other social media applications.

Mudgee Region Tourism Inc

# Annual Report 2010



MUDGEE REGION



*sensory perfection*

## Chairman's Report



contain my remarks to board matters. The following administrative and operational report has been prepared by our CEO Lucy White.

This was our first full year of operation after our organisational restructure and appointment of a CEO. I believe this has worked well with staff, members and board adjusting to the change readily.

To Lucy, Toni and staff on behalf of the board I say thank you for your dedication and service to members and to visitors to our region.

During the year a new contract was negotiated and entered into with Mid-Western Regional Council for the next three years, The negotiations took up a considerable amount of time and was somewhat dawn out but I believe we achieved an outcome that allows us to deliver tourism services that meet our strategic plan and that of MWRC. To the council on behalf of MRTI, thank you for entrusting us with delivery of those services.

I would like to make a couple of comments on our finances as you know we are a not for profit organisation that is not to say we shouldn't make profit. All our income goes back into the organisation. A significant revenue earner is the visitors guide and since MRTI took on the self publication a number of years ago it has return an income for us, in the past the profit went to the publishers. This year the uptake on advertising was above expectation and hence we have a little more in the budget.

Due to the efforts of the staff and board especially the treasurer we were able maintain a well balanced budget, with expenditure nearly equalling income.

Two significant achievements this year was firstly finalising our strategic plan which was put together by Linda Hailey after a couple of workshops involving staff and the board. This forms the corner stone for the organisation into the future.

The second was the reviewed of the constitution this was a time consuming exercise finally being approved at the general meeting in October. I thank everyone who had an input.

It has been my pleasure to work with the members of this board.

The board has been cohesive and we all worked with the common goal of achieving the best possible outcome for tourism in the region.

To Des Kennedy as council's representative/observer on the board I say a big thankyou. Des attended the majority of our meetings and was a great contributor to the deliberations of the board and a conduit to council. I hope he has the time as Mayor to carry on in this role.

There were a number of resignations from the board during the year: Rob Fairall was replaced by Michelle Baguley representing the MWGGA.

In the later half of the year Lyn Cole resigned because of work commitments and Wayne McEvoy moved interstate. The board chose not to fill Lyn's position as the change in the board structure and the AGM was imminent. As Wayne was a nominee of the Gulgong Chamber of Commerce his position on the board was filled by their nomination of Helen Oakley.

To the retiring board members Michelle Baguley, Mike Sweeny and Drew Stein, I thank you for your service and contribution to MRTI.

This AGM sees the introduction of a new constitution along with a skills based appointed board. I look forward to serving with our new board members

Bronwyn Sams and Trina Karstrom and to Scott Tracey and Simon Staines I say welcome back, with Helen Oakley, John Medcalf and myself we will guide MRTI through the next twelve months, supported by Lucy and our wonderful staff.

I commend the Annual Report and hope you find it informative and a little more interesting than in years gone by.

**Rob Duffy**  
**Chairman**

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## Overview

Mudgee Region Tourism Incorporated (MRTI) is an independent incorporated body funded by the Mid-Western Regional Council and by its members. The Region encompasses the towns of Gulgong, Rylstone and Kandos and small villages within the area. MRTI was established in 2001, is governed by a constitution and operates in accordance with the Association Incorporations Act 2009.

MRTI comprises members from a range of sectors of the business community and currently has 348 members. The organisation is contracted to supply tourism services to Mid Western Regional Council until 2013.

## Mudgee Region Tourism Inc

## Vision

*"To deliver an unforgettable experience for our customers, and to maintain the region's status as a prime destination in NSW".*

## Mission

*"To maximise the quality of the experience for our visitors by embracing a set of standards that will allow the delivery of consistent and exceptional service, enable economic development while maintaining the cultural integrity of the region."*

## Principal Activity

The provision of tourism services under contract to Mid Western Regional Council and business support services to MRTI members. The principal office is located **84 Market St MUDGEE NSW 2850**, ABN 18 997 389 853. Registered as Incorporated Association 2009

## Objectives

1. Work with its members to be the leading tourism organization for the region;
2. Maintain the Region's status as a prime destination in NSW;
3. Deliver an unforgettable experience for our customers;
4. Deliver consistent and exceptional services to enable economic development in the Region while also maintaining the cultural integrity of the Region.

## Mudgee Region Tourism Inc – Vision Mission and Objectives

*"TRAVEL MUDGEE - Bountiful returns from innovators - A short stay in this central NSW region will only whet your appetite, writes Katrina Strickland: ... One of the things that strikes you after a long weekend in Mudgee is this entrepreneurial spirit, which sits nicely in a town with a population of not yet 9000. It's home to a range of people doing interesting things, and rather than just read about them, if you're so inclined you will probably meet them, because many work at the cellar door, behind the bar or shop counter, and offer farm tours or wine tastings. It's indicative of a town that's on the way somewhere rather than one that's arrived, a tourist destination that plenty know about, but plenty don't, full of people who make the tree change look not only possible, but rather idyllic."*  
Katrina Strickland, Australian Financial Review October 2010

## Board Structure – how is MRTI governed?

The organisation is governed by a Board of 9 volunteer Directors who represent organisations and the community within the Mudgee Region. The board oversees the direction for the marketing and development of tourism within the region.



(L to R) Back row: Michael Sweeney, Simon Staines  
Front row: Scott Tracey, Michelle Baguley, Rob Duffy,  
Drew Stein, Helen Oakley  
Absent: John Medcalf

### Board members since AGM 2009

**Rob Duffy – Chairman**, proprietor Image Signs, MBA representative, board member since 2008, Chairman since December 2009

**Lyn Cole –Vice Chair**, proprietor Cudgegong Gallery, board member since June 2008 (until June 2010)

**Wayne McEvoy – Treasurer**, Manager Gulgong RSL, board member since September 2009 (until November 2010)

**Scott Tracey – Marketing Director**, Proprietor Cobb & Co Boutique Hotel, board member since 2006 to current

**Simon Staines – Secretary**, employed MWRC, board member since Dec 2008 to current

**Helen Oakley** – representative Gulgong Chamber of Commerce, board member since November 2010

**John Medcalf** – proprietor RooTreat B &B, Clandulla, Cudgegong Business Group representative board member since 2005 to current

**Michael Sweeney** – proprietor Martins Hill Wines, Olive Growers Mudgee representative, board member since 2001 to current

**Michelle Baguley** – proprietor Clearview Estate Wines, Mudgee Wine Grape Growers Association representative, board member since January 2010, Vice Chair July 2010 to current

**Drew Stein** – proprietor Robert Stein Vineyard, board member since December 2009 to current

**Rob Fairall** – board member Mudgee Wine Grape Growers representative December 2009 to December 2009

### Outgoing board members at AGM :

Drew Stein  
Michelle Baguley  
Michael Sweeney

### The role of the board according to the MRTI constitution

**Role of board** –the Board sets the policy and direction and ensure the staff are managing the day to day operations of MRTI.

“The Board shall be called the Board of Management of MRTI and, subject to the Act, the Regulations and this Constitution and to any resolution passed by the Board in a general meeting:

- a) has power to perform all such acts and do all such things as appear to the Board to be necessary or expedient or convenient for the proper conduct, control and management of the association.
- b) may exercise all such functions as may be exercised by the association, other than those functions that are required by this Constitution to be exercised by a general meeting of members of the association, and

- c) may establish separate membership classifications and may determine the qualification for membership of each such classification and the rights, privileges and obligations of each such membership classification provided that membership of such class will not entitle the member to more than one vote at any general meeting of the association, and
- d) has the power from time to time to make and alter and to repeal all or any such by-laws and regulations as they may deem necessary or expedient or convenient for the proper conduct, control and management of the association.
- e) must adopt such means as it deems sufficient to bring to the notice of members all such amendments and repeals to this Constitution, By-Laws or regulations."

## Changes to board structure

The board has, at the request and within the framework of the contract with MWRC, developed a model to become a skills based board of 7 directors by end 2011. The first part of this process was completed in 2010. This process involved an amendment to the MRTI constitution, the recruitment of a volunteer independent selection panel, the development of the set of criteria for the selection of skills based board members and the agreement of MRTI members to undergo this change. With the endorsement of the Independent Selection Panel's recommendations from a list of 8 applicants at the 2010 Annual General Meeting, the first part of the transition process is complete.

**M**RTI administers quality visitor information centres and manages professional accredited visitor centres which are located across the region. Mudgee Visitor Centre operates 7 days a week 9am – 5pm and received Level 1 accreditation following an audit in December 2009.

## MRTI staff

MRTI employs 2 full time staff and 8 casual staff who ensure the day to day management and efficient operations of the visitor centres.

Casual staff members who work at both Mudgee and Gulgong Visitor Centres ensure that visitors needs are met in a professional, friendly and informed manner. The staff at MRTI are one of its greatest assets!

MRTI policies ensure we are an Equal Opportunity Employer, are compliant, accountable, well planned and well resourced enough to provide visitor information services 363 days a year in Mudgee. Staff undergo annual performance reviews which are conducted against Position Descriptions and a specific set of KPIs. Staff undertake famil programmes to ensure their product knowledge is consistently of a high standard. Monthly staff meetings are held to keep casual and permanent staff informed and in touch with operational issues and to ensure effective and clear communication.

## Visitor Information Services



CEO –  
Lucy White



Administration Officer –  
Toni Cramond



Ross Mayberry



Lorraine Lawler



Alison Slevin



Rose Douglas



Karina Berridge



Leanne Adlington



Jayne Tomasella



Janelle Biles



## Our visitor centres



"The Shanty" Gulgong Visitor Centre



Rylstone Visitor Centre



Kandos Visitor Information outlet



Mudgee Visitor Information Centre.

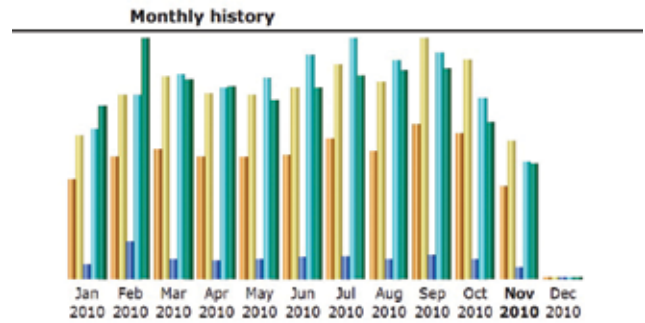
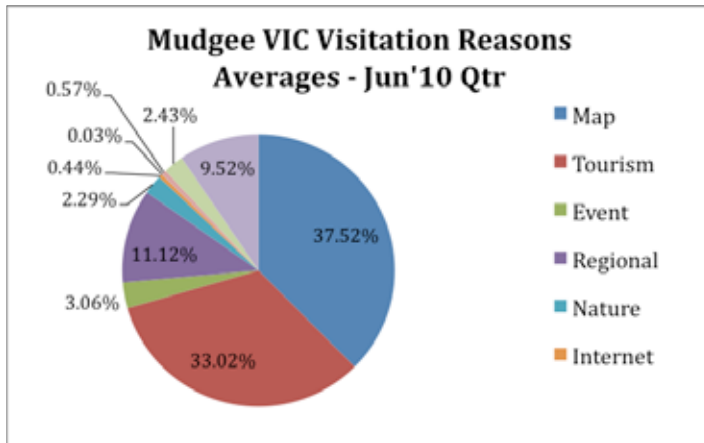
**"The Shanty" Gulgong Visitor Centre** is located at 66 Herbert St, Gulgong. The centre is open from Thursday to Monday from 10am - 3pm. The visitor centre in Gulgong has been operating as a dedicated visitor centre since MRTI formed a partnership with the Gulgong RSL in December 2008. The visitor centre won 'Best Contributor to the Community' at the annual Gold Nugget Business Awards in December 2009.

**Rylstone Visitor Centre** is located in the Lakelands Tasting Room, cnr Louee and Cudgegong Sts, Rylstone. It's open from 10am - 4pm on Saturdays and Sundays. At other times, visitor information is available at MWRC council office at 77 Louee St, Rylstone.

**Kandos Visitor Information outlet** is located at 28 Angus Ave, Kandos. MRTI formed a partnership with Dollars N Cents in Angus Avenue, Kandos in March 2010. This allows for for visitor information to be distributed from the prominent store in the main street. Open 6 days a week, a range of local information, including maps, member brochures and the visitor guides are available for distribution. The centre is not accredited.

## Visitor Information Centre Strategies & Outcomes

- **A**ssisted 36385 visitors in the VICs at Mudgee, Gulgong & Rylstone (July 1 2009 – June 30 2010)
- Provided visitor information and a range of specialised responses to 8400 phone calls
- Responded with information and / or visitor guide to 1059 online subscribers
- Introduced an Online ticket & merchandise sales facility & generated \$3185 since its introduction in August 2010
- Online Accommodation Bookings processed 21 bookings by staff at the centres \$5200
- MRTI web page hits since 1 January 2010 = 10120374
- 76.9% increase in retail sales of merchandise
- Managed the website hits (insert graph)
- Produced the annual visitor guide – designed prospectus, acted as sales team, booked advertisements and ensured process was completed on budget and on schedule in collaboration with byDesign Graphics Pty Ltd.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2010	6829	9863	66545	713475	17.81 GB
Feb 2010	8354	12590	172804	868505	24.69 GB
Mar 2010	8865	13857	93811	969564	20.50 GB
Apr 2010	8363	12660	84368	899377	19.77 GB
May 2010	8248	12553	91964	952340	18.26 GB
Jun 2010	8473	13073	96669	1061398	19.57 GB
Jul 2010	9582	14674	103914	1138475	20.94 GB
Aug 2010	8781	13559	89974	1035726	21.44 GB
Sep 2010	10550	16491	108645	1073350	21.59 GB
Oct 2010	9911	15082	89383	855204	16.18 GB
Nov 2010	6357	9514	55709	552960	11.80 GB
Dec 2010	0	0	0	0	0
<b>Total</b>	<b>94313</b>	<b>143916</b>	<b>1053786</b>	<b>10120374</b>	<b>212.57 GB</b>

- Market research – conducted a market research campaign in the Mudgee Visitor Centre to ascertain the primary type of enquiry
- Distributed visitor guides across the state and nationally
- Distributed weekly newsletters to members
- Participated in MWRC's Cultural Development Committee

In 2010, MRTI commissioned a new 3 year Strategic Plan which outlines its direction for the next 3 years. To achieve the vision for 2013, MRTI will need to adapt their organisation, undertake proactive marketing to key target markets and introduce strategies and initiatives to increase awareness and visitation to the area.

Broadly, these goals are categorized thus:

- MRTI Funding and revenue
- Positioning of MRTI
- MRTI Growth
- Product Development
- Product Delivery
- Communication
- Skills Development

A full copy of the Strategic Plan is available on request.

## Processes

The board and the CEO work together to ensure that the organisation is appropriately resourced, that correct policies and procedures apply and that there is a high level of accountability. The board acts in the best interests of MRTI and ensures compliance with relevant legislation (eg. Amending the constitution to incorporate changes to the Act), regulations, standards, contractual obligations and its constitution.

Board members attend customised corporate governance training and receive an induction pack of appropriate and related information upon their appointment to the board.

Board meetings are held monthly on 3rd Friday of the month. There is a prescribed schedule of dates and venues, business papers are distributed on the Tuesday prior to the meeting. Business Papers include : Agenda, Minutes previous meeting, Action Sheet, CEO Report, P & L, Balance Sheet and a register of correspondence.

Ethical standards are met through a Code of Conduct to which all board members adhere, and a Board Member Confidentiality Agreement which all board members sign.

## Marketing & Promotion

## Ensuring Accountability

## Our stakeholders & how we report

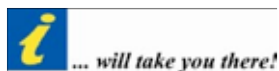
To our contractor Mid Western Regional Council, we provide Quarterly Reports and report against an agreed set of Key Performance Indicators. The reports are filed on the last day of the month after the period and the Chairman and the CEO attend the council meeting to present each report. MRTI has key result areas against which it reports in performance. This includes variances on the previous year. The areas are: Membership, Marketing, Statistics and Funding.

Members: Members meetings are held quarterly for members updated on events and activities of MRTI. Information distributed at these meetings replicates the information submitted to council and other issues which need endorsement (eg. the adoption of the recently amended constitution)

## Memberships & Partners

**M**RTI is a financial member and collaborates on marketing and industry activities with the following organisations:

- Central NSW
- Tourism New South Wales
- Forum Of Regional Tourism Organisations
- Tourism Industry Council
- Lakelands Olives – Rylstone Visitor Information Centre
- Dollars & Cents – Kandos Visitor Information Outlet
- Gulgong RSL – The Shanty Gulgong Visitor Information Centre
- Accredited Visitor Information Centre Network (AVIC)



Accreditation is a process designed to establish and continually improve industry standards for conducting a tourism business. It aims to assist every AVIC to improve the way it operates to meet the increasing demands of domestic and international consumers and stakeholders. Accreditation also provides consumers and the industry with an assurance that an Accredited Centre is committed to quality business practice and professionalism. The primary focus is to ensure that standards of service delivery meet and, where possible, exceed the visitors expectations.

The AVIC Network bands together Accredited Centres that show a commitment to continuous improvement and customer satisfaction.

Mudgee Visitor Centre and Gulgong Visitor Centres are part of the AVIC network, provide annual reports to the organisation and are audited annually.

### **Aurora (auditors) Comments:**

*The customer service provided by both Gulgong and Mudgee AVIC staff is excellent, the staff have great communication skills and welcome the visitor, and are keen to provide information on their region. Staff vary their duties between both centres.*

*Mudgee and Gulgong AVICs offer the visitor different experiences yet both are focused on increasing the visitation duration. The customer service and information management systems are excellent' December 2009*

## Activities undertaken 2010

- **M**RTI tendered and was awarded the contract to provide tourism services to Mid Western Regional Council for 3 years. The 2007 – 2010 contract was on a sliding scale valued at \$340,000, \$320,000 & \$300,000. The 2010 – 2013 contract price has been negotiated at \$315,000 + CPI for the 3 consecutive years.
- Assisted the Gulgong Folk Festival with administration, event management and promotion with financial assistance from MWRC;
- 3 year Strategic Plan completed by business consultant Linda Hailey in consultation with MRTI board, staff and input from MWRC Economic Development Officer;

- Undertook a consultative process to review the MRTI constitution to account for changes to the Associations Incorporations Act 2009 and to incorporate the requirement to adopt a skills based board of directors. Process was completed in October 2010 & new constitution lodged and accepted by the Dept. Of Fair Trading;
- Established a partnership with local business Dollars N Cents in Kandos to establish a visitor information outlet (non accredited) – open 6 days. This brings the MRTI visitor information outlets to 4 – Mudgee, Gulgong, Rylstone and Kandos. There was one in 2006;
- Produced the annual visitor guide as a major promotional tool for the region;
- Continued a focus on increasing MRTI membership – 13% on membership in same quarter 2009 (289 – 334);
- Continued focus on online marketing strategies to build database, conduct direct mail campaigns and increase awareness of region. This activity would not have been possible without generous member contributions, examples of the online campaigns and competitions are at left;
- Produced seasonal e newsletters to MRTI database ;
- Public Relations campaigns – refer to separate report prepared by MRTI's Public Relations contractor, Gabrielle Brewer;
- Events planner - direct electronic marketing campaign to generate enquiries for Meetings Incentives Conferences Events / Business tourism & visitation within the Mudgee region;
- The campaign targeted a mixture of consumers, businesses, associations and clubs across regional NSW. The campaign included a mixture of new and existing existing databases with the aim of getting those people to consider selecting Mudgee Region as a destination to hold their next event.

### Travel & consumer shows – these were the events at which the Mudgee Region was promoted

- Sydney Cellar Door – Hyde Park
- Sydney Caravan & Camping Supershow Rosehill (with Central NSW Tourism)
- It's My Event, Dubbo
- Mudgee Wine & Food Fair Balmoral Beach
- Mudgee Small Farm Field Days
- Canberra Travel & Lifestyle Show (with Central NSW Tourism)

### Events supported either in kind (PR, promotion, administration, ticket sales, distribution of information & attendance at events)

- |  |   |
|--|---|
| • A Day on the Green                               | • Mudgee Wine Grape Growers events – Go Grazing, tastings |
| • Bike Muster 2010                                 | • Motown in Mudgee Gooree Park                            |
| • Gulgong Folk Festival                            | • Kandos Garden Expo                                      |
| • Gulgong Eistedfodd                               | • Region on the River                                     |
| • Henry Lawson Heritage Festival & Literary Awards | • Rylstone Streetfeast                                    |
| • Huntington Music Festival                        | • MS Mudgee to Sydney Walk                                |
| • Mudfest  | • Rolls Royce Car Rally                                   |
| • Mudgee Readers Festival                          | • Roths Wine Bar events                                   |
| • Mudgee Farm Walks & Mudgee Fine Foods Awards     | • Tango in the Vineyards                                  |

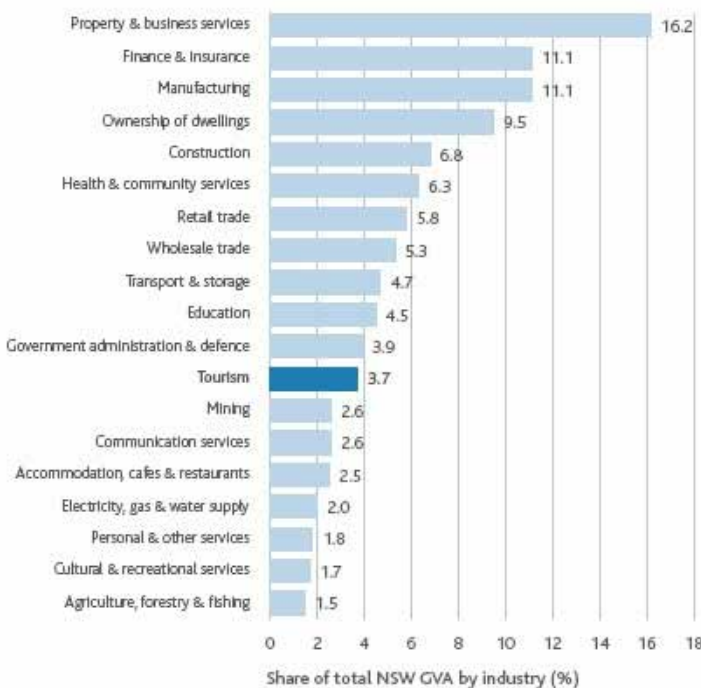


## General member meetings to update members on activities were held February, June, October, December

## Reporting performance and achievements

**M**RTI reports on a quarterly basis to Mid Western Regional Council and attends meetings to present each report. In 2010:

- All KPIs outlined in the contract were met and often exceeded
- Copies of MRTI reports to council can be found in council business papers or in the MRTI office.



Source: Tourism industry share of NSW gross value added (GVA) in 2006-07  
(Source: Tourism NSW, 'The size and shape of the NSW tourism industry', August 2009)

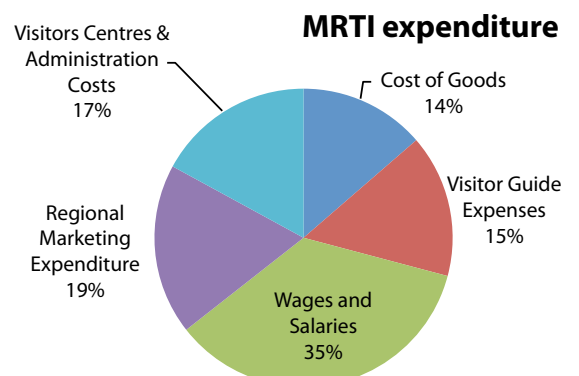
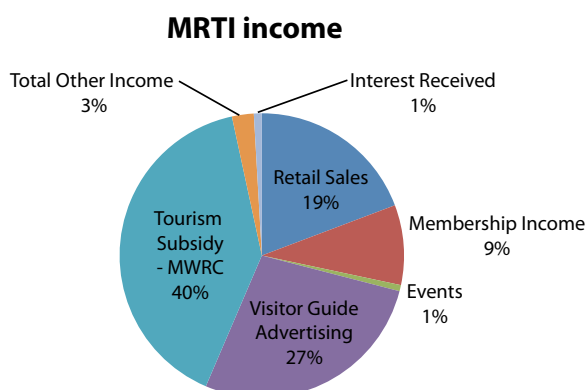
## Tourism industry value to regional economies exceeds mining and agriculture!

According to a recent report (New South Wales Joint Ministerial Taskforce on Tourism, Planning and Investment VOLUME 1 - FINAL TASKFORCE REPORT

March 2010) In NSW, tourism directly contributes \$14 billion to the economy's Gross State Product (GSP). Combining direct and indirect benefits, tourism contributes nearly \$24 billion to the State's GSP, or 6.5% of total NSW GSP. It contributes more than \$2.6 billion to the Australian tax system and \$2.1 billion to the NSW tax system. The State's tourism industry also contributes more than \$5.8 billion to Australia's exports. In regional NSW, the proportional impacts of tourism are even more significant than for Sydney, which has a broader economic base. In 2009, domestic visitors poured \$11 billion into rural and regional NSW, while international visitors contributed another \$625 million to regional economies.

## 2009 / 2010 Auditor's Report

The 2010 audit was conducted by Norton's Business Advisors and the audited reports are presented to the members for adoption at the AGM. Please refer to the Auditor's Report on the following pages.



# Mudgee Region Tourism Incorporated

## Financial Statements For the Year ended 30 June 2010

### MUDGEE REGION TOURISM INCORPORATED Directors Committee Report

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Your Board of Directors submit the financial report of the MUDGEE REGION TOURISM INCORPORATED, for the financial year ended 30 June 2010.

#### Board Members

The names of directors throughout the year and at the date of this report are:

Rob Duffy (from Nov 2009) (President)  
 Lyn Cole (to June 2010) (Vice President)  
 Simon Staines (Secretary)  
 Wayne McEvoy (from Sep 2009) (Treasurer)  
 Michael Sweeney  
 Scott Tracey  
 John Medcalf  
 Amanda Lyons (to Dec 2009)  
 Keith Doolan (to Dec 2009)  
 Michelle Baguley (from Dec 2009)  
 Drew Stein (from Dec 2009)  
 Rob Fairall (from Dec 2009 - to Dec 2009)

#### Principal Activities

The principal activities of the association during the financial year were:

The provision of tourism services under contract to Mid Western Regional Council and business support services to MRTI members.

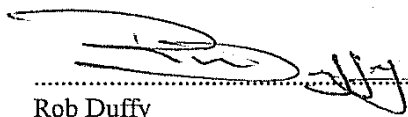
#### Significant Changes

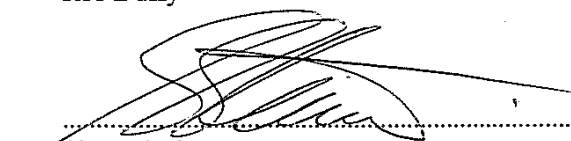
No significant change in the nature of these activities occurred during the year.


#### Operating Result

The Loss for the year ended 30 June 2010 amounted to (\$808).

Signed in accordance with a resolution of the Members of the Committee.

  
 Rob Duffy

  
 Simon Staines

Dated 19 November 2009 

**MUDGE REGION TOURISM INCORPORATED**  
**Income Statement**  
**For the Year ended 30 June 2010**

	Note	2010 \$	2009 \$
Revenue		750,694	703,888
Finance Costs		31	-
Employee Benefits Expense		259,222	274,111
Depreciation and Amortisation		7,682	6,061
Other Expenses		484,567	430,367
<b>Loss before Income Tax</b>		<u>(808)</u>	<u>(6,652)</u>
Income Tax Expense		-	-
<b>Loss from Operations</b>		<u><u>(808)</u></u>	<u><u>(6,652)</u></u>

**MUDGE REGION TOURISM INCORPORATED**  
**Statement of Appropriations**  
**For the Year ended 30 June 2010**

	2010 \$	2009 \$
Retained Profits - Beginning of Year	77,775	84,426
Loss before Income Tax	<u>(808)</u>	<u>(6,652)</u>
Income Tax Expense	-	-
<b>Profit after Income Tax</b>	<u>76,967</u>	<u>77,774</u>
<b>Unappropriated Profit at 30 June 2010</b>	<u><u>76,967</u></u>	<u><u>77,774</u></u>

*The accompanying notes form part of these financial statements.*

**MUDGEE REGION TOURISM INCORPORATED**  
**Balance Sheet**  
**As at 30 June 2010**

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	1(a)	391,746	329,998
Trade and Other Receivables	2	15,739	48,589
Inventories	3	41,402	20,819
Other		<u>22,521</u>	<u>27,026</u>
<b>Total Current Assets</b>		471,408	426,432
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	<u>42,734</u>	<u>28,441</u>
<b>Total Non-Current Assets</b>		42,734	28,441
<b>Total Assets</b>		<u>514,142</u>	<u>454,873</u>
<b>Current Liabilities</b>			
Trade and Other Payables	5	72,981	70,273
Short-Term Financial Liabilities	6	6,454	17,819
Provisions	7	8,554	8,770
Other		<u>322,669</u>	<u>280,236</u>
<b>Total Current Liabilities</b>		410,658	377,098
<b>Non-Current Liabilities</b>			
Long-Term Financial Liabilities	6	<u>26,517</u>	-
<b>Total Non-Current Liabilities</b>		26,517	-
<b>Total Liabilities</b>		<u>437,175</u>	<u>377,098</u>
<b>Net Assets</b>		<u>76,967</u>	<u>77,775</u>
<b>Members' Funds</b>			
Retained Profits		76,967	77,775
<b>Total Members' Funds</b>		<u>76,967</u>	<u>77,775</u>

*The accompanying notes form part of these financial statements.*



**MUDGEER REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (NSW). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

**(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(b) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

**(d) Property, Plant and Equipment**

Motor vehicles and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements in the establishment of a Visitors Centre in Gulgong have been capitalised and carried at cost less, where applicable, any accumulated depreciation.

**(e) Income Tax**

The Association is exempt from income tax under the provisions of the Income Tax Assessment Act 1997.

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

**MUDGEER REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

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(g) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

(i) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

**MUDGEER REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>2. Trade and Other Receivables</b>		
<b>Current</b>		
Sundry Debtors	25	-
Trade Debtors	<u>15,714</u>	<u>48,589</u>
	<u>15,739</u>	<u>48,589</u>
<b>Total Trade and Other Receivables</b>	<u><u>15,739</u></u>	<u><u>48,589</u></u>
<b>3. Inventories</b>		
<b>Current</b>		
Stock on Hand	<u>41,402</u>	<u>20,819</u>
	<u><u>41,402</u></u>	<u><u>20,819</u></u>
<b>4. Property, Plant &amp; Equipment</b>		
<b>Plant &amp; Equipment</b>		
Motor Vehicles	31,963	31,179
Less Accumulated Depreciation	<u>1,708</u>	<u>19,646</u>
	30,255	11,533
Office Furniture & Equipment	33,708	33,706
Less Accumulated Depreciation	<u>21,229</u>	<u>16,798</u>
	12,479	16,908
Total Plant & Equipment	<u><u>42,734</u></u>	<u><u>28,441</u></u>
<b>Total Property, Plant &amp; Equipment</b>	<u><u>42,734</u></u>	<u><u>28,441</u></u>
<b>5. Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	534	-
Trade Creditors	33,378	30,315
Other Creditors - Ticket Sales	4,710	4,710
Superannuation Payable	2,242	-
ATO Liability	<u>32,117</u>	<u>35,248</u>
	72,981	70,273
<b>Total Trade and Other Payables</b>	<u><u>72,981</u></u>	<u><u>70,273</u></u>

**MUDGEES REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>6. Financial Liabilities</b>		
<b>Current</b>		
Hire Purchase		
Hire Purchase Liability - Rav4	9,308	-
Less Unexpired Charges	<u>2,854</u>	<u>-</u>
	6,454	-
Lease Liability	<u>-</u>	<u>17,819</u>
	<u>6,454</u>	<u>17,819</u>
<b>Non-Current</b>		
Hire Purchase		
Hire Purchase Liability - Rav4	29,820	-
Less Unexpired Charges	<u>3,303</u>	<u>-</u>
	26,517	-
	<u>26,517</u>	<u>-</u>
<b>Total Financial Liabilities</b>	<u>32,971</u>	<u>17,819</u>
<b>7. Provisions</b>		
<b>Current</b>		
Provision for Holiday Pay	<u>8,554</u>	<u>8,770</u>
	<u>8,554</u>	<u>8,770</u>
<b>8. Capital and Leasing Requirements</b>		
<b>Financial Leasing Commitments</b>		
Payable:		
Not later than one year	<u>-</u>	<u>19,217</u>
Minimum Lease Payments	<u>-</u>	<u>19,217</u>
Less: Future Finance Charges	<u>-</u>	<u>1,398</u>
Total Lease Liability	<u>-</u>	<u>17,819</u>
<b>Operating Lease Commitments</b>		
Being for rental of premises 84 Market Street, Mudgee & The Shanty, 66 Herbert Street, Gulgong. Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable:		
Not later than one year	12,001	12,386
Later than one year but not later than five years	24,002	1

**MUDGEER REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
	<u>36,003</u>	<u>12,387</u>
<b>9. Related Parties</b>		
<p>During the year ended 30 June 2008 MRTI entered into a contract with Mid Western Regional Council to provide tourism services for the region for a period of three years. The following amounts were received:-</p>		
Contract Income & Sponsorship - MWRC	<u>300,000</u>	<u>320,000</u>
<p>During the year ended 30 June 2008 MRTI entered into a contract with Lakeland Olives (a MRTI member) to provide a full time weekend visitor centre in Rylstone. The following amounts were paid:-</p>		
Rylstone Running Costs	<u>8,780</u>	<u>8,780</u>
<p>During the year ended 30 June 2009 MRTI entered into an agreement with Gulgong RSL (a member) to sponsor the provision of visitor information services from Club premises at 66 Herbert Street, Gulgong which included sponsorship and peppercorn rent for the period to 30 June 2010. The following amounts were received:-</p>		
Contract Income & Sponsorship - Gulgong RSL	<u>15,278</u>	<u>8,333</u>

**MUDGE REGION TOURISM INCORPORATED**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Income</b>		
Retail Merchandise	143,764	81,256
<b>Less Cost of Goods Sold</b>		
Opening Stock	20,819	9,915
Purchases	121,587	64,093
	142,406	74,008
Closing Stock	41,402	20,819
	101,004	53,189
<b>Gross Profit from Trading</b>	42,760	28,066
<b>Other Income</b>		
Membership Fees	67,860	66,909
Contract Income & Sponsorship - MWRC	300,000	320,000
Contract Income & Sponsorship - Gulgong RSL	15,278	8,333
Visitors Guide Advertising	204,605	210,633
Events Income	5,200	-
Ticket Handling Fees Received	971	1,521
Other Grant Funding	-	3,019
Other Sundry Revenues	2,263	2,297
Interest Received	6,740	9,919
Profit on Sale of Non-current Assets	4,013	-
	649,690	650,698
<b>Expenditure</b>		
Advertising	3,872	1,630
Auditor's Remuneration		
Audit Services	9,495	9,000
Other Services	1,665	300
Bank Charges	3,636	3,337
Borrowing Costs	31	-
Bookkeeping	18,813	17,463
Cleaning	4,056	3,743
Computer Expenses	5,345	3,502
Depreciation	7,682	6,061
Electricity	1,672	1,149
Fines & Penalties	220	-
Freight & Cartage	470	707
Fringe Benefits Tax	3,496	1,906
Hire Purchase Charges	1,083	-
Holiday Pay Provision	(217)	(1,159)
Insurance		
General	3,360	3,206
Workers Compensation	948	977

**MUDGEE REGION TOURISM INCORPORATED**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
Gulgong Office Expenses	205	1,768
Leasing Charges		
Finance Lease Charges - Forester	1,398	2,140
Motor Vehicle Expenses		
Running Expenses	4,177	5,875
Postage	1,153	1,614
Printing & Stationery	9,934	9,333
Professional Fees	-	614
Regional Marketing Costs	137,172	135,547
Rent	12,385	12,385
Repairs & Maintenance	358	1,482
Rylstone Running Costs	8,780	8,780
Salaries & Wages	231,191	243,752
Seminars & Training	1,030	2,450
Staff Training & Welfare	2,229	4,182
Subscriptions & Memberships	7,865	2,067
Sundry Expenses	2,711	2,896
Superannuation Contributions	28,031	30,359
Telephone, Fax & Internet	11,465	13,311
Travelling & Conference Costs	290	434
Visitors' Guide Expenses	124,497	126,538
	650,498	657,350
<b>Loss before Income Tax</b>	<b>(808)</b>	<b>(6,652)</b>

**MUDGEER REGION TOURISM INCORPORATED**  
**Statement by Members of the Committee**

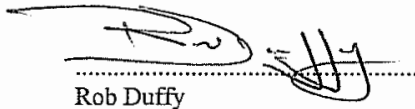
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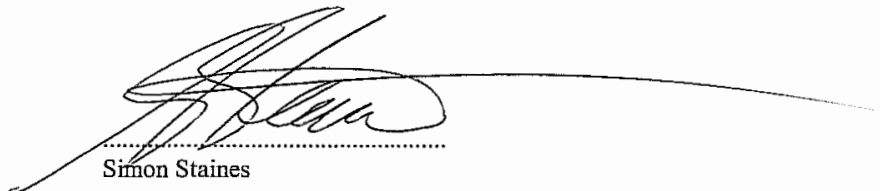
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee as set out in the accompanying financial report;

1. Presents a true and fair view of the financial position of MUDGEER REGION TOURISM INCORPORATED as at 30 June 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that MUDGEER REGION TOURISM INCORPORATED will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

  
.....  
Rob Duffy

  
.....  
Simon Staines

Dated 19 November 2009





## **Independent Audit Report to the Members of MUDGEE REGION TOURISM INCORPORATED**

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### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of MUDGEE REGION TOURISM INCORPORATED (the association), which comprises the balance sheet as at 30 June 2010, and the income statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

#### Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act NSW. and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act NSW. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for

**Independent Audit Report  
to the Members of  
MUDGEE REGION TOURISM INCORPORATED**

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which it was prepared.

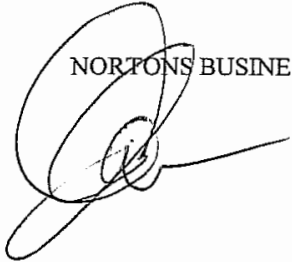
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of MUDGEE REGION TOURISM INCORPORATED presents fairly, in all material respects the financial position of MUDGEE REGION TOURISM INCORPORATED as of 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.



NORTONS BUSINESS ADVISORS

Matthew Dean  
Partner  
Dated: 17 November 2009



## Thankyou

I present to MRTI members the 2010 Annual Report.

Mudgee Region Tourism Inc would not function effectively without the ongoing support and assistance of the dedicated board of directors under the vigilant stewardship of Chairman Rob Duffy, a fabulous committed and enthusiastic staff and our financial members. We also acknowledge the support of Mid Western Regional Council, and in particular Mayor Des Kennedy who provided invaluable assistance with our contract renewal negotiations. 2010 has been a challenging and rewarding year, and we look forward to the next 12 months, working together to promote the beautiful Mudgee Region.

Lucy White  
Chief Executive Officer

**MUDGEES REGION TOURISM INCORPORATED**  
**Financial Statements**  
**For the Year ended 30 June 2010**

# MUDGEE REGION TOURISM INCORPORATED

## Directors Committee Report

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Your Board of Directors submit the financial report of the MUDGEE REGION TOURISM INCORPORATED, for the financial year ended 30 June 2010.

### **Board Members**

The names of directors throughout the year and at the date of this report are:

Rob Duffy (from Nov 2009) (President)  
Lyn Cole (to June 2010) (Vice President)  
Simon Staines (Secretary)  
Wayne McEvoy (from Sep 2009) (Treasurer)  
Michael Sweeney  
Scott Tracey  
John Medcalf  
Amanda Lyons (to Dec 2009)  
Keith Doolan (to Dec 2009)  
Michelle Baguley (from Dec 2009)  
Drew Stein (from Dec 2009)  
Rob Fairall (from Dec 2009 - to Dec 2009)

### **Principal Activities**

The principal activities of the association during the financial year were:

The provision of tourism services under contract to Mid Western Regional Council and business support services to MRTI members.

### **Significant Changes**

No significant change in the nature of these activities occurred during the year.


### **Operating Result**

The Loss for the year ended 30 June 2010 amounted to (\$808).

Signed in accordance with a resolution of the Members of the Committee.

  
.....  
Rob Duffy

  
.....  
Simon Staines

Dated 19 November 2009 <sup>10</sup> 

**MUDGE REGION TOURISM INCORPORATED**  
**Income Statement**  
**For the Year ended 30 June 2010**

	Note	2010 \$	2009 \$
Revenue		750,694	703,888
Finance Costs		31	-
Employee Benefits Expense		259,222	274,111
Depreciation and Amortisation		7,682	6,061
Other Expenses		484,567	430,367
<b>Loss before Income Tax</b>		<u>(808)</u>	<u>(6,652)</u>
Income Tax Expense		-	-
<b>Loss from Operations</b>		<u><u>(808)</u></u>	<u><u>(6,652)</u></u>

*The accompanying notes form part of these financial statements.*

**MUDGE REGION TOURISM INCORPORATED**  
**Statement of Appropriations**  
**For the Year ended 30 June 2010**

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	2010	2009
	\$	\$
Retained Profits - Beginning of Year	77,775	84,426
Loss before Income Tax	<u>(808)</u>	<u>(6,652)</u>
Income Tax Expense	-	-
<b>Profit after Income Tax</b>	<u>76,967</u>	<u>77,774</u>
<b>Unappropriated Profit at 30 June 2010</b>	<u>76,967</u>	<u>77,774</u>

*The accompanying notes form part of these financial statements.*

# MUDGE REGION TOURISM INCORPORATED

## Balance Sheet As at 30 June 2010

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	1(a)	391,746	329,998
Trade and Other Receivables	2	15,739	48,589
Inventories	3	41,402	20,819
Other		<u>22,521</u>	<u>27,026</u>
<b>Total Current Assets</b>		<b>471,408</b>	<b>426,432</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	<u>42,734</u>	<u>28,441</u>
<b>Total Non-Current Assets</b>		<b>42,734</b>	<b>28,441</b>
<b>Total Assets</b>		<b><u>514,142</u></b>	<b><u>454,873</u></b>
<b>Current Liabilities</b>			
Trade and Other Payables	5	72,981	70,273
Short-Term Financial Liabilities	6	6,454	17,819
Provisions	7	8,554	8,770
Other		<u>322,669</u>	<u>280,236</u>
<b>Total Current Liabilities</b>		<b>410,658</b>	<b>377,098</b>
<b>Non-Current Liabilities</b>			
Long-Term Financial Liabilities	6	<u>26,517</u>	-
<b>Total Non-Current Liabilities</b>		<b>26,517</b>	<b>-</b>
<b>Total Liabilities</b>		<b><u>437,175</u></b>	<b><u>377,098</u></b>
<b>Net Assets</b>		<b><u>76,967</u></b>	<b><u>77,775</u></b>
<b>Members' Funds</b>			
Retained Profits		76,967	77,775
<b>Total Members' Funds</b>		<b><u>76,967</u></b>	<b><u>77,775</u></b>

*The accompanying notes form part of these financial statements.*



**MUDGEE REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (NSW). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

**(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(b) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

**(d) Property, Plant and Equipment**

Motor vehicles and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements in the establishment of a Visitors Centre in Gulgong have been capitalised and carried at cost less, where applicable, any accumulated depreciation.

**(e) Income Tax**

The Association is exempt from income tax under the provisions of the Income Tax Assessment Act 1997.

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

# MUDGEE REGION TOURISM INCORPORATED

## Notes to the Financial Statements

For the Year ended 30 June 2010

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(g) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

(i) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

# MUDGE REGION TOURISM INCORPORATED

## Notes to the Financial Statements

For the Year ended 30 June 2010

	2010	2009
	\$	\$
<b>2. Trade and Other Receivables</b>		
<b>Current</b>		
Sundry Debtors	25	-
Trade Debtors	<u>15,714</u>	<u>48,589</u>
	<u>15,739</u>	<u>48,589</u>
<b>Total Trade and Other Receivables</b>	<u><u>15,739</u></u>	<u><u>48,589</u></u>
<b>3. Inventories</b>		
<b>Current</b>		
Stock on Hand	<u>41,402</u>	<u>20,819</u>
	<u><u>41,402</u></u>	<u><u>20,819</u></u>
<b>4. Property, Plant &amp; Equipment</b>		
<b>Plant &amp; Equipment</b>		
Motor Vehicles	31,963	31,179
Less Accumulated Depreciation	<u>1,708</u>	<u>19,646</u>
	30,255	11,533
Office Furniture & Equipment	33,708	33,706
Less Accumulated Depreciation	<u>21,229</u>	<u>16,798</u>
	12,479	16,908
Total Plant & Equipment	<u>42,734</u>	<u>28,441</u>
<b>Total Property, Plant &amp; Equipment</b>	<u><u>42,734</u></u>	<u><u>28,441</u></u>
<b>5. Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	534	-
Trade Creditors	33,378	30,315
Other Creditors - Ticket Sales	4,710	4,710
Superannuation Payable	2,242	-
ATO Liability	<u>32,117</u>	<u>35,248</u>
	72,981	70,273
<b>Total Trade and Other Payables</b>	<u><u>72,981</u></u>	<u><u>70,273</u></u>

**MUDGEES REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>6. Financial Liabilities</b>		
<b>Current</b>		
Hire Purchase		
Hire Purchase Liability - Rav4	9,308	-
Less Unexpired Charges	<u>2,854</u>	<u>-</u>
	6,454	-
Lease Liability	<u>-</u>	<u>17,819</u>
	<u>6,454</u>	<u>17,819</u>
<b>Non-Current</b>		
Hire Purchase		
Hire Purchase Liability - Rav4	29,820	-
Less Unexpired Charges	<u>3,303</u>	<u>-</u>
	26,517	-
	<u>26,517</u>	<u>-</u>
<b>Total Financial Liabilities</b>	<u>32,971</u>	<u>17,819</u>
<b>7. Provisions</b>		
<b>Current</b>		
Provision for Holiday Pay	<u>8,554</u>	<u>8,770</u>
	<u>8,554</u>	<u>8,770</u>
<b>8. Capital and Leasing Requirements</b>		
<b>Financial Leasing Commitments</b>		
Payable:		
Not later than one year	<u>-</u>	<u>19,217</u>
Minimum Lease Payments	<u>-</u>	<u>19,217</u>
Less: Future Finance Charges	<u>-</u>	<u>1,398</u>
Total Lease Liability	<u>-</u>	<u>17,819</u>
<b>Operating Lease Commitments</b>		
Being for rental of premises 84 Market Street, Mudgee & The Shanty, 66 Herbert Street, Gulgong. Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable:		
Not later than one year	12,001	12,386
Later than one year but not later than five years	24,002	1

**MUDGEES REGION TOURISM INCORPORATED**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
	<u>36,003</u>	<u>12,387</u>

**9. Related Parties**

During the year ended 30 June 2008 MRTI entered into a contract with Mid Western Regional Council to provide tourism services for the region for a period of three years.

The following amounts were received:-

Contract Income & Sponsorship - MWRC	<u>300,000</u>	<u>320,000</u>
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During the year ended 30 June 2008 MRTI entered into a contract with Lakeland Olives (a MRTI member) to provide a full time weekend visitor centre in Rylstone.

The following amounts were paid:-

Rylstone Running Costs	<u>8,780</u>	<u>8,780</u>
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During the year ended 30 June 2009 MRTI entered into an agreement with Gulgong RSL (a member) to sponsor the provision of visitor information services from Club premises at 66 Herbert Street, Gulgong which included sponsorship and peppercorn rent for the period to 30 June 2010.

The following amounts were received:-

Contract Income & Sponsorship - Gulgong RSL	<u>15,278</u>	<u>8,333</u>
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**MUDGEE REGION TOURISM INCORPORATED**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Income</b>		
Retail Merchandise	143,764	81,256
<b>Less Cost of Goods Sold</b>		
Opening Stock	20,819	9,915
Purchases	121,587	64,093
	142,406	74,008
Closing Stock	41,402	20,819
	101,004	53,189
<b>Gross Profit from Trading</b>	42,760	28,066
<b>Other Income</b>		
Membership Fees	67,860	66,909
Contract Income & Sponsorship - MWRC	300,000	320,000
Contract Income & Sponsorship - Gulgong RSL	15,278	8,333
Visitors Guide Advertising	204,605	210,633
Events Income	5,200	-
Ticket Handling Fees Received	971	1,521
Other Grant Funding	-	3,019
Other Sundry Revenues	2,263	2,297
Interest Received	6,740	9,919
Profit on Sale of Non-current Assets	4,013	-
	649,690	650,698
<b>Expenditure</b>		
Advertising	3,872	1,630
Auditor's Remuneration		
Audit Services	9,495	9,000
Other Services	1,665	300
Bank Charges	3,636	3,337
Borrowing Costs	31	-
Bookkeeping	18,813	17,463
Cleaning	4,056	3,743
Computer Expenses	5,345	3,502
Depreciation	7,682	6,061
Electricity	1,672	1,149
Fines & Penalties	220	-
Freight & Cartage	470	707
Fringe Benefits Tax	3,496	1,906
Hire Purchase Charges	1,083	-
Holiday Pay Provision	(217)	(1,159)
Insurance		
General	3,360	3,206
Workers Compensation	948	977

**MUDGEER REGION TOURISM INCORPORATED**  
**Trading, Profit and Loss Statement**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
Gulgong Office Expenses	205	1,768
Leasing Charges		
Finance Lease Charges - Forester	1,398	2,140
Motor Vehicle Expenses		
Running Expenses	4,177	5,875
Postage	1,153	1,614
Printing & Stationery	9,934	9,333
Professional Fees	-	614
Regional Marketing Costs	137,172	135,547
Rent	12,385	12,385
Repairs & Maintenance	358	1,482
Rylstone Running Costs	8,780	8,780
Salaries & Wages	231,191	243,752
Seminars & Training	1,030	2,450
Staff Training & Welfare	2,229	4,182
Subscriptions & Memberships	7,865	2,067
Sundry Expenses	2,711	2,896
Superannuation Contributions	28,031	30,359
Telephone, Fax & Internet	11,465	13,311
Travelling & Conference Costs	290	434
Visitors' Guide Expenses	124,497	126,538
	<u>650,498</u>	<u>657,350</u>
<b>Loss before Income Tax</b>	<u>(808)</u>	<u>(6,652)</u>

**MUDGEES REGION TOURISM INCORPORATED**  
**Statement by Members of the Committee**

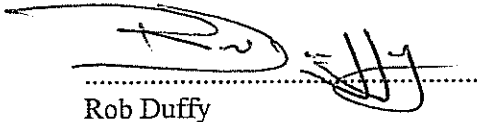
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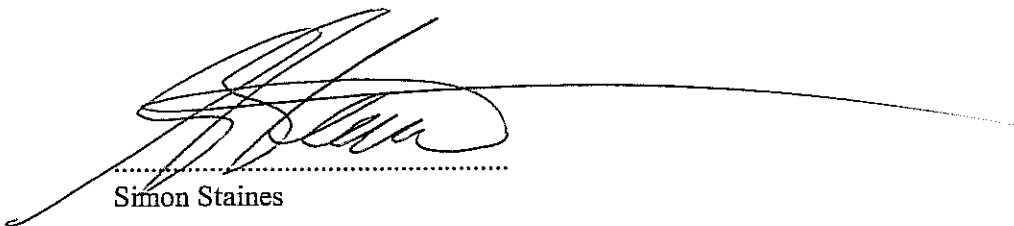
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee as set out in the accompanying financial report;

1. Presents a true and fair view of the financial position of MUDGEES REGION TOURISM INCORPORATED as at 30 June 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that MUDGEES REGION TOURISM INCORPORATED will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

  
.....  
Rob Duffy

  
.....  
Simon Staines

Dated 19 November 2009



**Independent Audit Report  
to the Members of  
MUDGEE REGION TOURISM INCORPORATED**

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**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of MUDGEE REGION TOURISM INCORPORATED (the association), which comprises the balance sheet as at 30 June 2010, and the income statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act NSW. and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act NSW. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for

**Independent Audit Report  
to the Members of  
MUDGEE REGION TOURISM INCORPORATED**

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which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

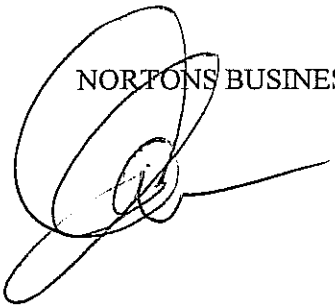
Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of MUDGEE REGION TOURISM INCORPORATED presents fairly, in all material respects the financial position of MUDGEE REGION TOURISM INCORPORATED as of 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

NORTONS BUSINESS ADVISORS

A handwritten signature in black ink, appearing to be 'Matthew Dean', is written over the company name 'NORTONS BUSINESS ADVISORS'. The signature is stylized and somewhat circular.

Matthew Dean

Partner

Dated: 17 November 2009