A photograph of a person from behind, wearing a wetsuit, looking out at the ocean at sunset. The sun is low on the horizon, creating a bright orange glow and lens flare effects. The person's hair is wet and dripping with water. The overall mood is serene and scenic.

DESTINATION
GOLDCOAST.[™]

ANNUAL REPORT 2018



**THE GOLD COAST
IS AUSTRALIA'S
LARGEST NON-
CAPITAL CITY,
AND ONE OF ITS
FASTEST GROWING**

ANNUAL REPORT 2018
CONTENTS

| | |
|-----------|-----------------------------------|
| 4 | ABOUT DGC |
| 7 | THE BOARD |
| 8 | CHAIRMAN'S REPORT |
| 9 | CEO'S REPORT |
| 10 | YEAR OF FIRSTS |
| 12 | GC2018 SUMMARY |
| 14 | AUSTRALIA MARKETING |
| 16 | INTERNATIONAL MARKETING |
| 18 | BUSINESS EVENTS |
| 20 | BRAND AND CONTENT |
| 22 | DIGITAL MARKETING |
| 24 | DESTINATION ENGAGEMENT |
| 26 | MEMBERSHIP SERVICES |
| 27 | VISITOR INFORMATION CENTRES |
| 29 | CORPORATE GOVERNANCE / COMMITTEES |
| 31 | FINANCIAL STATEMENTS |



ABOUT DESTINATION GOLD COAST

DESTINATION GOLD COAST (DGC) IS THE TRADING NAME OF GOLD COAST TOURISM CORPORATION LIMITED (GCT). DESTINATION GOLD COAST WAS ADOPTED IN JANUARY 2017 AND HAS BEEN WIDELY USED THROUGHOUT THIS REPORT TO DOCUMENT MARKETING, TRADE AND CONSUMER FACING ACTIVITY UNDERTAKEN BY DGC. THIS REPORT REFERENCES BOTH THE FORMAL CORPORATION NAME AND THE TRADING NAME.

Destination Gold Coast is the peak body for the tourism and visitor sectors of the Gold Coast, Australia's sixth largest city and the nation's premier holiday destination.

DGC is a not-for-profit, membership-based, destination marketing organisation whose primary purpose is to promote the city as a leisure and business event destination through global and domestic trade, media and travel industry channels.

DGC works on behalf of almost 27,000 commercial businesses which contribute to its operation via a tourism levy. Industry partnerships include those with City of Gold Coast, Tourism Australia, Tourism and Events Queensland, Study Gold Coast, Connecting Southern Gold Coast, Broadbeach Alliance and Surfers Paradise Alliance.

DGC directly represents a membership of more than 500 leading accommodation venues, theme parks, attractions, tour operators, restaurants, cafes, entertainment venues, transport providers and professional support services.

ROLE

Visitors to the Gold Coast injected \$4.7 billion into the local economy, supported more than 3,000 tourism businesses and accounted for 28,800 direct jobs and another 13,000 indirect jobs in the city. (Source: Deloitte Access Economics, regional Tourism Satellite Accounts 2016/17).

Established in 1975, Destination Gold Coast's team of marketing, communications and sales professionals identify and leverage strategic opportunities to positively promote the city. DGC's work generates exposure and converts the interest of potential leisure and business consumers from outside the Gold Coast region into visitation for the businesses of the city. DGC employs sound research when formulating its strategies and activities, developing them in consultation with the local industry, government, state and national tourism bodies, national and international travel trade and other industry partners. DGC also manages two accredited Visitor Information Centres on the Gold Coast.

VISION

For the Gold Coast to be recognised locally, nationally and internationally as one of the world's great tourism and business events destinations.

For DGC to be universally acknowledged as a successful, globally-aware destination marketing organisation that embraces a culture of continuous improvement, customer focus, current technology, contemporary leadership and excellence.

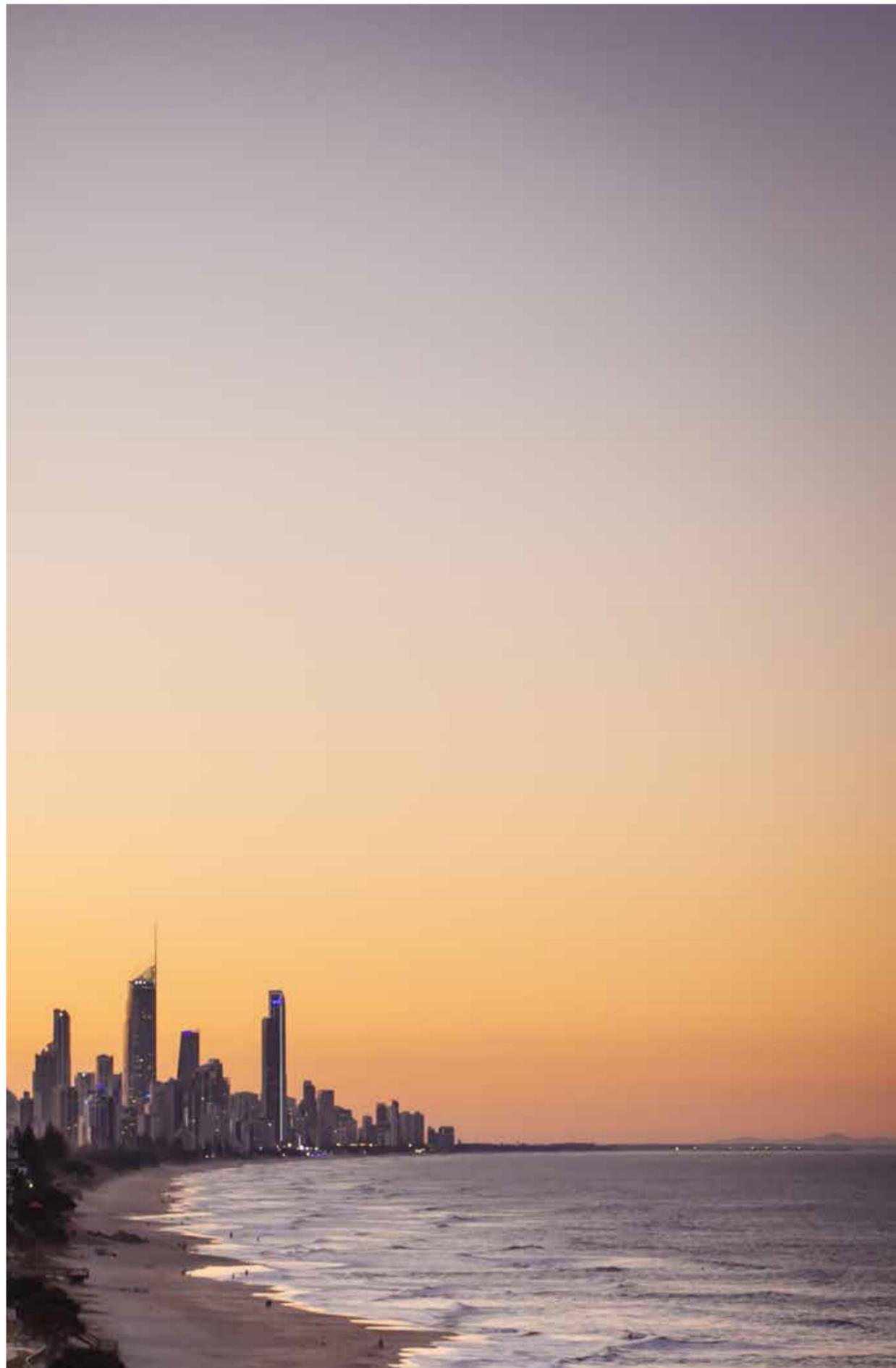
MISSION

To grow tourist visitation and expenditure for the benefit of the tourism and business events sectors and other community stakeholders. To add value to members through promotion and increased and improved destination awareness.

For more information about Destination Gold Coast visit destinationgoldcoast.com

BUSINESS GOALS

- Increase visitor demand, arrivals and expenditure for the city
- Operate with a sustainable business model
- Deliver value to members
- Deliver business outcomes based upon quality research, best practice and return on investment
- Apply available resources in the most effective and productive manner
- Identify and invest in growth opportunities
- Build the capacity of Gold Coast Business Events
- Demonstrate industry and destination management leadership
- Establish Destination Gold Coast as an employer of choice



THE BOARD

THE GOLD COAST TOURISM CORPORATION BOARD IS THE ENVY OF MANY ORGANISATIONS. A COMBINATION OF EXPERIENCE, STABILITY AND ENTREPRENEURSHIP MEANS DECISIONS ARE MADE WITH DUE DILIGENCE AND COURAGE.



PAUL DONOVAN | CHAIR

Experienced aviation and tourism executive, former Tourism and Events Queensland Board member and current chair of Titans Community Foundation.



ADRIENNE READINGS | DEPUTY CHAIR

General Manager, Gold Coast Convention and Exhibition Centre; experienced senior manager with hotels.



JOHN PUNCH | OAM, HON. SECRETARY

An original member and founding director of Gold Coast Tourism, he has been a continuously serving member of its board since its formation in 1975.



PETA FIELDING

CEO of Burleigh Brewing Company, a QLD Business of the Year winner; and former board member of GOLDOC and Bond University Council.



CRAIG DAVIDSON

Former Tourism Australia executive, former CEO of Dreamworld, WhiteWater World and SkyPoint and previously Executive General Manager Operations for Voyagers Hotels and Resorts.



JOHN MORRIS

General Manager, RACV Queensland Resorts. With over 25 years' hospitality experience, John has a background in senior sales, marketing and general management roles domestically, in the Pacific and in South East Asia.



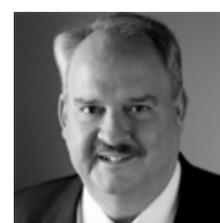
LINDSAY WALLACE

Marketing & Communications Director at Home of the Arts (HOTA). Experienced marketing roles with Pacific Fair, Gold Coast Tourism, Mulpha Sanctuary Cove, Palazzo Versace and Surfers Paradise Marriott Resort.



CR BOB LA CASTRA

Division 8 Councillor for City of Gold Coast and Chair of Council's Tourism, Events and Governance Committee. An active and long-standing entertainer across Australia and internationally.



NICK SCOTT

Chairman of Regional Development Australia (Gold Coast) and on the board of Bond University Business School as well as Gold Coast United Football Club. More than 37 years working as a media executive.



ADAM TWEMLOW

Partner at KPMG. Formerly Royal Bank of Scotland in London and KPMG USA. Board member of the Perry Cross Spinal Research Foundation and on The Southport School Council.



CLARK KIRBY

CEO Village Roadshow Theme Parks. Oversees the Australian operations including Movie World, Sea World, Topgolf, Wet'n'Wild, Paradise Country and Outback Spectacular, along with the Village Roadshow studios.

CHAIRMAN'S REPORT



“WE LOOK BACK ON THE PAST 12 MONTHS AS ONE OF THE MOST DYNAMIC AND DEFINING YEARS IN THE GOLD COAST'S HISTORY.”

Hosting the Gold Coast 2018 Commonwealth Games showcased our city to the world in the most contemporary of ways and demonstrated our capacity and capability to host world-class mega events.

We must congratulate all those who committed so much time, energy, effort and resources in making it happen. We do know that for some retailers there was disappointment over what they were led to expect and the volume of trade that occurred in those two weeks. But let's look at the big picture that paints nothing but an image to be proud of:

- Ticket sales topped 96%
- Stadiums were full
- Public transport hit record numbers. And the G:link proved its true worth and showed why it needs now to extend south to the airport
- Hotel occupancy peaked above 92% and averaged a very healthy 87% for the Games period
- Importantly RevPAR – revenue per available room – was up 49% to \$194
- The stories and footage that were sent around Australia and the world portraying the Gold Coast as the most enviable destination on the planet were priceless.

And from the Destination Gold Coast (DGC) point of view, it wasn't the only success story in the last 12 months. It has been a busy year right across the sector.

We saw major investment this year as well, with Village Roadshow Theme Parks opening Topgolf in June and the DC Rivals HyperCoaster the previous September. Currumbin Wildlife Sanctuary launched its Lost Valley attraction on Boxing Day. The Star Gold Coast opened The Darling hotel with its fabulous bar and restaurant on level 19. There are multiple hotel towers coming to fruition along the Coast and they will add diversity and volume to the city's accommodation offering.

PAUL DONOVAN | CHAIRMAN
Gold Coast Tourism Corporation Ltd

We all know the industry is constantly changing and the rise of Airbnb on the Gold Coast to more than 6,000 beds is just one of these new factors that has to be considered. Beyond just Airbnb, the share economy accounts for some 10,000 beds on the Gold Coast and this is significant in anybody's language.

As a destination we are fortunate to be served by two international airports. With the announcement of major improvements to the terminals and aircraft services at Gold Coast Airport, the destination saw 6.6 million passengers pass through the terminal last year, up 1.7%. Brisbane Airport grew by 2.4% to 23.4 million passenger movements.

Aviation continues to be a highly competitive business. The Connecting With Asia consortium, of which DGC is a member, won extra services from China Eastern and Air China into Brisbane, only to see them curtailed later. Hong Kong Airlines ceased operating out of the Gold Coast in October. However, Scoot and AirAsia have maintained and expanded their services and air capacity remains a critical issue in the growth of our visitor numbers.

Destination Gold Coast also farewelled its long-term CEO Martin Winter this year. Martin has done an outstanding job for the Gold Coast over the last 10 years and we wish him well in his retirement. Our new CEO in Annaliese Battista brings a fresh energy and vision to the organisation.

Your board has helped guide the organisation through this period of change and we are fortunate to have such a formidable and experienced group of volunteer board members from across the industry and across the city. I take this opportunity to thank them publicly.

Our DGC executives and staff have done a terrific job in driving new and innovative marketing initiatives both domestically and internationally and they are to be congratulated on their efforts. Importantly, our stakeholders, including our members, the City of Gold Coast, State and Federal Government, Tourism and Events Queensland and Tourism Australia – the collaboration with these partners in so many areas have proved a winning formula and one that we will enjoy for many more years to come, I am sure.

CEO'S REPORT



“I AM DELIGHTED TO PRESENT MY FIRST CEO'S REPORT AFTER RECENTLY JOINING DESTINATION GOLD COAST.”

The Gold Coast attracted almost 12 million visitors this year, despite the removal of the scenic rim from official numbers.

Tourism Research Australia figures show international visitors to the region reached 1.04 million, up 0.9% on the previous year. This cohort spent a record \$1.3 billion, which grew by 11.1%. China remained the dominant source market with more than 277,000 arrivals, but declined by 8.4% year on year, which may be attributed to changes that have resulted in the way passenger information is collected by the Department of Home Affairs. Additionally, New Zealand visitation continued to increase recording 201,000, up 2.1% on last year.

Domestically, we welcomed 3.5 million visitors, down slightly by 1.2%. This market remains a core focus as we continue to adapt our strategy and marketing to retain our position as one of the nation's premier holiday destinations. This is on top of 7.4 million day-trippers which grew by a staggering 20.3%, largely due to strong visitation during the Commonwealth Games which off-set soft numbers in the first quarter of 2018.

A range of successful marketing partnerships helped raise the profile and appeal of the destination over the last year. Destination Gold Coast (DGC) partnered with Hostelworld to create the world's first Sand Hostel at Kurrawa Beach – an initiative that generated an audience of more than 500 million around the world. A project with online travel giant Expedia led directly to almost 80,000 booked room nights and won the Most Innovative Campaign (Asia Pacific) at the Expedia Media Awards.

And our accelerated focus on digital initiatives continues, building on the success of projects such as placing the Gold Coast on Google Trekker, driving our social media engagement and engaging an army of influencers across various platforms to sell the Gold Coast message.

There are many highlights from the past year worth celebrating, but I will mention just a couple that have resonance going forward as well.

We hosted both Corroboree West and Corroboree Asia, bringing several hundreds of highly-influential travel partners to the Gold Coast for these Tourism Australia sponsored international gatherings. Their experience of the Gold Coast will lead to greater awareness and conversions around the globe.

ANNALIESE BATTISTA | CHIEF EXECUTIVE OFFICER
Gold Coast Tourism Corporation Ltd

We launched the inaugural Gold Coast Tourism Week, a celebration of our industry and the 42,000 people it employs across the Gold Coast. A series of events and gatherings attracted more than 1,000 participants that touched almost every aspect of this fascinating sector.

Our Business Events team has generated millions of dollars' worth of business for the city's conference and events venues. The highlight was the more than 6,000 Infinitus delegates visiting the city in May, generating more than \$35 million in expenditure. The Gold Coast improved its business events reputation during 2018, becoming the fourth best performing city in Australia, according to the ICCA world rankings of cities. We sit only behind Sydney, Melbourne and Brisbane, but now, also above Adelaide and Perth.

The appeal of the destination and the demand we have generated has never been stronger.

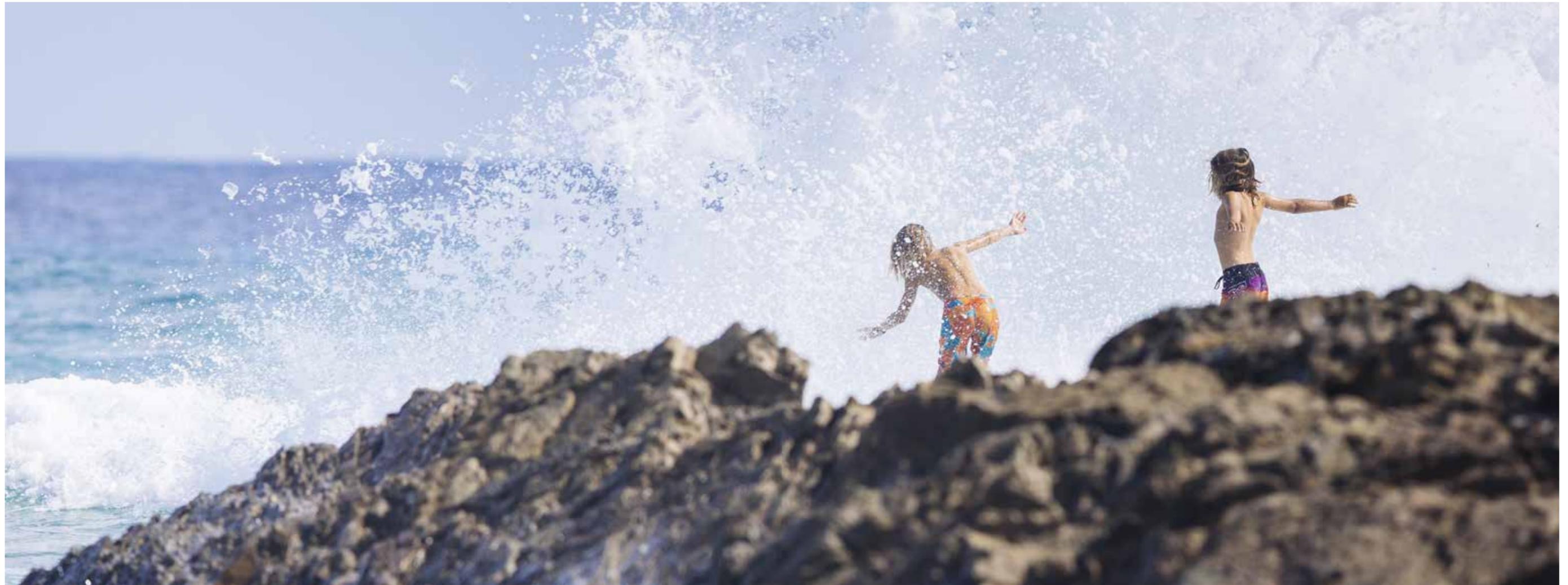
But there is still more work to do.

The level of domestic spend is an area we have to continue to work on. This is directly related to the declining average length of stay among our visitors. In conjunction with Tourism and Events Queensland, we have undertaken the 'Average Length Of Stay Research Project' to determine the key drivers to attracting more people to the Gold Coast, have them stay longer and spend more. We look forward to putting in place initiatives arising from those research learnings in the coming year.

The landscape remains competitive, with Tasmania, Sunshine Coast, Brisbane and Melbourne all investing significantly more to win the hearts and minds of both domestic and international visitors. And we continue to see the cruise ship industry grow at the expense of destinations like ours, and as yet, the Gold Coast has very little benefit from the increased demand for cruising.

Our valued members remain a central part of Destination Gold Coast and their insights are critical to us continuing to represent this industry in a robust and independent way.

Finally, let me say thank you to the overwhelming support and welcome I have been shown since joining DGC. I look forward to working with you all in the future as we help promote the Gold Coast as the greatest destination of all.



YEAR OF FIRSTS

IT WAS A YEAR OF FIRSTS FOR THE GOLD COAST TOURISM INDUSTRY IN 2017-18 AND DESTINATION GOLD COAST (DGC) IS PROUD TO HAVE PLAYED A LEAD ROLE.

EVENTS

It was the first time the Gold Coast hosted the Commonwealth Games (GC2018), with 1.5 billion people from 71 countries and territories watching the city shine. Along the way we also hosted and promoted the Sudirman Cup badminton world championship, with a TV audience of 500 million across Asia. We also announced the Logies, Australia's TV night of nights, was moving to the Gold Coast – with the ceremony held on 1 July, 2018.

BUSINESS EVENTS

More than 6,100 Chinese delegates from the Infinitus group visited the Gold Coast for our largest single incentives conference, injecting more than \$35 million directly and indirectly into the local economy. It was the first time the city welcomed such a large conference and did so through a powerful collaboration across the industry.

MEDIA

DGC was a lead content partner for the Gold Coast Media Centre, the headquarters for non-accredited media associated with the Commonwealth Games. More than 1,000 media registered for the GCMC and helped deliver millions of dollars' worth of destination exposure.

PUBLICITY

The world's first Sand Hostel was built at Kurrawa Beach in a unique partnership between DGC and Hostelworld. With some of the travel world's most influential journalists and bloggers staying overnight and live broadcasts from television and radio, coverage of the landmark event reached hundreds of millions around the globe.

The Gold Coast's reputation for world-class theme parks continues to grow with the opening of the country's fastest rollercoaster, the DC Rivals HyperCoaster, at Movie World in September and the nation's first Topgolf attraction in June. Both proved major social media hits when promoted through DGC channels.

PARTNERSHIPS

DGC joined forces with Google to put the Gold Coast on the map, literally. DGC helped map key sites and landmarks around the destination for Google Trekker, meaning the Gold Coast now has 360-degree views of its best locations, some available through Google for the first time.

RESEARCH

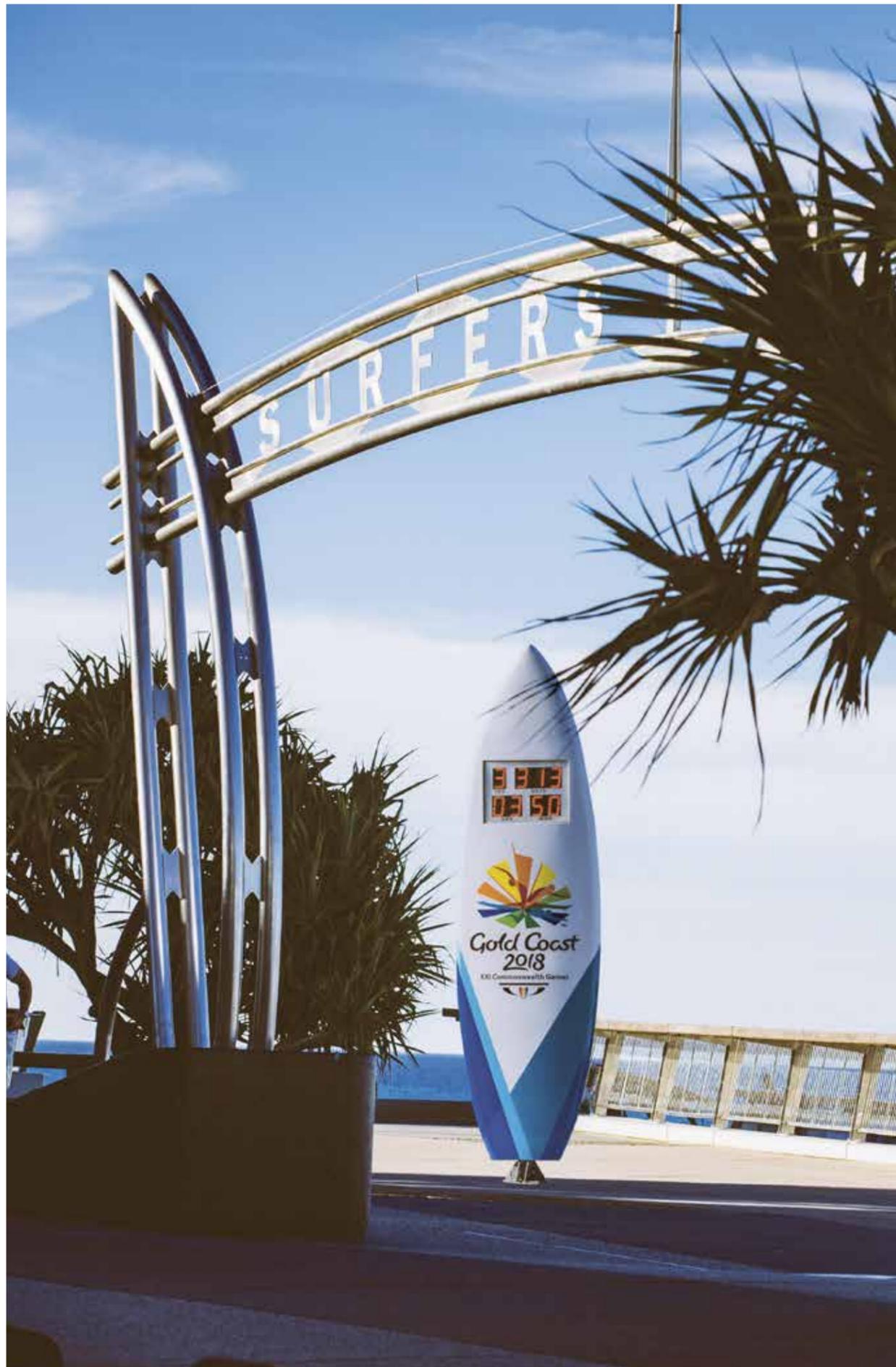
DGC undertook the first major research study of its own around travel behaviour and intentions for the Gold Coast. The Gold Coast Annual Traveller Survey (GCATS) collects data from more than 3,000 people and informs key marketing decisions across the business.

RESOURCES

The best images and video of the destination are now available to partners worldwide, 24/7 for the first time. An open source library, known as Barberstock, collated and curated by DGC, puts more than 3,000 content items at the fingertips of media, travel agents, designers and industry collaborators, ensuring the very best impressions of the Gold Coast are provided.

INITIATIVES

The very first Gold Coast Tourism Week commenced in the last week of the financial year, after months of planning and preparation in 2017-18. It showcased the best of the Gold Coast tourism industry and celebrated the 42,000 jobs the sector supports across the city.



GOLD COAST 2018 COMMONWEALTH GAMES

THE GOLD COAST 2018 COMMONWEALTH GAMES (GC2018) PROVIDED A ONCE-IN-A-GENERATION OPPORTUNITY TO SHARE OUR REMARKABLE CITY WITH THE WORLD. IN APRIL 2018, THOUSANDS OF ATHLETES, OFFICIALS, FAMILIES, VOLUNTEERS, VISITORS AND SPECTATORS FROM 71 NATIONS CELEBRATED 11 ACTION-PACKED DAYS OF SPORT, ARTS AND CULTURE. MORE THAN 1.2 MILLION TICKETS WERE SOLD TO EVENTS AND FESTIVAL 2018 ATTRACTED MORE THAN 523,000 SPECTATORS.

This was the perfect time to continue Destination Gold Coast's (DGC) work to reposition the destination and drive significant change to secure profound and long lasting economic, social and reputational benefits for the Gold Coast. DGC leveraged the mega-event, with the objective to promote the We Are Destination Gold Coast brand and create a trigger for leisure and business event visitation. Successful initiatives included:

CONSUMER MARKETING: KEYS TO THE COAST

A competition based campaign designed to capitalise on the Games hype, build destination desirability and increase the DGC consumer database. The promotion featured World Champion surfer Joel Parkinson, ARIA award winning singer Amy Shark, Olympic gold medallist Sally Pearson, legendary Ironman Trevor Hendy and media celebrity Natalie Gruzlewski. The campaign reached 5.5 million, generated 4.2 million video views and drove 155,000 total entries, resulting in a 19% increase to the DGC email database.

BUSINESS EVENTS

DGC embarked on a broad range of marketing and sales initiatives to showcase the city's credentials and attract sport-related business to the city pre and post Games.

MEDIA AND PR

DGC collaborated with and motivated countless media, influencers, industry and partners to leverage the new We Are Destination Gold Coast brand. This was achieved through the provision of fresh collateral and marketing assets; including: a best-in-class destination showreel, a comprehensive media guide and a digital content hub with 24/7 access to more than 3,000 images, video and copy. Key media were identified nationally and internationally and targeted with specific content. A four-month campaign in collaboration with the City of Gold Coast, leading up to April, exceeded aggressive performance targets, reaching an audience of 978 million people through 807 different outlets publishing the equivalent of \$19.5 million worth of content. Overall, DGC generated a total of \$42 million in Games media coverage, resulting in unprecedented global and national exposure across BBC, TVNZ, CNN and Channel 7's Sunrise just to name a few.

VISITOR SERVICING

The Games-time visitor servicing model developed by DGC supported the principles of convenient, relevant and innovative multi-channel access for visitors. Key strategic projects ensured engagement at all touch points, in particular: 24/7 social media monitoring, creation of the #wearegoldcoast blog, development of an online directory showcasing 2,000 Gold Coast business listings, enhancements to DGC's Facebook Messenger Chatbot and a 'Destination Experience Program' providing accredited Games guests tour and attraction offers.

INDUSTRY MANAGEMENT

In partnership with the City of Gold Coast and State of Queensland, 36 face-to-face 'Be My Guest' workshops were delivered (since 2015) in the lead-up to the Games. DGC also held two whole-of-sector briefing sessions and contributed to ongoing STR data.

DGC maximised synergies between relevant stakeholders in association with the above marketing, communications and sales initiatives and supported the lead shown by Tourism and Events Queensland, Tourism Australia, City of Gold Coast and The Gold Coast Commonwealth Games Corporation.



AUSTRALIA MARKETING

AUSTRALIAN CONSUMER MARKETING DELIVERED A COMPREHENSIVE CALENDAR OF CAMPAIGN ACTIVITY TO DRIVE DEMAND AND SUBSEQUENT EXPENDITURE. THIS COMPRISED OF MASS-REACH ASPIRATIONAL MESSAGING AND DIRECT-RESPONSE ACTIVITIES FOCUSED ON CONVERSIONS.

With a strong focus on storytelling to support the new We Are Destination Gold Coast brand, Destination Gold Coast (DGC) partnered with Jetstar's in-flight magazine to produce 16 pages of uninterrupted editorial. The content featured in the January 2018 edition and aimed to inspire the 1.6 million monthly Jetstar passengers to visit the Gold Coast on their next holiday.

In addition, the Tourism and Events Queensland Regional Tourism Organisation incentive fund was leveraged to secure double-page spreads within The Sunday Mail 'Your Place' supplement plus The Age and Sydney Morning Herald 'Unexpected Queensland' magazine. The combined audience reach of 2.2 million was geared towards women (25-54 years old), likely to be the travel purchase decision-makers.

The Gold Coast 2018 Commonwealth Games (GC2018), was a natural adjunct to DGC's destination-led marketing activity across 2017-18 financial year. Integration of the We Are Destination Gold Coast brand into GC2018 established national appeal for the Gold Coast and helped

deepen the story behind the destination 'reframe'. Of note, the Keys to the Coast campaign delivered substantial national reach and enduring destination content.

DGC used the Games as a catalyst to cement the city's position as a world-class events destination. This included the rollout of DGC's new sports and leisure events identity, We Are Live and Loving It. Above-the-line marketing supported this holistic message with considerable owned channel exposure provided to more than 25 key events; among them: Swell Sculpture Festival, Supercars Gold Coast 600, Australian PGA Championships, Magic Millions Racing Carnival, Surfers Paradise Sand Safari Arts Festival, Quiksilver and Roxy Pro, Bleach*, Blues on Broadbeach, Cooly Rocks On and Gold Coast Marathon.

HIGHLIGHTS

ONLINE HOLIDAY DEALS

The Australian consumer marketing team led the delivery of three major brand campaigns, with the objective of maximising reach and driving leads to DGC member businesses via Online Holiday Deals. Across the three bursts, the following outcomes were achieved:

- 138,000 total leads to members via the Online Holiday Deals platform
- 167 total Online Holiday Deals featuring 113 unique DGC tourism member products

EXPEDIA

DGC partnered with Expedia to launch an interactive marketing campaign to drive visitation to the Gold Coast and highlight a more contemporary visitor experience. Based on a 'Choose Your Own Adventure' concept, the 'Create Your Escape' campaign featured a first-person interactive video that placed users in control by encouraging them to create their own escape itinerary, featuring a wide array of unique activities and experiences. The campaign won the 'Asia Pacific Most Innovative Campaign of the Year' at the Expedia Media Solutions 2018 Asia Pacific (APAC) Partner Awards.

INTERNATIONAL MARKETING

IN 2017-18 THE FOCUS REMAINED ON GROWING KEY INTERNATIONAL VISITOR SOURCE MARKETS FROM NEW ZEALAND, CHINA, JAPAN, SOUTH EAST ASIA, UK AND NORTH AMERICA. ADDITIONAL PARTNERSHIPS AND MARKETING INITIATIVES FURTHER LEVERAGED OPPORTUNITIES FROM THE LUCRATIVE YOUTH AND STUDENT SECTORS.

Destination Gold Coast (DGC) delivered over 25 campaigns and hosted more than 70 media and travel trade delegations across its key markets, to ensure the Gold Coast remained at the forefront of DGC's travel partners' Australian itineraries and their respective promotional programs.

With China maintaining its position as the Gold Coast's number one source for international visitation and expenditure, DGC's Global Partnerships team in China continued to leverage the influence of travel trade partners through extensive promotional roadshows across key cities, and the rollout of seasonal tactical campaigns. DGC also intensified its consumer marketing

efforts through the Queensland Government's 'Connecting with Asia' program, helping to deliver for the combined regions, over 80,000 new air seats and over \$60 million in overnight expenditure.

DGC also hosted Tourism Australia's Inaugural Corroboree West, bringing more than 300 'Aussie Specialist' sellers from throughout North America, UK and Europe - many for the first time - to the Gold Coast for a week of familiarisation and workshops. The successful delivery of the trade event subsequently entrusted Tourism Australia to award the Gold Coast hosting rights for the all-important Corroboree Asia event in 2018.

HIGHLIGHTS

JAPAN

DGC up-weighted its investment into Japan in 2017-18 in partnership with travel retailer JTB to capitalise on its Global Destination of Choice initiative into Australia. Together with support from Tourism and Events Queensland, DGC also launched an innovative marketing campaign, promoting the natural beauty of the Gold Coast through Japan's love of herbal teas.

NORTH AMERICA

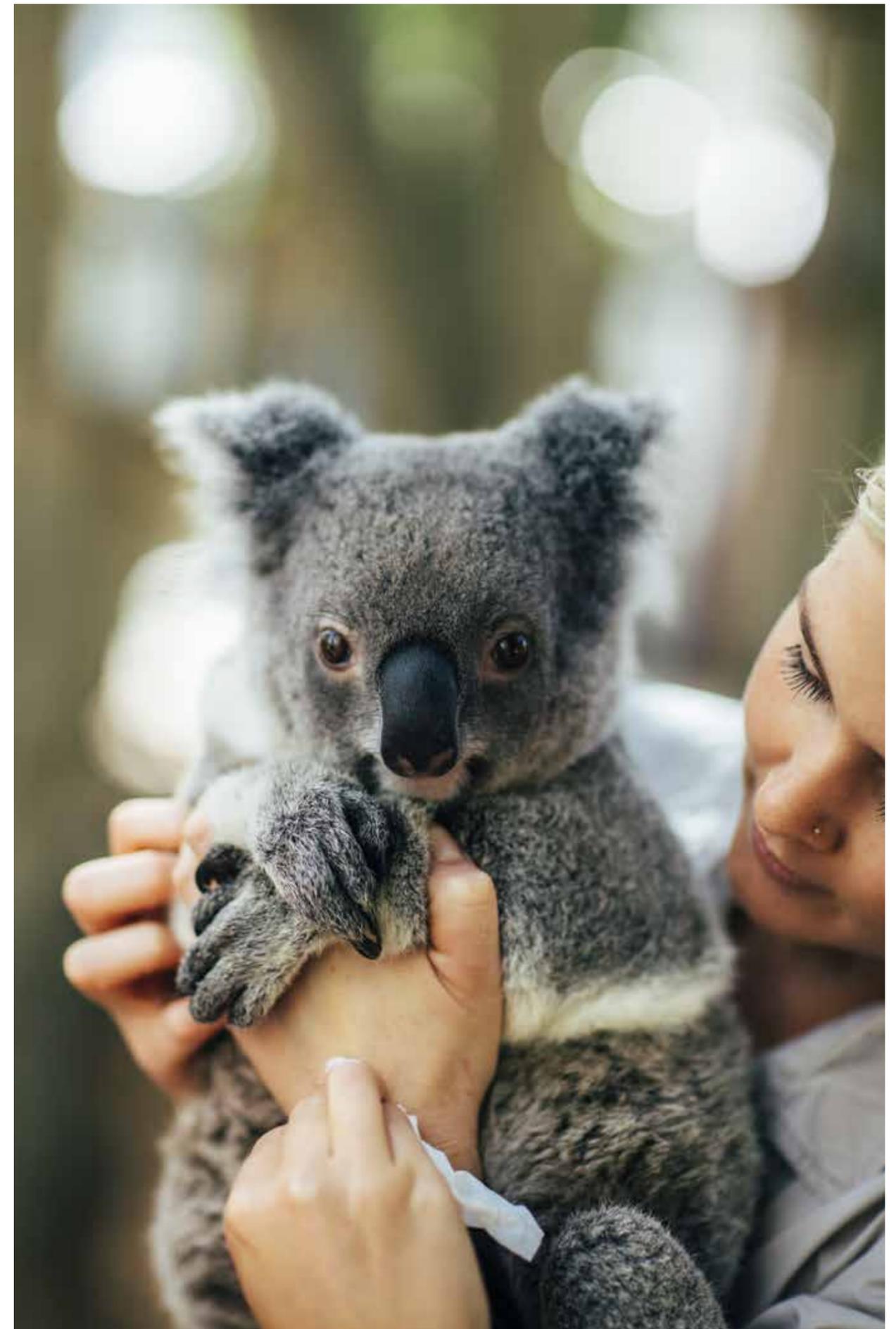
In anticipation of Tourism Australia's increased investment into the North American market centred around the launch of the 'Dundee' campaign, DGC delivered strong digital and point of sale activities in collaboration with trade partners Helloworld, Down Under Answers and About Australia across both Canada and the United States.

NEW ZEALAND

To capitalise on heightened attention towards the Gold Coast in the lead up to the 2018 Commonwealth Games, DGC ensured its presence across television and digital channels in New Zealand with the rollout of our new brand creative, including tactical support from our partners at Flight Centre and Webjet.

YOUTH

Together with Hostelworld, DGC opened the world's first fully operational hostel made entirely of sand in 2017-18. With support from DGC member-operators, the Sand Hostel campaign secured 42 media and social influencers to deliver over 600 global articles and an online reach of 519 million in over 31 international markets.



BUSINESS EVENTS

DESTINATION GOLD COAST (DGC) DELIVERED A BROAD RANGE OF INITIATIVES IN 2017-18 AS IT CONTINUED TO ESTABLISH THE GOLD COAST AS A LEADING BUSINESS EVENTS DESTINATION, BOTH NATIONALLY AND INTERNATIONALLY. MEMBER ENGAGEMENT WAS ESSENTIAL TO THE SUCCESS OF CO-OPERATIVE EVENTS AS DGC CONTINUED TO DEVELOP ACTIVITIES THAT SUPPORT MEMBERS TO GENERATE LEADS, CONVERSION AND AWARENESS.

The annual signature event, This is Gold Coast Business Exchange, in June 2018 was a resounding success with a record 68 buyers participating and more than 40 members supporting the program. The number of business event wins for the year was a record 158. The combined result of international and national events resulted in an economic contribution of more than \$106 million to the city.

From early 2016, the Business Events team embarked on an ambitious mission to secure a target of 50 sport-related business events leading up to and post-Commonwealth Games (GC2018). The portfolio included sport, health and wellness and at the end of this financial year, there are 54 confirmed business events attracting 25,700 delegates, with a projected economic impact of over \$77 million. Another 20 meetings are in bidding and development stage, with the potential to secure an additional 12,500 delegates and an estimated value of \$30.2 million.

Capitalising on the city's credentials and infrastructure developments, the transformation of the city attracted new conference business in the field of architecture. The 'Festival of Landscape Architecture' visited the city in October 2018 attracting more than 500 delegates, following more than 1,000 attendees at the annual National Architecture Conference. In addition, DGC will welcome 700 plus delegates to the Urban Design Institute of Australia conference in early 2019.

HIGHLIGHTS

THIS IS GOLD COAST BUSINESS EXCHANGE

- 100% satisfaction level from both buyers and members for program content
- 100% would recommend the Gold Coast for future business events
- Over \$19 million of business leads were generated
- PCO (Professional Conference Organiser) component incorporated in the event, with 20 qualified PCOs from Australia and New Zealand attending
- 43 corporate and association planners from Australia, New Zealand and Singapore plus five national and international BE trade media attended
- The program included a combination of themed social events, a 1.5-day trade exhibition, site inspection streams and an opportunity to experience new product options in the city.

PROFESSIONAL CONFERENCE ORGANISERS ASSOCIATION

The 10th Annual PCO Conference returned to the Gold Coast in November 2017 attracting a record number of delegates. DGC was instrumental in securing this conference for the city and capitalised on the opportunity to feature activity stations showcasing local product experiences and highlighting the spirit and energy of our city at the three-day trade show. DGC also co-hosted the official networking event with Village Roadshow Theme Parks at the 'Festival of Fun' event at Sea World Plaza.

INFINITUS INCENTIVE 2018

10 days after GC2018, the Gold Coast welcomed its largest incentive group in more than 6,100 delegates from Infnitus China - generating more than \$35 million in economic benefit for the city. This was the first time this tier of winners had been outside the region of South East Asia and their first venture into Australia. The group arrived in a total of eight waves over a 10-day period, all visiting for a 5-night/6-day program and staying in 10 hotels within the city. Itineraries were packed with a range of activities from learn to surf, to catching crabs, shopping at Pacific Fair and Harbour Town Outlets, cuddling a koala at Currumbin Wildlife Sanctuary, visits to Paradise Country, Warner Bros. Movie World and Sea World.

Their evenings included a world-class gala dinner at Gold Coast Convention and Exhibition Centre (GCCEC) with the team serving 3,500 three-course meals within a 60-minute period; a colourful street party in the streets of Surfers Paradise with the support of Surfers Paradise Alliance (SPA); and an exclusive night out at Australian Outback Spectacular. The client commented: "Destination Gold Coast was instrumental in making delegates feel so welcome in Queensland. The satisfaction rate of Jiyang Group 2018 set up another historical milestone."

The success of this major event has stimulated new enquiries for DGC to be invited to present bids for future group business and has clearly demonstrated the capabilities of the Gold Coast to deliver events of this size.





BRAND & CONTENT

DESTINATION GOLD COAST (DGC) CONTINUED TO REPOSITION THE DESTINATION THROUGH A COMBINATION OF CONSISTENCY, INFLUENCER ENGAGEMENT AND TARGETED COLLABORATION.

Capitalising on the opportunity of having the eyes of over 1.5 billion people across the globe on the Gold Coast during the Commonwealth Games (GC2018), DGC motivated countless media, influencers and partners to extend Destination Gold Coast's brand voice to new levels in the months leading up to and including that major event.

With a focus on harnessing the voice of locals to shape a new narrative for the Gold Coast, DGC engaged in a number of storytelling activations designed to position the Gold Coast as Australia's 'must-visit' destination.

Key initiatives included:

- Targeted collaboration with key domestic and international influencers to create and amplify authentic destination coverage. Including posts by key opinion leaders, dedicated campaign activations and content generation partnerships, these multifaceted activations delivered more than 1,000 pieces of destination content reaching a cumulative audience of 42 million and delivering in excess of 43 million consumer engagements.
- Launch of a new destination blog, including delivery of more than 80 locally-crafted destination stories to provide a balance of inspiration and information for global travellers.
- Delivery of eight cross-channel videos to tell the deeper story of the destination through the lens of residents. Lending the voice of prominent locals, each piece poses a warm invitation to travellers to experience a city like no other.

With a focus on equipping media and partners with rich assets to drive effective cross-channel storytelling, key deliverables included:

- A digital content hub with 24/7 access to more than 3,000 destination images, video and copy. This open-source library enables industry, media and partner agencies ease of access to assets to share a consistent city voice.
- A best-in-class destination showreel. Developed in partnership with broadcasters, this license-free reel ensures that vision of a contemporary Gold Coast is shared across the globe.
- The Storytellers Guide to the Gold Coast - a comprehensive guide offering local interviewee opportunities, ready-to-wear content, story ideas and signature experiences.
- Driving an integrated publicity partnership with Hostelworld to leverage the Sand Hostel activation, resulting in unprecedented media coverage for the destination within the global youth market.

DGC's media and publicity strategy assisted in the delivery of more than \$142 million in advertising value equivalency (AVE) in 2017-18. Key to this result was a number of initiatives including:

- Delivery of a multifaceted approach to media engagement surrounding GC2018 including more than 21 high-level media famils; a tourism-first content agreement with news syndicator AAP to publish Gold Coast feature articles and video; and a lead role alongside City of Gold Coast and Tourism and Events Queensland around the Gold Coast Media Centre for non-accredited media during GC2018.
- DGC's ongoing domestic media outreach program, responding to enquiries that resulted in positive and contemporary coverage of the destination in the likes of Jetstar magazine, Gourmet Traveller, The Australian and Great Day Out.



DIGITAL MARKETING

DIGITAL MARKETING SUPPORTED DESTINATION GOLD COAST'S (DGC) WIDER MARKETING GOALS THROUGH CAMPAIGN SUPPORT AND MANAGEMENT, DISTRIBUTION OF CREATED AND CURATED CONTENT, AS WELL AS VISITOR SERVICING. THE DIGITAL FOCUS REMAINED ON PROVIDING MORE TARGETED, RELEVANT MARKETING TO TODAY'S TRAVELLER; IMPROVING THE DIGITAL VISITOR SERVICING OFFERING; AND STREAMLINING INTERNAL EFFICIENCIES AND KNOWLEDGE TO MAXIMISE BOTH BUDGETS AND OPPORTUNITIES.

Ensuring DGC provides travellers with destination content on demand was a focus of 2017-18, with several projects being delivered. The Gold Coast 2018 Commonwealth Games (GC2018) period, in particular, demonstrated this, with DGC ensuring the organisation was able to service visitor queries through its social channels 24/7 during Games time. By bringing in additional resourcing and working collaboratively with other Games stakeholders including the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC), City of Gold Coast and others, DGC ensured that its primary digital channels of Facebook, Instagram and Twitter were constantly monitored and moderated throughout the entire Games period.

In addition, several user-experience improvements were implemented on DGC's website allowing for easier use and streamlined discovery of content. Similarly, the implementation of Facebook Messenger Chatbot during the year allowed users to request information 24/7 in an automated 'online chat' messaging platform.

DGC's improved use of data across channels ensured that the organisation continued to reach audiences with the highest propensity to convert into visitors. This targeted approach saw 239,072 leads delivered to members (an increase of 6.5% on the year prior).

During the year, the DestinationGoldCoast.com eDM (electronic direct mail) database grew from 315,000 subscribers to 415,000 subscribers, with the majority of new subscribers driven by DGC's Keys to the Coast campaign.

With the management of paid digital media transitioning from external agencies to internal management, DGC enjoyed several efficiencies, such as a decrease in average cost per lead to industry, in addition to saving on media management fees.

Throughout the course of the year - and in conjunction with the above-mentioned shift towards internally managing paid digital media activities - DGC put a strong focus on strengthening relationships with digital publishers such as Google, Facebook, Twitter, Snapchat and TripAdvisor. As a result, DGC secured direct relationships and has worked with multiple publishers cooperatively on several projects.

In total, DGC's digital team saw over 16 million interactions with DGC content (through website or social channels) over the course of 2017-18.

HIGHLIGHTS

GOOGLE TREKKER PROJECT

DGC worked collaboratively with Google Australia to showcase the Gold Coast in 360° on Google's Streetview galleries. Sixteen cameras affixed to a 22 kg wearable backpack snapped tens of thousands of images of the Gold Coast over a four-month period, during which DGC became the first external third-party organisation in Queensland to be entrusted with the Trekker technology.

DGC filmed over 40 locations on the Gold Coast, which can now be viewed at <https://www.google.com/streetview/#gold-coast-australia>. Tourists and nature lovers can venture off-road to explore 360° views of some of the region's most beautiful and remote locations, with some only accessible by foot. For the first time, Google Maps users can now explore the Gold Coast's iconic beaches (from the Spit down to Snapper Rocks) in 360° vision.

This project has solidified an ongoing relationship with the Google Maps team, and this is a first step to getting more Gold Coast scenery available for worldwide viewing.

SEO IMPROVEMENTS

Following a new website launch and domain name change in late 2016-17, DGC's SEO performance suffered several setbacks. The destinationgoldcoast.com website did not rank in the first three pages of Google's results for the search phrase, "Gold Coast". Similarly, several "longer tail" phrases such as "Gold Coast Events", "Gold Coast Accommodation" and "Gold Coast Tours" did not rank on page 1 of Google's results.

Following a substantial effort throughout 2017-18 to improve this performance through various website updates (including improved user experience, website error maintenance, improved meta tagging, improved linking structures, improved speed performance) DGC's SEO performance has substantially improved (#1 ranking for the search term, "Gold Coast"; #2 for "Gold Coast Restaurants"; #3 for "Gold Coast Tours"; #5 for "Gold Coast Events" etc.)

CHATBOT

As part of DGC's desire to be able to meet today's consumer 24/7, the organisation created its first Facebook Messenger Chatbot - this automated messaging tool allows users to chat with DGC's bot at any time of day or night. The bot can provide users with information and useful links for topics such as accommodation, tours, restaurants and more on the Gold Coast.

In addition, users can subscribe to the bot to receive weekly updates on upcoming events on the Gold Coast and more. In total, the chatbot has received over 10,000 user queries to date, and it is expected this will continue to grow over the next financial year.

DESTINATION ENGAGEMENT

THE DESTINATION ENGAGEMENT UNIT HAS SEEN UNPRECEDENTED COLLABORATION ACROSS LOCAL, STATE AND FEDERAL GOVERNMENT AGENCIES RESULTING IN SIGNIFICANT OUTCOMES FOR THE DESTINATION.

Stimulated by the Gold Coast 2018 Commonwealth Games (GC2018), media and other stakeholder engagement reached the highest levels. With the winning aspiration of becoming Australia's most recommended destination as a guiding principle, Destination Engagement facilitated or contributed to delivering a range of industry and experience development initiatives including:

- Storytelling and Creating Content workshops
- Targeted 'Engaging the China Market' program for the Infinitus China Incentive Group
- Multiple accessible tourism initiatives across the destination
- Continued evolution of the Be My Guest Program
- Delivery of a destination-wide guest satisfaction platform (ReviewPro) and supporting program to assist tourism operators.

In partnership with the City of Gold Coast and other stakeholders, foundations for the refreshment of the 2014-2020 Destination Tourism Management Plan (DTMP) have been established with a projected re-publication to occur in early 2019.

EXPERIENCE DEVELOPMENT

Launched in late 2017, Tourism and Events Queensland's Best of Queensland (BoQ) program identifies experiences that will consistently deliver a high quality guest experience. Concurrent with BoQ,

Destination Gold Coast (DGC) subscribes to the ReviewPro platform of behalf of 500 members or member prospects. Initial assessment of more than 400 Gold Coast products and experiences revealed that 211 products met the robust and independent BoQ criteria determined by online customer reviews, contemporary customer expectations whilst embracing industry best-practice. Work continued through 2017-18 by DGC to assist Gold Coast products to grow their share of voice in this state-wide initiative.

ACCESSIBLE TOURISM

The Gold Coast's accessible tourism journey is in its early phases, but DGC is learning, listening and taking steps in efforts to become one of the most accessible cities in the state of Queensland. It is DGC's firm position that the Gold Coast experience should be accessible and inclusive as possible to all people, and leading members and industry partners to achieving this is a role DGC has adopted with enthusiasm.

Over the past 12 months, DGC has launched the Accessibility Pledge, driving Gold Coast tourism industry champions to lead the growth of online accessibility guides and education and commenced a six-month mentoring program with key stakeholders. This has resulted in more than 90 operators either completing their Accessibility Pledge or undertaking to complete it. Through collaboration with the City of Gold Coast and the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC), many programs and workshops in 2017-18 led the Gold Coast tourism industry to take action within their own businesses for the benefit of all.

GC2018 ACCOMMODATION WORKING GROUP

Destination Gold Coast worked closely with stakeholders to monitor spectator accommodation occupancy levels in the lead up to the GC2018. In partnership with GOLDOC, State entities and key industry members, coordinated communication and campaign activity contributed to games time occupancy and revenue objectives being met or exceeded. STR Global data shows the Gold Coast achieved an 87% occupancy level during the Games period, along with a 109% increase in RevPAR (Revenue per available room).

BE MY GUEST

In partnership with the City of Gold Coast, the State Government and DGC, the Be My Guest Mega Event was held on 7 February 2018. With more than 900 delegates in attendance, new levels of industry and community engagement were achieved which included the traditional tourism industry, the growing shared economy stakeholders and the wider community of the Gold Coast. This was on top of the regular Be My Guest program rollout in the months prior to the Games, along with key elements of the program being adopted for the GC2018 volunteers' training. Since the inception of the Be My Guest Program, more than 17,000 people have participated in the guest experience program.

CORPORATE AFFAIRS

DGC maintained constructive dialogue with all levels of government during 2017-18 and attracted substantial funding for special stimulus programs. Changes in the structure of the City of Gold Coast council resulted in new lines of communication and compliance reporting for DGC and these were managed effectively. Close relationships were also developed with Tourism Australia and Tourism and Events Queensland, particularly around GC2018. Corporate communications initiatives reflected DGC's position as both industry leader and commentator, with consistent local and national media coverage. During GC2018, DGC was also called upon to provide wide-ranging commentary for international media. A relaunched LinkedIn profile for the organisation has seen more than 3,700 followers gained due to the steady publication of quality content.





MEMBERSHIP SERVICES

DESTINATION GOLD COAST (DGC) GREW ITS MEMBERSHIP BY FIVE PER CENT DURING 2017-18, ACHIEVING 569 MEMBERS BY YEAR END AND TOTAL MEMBERSHIP REVENUE OF \$439,993.

A total of 70 new members were acquired throughout the year and this high level of interest can be attributed to the enthusiasm surrounding the Commonwealth Games. DGC finished the year with a four-star satisfaction rating (out of a maximum of five), afforded by the membership base, and an 85% retention rate.

With 17 longevity awards recognised (for 20-40 years of membership) and long-serving Gold Coast lifeguard Warren Young being awarded an Honorary Life Member, the membership team is consistently enhancing its engagement with the industry. A total of 440 one-on-one meetings were held with members throughout the year ensuring awareness on how to maximise membership benefits.

A total of 48 events were held, comprising 31 workshops and 16 informational or networking opportunities for members which saw a total of 3,404 members take part. Among these events were significant briefings on the Games, both before and after. Although falling just one week outside the financial year, the inaugural Gold Coast Tourism Week was an outstanding success, the result of preparation and planning undertaken during 2017-18. More than 1,000 members and stakeholders participated in a series of events across the week that showcased the breadth, depth and value of tourism to the Gold Coast community, including business and civic leaders.

One major new offering in the last year has been the ReviewPro software that aggregates comments and sentiment from more than 170 online review platforms to give operators a clear insight into customer feedback on their products or services. The delivery of individual ReviewPro reporting for 274 members were carried out following the investment made by DGC over a two-year period on behalf of its member body. Planning and filming of educational ReviewPro webinars were initiated for release in July 2018.

HIGHLIGHTS

- Roll out of ReviewPro reporting to members
- Launch of new DGCnet intranet portal for ease of member access
- Introduced quarterly new member orientations
- Inaugural Gold Coast Tourism Week planned and executed. (1-7, July 2018)

VISITOR INFORMATION CENTRES

DESTINATION GOLD COAST (DGC) CONTINUES TO OPERATE TWO FULLY-ACCREDITED VISITOR INFORMATION CENTRES (VICS) – SITUATED IN CAVILL MALL IN SURFERS PARADISE AND THE DOMESTIC TERMINAL OF GOLD COAST AIRPORT. IN LATE 2017, THE SURFERS PARADISE VIC UNDERWENT A REFURBISHMENT TO ENHANCE CUSTOMER SERVICE IN TIME FOR THE GAMES. A TEMPORARY THIRD VIC WAS INTRODUCED INTO THE GOLD COAST 2018 COMMONWEALTH GAMES (GC2018) ATHLETES VILLAGE ACCESSIBLE TO 7,000 ATHLETES AND OFFICIALS THROUGHOUT THE GAMES.

BY THE NUMBERS:

- \$1 million - Member product sales across all VICS
- 170,000 - Visitor enquiries
- 122 - VIC member packages

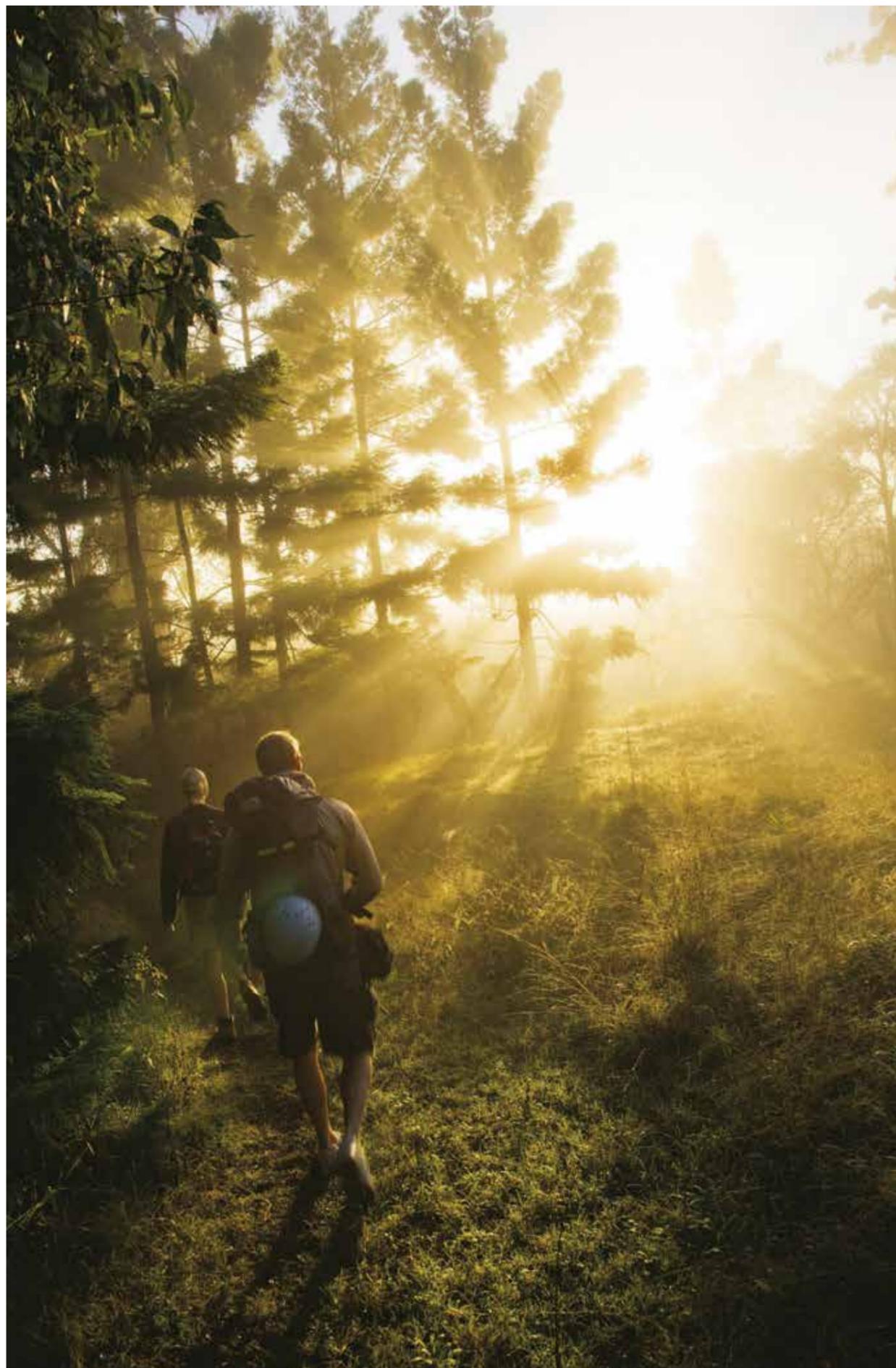
SURFER PARADISE REFURBISHMENT

The Surfers Paradise VIC remains a vital hub for facilitating the best experiences for visitors. The refit included a dual touchscreen directory with quick and easy sources of information that features close to 2,000 Gold Coast products, including attractions, restaurants, transport, amenities, disability access and more. The comprehensive directory is accessible 24 hours a day and sources data from the Australian Tourism Data Warehouse (ATDW), Google business listings and Sensis. Additionally, the VIC was equipped with a new video wall and other digital displays. New DGC branding and styling was also incorporated throughout at both the Surfers

Paradise and Airport VICS. The centres' friendly and knowledgeable staff and volunteers currently welcome an average of 14,000 visitors each month. The visitor experience is further enriched by the ability of staff to book accommodation, tours, cruises, bus, train and light rail tickets, and theme park tickets instantly for visitors.

COMMONWEALTH GAMES VILLAGE

Destination Gold Coast joined City of Gold Coast and the Gold Coast 2018 Commonwealth Games Organising Committee (GOLDOC) to provide a third VIC. DGC operated the visitor kiosk inside the Games Village from 21 March to 16 April, catering for the athletes and their support team's information and booking needs. This service included the facility to book exclusive discounted ticket offers to various Gold Coast tours and attractions. Close to 200 volunteers provided general information and local knowledge of the diverse range of product available on the Gold Coast.



CORPORATE GOVERNANCE

AS A PUBLIC COMPANY LARGELY FUNDED VIA A TOURISM LEVY COLLECTED BY THE CITY OF GOLD COAST, AND BY THE QUEENSLAND GOVERNMENT (REPRESENTED BY TOURISM AND EVENTS QUEENSLAND), GOLD COAST TOURISM CORPORATION (GCT), TRADING AS DESTINATION GOLD COAST, IS COMMITTED TO OBSERVING BEST-PRACTICE CORPORATE GOVERNANCE.

By acting transparently, professionally and ethically, DGC ensures the effective investment of its funds for the greatest benefit to its levy payers and members, while maintaining the sustainability of the organisation for the benefit of the Gold Coast in future years.

Responsible corporate governance is evident in Gold Coast Tourism Corporation's operations at many levels, some examples include:

- Regular self-assessment by the Board to improve performance
- Regular reviews of DGC's risk register
- Regular reviews of DGC's insurances, as assisted by a respected insurance agency
- Documentation and discussion of any possible conflicts of interest
- Selection criteria for prospective Board members to maximise and balance skill sets
- An annual independent financial audit by a respected audit firm
- Regular Director workshops to enhance the Board's performance
- Keeping a gift register for any gifts received by staff

AUDIT AND FINANCE COMMITTEE

This Committee oversees the annual audit process, risk management and insurances, legal issues and compliance and reports to the Board on these matters. The Committee has a clear charter and seeks independent advice as appropriate.

The Committee consists of at least three independent Board Directors. Committee members are appointed by the Board with the Committee meeting at least twice a year.

The current Committee members are:

- Adam Twemlow (Chair)
- Adrienne Readings
- Lindsay Wallace

Committee meetings are also attended by the Chief Executive Officer (CEO) and the Director Corporate Services.

REMUNERATION COMMITTEE

This Committee was introduced during 2017-18, met twice during the year, and will meet at least twice per annum in future.

It has been introduced to allow a more structured and transparent approach to the effective tracking of the performance of the CEO and senior executives, in particular. Remuneration of the CEO and senior executives will be reviewed by the Committee in light of this performance.

The Committee also has oversight of the remuneration policies for all staff, including engaging external experts periodically to check Destination Gold Coast is paying staff in line with relevant benchmarks.

The members of the Committee are the Board Chair, Board Deputy Chair, Audit & Finance Committee Chair and a fourth member of the Board selected by the Board. The Audit & Finance Committee Chair will be the Chair of the Remuneration Committee.

The current members of the Committee are:

- Adam Twemlow (Chair)
- Paul Donovan
- Adrienne Readings
- Peta Fielding



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

| | |
|----|---|
| 32 | DIRECTORS' REPORT |
| 37 | STATEMENT OF COMPREHENSIVE INCOME |
| 38 | STATEMENT OF FINANCIAL POSITION |
| 39 | STATEMENT OF CHANGES IN EQUITY |
| 40 | STATEMENT OF CASH FLOWS |
| 41 | NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS |
| 59 | LEAD AUDITOR'S INDEPENDENCE DECLARATION |
| 60 | DIRECTORS' DECLARATION |
| 61 | INDEPENDENT AUDITOR'S REPORT |

**GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184**

DIRECTORS' REPORT

The Directors present the following report of Gold Coast Tourism Corporation Limited ("the Company") for the year ended 30 June 2018:

Directors

The names of Directors who held office at any time during or since the financial year are:

| Directors | Directors' Meetings | | Audit Committee Meetings | | Remuneration Committee Meetings | |
|---|---------------------|----------|--------------------------|----------|---------------------------------|----------|
| | Attended | Eligible | Attended | Eligible | Attended | Eligible |
| Paul Donovan (Chairman) | 9 | 10 | - | - | 2 | 2 |
| Adrienne Readings (Vice Chairman) | 9 | 10 | 2 | 2 | - | 2 |
| Craig Davidson | 8 | 10 | - | - | - | - |
| John Morris | 8 | 10 | - | - | - | - |
| Lindsay Wallace | 6 | 10 | 2 | 2 | - | - |
| Peta Fielding | 7 | 10 | - | - | 2 | 2 |
| Nicholas Scott | 9 | 10 | - | - | - | - |
| Adam Twemlow | 9 | 10 | 2 | 2 | 2 | 2 |
| Cr. Bob La Castra (appointed: Dec 17) | 4 | 5 | - | - | - | - |
| Cr. Pauline Young (appointed: Dec 17) (Alternate Director) | - | - | - | - | - | - |
| Cr. Peter Young (ceased: Nov 17) | 3 | 4 | - | - | - | - |
| Cr. William Owen-Jones (ceased: Nov17) (Alternate Director) | - | - | - | - | - | - |
| The position of Honorary Secretary was held by: John Punch | 9 | 10 | - | - | - | - |

Objectives

The objective of the Company is to grow tourist, business and event visitation and expenditure on the Gold Coast, thereby facilitating wealth generation in the tourism and business events sectors for the benefit of stakeholders and the community.

The long-term objectives are for the Gold Coast to be recognised locally, nationally and internationally as one of the world's great tourist and business events destinations, and for Gold Coast Tourism to be universally acknowledged as a successful, globally aware destination marketing organisation that embraces a culture of continuous improvement, customer focus, current technology, contemporary leadership and excellence.

Strategy for achieving the objectives

The key strategies include:

- Apply available resources in the most effective and productive manner to achieve the Company's marketing objectives.
- Assume industry leadership by providing a clear voice on destinational issues including safety and image.
- Continue to build strategic partnerships to leverage available resources and develop genuine cooperative relationships into the future.
- Identify and invest in growth opportunities.
- Establish Gold Coast Tourism as an employer of choice.
- Identify and promote the development of appropriate new product and infrastructure necessary for long term industry sustainability.

**GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184**

DIRECTORS' REPORT (Continued)

Principal Activities

The principal activity of the Company for the year ended 30 June 2018 was the marketing of the Gold Coast region as a leisure tourism, business and events destination.

There were no significant changes in the nature of the Company's activities during the financial year.

Performance Measures

The Company measures its performance in terms of both the level of tourist visitation and expenditure to the Gold Coast and the volume and quality of the marketing activities it undertakes. Visitor statistics released by Tourism Research Australia assist with the assessment of performance in visitation and expenditure.

Review and Results of Operations

The Company has incurred a net loss for the year of \$145,385 (2017: \$214,856 loss).

Revenue

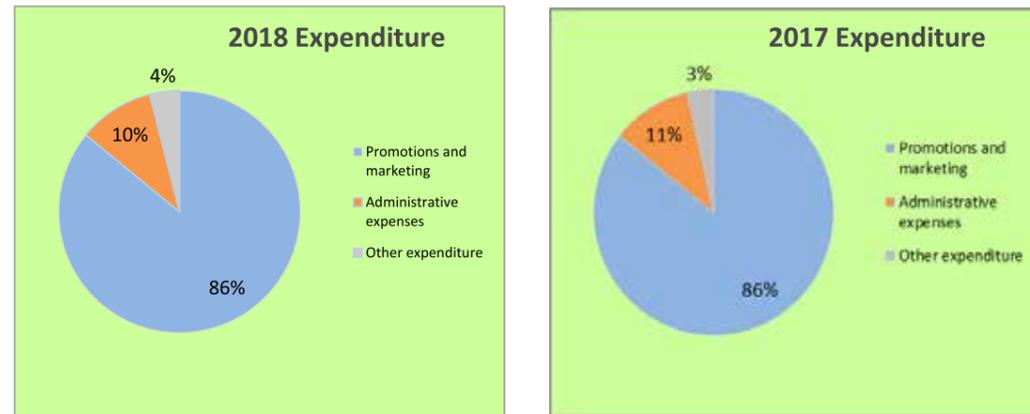


The Company continued to maintain a strong membership fee base of \$439,993 (2017: \$439,931) and obtained funding of \$14.8m (2017: \$14m) from the Tourism Levy. The Company also received co-operative marketing revenue of \$751,675 (2017: \$701,240).

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

DIRECTORS' REPORT (Continued)

Expenditure



The 2018 expenditure of \$19.1m (2017: \$18m) continued to focus on external promotions and marketing of the Gold Coast. Approximately 86% (2017: 86%) of total expenditure of the Company focused on external activities.

The net assets of \$2.3m at 30 June 2018 are represented by Members' equity at year end, which includes an accumulated surplus of \$2.1m.

Likely future Developments and Expected Results

The Company will continue to implement strategies to increase visitation to the Gold Coast. This includes continued engagement with its members, City of Gold Coast, Tourism and Events Queensland and Tourism Australia. The strategies include focusing on the growth markets including Chinese tourism, events (sporting, festivals and cultural), conferences and incentive groups in profiling the Gold Coast as an international destination.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs during the financial year.

Contribution on Winding Up

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Company. The total amount that members of the Company are liable to contribute if the Company is wound up is \$10,700 based on 535 current ordinary members.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

DIRECTORS' REPORT (Continued)

Information on Directors

| Name | Position | Entity | Board Position | Number of years on Board of Directors |
|---------------------|---|---|------------------------|---------------------------------------|
| DONOVAN, Paul | Executive General Manager (Marketing & Bus. Dev.) | Queensland Airports Limited (Member nominee for City of Gold Coast) | Chairman | 13 years |
| READINGS, Adrienne | General Manager | Gold Coast Convention & Exhibition Centre | Vice Chairman | 14 years |
| DAVIDSON, Craig | Chief Executive Officer | Ardent Leisure Theme Parks | Director | 5 years |
| MORRIS, John | General Manager | RACV Queensland Resorts | Director | 4 years |
| WALLACE, Lindsay | Director (Marketing, Partnerships & Engagement) | HOTA Home of the Arts | Director | 3 years |
| FIELDING, Peta | Chief Executive Officer | Burleigh Brewing Company | Director | 2 years |
| SCOTT, Nicholas | Board Director | (Member nominee for City of Gold Coast) | Director | 2 years |
| TWEMLOW, Adam | Partner | KPMG | Director | 1 year |
| YOUNG, Peter | Councillor (Ceased – Nov17) | City of Gold Coast | Director | 1 year |
| OWEN-JONES, William | Councillor (Ceased – Nov17) | City of Gold Coast | Director - (Alternate) | 1 year |
| LA CASTRA, Bob | Councillor (Appointed – Dec17) | City of Gold Coast | Director | 1 year |
| YOUNG, Pauline | Councillor (Appointed – Dec17) | City of Gold Coast | Director (Alternate) | 1 year |

Company Secretary

John Punch was appointed to the position of Honorary Secretary in February 1975 and is a senior partner in the legal practice Short Punch & Greatorix.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

DIRECTORS' REPORT (Continued)

Indemnification and Insurance of Directors and Officers

The Company has not, during the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Performance in Relation to Environmental Regulation

There have been no breaches of environmental regulations by the Company during or since the financial year.

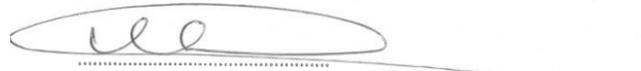
Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company in relation to activities performed by the Company.

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is attached to this financial report on page 59

Signed in accordance with a resolution of the Board of Directors.


.....
Director

Broadbeach, 25 September 2018.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

| | Notes | 2018 \$ | 2017 \$ |
|--|-------|------------------|--------------|
| Revenue | 3 | 18,808,087 | 17,617,801 |
| Cost of Goods Sold | | (228,256) | (240,399) |
| Information Centre Expenses | | (390,607) | (399,016) |
| Promotions and Marketing Expenses | | (16,435,533) | (15,426,471) |
| Administrative Expenses | | (1,928,609) | (1,938,558) |
| Net Loss from Operating Activities | 4 | (174,918) | (386,643) |
| Financial Income | | 171,205 | 177,981 |
| Financial Expenses | | (141,672) | (6,194) |
| Net Finance Income | | 29,533 | 171,787 |
| Net Loss for the year | | (145,385) | (214,856) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Loss for the year | | (145,385) | (214,856) |

The above Statement should be read in conjunction with the attached Notes.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

| | Notes | 2018 \$ | 2017 \$ |
|--------------------------------------|-------|-------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 15 | 4,022,000 | 3,029,054 |
| Financial assets | 6 | 2,539,621 | 2,539,621 |
| Trade and other receivables | 7 | 104,794 | 103,256 |
| Inventories | | 45,562 | 39,839 |
| Other current assets | 8 | 187,691 | 196,337 |
| Total Current Assets | | <u>6,899,668</u> | <u>5,908,107</u> |
| Non-Current Assets | | | |
| Property, plant and equipment | 5,9 | 4,798,884 | 126,480 |
| Intangible assets | 10 | 41,990 | 499,284 |
| Total Non-Current Assets | | <u>4,840,874</u> | <u>625,764</u> |
| TOTAL ASSETS | | <u>11,740,542</u> | <u>6,533,871</u> |
| Current Liabilities | | | |
| Trade and other payables | 11 | 3,708,354 | 3,270,684 |
| Bank overdraft | | 79,587 | 65,382 |
| Provisions and lease liabilities | 5,12 | 915,115 | 611,039 |
| Total Current Liabilities | | <u>4,703,056</u> | <u>3,947,105</u> |
| Non-Current Liabilities | | | |
| Provisions and lease liabilities | 5,12 | 4,711,456 | 115,351 |
| Total Non-Current Liabilities | | <u>4,711,456</u> | <u>115,351</u> |
| TOTAL LIABILITIES | | <u>9,414,512</u> | <u>4,062,456</u> |
| NET ASSETS | | <u>2,326,030</u> | <u>2,471,415</u> |
| Equity | | | |
| Reserves | 13 | 250,000 | 250,000 |
| Accumulated surplus | | 2,076,030 | 2,221,415 |
| TOTAL EQUITY | | <u>2,326,030</u> | <u>2,471,415</u> |

The above Statement should be read in conjunction with the attached Notes.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

| | Reserves \$ | Accumulated Surplus \$ | TOTAL \$ |
|---|----------------|------------------------------|------------------|
| Balance at 1 July 2016 | 250,000 | 2,436,271 | 2,686,271 |
| Total Comprehensive Income for the year | - | (214,856) | (214,856) |
| Balance at 30 June 2017 | <u>250,000</u> | <u>2,221,415</u> | <u>2,471,415</u> |
| Balance at 1 July 2017 | 250,000 | 2,221,415 | 2,471,415 |
| Total Comprehensive Loss for the year | - | (145,385) | (145,385) |
| Balance at 30 June 2018 | <u>250,000</u> | <u>2,076,030</u> | <u>2,326,030</u> |

The above Statement should be read in conjunction with the attached Notes.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

| | Notes | 2018 \$ | 2017 \$ |
|--|-------|------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Net Loss for the year | | (145,385) | (214,856) |
| Adjustments for: | | | |
| - Depreciation | | 715,928 | 466,801 |
| - Net finance (income) costs | | (29,533) | (171,787) |
| - Loss on disposal of fixed assets | | 1,019 | 140 |
| Changes in Assets and Liabilities: | | | |
| - Trade and other receivables | | (1,538) | (30,544) |
| - Inventory | | (5,722) | (30,320) |
| - Other current assets | | 8,646 | 4,491 |
| - Trade and other payables | | 437,670 | 686,019 |
| - Provisions and lease liabilities | | (65,490) | 77,135 |
| Cash generated from operating activities | | <u>915,595</u> | <u>787,079</u> |
| Interest paid | | - | (6,194) |
| NET CASH FROM OPERATING ACTIVITIES | | <u>915,595</u> | <u>780,885</u> |
| Cash Flows from Investing Activities | | | |
| Interest received | | 171,205 | 177,981 |
| Purchase of plant and equipment | | (109,703) | (49,165) |
| Purchase of intangibles | | - | (673,069) |
| Purchase of financial assets | | - | (16,982) |
| Proceeds from sale of plant and equipment | | 1,644 | 200 |
| NET CASH USED IN INVESTING ACTIVITIES | | <u>63,146</u> | <u>(561,035)</u> |
| Net increase / (decrease) in cash and cash equivalents | | <u>978,741</u> | <u>219,850</u> |
| Cash and cash equivalents at the beginning of the financial year | | 2,963,672 | 2,743,822 |
| CASH AND CASH EQUIVALENTS AT YEAR END | 15 | <u>3,942,413</u> | <u>2,963,672</u> |

The above Statement should be read in conjunction with the attached Notes.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. INTRODUCTION

Gold Coast Tourism Corporation Limited for the year ended 30 June 2018 is an unlisted not-for-profit public company limited by guarantee and is incorporated and domiciled in Australia.

Operations and Principal Activities

The operations and principal activities comprise the marketing of the Gold Coast region as a leisure tourism, business and events destination.

Presentation

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

Registered Office

The registered office of Gold Coast Tourism is situated at Level 3, Oracle North, 12 Charles Avenue, Broadbeach, Queensland, 4218, Australia.

Authorisation of Financial Report

The financial report was authorised for issue on 25 September 2018 by the Directors.

2. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted by Gold Coast Tourism Corporation Limited are stated in order to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

c) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors that are believed to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

c) Critical Accounting Judgements, Estimates and Assumptions (Continued)

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant, equipment and intangibles. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long service leave provision

As discussed in note 2(f), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories acquired at no cost, or for nominal consideration, is the current replacement cost as at the date of acquisition. Otherwise costs are assigned to inventory quantities on hand at reporting date using the weighted average basis.

e) Property, Plant, Equipment and Intangibles

Property, plant, equipment and intangibles are brought to account at cost less, where applicable, any accumulated depreciation or amortisation. Items of property, plant, equipment and intangibles with a total cost of less than \$300 are treated as an expense in the year of acquisition. All other items of property, plant, equipment and intangibles are capitalised and subject to impairment testing.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation and amortisation rates for each class of assets are as follows:

Depreciation Rates:

| | | |
|-------------------------------|-------|--|
| - Office furniture & fittings | 20% | Prime Cost |
| - Computer equipment | 40% | Prime Cost |
| - Motor vehicles | 22% | Reducing Balance |
| - Leasehold improvements | 20% | Prime Cost |
| - Promotional equipment | 33.3% | Prime Cost |
| - Right-of-use assets | - | Straight-line basis, over the shorter of the asset's useful life and the lease term. |

Amortisation Rates:

| | | |
|--|-------------|------------|
| - Software, media assets and digital development costs | 1 – 3 years | Prime Cost |
|--|-------------|------------|

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

f) Employee Benefits

Short-term employee provisions

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

g) Income Tax

No provision for income tax has been made as the Company is exempt under the *Income Tax Assessment Act 1997*.

h) Foreign Currency Transactions and Balances

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance date:

- i) foreign currency monetary items are reported using the closing rate;
- ii) non-monetary items which are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- iii) non-monetary items which are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially translated during the period, or in previous financial statements, are recognised in the statement of comprehensive income in the period in which they arise.

i) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to be derived from the asset or cash-generating unit. When the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

j) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Trade and sundry payables are non-interest bearing, and unsecured and are normally settled on 30 day terms.

k) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Receivables are usually settled on 30 day terms and are non-interest bearing.

l) Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the Company.

A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

m) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents with maturity dates in excess of three months are shown as financial assets in the statement of financial position.

n) Revenue

i) Ticket Sales

When the Company acts in the capacity of an agent rather than as principal in a transaction, the revenue recognised is the net amount of commission made by the Company.

ii) Grants and Co-operative Marketing Revenue

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a third party
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

iii) Interest

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

iv) Member Subscriptions

Member subscriptions are recognised over the period for which the subscription is payable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

o) Leases

As detailed in note 2(r) below, the Company has changed its accounting policy for leases and has early adopted AASB 16. The new policy is described in note 5 and the impact of the change in note 2(t). Until the 2017 financial year, leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership were classified as finance leases. All other leases were regarded as operating leases and recognised as an expense on a straight line basis over the lease term or on a systematic basis more representative of the time pattern of the user's benefit.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowing using the effective interest method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

q) Going Concern

At 30 June 2018, the Company incurred an operating loss of \$174,918 (2017: loss of \$386,643), and had a net asset position of \$2,326,030 (2017: \$2,471,415).

The Company successfully negotiated an agreement with the City of Gold Coast for funding of approximately \$13,500,000 per annum for a further five years from 1st July 2016 until 30th June 2021. This funding has a provision for an annual price index adjustment and is subject to annual review of Gold Coast Tourism's performance against agreed key performance indicators. On this basis the Company considers the preparation of the financial statements on a going concern basis is appropriate.

r) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

In addition, the Company has early adopted the following Accounting Standards:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

The Company has elected to early adopt AASB 16 Leases. In accordance with the transition provisions in AASB 16 the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognised on 1 July 2017. Comparatives for the 2017 financial year have not been restated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

r) New, revised or amending Accounting Standards and Interpretations adopted (Continued)

The standard replaces the existing AASB 117 Leases. The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases have been recognised in the statement of financial position by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments have been recognised as a financial liability. This is similar to the current treatment for finance leases under AASB 117, with some variations.

The nature of the expense recognised in the profit or loss has changed. Rather than being shown as rent, or as leasing costs, it has been recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge is calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

There is an exemption for low value items (typically less than \$5,000). For these assets, the expense has been recognised on a straight-line basis over the lease term in a manner consistent with the previous treatment for operating leases. This has been applied to commonly leased items such as mobile phones, electronic equipment, and furniture. An exemption also exists for leases of less than 12 months where no purchase option exists. The impact of the early adoption of this standard has been detailed in note 2 (t) below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

The standard provides a single standard for revenue recognition. The core principle of the standard is that the Company now recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The standard requires: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk is presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation is satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, the Company will select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in the Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The early adoption of this standard has had no significant impact on the Company's financial position for the year.

AASB 1058 Income of not-for-profit entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

This new standard largely replaces AASB 1004 *Contributions* by clarifying and simplifying income recognition requirements for not-for-profit (NFP) entities. Whilst AASB 1004 will remain, its scope is limited to certain government entities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

r) New, revised or amending Accounting Standards and Interpretations adopted (Continued)

The standard and its extensive guidance establish principles for NFP entities relating to:

- i) Transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives; and
- ii) The receipt of volunteer services.

The timing of revenue recognition will depend on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to the asset received by the NFP entity.

Where a sufficiently specific enforceable performance obligation exists in an arrangement, the NFP entity is required to apply AASB 15 in relation to the performance obligation.

Volunteer services received are required to be recognised at fair value by local governments, government departments, general government sectors and whole of governments. Other NFP entities may elect to recognise such services as an asset or expense. The early adoption of this standard has had no significant impact on the Company's financial position for the year.

s) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2018. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and are solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018. It is assessed that the adoption of this standard will have no significant impact on the Company.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

t) Changes in Accounting Policies

As indicated in note 2(o) above, the Company has early adopted AASB 16 Leases retrospectively from 1 July 2017, as permitted under the specific transition provisions in the standard. Comparatives for the 2017 financial year have therefore not been restated. On adoption of AASB 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 July 2017. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2017 was 6%.

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2017 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On the above basis, leases in place at 1 July 2017 were all considered to be short-term leases and as such no adjustment was required to the comparative figures or opening balances as at 1 July 2017.

The impact of the early adoption on the statement of financial position for the current 2018 year is an increase in non-current asset of \$4,635,471 and an increase in lease liability of \$4,893,395. The impact on the statement of comprehensive income for the current year is a net increase in expenditure of \$66,713.

As a result of the early adoption of AASB 16, the Company is also required to Adopt AASB 15 concurrently. The early adoption of AASB 15 has had no effect on the financial position reflected in the statement of comprehensive income or the statement of financial position for both the 2017 and 2018 years.

3. REVENUE

| | | |
|--|--------------------------|-------------------|
| Sale of goods and services | 336,139 | 393,491 |
| Tourism levy - City of Gold Coast | 14,800,000 | 13,950,000 |
| Grants and Contributions - Tourism and Events Queensland | 1,786,741 | 1,299,011 |
| Grant (Business Events) - Tourism and Events Queensland | 600,000 | 703,731 |
| Grant (EMDG) - Austrade | 74,975 | 110,955 |
| Membership subscriptions | 439,993 | 439,931 |
| Co-Operative marketing - Other | 751,675 | 701,240 |
| Other | 18,564 | 19,442 |
| | <u>18,808,087</u> | <u>17,617,801</u> |

The Tourism levy referred to above relates to the funding received from the City of Gold Coast via the Tourism and Economic Diversification Component of the Differential General Rate.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018
\$

2017
\$

4. EXPENDITURE

Additional information on the nature of expenses:

| | | |
|--|------------------|-----------|
| Depreciation and amortisation expense: | | |
| - Right-of-use assets | 287,153 | - |
| - Other assets | 527,400 | 466,801 |
| - Make good write back | (98,625) | - |
| Inventories: | | |
| - Amount of inventories recognised as an expense | 288,256 | 240,399 |
| Employee benefits expense: | | |
| - Salaries and wages | 5,067,869 | 4,886,601 |
| - Superannuation | 440,681 | 422,228 |
| Foreign exchange loss | 15,117 | 35,012 |
| Loss on sale of fixed assets | 1,019 | 140 |
| Leases: | | |
| - Interest on lease liabilities | 173,117 | - |
| - Expenses relating to short-term leases | 232,706 | 652,630 |

Administrative Expenses referred to in the statement of comprehensive income comprise all salary costs for administrative staff in Corporate Services, including but not limited to, expenditure on staff recruiting, staff development, rent, electricity, insurance, depreciation, telephone and information technological services.

5. LEASES

(i) Amounts relating to leases shown in the statement of financial position

Right-of-use assets *

| | | |
|----------------|------------------|---|
| Lease Premises | 4,635,471 | - |
|----------------|------------------|---|

* included in the line item 'Property, plant and equipment' in the statement of financial position

Additions to the right-of-use assets during the 2018 financial year amounted to \$4,922,624 and related solely to the Company's lease contract over its head office premises situated at Level 2 & 3, Oracle North, 12 Charles Avenue, Broadbeach, Queensland.

Lease liabilities **

| | | |
|-------------|-------------------------|----------|
| Current | 290,587 | - |
| Non-current | 4,602,808 | - |
| | <u>4,893,395</u> | <u>-</u> |

** included in the line item 'Lease liability' in the statement of financial position. In the previous year, the Company only recognised lease liabilities in relation to leases that were classified as 'finance leases' under AASB 117 Leases. These were presented as part of the Company's borrowings.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|---|---------|------|
| | \$ | \$ |
| 5. LEASES (Continued) | | |
| (ii) Amounts relating to leases shown in the statement of comprehensive income | | |
| Depreciation charge of right-of-use assets (included in administrative expenses) | 287,153 | - |
| Interest expense (included in finance cost) | 173,117 | - |
| Expense relating to short-term leases (included in administrative expenses) | 232,706 | - |

(iii) The Company's leasing activities and how these are accounted for

The Company may from time to time lease various properties or equipment. Rental contracts are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| 6. FINANCIAL ASSETS | | |
| Fixed term deposit | 2,300,000 | 2,300,000 |
| Fixed term guarantee deposit | 239,621 | 239,621 |
| | 2,539,621 | 2,539,621 |
| Financial assets relate to term deposits with maturities greater than 3 months that have been reclassified from cash and cash equivalents in accordance with note 2(m). | | |
| 7. TRADE AND OTHER RECEIVABLES | | |
| Trade receivables | 58,944 | 46,139 |
| Sundry | 45,850 | 57,117 |
| | 104,794 | 103,256 |
| 8. OTHER CURRENT ASSETS | | |
| Prepayments | 187,681 | 187,909 |
| Deposits | 10 | 8,428 |
| | 187,691 | 196,337 |

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

| | 2018 | 2017 |
|--|-------------------------|-----------------------|
| | \$ | \$ |
| 9. PROPERTY, PLANT AND EQUIPMENT | | |
| a) Property, Plant and Equipment | | |
| Right-of-use Assets - at cost | 4,922,624 | - |
| Less: Accumulated Depreciation | <u>(287,153)</u> | <u>-</u> |
| | <u>4,635,471</u> | <u>-</u> |
| Office Furniture & Fittings - at cost | 335,552 | 330,914 |
| Less: Accumulated Depreciation | <u>(306,493)</u> | <u>(298,243)</u> |
| | <u>29,059</u> | <u>32,671</u> |
| Computer Equipment - at cost | 363,119 | 326,319 |
| Less: Accumulated Depreciation | <u>(310,967)</u> | <u>(287,535)</u> |
| | <u>52,152</u> | <u>38,784</u> |
| Motor Vehicles - at cost | 69,383 | 69,383 |
| Less: Accumulated Depreciation | <u>(40,070)</u> | <u>(32,782)</u> |
| | <u>29,313</u> | <u>36,601</u> |
| Leasehold Improvements - at cost | 624,101 | 675,673 |
| Less: Accumulated Depreciation | <u>(575,800)</u> | <u>(657,890)</u> |
| | <u>48,301</u> | <u>17,783</u> |
| Promotional Equipment - at cost | 23,326 | 18,215 |
| Less: Accumulated Depreciation | <u>(18,738)</u> | <u>(17,574)</u> |
| | <u>4,588</u> | <u>641</u> |
| Total Property, Plant and Equipment | <u>4,798,884</u> | <u>126,480</u> |

b) Movement during the year 2018

| | Right-of-use Assets | Office Furniture & Fittings | Computer Equipment | Motor Vehicles | Leasehold Improvements | Promotional Equipment | Total |
|---------------------------------|------------------------|-----------------------------------|-----------------------|-------------------|---------------------------|--------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening written down value | - | 32,671 | 38,784 | 36,601 | 17,783 | 641 | 126,480 |
| Additions at cost | 4,922,624 | 7,064 | 44,092 | - | 53,435 | 5,112 | 5,032,327 |
| Disposals at written down value | - | (436) | - | - | (2,228) | - | (2,664) |
| Depreciation expense | (287,153) | (10,240) | (30,724) | (7,288) | (20,689) | (1,165) | (357,259) |
| Closing written down value | <u>4,635,471</u> | <u>29,059</u> | <u>52,152</u> | <u>29,313</u> | <u>48,301</u> | <u>4,588</u> | <u>4,798,884</u> |

2017

| | Right-of-use Assets | Office Furniture & Fittings | Computer Equipment | Motor Vehicles | Leasehold Improvements | Promotional Equipment | Total |
|---------------------------------|------------------------|-----------------------------------|-----------------------|-------------------|---------------------------|--------------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening written down value | - | 45,917 | 52,152 | 45,701 | 55,993 | 1,568 | 201,331 |
| Additions at cost | - | 17,346 | 30,276 | - | 1,543 | - | 49,165 |
| Disposals at written down value | - | (32) | - | - | (309) | - | (341) |
| Depreciation expense | - | (30,560) | (43,644) | (9,100) | (39,444) | (927) | (123,675) |
| Closing written down value | <u>-</u> | <u>32,671</u> | <u>38,784</u> | <u>36,601</u> | <u>17,783</u> | <u>641</u> | <u>126,480</u> |

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

| | 2018 | 2017 |
|---|--------------------|------------------|
| | \$ | \$ |
| 10. INTANGIBLE ASSETS | | |
| a) Intangible Assets | | |
| Software, media assets and digital development- at cost | 1,140,863 | 1,140,863 |
| Less: Accumulated Amortisation | <u>(1,098,873)</u> | <u>(641,579)</u> |
| | <u>41,990</u> | <u>499,284</u> |
| b) Movement during the year | | |
| Software, media assets and digital development: | | |
| Opening written down value | 499,284 | 169,341 |
| Additions at cost | - | 673,069 |
| Disposals at written down value | - | - |
| Amortisation expense | <u>(457,294)</u> | <u>(343,126)</u> |
| Closing written down value | <u>41,990</u> | <u>499,284</u> |
| 11. TRADE AND OTHER PAYABLES | | |
| Trade payables and accruals | 2,288,522 | 2,481,218 |
| Members subscriptions in advance | 206,204 | 204,180 |
| Revenue received in advance | 1,133,768 | 517,624 |
| GST payable | <u>79,860</u> | <u>67,662</u> |
| | <u>3,708,354</u> | <u>3,270,684</u> |
| 12. PROVISIONS AND LEASE LIABILITIES | | |
| Current | | |
| Annual leave | 378,281 | 304,467 |
| Current portion of long service leave | 246,247 | 176,502 |
| Leasehold premises – make good | - | 130,070 |
| Lease Liability | <u>290,587</u> | <u>-</u> |
| | <u>915,115</u> | <u>611,039</u> |
| Non Current | | |
| Long service leave | 108,648 | 115,351 |
| Lease Liability | <u>4,602,808</u> | <u>-</u> |
| | <u>4,711,456</u> | <u>115,351</u> |

a) Lease Liability

The lease liability arises from the capitalisation of the Company's head office lease premises in Broadbeach in accordance with the requirements of AASB16. The liability relates to the future lease payments over the lease term of ten years.

b) Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

| | | |
|--|------------------|----------------|
| Balance at the beginning of the year | 130,070 | 123,876 |
| Charged to profit/(loss) - unwinding of discount | <u>(130,070)</u> | <u>6,194</u> |
| Balance at end of year | <u>-</u> | <u>130,070</u> |

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|--|------|------|
| | \$ | \$ |

12. PROVISIONS AND LEASE LIABILITIES (continued)

b) Movements in Provisions (continued)

The provision relates to the make good for the Company's office premises upon termination of the original lease. This provision was not required as a new lease was entered into on new terms. The provision has been reversed to profit/(loss) in the current year's statement of comprehensive income. Future make goods have been capitalised with the right-of-use asset and the corresponding liability shown under Lease Liabilities above.

13. MOVEMENT IN RESERVES

Reserve - Subvention funds:

| | | |
|--|----------------|----------------|
| Balance at the beginning of the year | 250,000 | 250,000 |
| Transfer to meet current period expenditure | - | (304,504) |
| Transfer to meet current and future expected expenditure | - | 304,504 |
| Balance at end of year | <u>250,000</u> | <u>250,000</u> |

This reserve has been created to build funding for future expected expenditure in relation to convention bids.

14. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments:

Non-cancellable lease commitments, contracted for but not recognised as liabilities are payable as follows:

| | | |
|--|----------|----------------|
| - within 12 months | - | 639,860 |
| - 12 months or longer and no longer than 5 years | - | 67,270 |
| - later than 5 years | - | - |
| | <u>-</u> | <u>707,130</u> |

Marketing Agreements:

The Company is committed to various marketing and agency agreements, contracted for but not recognised as liabilities which are payable as follows:

| | | |
|--|------------------|------------------|
| - within 12 months | 1,198,284 | 1,002,461 |
| - 12 months or longer and no longer than 5 years | 818,273 | 413,240 |
| | <u>2,016,557</u> | <u>1,415,701</u> |

15. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

| | | |
|--|------------------|------------------|
| Cash and cash equivalents as per statement of financial position | 4,022,000 | 3,029,054 |
| Bank overdraft | (79,587) | (65,382) |
| Balance as per statement of cash flows | <u>3,942,413</u> | <u>2,963,672</u> |

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

16. RELATED PARTY TRANSACTIONS

During the financial year the following transactions were undertaken with related parties. Transactions with City of Gold Coast and Tourism Events Queensland are not reflected below, as they are not considered related entities under the control of the Company's Directors. All transactions were undertaken in the normal course of business.

| Directors/CEO | Related Party | Directors/CEO position in related party | Purchases (Venue Hire, Accommodation, Parking & Professional fees.) \$ | Revenue (Membership fees, Co Op campaigns, & Ticket sales commission.) \$ |
|--------------------------------------|---|--|--|---|
| Paul Donovan (Chairman) | Queensland Airports Ltd | Executive General Manager (Marketing & Bus. Dev.) | 449 | 3,447 |
| | Tourism and Events Queensland | Board Director | N/A – see above | N/A – see above |
| Adrienne Readings (Vice Chairman) | Gold Coast Convention & Exhibition Centre | General Manager | 898,505 | 52,430 |
| Craig Davidson | Ardent Leisure Theme Parks | CEO | 16,109 | 46,894 |
| John Morris | RACV Queensland Resorts | General Manager | 4,486 | 19,255 |
| Lindsay Wallace | HOTA Home of the Arts | Director | 46 | 3,718 |
| Peta Fielding | Burleigh Brewing Company | CEO | 15,945 | 972 |
| | Bleached Arts Ltd & GOLDOC | Board Member | 45,242 | - |
| Adam Twemlow | KPMG | Partner | 909 | 191 |
| John Punch | Short Punch & Greatorix | Partner | 3,642 | - |
| Martin Winter (CEO) | Tourism and Transport Forum (TTF) | National Project Advisory Panel Member | 28,875 | - |
| | Assoc. of Australian Convention Bureaux | Board Member | 38,154 | - |

Trade receivables due from related parties at balance date amount to \$1,980 and trade payables due to related parties at balance date amount to \$909.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

17. EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of the affairs of the Company in subsequent financial years.

18. KEY MANAGEMENT PERSONNEL REMUNERATION

No remuneration was received or receivable by Directors for the year, other than incidental travel and meeting related costs reimbursed or covered for expenditure incurred. Names of Directors in office during the financial year are included in the Directors' Report.

Key executives remuneration included in expenditure amounted to \$1,166,660 (2017: \$988,952).

| | 2018 \$ | 2017 \$ |
|------------------------------|------------------|----------------|
| Short-term employee benefits | 1,087,730 | 922,910 |
| Post-employment benefits | 78,930 | 66,042 |
| | <u>1,166,660</u> | <u>988,952</u> |

19. AUDITOR'S REMUNERATION

| | | |
|-----------------------------------|---------------|---------------|
| Audit of financial report | 20,050 | 19,740 |
| Other non-audit services provided | - | 2,200 |
| | <u>20,050</u> | <u>21,940</u> |

20. FINANCIAL RISK MANAGEMENT

Gold Coast Tourism Corporation Limited is a not-for-profit tourism promotion agency, primarily funded by the City of Gold Coast. The Company manages its capital to ensure that it meets its strategic objectives and to ensure it will continue as a going concern. The capital structure of the Company consists of cash and cash equivalents.

Primary responsibility for identification and control of financial risks rests with the Directors of Gold Coast Tourism Corporation Limited. The Directors review and agree to policies for managing each of the risks identified below, including limits for approved instruments, transaction values and counterparties with whom the Company transacts.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include detailed budgeted cashflow analysis for liquidity risk. In terms of interest rate risk the Company does not have significant exposure at balance date and as such the effect of volatility of interest rates within expected reasonable possible movements would not be significant.

a) Market Risk

- (i) The Company does not have any significant foreign exchange exposures at balance date and as such the effect of volatility of foreign exchange rates within expected reasonable possible movements would not be significant.
- (ii) The Company's main interest rate risk relates to its cash and cash equivalents.

At 30 June 2018, if interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, the loss would have been \$65,558 lower/higher (2017 change of 100 bps: \$55,629 lower/higher).

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

20. FINANCIAL RISK MANAGEMENT (Continued)

b) Credit Risk

Credit risk arises principally from the Company's receivables and cash and cash equivalents.

Trade receivables are generally on 30 day terms. Credit risk is kept continually under review and managed to reduce the incidence of material losses being incurred by the non receipt of monies due.

The Company trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Company's policy to securitise its trade receivables. It is the Company's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

The ageing of trade receivables at the reporting date was:

| | 2018 Gross \$ | 2018 Allowance \$ | 2017 Gross \$ | 2017 Allowance \$ |
|------------------|---------------------|-------------------------|---------------------|-------------------------|
| Current | 56,944 | - | 33,544 | - |
| 31 - 60 days | 1,350 | - | 12,595 | - |
| 61 - 90 days | - | - | - | - |
| 91 days and over | 650 | - | - | - |
| | <u>58,944</u> | <u>-</u> | <u>46,139</u> | <u>-</u> |

During the financial year nil bad and doubtful debts were written off (2017: Nil). At balance date no trade receivables were deemed irrecoverable.

Cash Investments

The Company limits its risk exposure on cash investments by investing in term deposits or similar, with major banking institutions, and management does not expect any counterparty to fail to meet its obligations.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. This process involves the review and updating of cash flow forecasts and, when necessary the obtaining of credit standby arrangements and loan facilities.

The following is the contractual maturity analysis for financial liabilities:

| | 2018 | Contractual Repayment Amount \$ | 6 mths or less \$ | 6 - 12 mths \$ | 1 - 5 years \$ |
|------------------------------|------|--|-------------------------|----------------------|----------------------|
| Trade payables | | 1,024,117 | 1,024,117 | - | - |
| Sundry payables and accruals | | 2,684,237 | 2,684,237 | - | - |
| Lease liability | | 3,823,578 | 283,531 | 292,919 | 3,247,128 |
| | | <u>7,531,932</u> | <u>3,991,885</u> | <u>292,919</u> | <u>3,247,128</u> |

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

20. FINANCIAL RISK MANAGEMENT (Continued)

| 2017 | Contractual Repayment Amount \$ | 6 mths or less \$ | 6 - 12 mths \$ | 1 - 5 years \$ |
|------------------------------|--|-------------------------|----------------------|----------------------|
| Trade payables | 798,095 | 798,095 | - | - |
| Sundry payables and accruals | 2,472,589 | 2,472,589 | - | - |
| | <u>3,270,684</u> | <u>3,270,684</u> | - | - |

The Company maintains the following facilities:

Credit Standby Facilities

The Company has credit standby facilities of up to \$400,000 available as a business credit card facility.

Encashment Facility

The Company has an encashment facility of \$4,000 to facilitate cashing of cheques through the ANZ Broadbeach branch.

Indemnity Guarantees

The Company has signed an indemnity guarantee for \$154,909 over the lease for the Company's premises at Suite N201 & N301, Oracle North, 12 Charles Avenue, Broadbeach.

d) Fair Values

The carrying amount of financial assets and liabilities recorded in the financial statements are stated at fair value unless otherwise stated. The fair value of financial assets is the amount that could be received on disposal less any costs of disposal. The fair value of financial liabilities is the amount that could be paid to extinguish the debt, plus any costs of extinguishment.

21. CONTINGENT LIABILITY

The Company had no contingent liabilities as at 30 June 2018 and 30 June 2017.



Crowe Horwath South QLD

ABN 94 495 774 523
Member Crowe Horwath International

Audit and Assurance Services

Level 2, Corporate Centre 1
2 Corporate Court,
Bundall QLD 4217
PO Box 7926 GCMC
Bundall QLD 4217

Australia

Tel 07 5644 6100

Fax 07 5644 6199

www.crowehorwath.com.au

Auditor's Independence Declaration

As auditor of Gold Coast Tourism Corporation Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Gold Coast Tourism Corporation Limited during the year.

CROWE HORWATH SOUTH QLD

Logan Meehan
Partner – Audit & Assurance

Level 2, Corporate Centre One
2 Corporate Court
Bundall QLD 4217

Dated this 20th day of August 2018

Crowe Horwath South QLD is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for the acts or omissions of financial services licensees. The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

DIRECTORS' DECLARATION

In the opinion of the Directors of Gold Coast Tourism Corporation Limited:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Director

Broadbeach, 25 September 2018.



Crowe Horwath South QLD

ABN 94 495 774 523
Member Crowe Horwath International

Audit and Assurance Services

Level 2, Corporate Centre 1
2 Corporate Court,
Bundall QLD 4217
PO Box 7926 GCMC
Bundall QLD 4217

Australia
Tel 07 5644 6100
Fax 07 5644 6199
www.crowehorwath.com.au

Independent Auditor's Report

To the Members of Gold Coast Tourism Corporation Limited

Opinion

We have audited the financial report of Gold Coast Tourism Corporation Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Gold Coast Tourism Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Crowe Horwath South QLD is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for the acts or omissions of financial services licensees. The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



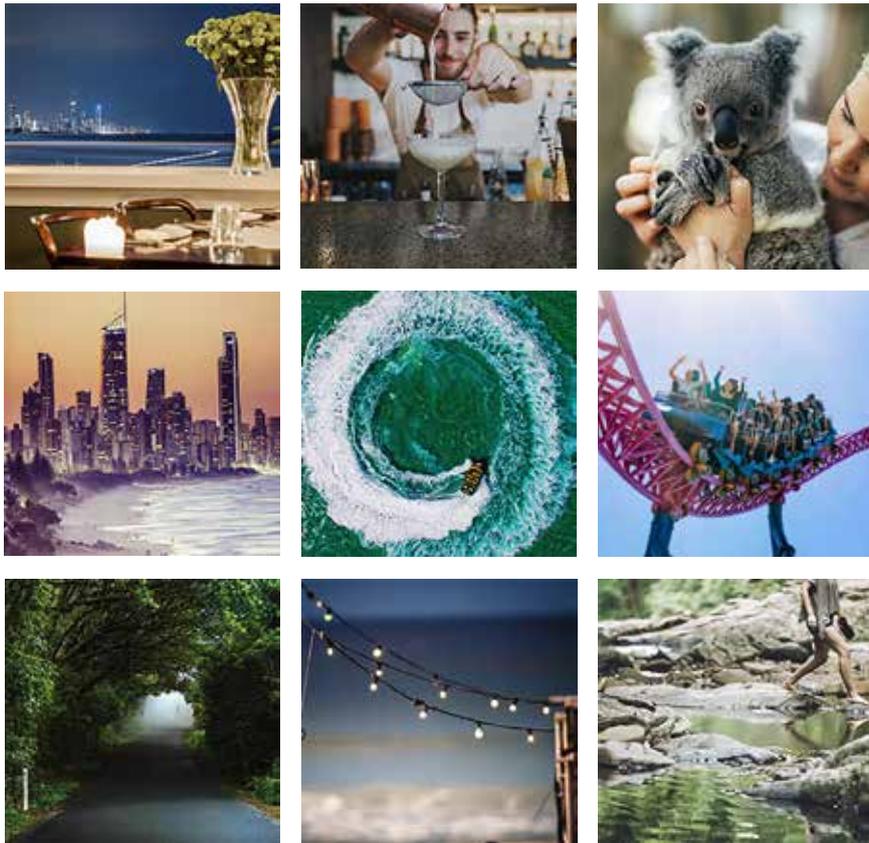
CROWE HORWATH SOUTH QLD



Logan Meehan
Partner – Audit & Assurance

Level 2, Corporate Centre One
2 Corporate Court
Bundall QLD 4217

Dated this 26th day of September 2018



DESTINATION GOLDCOAST.™

ACN: 009 935 184

PO BOX 226 BROADBEACH QLD 4218

+61 7 5592 2699

destinationgoldcoast.com