

GOLD COAST TOURISM

ANNUAL REPORT 2017





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CHAIRMAN'S REPORT

The Gold Coast tourism industry continued to grow and prosper in 2016-17.

We welcomed record numbers of domestic and international overnight visitors to the Gold Coast, underpinning a strong and positive year for the destination. Total visitor expenditure topped \$5 billion for the year, showcasing the value of tourism to our economy.

With preparation for the Gold Coast 2018 Commonwealth Games dominating the year, we have seen literally billions of dollars invested in infrastructure, sports facilities and hotels across the city. This is a sign of enormous confidence that celebrates, but extends well beyond, the impact of the Commonwealth Games.

So much of our tourism success comes down to access and the destination benefitted from another strong performance from Gold Coast Airport. Annual growth of 3.3% saw almost 6.5 million passengers pass through Gold Coast Airport, with 22% of those international. This was an 11% increase in international long-haul passengers. We have always welcomed Brisbane Airport as an important gateway to the Gold Coast and similarly its international passengers increased 6.9% to 5.6 million and its domestic numbers edged up 0.2% to 17.24 million.

Connectivity on the ground is critically important and Gold Coast Tourism (GCT) continues to lobby the State and Federal Governments for continued improvements to the M1 Motorway as the major artery to Brisbane and the vital day-tripper market. This is Queensland's major highway between the State's two biggest cities and it needs to improve or it will only continue to worsen with congestion.

Attracting almost 13 million visitors to the Gold Coast last year came at a time of increasing competitiveness, and the year was not without its challenges.

The Gold Coast needs more renewal of its attractions to drive repeat visitation. The dive wreck off the Coast, the cable car to Springbrook, authentic Indigenous cultural offerings, a network of Hinterland walking trails – all of these projects need to move forward. We have talked about them long enough.

The average length of stay for Internationals has dropped off marginally and that remains a strong focus for GCT going forward. Inexpensive beach holidays in Bali, Fiji and Thailand continue to compete directly with the Gold Coast and cruising vacations have taken 1.2 million domestic passengers – many of whom would have been destined for a Gold Coast holiday. We are missing out on that lucrative market and that is why GCT is pleased to see a potential cruise ship terminal progress to feasibility study stage.

We also feel compelled to make mention of the tragedy at Dreamworld in October 2016. Our thoughts remain with those so terribly affected. As a result, the sector has had to draw on all its compassion and resilience to rebuild. It is a long and testing path to recovery but it is heartening to see the theme parks continuing to invest in new attractions such as the DC Rivals Hypercoaster and Top Golf at Movie World and Legoland at Dreamworld.

In my 10th year as Chairman of Gold Coast Tourism, I continue to be inspired and amazed at the energy and dedication of our industry, including our great relationships with City of Gold Coast, Tourism and Events Queensland and Tourism Australia.

The tourism sector is always changing. The rush of new hotels and apartments, along with more than 3000 Airbnb rentals on the Gold Coast is impacting our occupancy rates but our industry has a track record of responding to disruption and challenges and rising to new heights. Our new branding positioning is moving the dial of perception and now we are in the phase of adjusting our messaging to ensure we retain the core spirit and offering of the destination. I am confident we will ride the wave to the Games and then continue to thrive thereafter.

I offer my appreciation to Gold Coast Tourism's Board of Directors, management and staff and others who work with us to achieve our goals. I look forward to continuing this valuable work with you.



Paul Donovan | Chairman - Gold Coast Tourism Corporation Ltd

CEO'S REPORT

Gold Coast Tourism's most significant development in the past year has been the launch of the new brand platform in February.

We Are Destination Gold Coast received wide acclaim when it was unveiled and is proving a versatile and effective driver for the marketing and promotion of our great destination.

This new brand position is about telling a broader and more contemporary story of the Gold Coast, particularly to our mature domestic markets.

The experience offering across the destination has evolved significantly in the last few years and we believe *We Are Destination Gold Coast* is the ideal platform to sell the full picture. We are building on the launch and constantly rolling out new creative, both domestically and internationally. Equally, we are refining the messaging for target markets to ensure the DNA of the destination is maintained while, at the same time, celebrating a greater diversity. To align with this new brand approach, we have also reengineered the way we do business internally with the changes designed to bring the most contemporary, best value and highest impact to the marketing of the Gold Coast.

This comes at an important time as we welcome record numbers of visitors to the city but in an increasingly volatile and dynamic environment, we must stay sharp and current.

Our Gold Coast Business Events completed another successful year securing 138 conferences valued at approximately \$130 million for the City.

Tourism Research Australia figures show International visitors to the Coast reached a record 1.056 million, up 7.2% on the previous year. This cohort spent a total of \$1.2 billion on the Gold Coast, which was slightly down from a record high of \$1.26 billion last year.

China was again the dominate source market with more than 303,000 arrivals, a 7.3% increase year on year. New Zealand continued strongly with more than 206,000, up 4.4%, as did the United Kingdom with a 2.5% increase to 70,000. On top of that we saw rapid growth out of Japan (18%) and USA (22%), confirming the benefits of our activity in these markets over the last 12 months and showing the direct impact new air routes can make.

Domestically, we also saw the Gold Coast attract a record 3.95 million visitors. This is on top of the 7.9 million day-trippers that form an important part of our visitor economy. Underscored by a summer of wonderful weather, many of our members reported a bumper holiday season.

But within these figures of success are two statistics of concern. Visitor expenditure is driven largely by length of stay and both these figures softened in 2016-17. International average length of stay dropped 0.9 nights to 9.5 nights, undoing much of the strong gains we made in visitor numbers. Despite the growth in domestic volumes and a slight increase in average length of stay, total expenditure has not grown at the same rate. We have responded quickly and are working with key stakeholders to understand and address these trends.

The tourism industry has much to be proud of as we look over the last year and even more to be confident about as we enter the year ahead. The Gold Coast 2018 Commonwealth games is sure to be a defining, signature moment for our city and industry. I am sure that like me, you can't wait to show the 1.5 billion viewers from all parts of the world our wonderful home.

I would like to sincerely thank our GCT staff, our board and chairman, our partners, members and supporters across the city and around the globe. It has been a dynamic year and we are positive about the years ahead.



Martin Winter | Chief Executive Officer - Gold Coast Tourism Corporation Ltd

OUR 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

Aviation and tourism veteran. Gold Coast Airport Executive, TEQ Board, and former Titans Board member.



Adrienne Readings, Vice Chair

General Manager, Gold Coast Exhibition and Convention 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; Board member of GOLDOC, and previous member of Bond University Council.



Craig Davidson

CEO of Dreamworld, WhiteWater World and SkyPoint. Former General Manager, Destination Development, Tourism Australia, and 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 Gold Coast Arts Centre. Experienced marketing roles with Pacific Fair, Gold Coast Tourism, Mulpha Sanctuary Cove, Palazzo Versace and Surfers Paradise Marriott Resort.



Cr Peter Young

Division 5 Councillor for City of Gold Coast and a member of Council's City Infrastructure, City Planning and Gold Coast Water and Waste Committees.



Nick Scott

Leading national media executive. More than 37 years working in senior roles within the media, including Southern Cross Austereo on the Gold Coast.



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.

DESTINATION TOURISM MANAGEMENT PLAN

The Destination Tourism Management Plan (DTMP) is the roadmap for the city when it comes to the visitor economy.

It is a multi-faceted agreement between City of Gold Coast, Gold Coast Tourism and Tourism and Events Queensland (TEQ), with support from Study Gold Coast, Surfers Paradise Alliance, Broadbeach Alliance and Connecting Southern Gold Coast.

The DTMP identifies seven key strategy areas to drive the visitor economy forward. Each of these made significant progress in 2016-17:

1. Stronger Partnerships – GCT is working closer than ever with the City and TEQ. The *We Are Destination Gold Coast* brand has been adopted across the Gold Coast. Open dialogue between all parties continues to improve as we strive for one voice and one vision.
2. Balanced Portfolio of Markets – GCT has identified key markets based on the criteria of Invest; Maintain and Monitor. The India and Middle East markets are being monitored, with ad hoc opportunities being seized. The Domestic and New Zealand markets are being maintained. China, United Kingdom, Japan and USA offer growth opportunities and active investment into these markets is under way.
3. Infrastructure and Investment Attraction – GCT is pleased to see the proposed Cruise Ship Terminal progress to feasibility stage. A cultural theme park is proposed for vacant land at Nerang and long-term tourism development at The Spit remains possible with a planned community master plan to be undertaken.
4. Quality Service and Innovation – The Be My Guest program has been rolled out jointly between GCT and the City. Hundreds of business operators have undertaken the course and the 15,000 Commonwealth Games volunteers will also see elements of it.
5. Iconic Experiences – Part of the new brand development is the establishment of a suite of signature experiences that tell the best story of the Gold Coast. This is under way.
6. Nature and Culture – The ocean, beaches, waterways, rainforest and hinterland remain the most visual parts of Destination Gold Coast. The emerging arts, dining and performance scene is adding a new layer to the city narrative.
7. Events – An overarching events strategy for the city is still to be established but already key events with genuine visitor attraction qualities are populating our calendar.

GCT continues to work with the City on updating the DTMP and its goals.



OUR MARKETING APPROACH

Gold Coast Tourism is the premier destination marketing organisation for the city. Its remit is to lead the Gold Coast brand nationally and internationally.

More than 83% of GCT's funding is devoted to marketing. We work with a range of partners from Tourism Australia to Expedia, from TEQ to Flight Centre, from Virgin Australia to the Suns and Titans to ensure we stretch every marketing dollar further.

This whole-of-destination approach, with private sector zeal, driven by members and a passionate digital focus is a formidable combination that can be relied upon to deliver for the Gold Coast.

2016-17 was the last year operating under a traditional structure, defining our activity and internal divisions by geography alone. From July 1 2017 we move to a new structure encompassing:

- Global Consumer Marketing
- Global Partnerships
- Global Business Events
- Global Marketing Hub
- Destination Engagement
- Corporate Services

GCT has moved wholeheartedly into a “digital first” approach to its marketing. The world lives, shops, does business and decides on its holidays online so that's where the bulk of our attention is as well. And we are turning to data to inform those decisions more and more. Data and digital go hand in hand.

DESTINATION GOLD COAST

We Are Destination Gold Coast rises out of more than a year's worth of research, analysis and discussions.

We believe the Gold Coast is a special place. It has qualities that make you feel energised.

We wanted to define Destination Gold Coast by the qualities that best represent the sense of place, as well as the true experience of visiting here.

This coincides with a unique time in this city's history. On the back of the Commonwealth Games momentum we have billions of dollars of investment in the city and a billion of the world's eyes on the city in April next year.

The role of the conventional destination marketing organisation (DMO) has shifted. Traditionally DMOs have operated to inspire and raise awareness about a destination.

We are now moving into the ‘experience’ and ‘recommend’ realms, where we want visitors to feel the destination deeply and then tell others about it.

And driving that change in approach is our prime marketing goal: **to be Australia's Most Recommended Destination.**

This is our end game.

It taps into where the consumers are and what drives them to choose a destination – that is, other travellers and their experiences.

It's a collective goal. We will strive together to make the Gold Coast No.1.



GAMES READY...

Much has been said about the Gold Coast 2018 Commonwealth Games, and rightly so. The last year has been dominated by preparations for the biggest event in the city's history and there is no doubt this will continue until the Games get under way in April 2018.

The launch of the Queen's Baton Relay in London in March provided a wonderful opportunity to focus global attention on the host destination. Supporting the lead shown by Tourism and Events Queensland, Tourism Australia, GOLDOC and City of Gold Coast, there was great opportunity for GCT to establish meaningful partnerships with trade and media partners in the UK. As the Baton winds its way across 70 Commonwealth states to Australia, it becomes symbolic of the growth in GCT's connections with these partners. Commercial and publicity opportunities have been brokered in New Zealand, the UK and further afield.

Closer to home, GCT has taken a lead role in managing community expectations around Games-time accommodation. The launch of the accommodation directory has provided consumers with a definitive list of available Games-time accommodation.

... SET, GO

Another major GC2018 project involving Gold Coast Tourism is around media promotion and hosting.

This has taken a three-fold approach, all with the intention of gaining maximum exposure for the We Are Destination Gold Coast message.

The first component is GCT's partnership with the City and TEQ in the Main Media Centre during the Games. GCT will share a booth within the MMC, located in the Gold Coast Convention and Exhibition Centre, and work with the world's accredited sports media from this location. Planning for this project was completed in 2016-17.

A second facet of our media strategy is as a content partner in the Gold Coast Media Centre, to be located in Kurrawa Park at Broadbeach. This is the headquarters for the non-accredited media interested in being on the Gold Coast during Games time. Typically these will be travel writers, lifestyle and food journalists, business writers, freelancers and social media influencers. Planning during FY17 involved collaborating with City of Gold Coast, TEQ, Office of Commonwealth Games, Study Gold Coast and Health and Knowledge Precinct to map out a range of content strategies in the months leading up to and including April next year.

Lastly, GCT has hosted journalists from around the world completing preliminary assignments and reconnaissance trips in the lead up to the Games. This included supporting the World Press Briefing and World Broadcast Briefing in April. The media famils program that we undertake each year has already included GC2018-related visits from UK, New Zealand and interstate journalists.



AUSTRALIA MARKETING

The Gold Coast welcomed a record 3.95 million domestic overnight visitors, generating \$3.1 billion in overnight visitor expenditure with an average length of 3.7 nights. This included positive year-on-year growth from Holiday and Visiting Friends & Family overnight trips, up 10% and 15% respectively.

The Australian Marketing Team delivered 24 campaigns across the year to drive demand and leveraged co-operative marketing funds of more than \$1.37m. Key partners included Tourism and Events QLD, Gold Coast Airport Ltd, Jetstar Airways, Webjet and Virgin Australia.

Across the year, the DestinationGoldCoast.com database increased by 25% from 235,000 to 315,000 active subscribers. Electronic Direct Mail (EDMs) were distributed every 21 days and resulted in 15,000 leads to member product on DestinationGoldCoast.com.

GCT leveraged the TEQ RTO Incentive Fund to partner with News Corp and bring to life the new destination brand with undiscovered and unexpected Gold Coast stories via our “WE ARE” supplement. This supplement was distributed on March 19 via Sunday Mail QLD (350,000); Sunday Telegraph NSW (440,000); Sunday Herald VIC (410,000) and Sunday Mail SA (225,000). The News Corp total audience reach was 1.4 million - geared towards women (25-54) likely to be the travel purchase decision makers.

As we near the 2018 Commonwealth Games, we continued to profile our calendar of Sports and Events, providing paid marketing and owned channel exposure to 25 key events; among them: Swell Sculpture Festival, Gold Coast 600, Australian PGA Championships, Jeep Magic Millions Racing Carnival, Surfers Paradise Sand Safari Arts Festival, Quiksilver and Roxy Pro, Bleach*, Blues on Broadbeach, Cooly Rocks On and Gold Coast Airport Marathon.



HIGHLIGHTS

Marketing Activity

- 68,000 - Total leads to members via our Online Holiday Offers
- 173 - Total Online Holiday Offers over three campaigns, featuring 89 unique Gold Coast Tourism member products
- \$1.37m in co-operative funding
- 15,000 - Total leads to members via Electronic Direct Mail (EDMs)

‘Split for Winter’

Split for Winter was the most successful email acquisition campaign of the year. Run in partnership with Webjet, the objective was to grow the DestinationGoldCoast.com subscriber database and brand advocacy.

Showcasing a diverse range of experiences on offer throughout the city, entrants had the chance to win a trip for two to the Gold Coast worth up to \$5000. This was also complemented by a partnership with Webjet.com.au to ignite entrants and boost acquisition and engagement for all.

In market for 5 weeks, the campaign delivered a fun and interactive experience utilising Facebook connect, with bonus entries available to those who decide to share via Facebook, Email or Twitter. Plus, exclusive offers were also delivered to all entrants through automated confirmation sends.

The competition delivered 73,700 total entries, of which 44,000 were new DestinationGoldCoast.com subscribers.

Testimonial

“Participating in Gold Coast Tourism’s online holiday offer program is a fundamental part of how we present our latest properties, initiatives and offers to those visitors. Being showcased on DestinationGoldCoast.com with the supporting media promotion and EDM inclusions to the important Sydney, Melbourne and Queensland drive market gives us additional reach to these regions, sending the visitor directly to our own websites. They provide a trackable lift to our site visitation and conversion, at a relatively low investment cost with the added benefit of reporting insights during and after each campaign.” - Sue Elliott, Village Roadshow Theme Parks

INTERNATIONAL MARKETING

Visitor numbers from Gold Coast's key international source markets continued to perform strongly in 2016-17, recording overall growth of 7.2%., to hit a record high of 1.056 million. China maintains its position as our number one source market in terms of volume, with 303,000 visitors to the Gold Coast, up 7.3% for the year. We also witnessed strong growth rates recorded from Japan and USA with 18% and 22% respectively. It is no surprise that these three markets have captured our attention in terms of investing in this growth through partnerships and marketing initiatives. There are particularly strong results from our critical New Zealand market with visitor growth of 5.4% to 206,000 and a significant 9% growth in visitor nights, keeping it firmly in the top position for the Gold Coast in terms of expenditure. GCT's International Department hosted over 70 media and trade familiarisations across 12 international markets throughout the year, ensuring that every five days on average another overseas connection was treated to the best of our destination. This is an important pillar in our efforts to keep Destination Gold Coast at front of mind for agencies, partners and consumers. As mentioned in the CEO's Report, the strong performance in terms of numbers was tempered a little with a dip in visitor spend and length of stay. Business, education and VFR segments all suffered reduced length of stay while holiday visitors were relatively stable.



HIGHLIGHTS

New Zealand

GCT continued to invest heavily in the New Zealand market with a significant national television and digital campaign in the first quarter of 2017, and a range of co-operative trade tactical promotions with New Zealand's leading retailers Flight Centre and House of Travel.

China

GCT continued to work closely with partners in Shanghai, Beijing and Guangzhou. This included more than 15 trade familiarisation tours and 30 retail workshops in-market, to ensure the delivery of a wider range of Gold Coast experiences that meet the evolving needs of the new Chinese travellers. Digital campaign activity with celebrity model Xiao Wen and multi-channel tactical campaigns with Hong Kong Airlines and Jetstar ensured the Gold Coast remained front-on-mind with Chinese consumers.

Japan

GCT successfully staged its annual Japan Roadshow, off the back of Queensland on Tour, along with participation in Tourism Australia's Japan Walkabout. Strong seasonal tactical campaigns were undertaken with both JTB and HIS, integrated into a national digital campaign, leveraging celebrity author Masatomo Tamaru and focussing on the ever-important honeymoon and couples market.

Malaysia

Whilst growth from Singapore and Malaysia was restrained in FY17, GCT remained active across both markets with significant brand/ tactical campaign and trade/media familiarisation activity with airline partners Air AsiaX and Scoot, and promotional leveraging of the Gold Coast's inaugural hosting of the "Wimbledon of Badminton", the Sudirman Cup.

BUSINESS EVENTS

Gold Coast Business Events (GCBE) delivered a broad range of sales initiatives in 2016-17 as it continued to establish the Gold Coast as a leading business events destination, both nationally and internationally. Member engagement is critical to the success of our co-operative events and as such GCBE initiated a "Trade Events Advisory Panel" with 15 members invited to participate, who represent a cross section of business events product. This is Gold Coast Business Exchange in May 2017 was a resounding success with 51 participating members hosting 860 appointments with 18 professional conference organisers and 35 association and organisation planners.

The number of business event wins by GCT was a record 138. The combined result of international and national events resulted in an economic contribution of more than \$130 million to the city. A highlight of the year has been the winning of the Infinitus China incentive group which will visit the city immediately following the Gold Coast 2018 Commonwealth Games. Over several weeks, this one event will bring 6000 people to the Gold Coast with a direct and indirect spend of close to \$40 million.

Two other special international events are worth noting. The Deaf-Blind International Conference (600 delegates) will be on the Gold Coast in 2019 and the ISAAC (International Society for Augmentative and Alternative Communication) Conference (1200 delegates) next year, secured in partnership with the Gold Coast Convention and Exhibition Centre. Both require specific elements of accessibility and GCT worked with key members, the City of Gold Coast and the GC2018 Legacy initiatives to secure the conferences. In winning these bids, GCT mobilised an array of wonderfully proactive and progressive members to embrace the needs of the conference delegates. Surfers Paradise Marriott Resort and Spa was able to highlight its one-level meeting space, braille room numbers and signage and overall accessibility. GCT worked with Able Australia to provide appropriate activities and tours with strong appeal to the delegates, with attention to feel and touch. Other hotels and venues supplied lists of rooms that meet the varying requirements and levels of accessibility. Members such as Currumbin Wildlife Sanctuary, Dreamworld and Gold Coast Cabs have adapted their accessibility to suit. Equally, the Street Carnival in Surfers Paradise was a great collaborative success with support from the Surfers Paradise Alliance. These are fine examples of the industry and agencies working together for mutually beneficial outcomes.



HIGHLIGHTS

This is Gold Coast Business Exchange

- 100% satisfaction level with the program content
- 93% would definitely consider selecting and booking the Gold Coast for future business
- 78% say they now see Gold Coast as a premier Business Events destination
- Incorporated inaugural PCO (Professional Conference Organiser) component in the event, with 18 qualified PCOs from Australia and New Zealand attending
- 35 corporate and association planners from Australia and New Zealand and the UK plus five national and international BE trade media attending
- The program included a combination of themed social events, a trade exhibition with 860 pre-scheduled appointments, and a range of exciting destination experiences on the post-famil. A total of 51 members participated, with most securing new leads and business contacts
- The highlight was Polo By the Sea to showcase the style of events the city can deliver that can be incorporated into a conference program

Infinitus China Win

- Gold Coast Tourism, with support from TEQ and close collaboration from local suppliers and members, bid for and secured the 2018 Infinitus China Reward Program that will deliver a \$40 million direct and indirect injection into the local economy.
- Up to 6000 delegates from Greater China will visit the Gold Coast on a five-night/six-day itinerary operating in four waves over a four-week period in May 2018
- The conference program includes a gala dinner at Gold Coast Convention and Exhibition Centre, a visit to a wildlife sanctuary, learn to surf, visits to theme parks, viewing the city from 88 levels above the ocean at Skypoint, shopping at HarbourTown and tasting our local cuisine.
- Significantly, securing this event helps put the destination on the map in terms of attracting these large incentive group movements from China. Infinitus is a multi-level marketing company in China selling herbal health, beauty and skin care products. The company has developed 89 high-quality herbal products in five series that are marketed under six brands, and has established 40 branches, 30 service centres and nearly 5000 exclusive stores across China.

COMMUNICATION AND MARKETING SERVICES

The launch of the *We Are Destination Gold Coast* brand platform in February 2017 centred on delivering ‘destination reframe’ communications to the Gold Coast’s largest source market - domestic consumers. Since its launch, Gold Coast Tourism has worked to facilitate maximum adoption and integration of the We Are Destination Gold Coast brand platform by industry and our city partners. With this solid foundation in place and industry and partner endorsement, brand extension activity is now underway to tailor the master brand platform’s appeal to other key markets and segment therein.

Gold Coast Tourism’s media and publicity strategy assisted in the delivery of \$51.7 million in advertising value equivalency in FY17. Throughout the year, media activity was geared primarily towards reframing our destination with a greater emphasis on digital media. Destination coverage spanned influential digital platforms such as Huffington Post, The Guardian, News.com.au and Lonely Planet; as well as national coverage through Fairfax and Newscorp; The Daily Mail and The Telegraph in the UK; a number of news, leisure and Business Event print and digital channels across China including Daily News and Sohu.com; and The New Zealand Herald.

As part of the support for GCT’s new brand position, a major overhaul of the corporation’s digital platforms was undertaken during the 2016-17 year. This involved a transition from VisitGoldCoast.com to DestinationGoldCoast.com as our major website. Likewise, GCT’s social media channels for English-speaking markets (Facebook, Instagram, Youtube & Twitter) were updated with visual branding, URLs and refreshed messaging consistent with the new brand. GCT’s new digital team worked closely with Facebook, Google and Twitter and these changes were successfully accomplished.

This significant body of work has recalibrated and aligned all digital platforms with the We Are Destination Gold Coast brand and narrative. While this sets up GCT with the capacity for highly successful marketing and messaging going forward, it has also forced a downturn in total web traffic. Significantly, despite a 47% drop in website visitation the number of leads to members has remained stable. This would indicate that much of the previous digital audience was less than relevant and that issue has now been remedied.

Another significant change in GCT’s digital marketing approach in China is to use social media accounts and ‘handles’ in the campaigns’ call-to-action rather than just URLs. Social audiences in this market grew as a result, while website views reduced.



HIGHLIGHTS

Website Visitation 2017

DestinationGoldCoast.com 1,640,591
VisitGoldCoast.cn: 5215 (China)
VisitGoldCoast.kr: 1712 (Korea)
VisitGoldCoast.jp: 10,506 (Japan)
Total visitation FY17: 1,658,024 (-47% YoY)

Leads to Members

FY16 Total Leads to Members from DGC websites: 220,590
FY17 Total Leads to Members from DGC websites: 218,695
Change: -0.85%

Social Channels

Overall: 2,341,029 followers (+ 5%, YoY)
Facebook: 1,130,398 (up 1% from 1,115,450)
Instagram: 195,801 (up 33% from 147,649)
Twitter: 9921 (up 25% from 7,985)
Weibo: 892,627 (up 6% from 845,275)
Wechat: 111,075 (up 3% from 107,742)
Youtube: 1,207 (up 32% from 911)

Publicity Outcomes

- \$51.7 million in advertising value equivalency

DESTINATION ENGAGEMENT

Gold Coast Tourism's Destination Engagement team has facilitated skills development across the visitor economy. This is the unit that pro-actively co-leads the monitoring, evolution and progress of the DTMP (Destination Tourism Management Plan) on behalf of GCT and intersects with all areas of the business, our partners and our industry supporters. Over the year, GCT has worked hard to align with the city's investment and tourism priorities. Working with City of Gold Coast, we are establishing an agreed set of benchmarks around visitor measurement, satisfaction and service delivery. This is a complex task but progress has been made and will continue in the coming year.

The Be My Guest programs, co-delivered with the City, has been a centrepiece of Destination Engagement this year, with particular focus on the Gold Coast 2018 Commonwealth Games. It is during this period of high exposure to new visitors and the world's media that the reputation of the city's welcoming nature and service ethic will be most visible. The Be My Guest program helps frontline operators put their best foot forward.

Gold Coast Tourism also partnered with TEQ to deliver storytelling workshops, which were well attended and have been in higher demand in subsequent months. We also witnessed strong growth rates recorded from Japan and North America with 18% and 22% respectively. It is no surprise that these three markets represent key priorities for the destination in terms of investment by way of partnerships and consumer marketing initiatives.

China is at front of mind for all industry members and additional "Engaging the China Market" sessions were conducted during 2016-17. More than 72 participants completed the full-day workshops, held eight times during the year. Destination Engagement also secured more than \$114,000 jointly-funded Industry Development projects for FY17 under the TDDI 2016/17 Tourism Industry Capability Program.



HIGHLIGHTS

Be My Guest

The Be My Guest program was enhanced for 2016-17 and a total of 204 participants attended over 12 full-day workshops.

Improvements include development of an online resource, including a new video that celebrates the essence of the program.

One major advance in the last year has been the incorporation of the Be My Guest messaging into the GC2018 volunteer recruitment and orientation process. This involved the 25,000 volunteer applicants, including the 15,000 selected, engaging with the Be My Guest video and online resources.

Be My Guest resources have also been shared with the organisers and volunteer networks associated with the GC600 V8 Supercars event and the Gold Coast Airport Marathon.

Accessible Tourism

Gold Coast Tourism partnered with stakeholders to raise awareness of inclusive and accessible tourism and drove initiatives aimed at enhancing the local inclusive tourism experience.

More than 170 people attended the inaugural Accessible Tourism Forum co-presented by GCT, the City and GOLDOC.

The first "Discover Gold Coast Accessibility Challenge" reached 24 industry and key stakeholders – creating accessibility awareness through actively experiencing and discovering different regions of the Gold Coast. Gold Coast products were experienced from an accessible viewpoint during this challenge, which was reported in local media to help keep the issue at the fore.

Leveraging the strong focus that GOLDOC has on accessibility in the lead up to the Commonwealth Games, GCT enhanced the GC2018 accommodation directory on our website to include the inclusive capacity of providers, as an extra guide to those visitors who require greater accessibility.

VISITOR INFORMATION CENTRES

Gold Coast Tourism continues to operate two fully accredited Visitor Information Centres (VICs) – situated in the key locations of Cavill Mall in Surfers Paradise and in the domestic terminal of Gold Coast Airport.

The centres' friendly and knowledgeable staff and volunteers currently welcome an average of 16,000 visitors each month. The visitor experience is further enhanced by the ability of our staff to book accommodation, tours, cruises, bus, train and light rail tickets, theme park tickets and sell Gold Coast 2018 Commonwealth Games™ branded merchandise.

As online content grows globally, finding trusted information sources is an increasing challenge. Although VICs need to continually evolve to take advantage of these digital opportunities, they remain a recognised and significant source of unbiased information for both domestic and international visitors. This is especially relevant in the lead up to the Gold Coast 2018 Commonwealth Games™ during which visitor enquiries and sales are expected to more than double. Our Cavill Mall VIC will be revamped prior to the Commonwealth Games. In addition we will oversee a Visitors Centre in the Games Village as well as provide support to three Pop-up VICs to be located in the main precincts of Southport, Broadbeach and Coolangatta.

HIGHLIGHTS

- \$1.5 Million - Member product sales
- 200,000 - Visitor enquiries
- 128 - VIC member packages



MEMBERSHIP SERVICES

The GCT membership base continues to grow and increase its engagement. We finished the FY17 year with 544 financial members and maintained a four-star satisfaction rating and 91% retention rate. Gold Coast Tourism was delighted to award 17 Longevity Awards (20-40 years membership) during the year, along with two new Honorary Life Members, being Paul Donovan and Peter Graham. A total of 71 events, conferences and engagements were attended during the year and a further 22 events were held that reached 1750 members and stakeholders. GCT introduced the first standalone “Research Roundup” with research insights from GCT in conjunction with STR and TripAdvisor. This was held at Bond University and attended by almost 200 people and was so well received it has now been added to the calendar permanently. Eight Digital Workshops were also conducted to enhance the skills and knowledge of members in this critical marketing and communications area and two “International Ready” workshops were held in conjunction with ATEC.

The year also presented some challenges as GCT modified its membership fees for businesses based outside the Gold Coast boundary. Communicating the need for these changes required close consultation with the 63 out-of-region operators. One major project that occupied a lot of time in 2016 was the development of the Online Calendar for members, showcasing the key dates and events across the year. After months of development this was launched in July 2017.

HIGHLIGHTS

- \$439,931 - membership revenue
- 138 new members acquired
- 378 engagement meetings conducted
- 22 Industry events and workshops conducted
- Business Events membership increased 9% on last year
- 91% say member meetings were valuable.
- 94% rated GCT events as “satisfied/very satisfied”
- Eight Digital workshops and two International Ready seminars co-funded by government grants
- Online collateral and resources developed to improve sustainability and currency

ABOUT GOLD COAST TOURISM

Gold Coast Tourism 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. GCT 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. It 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. Gold Coast Tourism also 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.

OUR ROLE

Visitors to the Gold Coast injected \$5.05 billion into the local economy in 2016/17, supported more than 3000 tourism businesses and accounted for 26,000 direct jobs and 15,000 indirect jobs in the city. Established in 1975, Gold Coast Tourism's team of marketing, communications and sales professionals identifies and leverages strategic opportunities to positively promote the city. Our 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. We employ sound research when formulating our 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. Gold Coast Tourism also manages two accredited Visitor Information Centres on the Gold Coast.

OUR 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 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.

OUR 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.

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 (GCBE)
- Demonstrate industry and destination management leadership
- Establish Gold Coast Tourism as an employer of choice

CORPORATE GOVERNANCE

As a public company largely funded by the tourism-related businesses of the Gold Coast (via a tourism levy collected by the City of Gold Coast) and the Queensland Government (represented by Tourism and Events Queensland), Gold Coast Tourism is committed to observing best practice corporate governance.

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

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

- Regular self-assessment by the Board to improve performance
- Regular reviews of Gold Coast Tourism's risk register
- Regular reviews of Gold Coast Tourism'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 Twemelow (Chair)

Adrienne Readings

Lindsay Wallace

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



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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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 2017:

Directors

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

Directors	No. of Directors' Meetings Attended During the Year	No. of Directors' Meetings Eligible to Attend During the Year	No. of Audit Committee meetings attended	No. of Audit Committee meetings eligible to attend
Paul Donovan (Chairman)	11	12	-	-
Adrienne Readings (Vice Chairman)	10	12	1	2
Craig Davidson	10	12	-	-
John Morris	6	12	-	-
Lindsay Wallace	11	12	1	1
Peta Fielding	11	12	-	-
Cr. Peter Young	9	12	-	-
Cr. William Owen-Jones - Alternate	-	-	-	-
Nicholas Scott (Appointed - 29/11/16)	4	7	-	-
Adam Twemlow (Appointed - 14/2/17)	4	5	1	1
Jonathan Fisher (Ceased - 28/11/16)	3	5	1	1
Paul Steer (Ceased - 15/12/16)	6	6	1	1
The position of Honorary Secretary was held by: John Punch	11	12	-	-

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 2017 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.

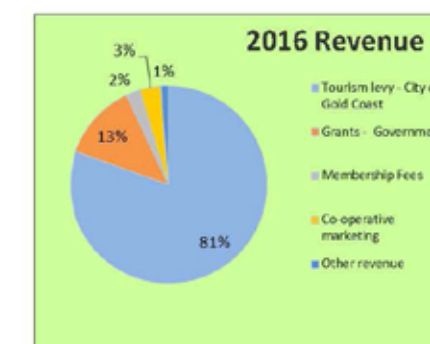
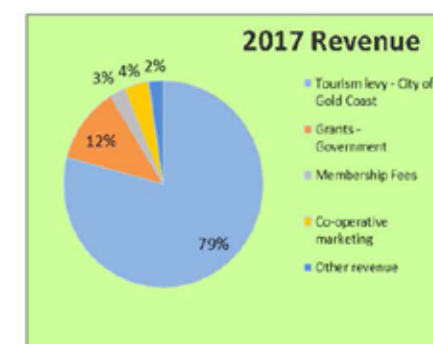
Performance Measures

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 \$ 214,856 (2016: \$516,296 profit).

Revenue

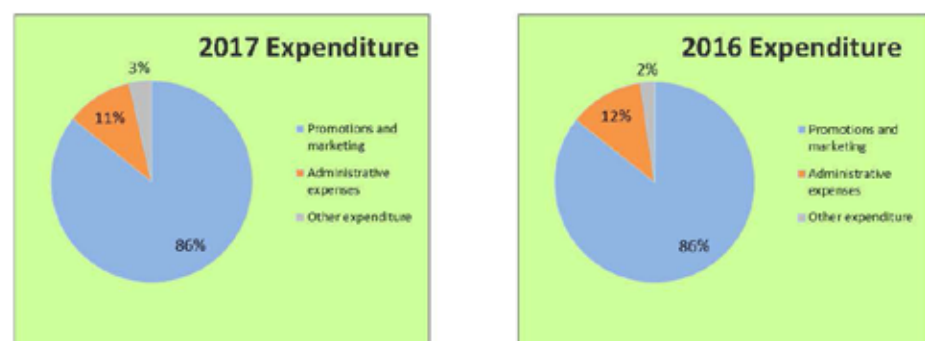


The Company continued to maintain a strong membership fee base of \$439,931 (2016: \$409,848) and obtained funding of \$14m (2016: \$14.2m) from the Tourism Levy. The Company also received co-operative marketing revenue of \$701,240 (2016: \$596,650).

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

DIRECTORS' REPORT (Continued)

Expenditure



The 2017 expenditure of \$18m (2016: \$17.2m) continued to focus on external promotions and marketing of the Gold Coast. Approximately 86% (2016: 86%) of total expenditure of the Company focused on external activities.

The net assets of \$2,471,415 at 30 June 2017 are represented by Members' equity at year end, which includes an accumulated surplus of \$2,221,415.

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 towards the achievement of the shared objective to double tourism revenue by 2020. The strategies include focusing on the emerging markets including Chinese tourism, events (sporting, festivals and cultural), conferences, and the Gold Coast Commonwealth Games 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 \$10,880 based on 544 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	12 years
READINGS, Adrienne	General Manager	Gold Coast Convention & Exhibition Centre	Vice Chairman	13 years
DAVIDSON, Craig	Chief Executive Officer	Ardent Leisure Theme Parks	Director	3 years
MORRIS, John	General Manager	RACV Queensland Resorts	Director	3 years
WALLACE, Lindsay	Director (Marketing & Communications)	The Arts Centre Gold Coast	Director	2 years
FIELDING, Peta	Chief Executive Officer	Burleigh Brewing Company	Director	1 year
YOUNG, Peter	Councillor	City of Gold Coast	Director	1 year
OWEN-JONES, William	Councillor	City of Gold Coast	Director - (Alternate)	1 year
SCOTT, Nicholas (Appointed - 29/11/16)	Board Director	(Member nominee for City of Gold Coast)	Director	-
TWEMLOW, Adam (Appointed - 14/2/17)	Partner	KPMG	Director	-
FISHER, Jonathan (Ceased - 28/11/16)	Chief Executive Officer	National Trust of Australia (Queensland)	Director	4 years
STEER, Paul (Ceased - 15/12/16)	Financial Adviser	in8capital (Member nominee for KPMG)	Director	10 years

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 52.

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



Director

Broadbeach, 26 September 2017.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Revenue	3	17,617,801	17,592,259
Cost of Goods Sold		(240,399)	(3,040)
Information Centre Expenses		(399,016)	(388,116)
Promotions and Marketing Expenses		(15,426,471)	(14,776,026)
Administrative Expenses	4	(1,938,558)	(2,081,812)
Net (Loss) / Income from Operating Activities	4	(386,643)	343,265
Financial Income		177,981	178,930
Financial Expenses		(6,194)	(5,899)
Net Finance Income		171,787	173,031
Net (Loss) / Income for the year		(214,856)	516,296
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(214,856)	516,296

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 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	13(a)	3,029,054	2,805,266
Financial assets	5	2,539,621	2,522,639
Trade and other receivables	6	103,256	72,712
Inventories		39,839	9,519
Other current assets	7	196,337	200,828
Total Current Assets		<u>5,908,107</u>	<u>5,610,964</u>
Non-Current Assets			
Property, plant and equipment	8	126,480	201,331
Intangible assets	9	499,284	169,341
Total Non-Current Assets		<u>625,764</u>	<u>370,672</u>
TOTAL ASSETS		<u>6,533,871</u>	<u>5,981,636</u>
Current Liabilities			
Trade and other payables	10	3,270,684	2,584,665
Bank overdraft		65,382	61,444
Provisions	11	611,039	324,754
Total Current Liabilities		<u>3,947,105</u>	<u>2,970,863</u>
Non-Current Liabilities			
Provisions	11	115,351	324,502
Total Non-Current Liabilities		<u>115,351</u>	<u>324,502</u>
TOTAL LIABILITIES		<u>4,062,456</u>	<u>3,295,365</u>
NET ASSETS		<u>2,471,415</u>	<u>2,686,271</u>
Equity			
Reserves	12	250,000	250,000
Accumulated surplus		2,221,415	2,436,271
TOTAL EQUITY		<u>2,471,415</u>	<u>2,686,271</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 2017

	Reserves \$	Accumulated Surplus \$	TOTAL \$
Balance at 1 July 2015	215,090	1,954,885	2,169,975
Total Comprehensive Income for the year	-	516,296	516,296
Transfer from reserve	(66,062)	66,062	-
Transfer to reserve	100,972	(100,972)	-
Balance at 30 June 2016	<u>250,000</u>	<u>2,436,271</u>	<u>2,686,271</u>
Balance at 1 July 2016	250,000	2,436,271	2,686,271
Total Comprehensive Loss for the year	-	(214,856)	(214,856)
Transfer from reserve	(304,504)	304,504	-
Transfer to reserve	304,504	(304,504)	-
Balance at 30 June 2017	<u>250,000</u>	<u>2,221,415</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 CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from sales of goods and other receipts		22,137,546	21,858,116
Payments to suppliers and employees		(21,350,467)	(22,398,752)
Interest received		171,787	173,632
Net cash provided / (utilised) by operating activities	13(b)	<u>958,866</u>	<u>(367,004)</u>
Cash Flows from Investing Activities			
Purchase of plant and equipment		(49,165)	(46,571)
Purchase of intangibles		(673,069)	(165,433)
Purchase of financial assets		(16,982)	(2,522,639)
Proceeds from sale of plant and equipment		200	2,550
Net cash used in investing activities		<u>(739,016)</u>	<u>(2,732,093)</u>
Net increase / (decrease) in cash and cash equivalents		<u>219,850</u>	<u>(3,099,097)</u>
Cash and cash equivalents at the beginning of the financial year		2,743,822	5,842,919
Cash and cash equivalents at the end of the year	13(a)	<u>2,963,672</u>	<u>2,743,822</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 2017

1. INTRODUCTION

Gold Coast Tourism Corporation Limited for the year ended 30 June 2017 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 26 September 2017 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.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF ACCOUNTING POLICIES (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

Amortisation Rates:

- Software, media assets and digital development costs	1 – 3 years	Prime Cost
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GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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:

- (a) foreign currency monetary items are reported using the closing rate;
- (b) 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
- (c) 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 entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 entity.

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) Sale of Goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title or the passing of possession to the buyer.

ii) 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.

iii) Grants and Co-operative Marketing Revenue

Non-reciprocal grant and co-operative marketing revenue ("the funding") is recognised in profit or loss when the entity obtains control of the funding and it is probable that the economic benefits gained from the funding will flow to the entity and the amount of the funding can be measured reliably.

If conditions are attached to the funding which must be satisfied before it is eligible to receive the contribution, the recognition of the funding as revenue will be deferred until those conditions are satisfied.

When the funding is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the funding is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the funding is recognised as income on receipt.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

n) Revenue (Continued)

iv) Interest

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

v) Member Subscriptions

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

o) Leases

Operating lease rental expense is 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 2017, the Company incurred an operating loss of \$386,643 (2016: profit of \$343,265), and had a net asset position of \$2,471,415 (2016: \$2,686,271).

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.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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 2017. 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.

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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 entity 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 entity'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 entity. 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.

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 an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: 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 will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be 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, an entity would 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 an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity'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 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.

AASB 16 Leases

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

The standard replaces the existing AASB 117 Leases. The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be 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 will be recognised as a financial liability. This is similar to the current treatment for finance leases under IAS 17, with some variations.

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

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

There is an exemption for low value items (typically less than \$5,000). For these assets, the expense may be recognised on a straight-line basis over the lease term in a manner consistent with the current treatment for operating leases. This is expected to apply 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 Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company.

AASB 1058 Income of not-for-profit entities

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

New standard that 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.

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

- a) 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
- b) 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.

Whilst the interaction with AASB 15 is certainly the first step in assessing income by a NFP entity, other changes/impacts include:

- Timing of revenue recognition may be delayed to coincide with satisfaction of performance obligations
- Increased scope of assets acquired for 'significantly less than fair value' from the predecessor requirement to apply only when an asset is acquired for 'nil or nominal value'.
- Leases at lower than market terms (e.g. peppercorn leases) will be recognised at fair value and accounted for under AASB 16 *Leases*
- Depreciation expense may increase as a result of peppercorn leases being recognised at fair value

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 Company will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the Company.

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
3. REVENUE		
Sale of goods and services	393,491	203,442
Tourism levy - City of Gold Coast	13,950,000	14,157,000
Grants and Contributions - Tourism and Events Queensland	1,299,011	1,271,310
Grant (Business Events) - Tourism and Events Queensland	703,731	815,373
Grant (EMDG) - Austrade	110,955	119,926
Membership subscriptions	439,931	409,848
Co-Operative marketing - Other	701,240	596,650
Profit on sale of fixed assets	-	1,571
Other	19,442	17,139
	<u>17,617,801</u>	<u>17,592,259</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.

4. EXPENDITURE

Additional information on the nature of expenses:

Depreciation and amortisation expense	466,801	380,345
Inventories:		
- Amount of inventories recognised as an expense	240,399	3,040
Employee benefits expense:		
- Salaries and wages	4,886,601	4,382,061
- Superannuation	422,228	379,814
Foreign exchange loss	35,012	17,971
Loss on sale of fixed assets	140	-
Minimum operating lease payments	652,630	628,117

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. FINANCIAL ASSETS

Fixed term deposit	2,300,000	2,283,018
Fixed term guarantee deposit	239,621	239,621
	<u>2,539,621</u>	<u>2,522,639</u>

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 2m.

6. TRADE AND OTHER RECEIVABLES

Trade receivables	46,139	43,002
Sundry	57,117	29,710
	<u>103,256</u>	<u>72,712</u>

7. OTHER CURRENT ASSETS

Prepayments	187,909	200,828
Deposits	8,428	-
	<u>196,337</u>	<u>200,828</u>

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
8. PROPERTY, PLANT AND EQUIPMENT		
a) Property, Plant and Equipment		
Office Furniture & Fittings - at cost	330,914	325,720
Less: Accumulated Depreciation	<u>(298,243)</u>	<u>(279,803)</u>
	32,671	45,917
Computer Equipment - at cost	326,319	308,068
Less: Accumulated Depreciation	<u>(287,535)</u>	<u>(255,916)</u>
	38,784	52,152
Motor Vehicles - at cost	69,383	69,383
Less: Accumulated Depreciation	<u>(32,782)</u>	<u>(23,682)</u>
	36,601	45,701
Leasehold Improvements - at cost	675,673	675,287
Less: Accumulated Depreciation	<u>(657,890)</u>	<u>(619,294)</u>
	17,783	55,993
Promotional Equipment - at cost	18,215	18,215
Less: Accumulated Depreciation	<u>(17,574)</u>	<u>(16,647)</u>
	641	1,568
Total Property, Plant and Equipment	<u>126,480</u>	<u>201,331</u>

b) Movement during the year

	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>32,671</u>	<u>38,784</u>	<u>36,601</u>	<u>17,783</u>	<u>641</u>	<u>126,480</u>

	Office Furniture & Fittings \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvement \$	Promotional Equipment \$	Total \$
Opening written down value	92,048	81,156	57,063	184,422	476	415,165
Additions at cost	15,437	28,792	-	902	1,440	46,571
Disposals at written down value	(246)	(167)	-	(566)	-	(979)
Depreciation expense	(61,322)	(57,629)	(11,362)	(128,765)	(348)	(259,426)
Closing written down value	<u>45,917</u>	<u>52,152</u>	<u>45,701</u>	<u>55,993</u>	<u>1,568</u>	<u>201,331</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 2017

	2017 \$	2016 \$
9. INTANGIBLE ASSETS		
a) Intangible Assets		
Software, media assets and digital development- at cost	1,140,863	467,794
Less: Accumulated Amortisation	<u>(641,579)</u>	<u>(298,453)</u>
	499,284	169,341
b) Movement during the year		
Software, media assets and digital development:		
Opening written down value	169,341	124,827
Additions at cost	673,069	165,433
Disposals at written down value	-	-
Amortisation expense	<u>(343,126)</u>	<u>(120,919)</u>
Closing written down value	499,284	169,341

During the year the Company incurred costs in the production of media assets. These assets are amortised over a period of one to three years.

10. TRADE AND OTHER PAYABLES

Trade payables and accruals	2,481,218	2,109,405
Members subscriptions in advance	204,180	190,530
Revenue received in advance	517,624	190,235
GST payable	<u>67,662</u>	<u>94,495</u>
	3,270,684	2,584,665

11. PROVISIONS

Current		
Annual leave	304,467	258,315
Current portion of long service leave	176,502	66,439
Leasehold premises - make good	<u>130,070</u>	<u>-</u>
	611,039	324,754
Non Current		
Long service leave	115,351	200,626
Leasehold premises - make good	<u>-</u>	<u>123,876</u>
	115,351	324,502

a) Make Good Provision

The Company is required to restore the leased premises at Levels 2 and 3, Oracle North, Broadbeach to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

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	123,876	117,977
Charged to profit/(loss) - unwinding of discount	<u>6,194</u>	<u>5,899</u>
Balance at end of year	130,070	123,876

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
12. MOVEMENT IN RESERVES		
Reserve - Subvention funds:		
Balance at the beginning of the year	250,000	215,090
Transfer to meet current period expenditure	<u>(304,504)</u>	<u>(66,062)</u>
Transfer to meet current and future expected expenditure	304,504	100,972
Balance at end of year	250,000	250,000

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

13. CASH FLOW RECONCILIATION

a) Reconciliation of 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	3,029,054	2,805,266
Bank overdraft	<u>(65,382)</u>	<u>(61,444)</u>
Balance as per statement of cash flows	2,963,672	2,743,822

b) Reconciliation of Net Cash (Utilised) / Provided by Operating Activities

(Loss) / Profit for the year	(214,856)	516,296
Depreciation and amortisation	466,801	380,345
(Loss) / Profit on disposal of assets	140	(1,571)

Changes in assets and liabilities:

Trade and other receivables	(30,544)	99,712
Inventory	(30,320)	1,643
Other current assets	4,491	226,260
Trade and other payables	686,019	(1,700,157)
Provisions	77,135	110,468

Net Cash (Utilised) / Provided by Operating Activities	<u>958,866</u>	<u>(367,004)</u>
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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	630,324
-12 months or longer and no longer than 5 years	67,270	511,312
- later than 5 years	-	-
	<u>707,130</u>	<u>1,141,636</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	1,002,461	1,120,597
-12 months or longer and no longer than 5 years	<u>413,240</u>	<u>427,138</u>
	1,415,701	1,547,735

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

15. RELATED PARTY TRANSACTIONS

During the financial year the following transactions were undertaken with related parties. These 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.)	8,621	6,329
	Tourism and Events Queensland	Board Director	642,276	2,002,742
Adrienne Readings (Vice Chairman)	Gold Coast Convention & Exhibition Centre	General Manager	15,552	51,548
Jonathan Fisher	Currumbin Wildlife Sanctuary	CEO	4,567	5,778
Craig Davidson	Ardent Leisure Theme Parks	CEO	10,884	43,016
John Morris	RACV Queensland Resorts	General Manager	1,677	21,471
Lindsay Wallace	The Arts Centre Gold Coast	Director	7,567	3,336
Peta Fielding	Burleigh Brewing Company	CEO	800	973
	Bleached Arts Ltd & GOLDOC	Board Member	327	-
Peter Young & William Owen-Jones	City of Gold Coast	Councillors	222,653	14,100,650
Adam Twemlow	KPMG	Partner	4,100	191
Nicholas Scott	Southern Cross Austereo	Former General Manager	83,590	355
John Punch	Short Punch & Greatorix	Partner	410	-
Martin Winter (CEO)	Tourism and Transport Forum (TTF)	National Project Advisory Panel Member	28,875	-
	Assoc. of Australian Convention Bureaux	Board Member	37,593	-

Trade receivables due from related parties at balance date amount to \$20,634 and trade payables due to related parties at balance date amount to \$1,394.

GOLD COAST TOURISM CORPORATION LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

16. 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.

17. KEY MANAGEMENT PERSONNEL REMUNERATION

No income was received or due and receivable by the Directors for the year. Names of Directors in office during the financial year are included in the Directors' Report.

During the year the Company reassessed its key management personnel due to an organisational restructure. Key executives remuneration included in expenditure amounted to \$988,952 (2016: \$1,454,961).

	2017 \$	2016 \$
Short-term employee benefits	922,910	1,350,033
Post-employment benefits	66,042	104,928
	<u>988,952</u>	<u>1,454,961</u>

18. AUDITOR'S REMUNERATION

Audit of financial report	19,740	18,340
Other non-audit services provided	2,200	-
	<u>21,940</u>	<u>18,340</u>

19. 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 entity 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 2017, 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 \$55,629 lower/higher (2016 change of 100 bps: \$53,221 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 2017

19. 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:

	2017 Gross \$	2017 Allowance \$	2016 Gross \$	2016 Allowance \$
Current	33,544	-	35,010	-
31 - 60 days	12,595	-	6,733	-
61 - 90 days	-	-	157	-
91 days and over	-	-	1,102	-
	46,139	-	43,002	-

During the financial year nil bad and doubtful debts were written off (2016: 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:

	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	-	-
	3,270,684	3,270,684	-	-

GOLD COAST TOURISM CORPORATION LIMITED
ACN 009 935 184
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19. FINANCIAL RISK MANAGEMENT (Continued)

	2016	Contractual Repayment Amount \$	6 mths or less \$	6 - 12 mths \$	1 - 5 years \$
Trade payables		605,566	605,566	-	-
Sundry payables and accruals		1,979,099	1,979,099	-	-
		2,584,665	2,584,665	-	-

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.

Unused/Used Financing Facilities

The Company has financing facilities of up to \$100,000 available from ANZ Online.

Encashment Facility

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

Unused Foreign Exchange Facility

The Company has a facility of \$20,000 in place for foreign exchange contracts.

Indemnity Guarantees

The Company has signed an indemnity guarantee for \$239,621 over the operating 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.

20. CONTINGENT LIABILITY

The Company had no contingent liabilities as at 30 June 2017 and 30 June 2016.



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Auditor's Independence Declaration

As auditor of Gold Coast Tourism Corporation Limited for the year ended 30 June 2017, 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
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 ... 2017

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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 requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2017 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, 26 September 2017.

Gold Coast Tourism Corporation Limited ACN 009 935 184

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 2017, 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 the Company 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 2017 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.

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 2017, but does not include the financial report and our auditor's report thereon.

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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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

CROWE HORWATH SOUTH QLD
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Logan Meehan
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Dated this... 27th... day of... September... 2017

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