

CCS463: NATIONAL ANZAC CENTRE – Q4 2021-22 REPORT-VERSION TWO

Proponent / Owner	: City of Albany
Attachments	: National Anzac Centre (NAC) – Quarter 4 (Q4) 2021/22 Operational Report
Report Prepared By	: Manager Facilities (L Stone)
Authorising Officer:	: Executive Director Community Services (N Watson)

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2032 or Corporate Business Plan informing plans or strategies:
 - **Pillar:** Prosperity.
 - **Outcomes:** A highly sought-after tourist destination.
 - **Objectives:** Create a competitive and sustainable tourism offer.

In Brief:

- To provide Council with update on Q4 2021/22 performance of the NAC.

RECOMMENDATION

CCS463: AUTHORISING OFFICER RECOMMENDATION

THAT the NAC Operational Report for Q4 2021/22 be RECEIVED.

BACKGROUND

2. The NAC is the City of Albany's most significant tourism asset.
3. The NAC represents a \$10.6 million dollar investment from the Federal and State Government with an additional \$1.5 million invested by Wesfarmers for the construction of the Convoy Walk and Lookout.
4. The City of Albany manages this national museum and understands the importance of generating economic outcomes for the region using the NAC and the Albany Heritage Park (AHP) assets to encourage increased visitation and extended stays to the region.
5. The City established an independent NAC Advisory Group during the 2016/17 financial year to meet quarterly and assist in the further development of both the NAC and AHP, to ensure the assets continue to evolve, aligned with contemporary museum standards.
6. The NAC Advisory Group agreed in November 2018 that the group would meet twice a year. The next meeting is scheduled for November 2022.
7. Council has budgeted a subsidy of \$250,000 annually for the operations of the NAC and the AHP and has established a reserve on the understanding that any surplus funds be reinvested and used to leverage additional grant funding to improve the asset.
8. This report template is reviewed regularly to ensure that the Community & Corporate Services Committee and the NAC Advisory Group receive all relevant information to assess its performance.

DISCUSSION

9. Q4 2021/22 achieved overall total visitation numbers of 464,780 visitors to the NAC since opening in November 2014. This equates to an average annual visitation of 60,623 visitors per year.
10. NAC Visitation of 11,829 for Q4 is a decrease of 3,223 compared with same period in 2020/21 recording 15,052.
11. April NAC visitation numbers of 5,720 were the lowest performing figures since opening.
12. June NAC visitation numbers of 2,905 were the 4th highest June figures since opening, with the lowest being 1,651 in 2019/20. The highest being 3,420 in the opening year 2014/15 followed with 3,400 during 2020/21.
13. The visitation in Q4 2021/22 from the Great Southern Region totalled 608 people, equating to 7.98% of Western Australia's overall visitation of 7,615 (3.88% increase from previous quarter).
14. The total visitation in Q4 2021/22 originated from Western Australia (67%) and interstate (33%).
15. Visitors from other States and Territories consisted of 31% from VIC, 30% from NSW, 23% from QLD, 9% from SA, followed by TAS 3%, NT and ACT all on 1-3%.
16. Interstate visitation of 3,732 (31.5% of overall visitation) aligns to percentages from several previous years (pre-covid) of interstate visitation.
17. Revenue generated in Q4 2021/22 by the NAC was \$8,076 less compared to the previous Q4 quarter in 2020/21.
18. The Forts Store revenue of \$120,847 was only \$1,396 lower than same period 2020/21 and \$102,412 higher compared to the same Q4 period in 2019/20.
19. As at the end of Q4 2021/22, 7,150 households hold memberships to the NAC League of Local Legends program, an increase of 366 from the previous quarter.
20. The free-entry membership promotion for residents from the Great Southern region concluded on the 30 June 2022 and with its proven success has now become a permanent offering.
21. NAC has become a Children's University learning destination. Children aged seven to 14 from partnering primary schools can now participate in unique learning activities while exploring the award-winning site, as part of the UWA program.

GOVERNMENT & PUBLIC CONSULTATION

22. Not Applicable.

STATUTORY IMPLICATIONS

23. Not Applicable.

POLICY IMPLICATIONS

24. Not Applicable.

RISK IDENTIFICATION & MITIGATION

25. Nil.

RISK IDENTIFICATION & MITIGATION

26. Nil.

FINANCIAL IMPLICATIONS

27. Refer to the financial summary below for the National Anzac Centre full year budget and YTD position as at June 30 2022.

28. Full year operating expenditure budget includes:

- a. \$199,000 of costs from accounts that are “shared” across the AHP. A total of \$774,000 of budgeted costs reported under the AHP have been deemed to be a shared cost, across the four reporting areas under the AHP (NAC, Retail, Forts, and AHP Precinct). For the purpose of presenting a standalone view of the NAC, managers have used their best judgement to notionally allocate the \$774,000 across the four areas. Significant shared expenses attributed to the NAC include shared employee costs (\$77,000 of the \$199,000), marketing, ground maintenance, internal service delivery, security, electricity, and insurance.

National ANZAC Centre	FY2021/22 Budget	YTD Budget	YTD Actual	YTD Variance
Operating Income	\$875,000	\$875,000	\$853,491	\$(21,509)
Operating Expenditure	\$(558,163)	\$(468,783)	\$(468,783)	\$89,380
Net Operating Income/(Expense) before Indirect Costs	\$316,837	\$384,708	\$384,708	\$67,871
Indirect Expenses	\$(231,492)	\$(199,216)	\$(199,216)	\$32,276
Net Operating Income/(Expense)	\$85,345	\$185,492	\$185,492	\$100,147
Capital Expense	\$(373,835)	0	0	373,835
Total	\$(288,490)	\$185,492	\$185,492	\$473,982

29. The \$373,835 capital expense amount above is the balance of an initial reserve drawdown in 2020-2021 for the NAC refresh. Further works did not progress in 2021-2022 and the amount has been carried-forward to the 2022-2023 Budget to progress.

LEGAL IMPLICATIONS

30. Nil.

ENVIRONMENTAL CONSIDERATIONS

31. Nil.

ALTERNATE OPTIONS

32. The Committee can request further development and refinement of the quarterly reporting tool including both content and frequency of reporting

CONCLUSION

33. Overall, Q4 2021/22 has shown lower visitation to the NAC, but this is in line with previous years and remains consistent with the trend for Q4 for the previous 2 years. Q4 has demonstrated an increase in interstate visitation but visitation remains primarily from West Australian visitors.

34. The assumption remains that visitation from within our State has been higher due to ongoing State border closures/restrictions, and the success of the League of Local Legends program membership promotion to all Great Southern residents. However, with Covid restrictions easing and borders open we expect to see interstate and international visitation continue to increase next year.

35. Great Southern visitation to the NAC was 7.98% of overall WA visitation during the April - June period in Q4 2021/22.
36. This is 3.88% higher than the previous quarter (Q3 of 2021/22) and reflects the increased visitation from the Great Southern region, and remains significantly higher than the average 1% of overall WA visitation prior to the League of Local Legends free-entry membership promotion.
37. Interest in the Princess Royal Fortress and exhibitions was highest of all 4 quarters of 2021/22, with 1,176 people taking part in 114 Princess Royal Fortress Tours.
38. Overall Q4 generated slightly lower figures compared to Q3 in the NAC and in the Fort Store sales, which could be attributed to the effects of the pandemic on interstate and international visitation, but it is hoped this will begin to change.
39. NAC 2021/22 ticket sales were down by \$163,541 compared to 2020/21 but an increase of \$98,866 in tickets sales compared to 2019/20.
40. Fort Store revenue of \$446,958 for 2021/22 was an increase of \$10,437 compared to 2020/21 and an increase of \$102,321 compared to 2019/20.

Consulted References	:	Nil.
File Number (Name of Ward)	:	RC.SPV.8 (All Wards)
Previous Reference	:	OCM May 2022 Resolution CCS437