

An aerial photograph of the Gold Coast, Australia, featuring a large, calm lake in the foreground surrounded by green parks and a dense city skyline in the background. The sun is shining brightly in the clear blue sky, creating a lens flare effect. The text 'GOLD COAST TOURISM' is centered in the upper half of the image.

GOLD COAST TOURISM

ANNUAL REPORT 2016



CONTENTS

About Gold Coast Tourism.....	4
Chairman’s Summary.....	8
CEO’s Summary.....	9
Membership Services.....	11
Australia Marketing.....	12
International Marketing.....	14
Business Events.....	16
Visitor Information Centres.....	18
Communications and Marketing Services.....	19
Destination Management.....	20
Financial Statements.....	23

ABOUT GOLD COAST TOURISM

Gold Coast Tourism is a not-for-profit, membership-based, destination marketing organisation whose primary purpose is to promote the city as a leisure and business event destination through global and domestic trade, media and travel industry channels. It represents a membership of approximately 500 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 \$5.1 billion into the local economy in 2015/16, supported 9,000 tourism businesses and accounted for 30,000 direct 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

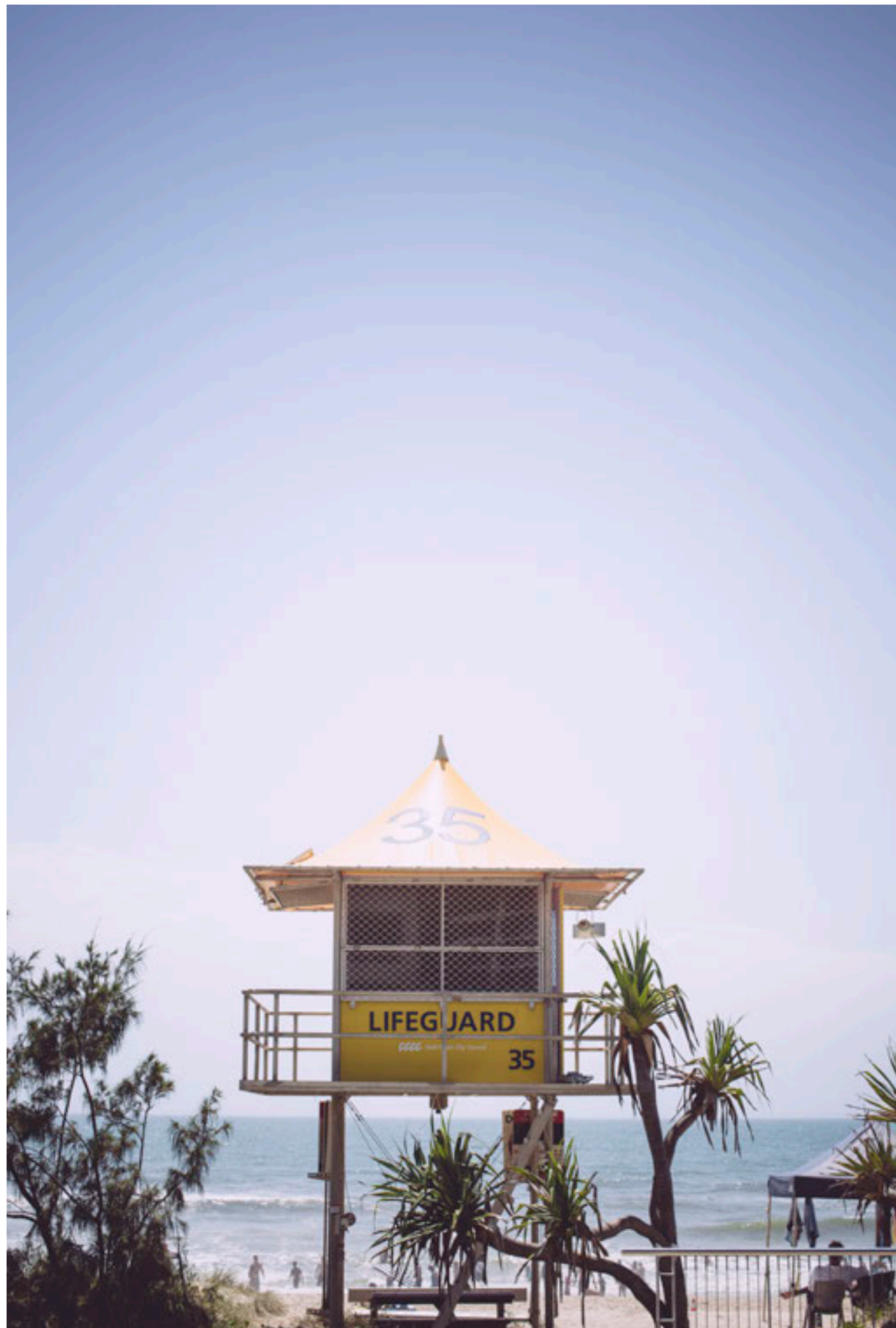
This Committee oversees the annual audit process, risk management and insurances, legal issues and compliance and reports to the Board on these matters. The Committee has a clear charter and seeks independent advice as appropriate.

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:

- Paul Steer (Chair)
- Adrienne Readings
- Jonathan Fisher

Of note, the current Chair is a former Managing Partner, Gold Coast for KPMG, who brings a wealth of relevant experience to the Committee's operations. Committee meetings are also attended by the Chief Executive Officer and the Director Corporate Services.



OUR MARKETING APPROACH

Gold Coast Tourism's focused strategic approach to marketing the Gold Coast as a leisure and business events destination ensures it achieves maximum value from its investment in resources.

In its largest market, Australia, it balances independent and cooperative activity depending on season, sector and circumstance.

GCT's cooperative activity includes regular campaigns with Gold Coast Tourism member businesses, Tourism and Events Queensland, Surfers Paradise Alliance, Broadbeach Alliance, Connecting Southern Gold Coast, Gold Coast airport, travel retailers and airlines.

Internationally, it leverages its cooperative partnerships even further to enhance investment and gain greater reach. GCT's primary international marketing partners are Tourism Australia, Tourism and Events Queensland and international airlines.

The primary markets in which Gold Coast Tourism operates are judged on five key criteria including:

- Current visitor volume and expenditure within the Gold Coast
- Forecast visitor volume and expenditure
- Current or forecast aviation access into Gold Coast or Brisbane airports
- Priority regions identified by Tourism Australia and Tourism and Events Queensland
- Fit with Gold Coast target audience segmentation and prioritisation

Gold Coast Tourism operates to promote the destination offering to attract leisure and business event visitors to the city. This is executed through five main categories of activity, each with a specific purpose to increase awareness, engagement and conversion.

They include:

- Consumer marketing campaigns and promotions
- Trade campaigns and partnerships
- Bidding and sales activity
- Public relations and media
- Familiarisations (consumer-facing media and trade)

Consumer activity primarily consists of targeted marketing utilising owned, earned or paid channels to positively promote the Gold Coast holiday experience throughout the year to both domestic and international travellers.

Trade activity enables GCT to leverage, update and educate the travel wholesalers, inbound tourism operators, professional conference organisers and travel agent networks which are crucial influencers and sales conversion partners for travel to the destination.

Gold Coast Tourism also visits its key markets to conduct sales calls and engage with consumers, travel agents, wholesalers, airlines and representatives of Tourism Australia and Tourism and Events Queensland.

The organisation recognises the ongoing need to maintain relevance, recognition and appeal for the destination. Through its relationships with external stakeholders in the leisure and business events arenas, it aims to grow interest for holiday visitors and for professional conference organisers who recommend the Gold Coast to their clients for conference and incentive events.

Promotions and public relations work is generally organised to complement marketing campaigns through channels such as events, social media and publicity. Bringing targeted media or trade representatives to experience the destination first hand has proven to be one of the most effective ways to gain exposure or advocacy for the city within a highly competitive travel environment. Throughout the year Gold Coast Tourism hosts numerous media and trade contacts whose personal experience positively influences their audiences when relayed via multiple channels.

CHAIRMAN'S SUMMARY

The Gold Coast Tourism industry thrived in 2015-2016, providing significant economic support to the city. The strong performance was underpinned by record breaking international results and further confirmation of the return of the domestic market. The tourism economy was driven by consistent demand, with little experience of the seasonal peaks and troughs witnessed in previous years. As Australia's premier visitor destination, the Gold Coast is well placed to capitalise on what the Prime Minister has identified as a 'super growth' sector.

In 2015-2016, 13.3 million visitors injected \$5.1 billion into the local economy - supporting 9,000 tourism-related businesses.

International visitor figures compiled by Tourism Research Australia were the strongest recorded, in terms of both visitor arrivals and expenditure. The Gold Coast performed very strongly with a 14.8% increase in international visitor expenditure taking direct receipts to a record \$1.26 billion.

Performance across core markets such as New Zealand and the UK was strong, and significant increases were experienced from China, Japan, Taiwan and Hong Kong and these were supported again this financial year by arrivals from both western and eastern hemispheres.

Investment in aviation and the subsequent improvements in connectivity contributed to these results, particularly for China, with direct services into the Gold Coast airport. There were 282,000 visitors from China - the Gold Coast's largest international source market - and the city was the number one destination for Chinese visitors to Queensland. This was a direct result of prolonged efforts by the tourism industry to provide a solid foundation to build this market.

The industry's Business Events results grew steadily, with an 11% increase in qualified meetings (to 1,600) and a 14% increase in Business Events delegates (to 640,000).

The domestic market continued its return to growth in 2015-2016 with visitor expenditure of \$2.9 billion – with strong results in domestic overnight visitor numbers up 11.8% to 3.7 million.

Lower airline operating costs, the addition of new routes and Gold Coast Tourism's aggressive marketing helped drive this success in FY16. Ten new international and domestic connections were added directly into the city, including the new scheduled service from Hong Kong Airlines, Air AsiaX's daily service to Auckland, new Jetstar routes to central China, Fiji, Wellington, Queenstown, Avalon and Perth, Jet Go's services to Rockhampton and Townsville and the reinstatement of Qantas' Melbourne route. Significant investment in infrastructure to support these services is being made at both Gold Coast and Brisbane airports. These investments provided airlines increased confidence, as demonstrated by Brisbane airport, which re-connected to Japan with Qantas and opened up new opportunities for the Gold Coast in North America with Air Canada.

In my 9th year as Chairman of Gold Coast Tourism, I am excited by the Tourism Industry's growth and the impact this is having on the nation's sixth largest city as we approach the Gold Coast 2018 Commonwealth Games™. The current investment in public and private infrastructure is evidence of the confidence in the destination and will translate to a significant and sustained financial boost to our economy. There can be little doubt these major retail, hotel and Commonwealth Games projects will provide long term benefits for our tourism industry.

The cooperation between Gold Coast Tourism, the City of Gold Coast, Tourism Events Queensland, Tourism Australia, Study Gold Coast, LTOs and all sectors of Government and the tourism industry is genuine and it is delivering tangible and significant benefits for our economy and our community.

Gold Coast Tourism demonstrated its credentials this financial year with two major events - the Australian Tourism Exchange and the Go-Pro Athlete Summit. We will continue to work together with our stakeholders to identify and maximise opportunities which generate real returns and drive demand for the Gold Coast.

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 - together we are realising a solid future for the entire city. Our participation in the Destination Tourism Management Plan is vital to this outcome and we remain committed to working with the industry and our stakeholders to further consolidate what is already a strong position. I look forward to continuing this valuable work with you.



Paul Donovan | Chairman - Gold Coast Tourism Corporation Ltd

CEO'S SUMMARY

In 2015-2016 Gold Coast Tourism continued its aggressive market-driven investment strategy to deliver new levels of international visitor expenditure and strong domestic results.

According to Tourism Research Australia, in the 12 months to June, total overnight visitor numbers on the Gold Coast grew by 1.7 million to 13.3 million. This increased revenue by 14.4% over the previous year, reaching \$5.1 billion. This spend translated as yield growth for the accommodation sector with STR Global reporting average hotel occupancy increasing from 71.4% to 73.4% for the full financial year, and operators generating 9.1% more revenue per available room over the six months to June, 2016 - a figure equivalent to more than triple the national average.

Over the reporting period, the Gold Coast welcomed 12% more visitors from the domestic overnight market and recorded a 4.3% increase in expenditure, contributing \$2.9 billion or 60% to the combined result. This growth was experienced across all three of our primary domestic markets of Sydney, Melbourne and Brisbane.

However, without downplaying the strong revenue result, the decrease in domestic visitor nights, which fell 0.8% to 13.1 million, is cause for concern. The result echoes a nationwide trend which sees Australian visitors transitioning from traditional week-long holidays to breaks of shorter duration - now averaging 3.5 nights on the Gold Coast. Declining lengths of stay represent a major challenge for our industry. We must continue to advocate strongly for the approval of new integrated tourist precincts; we must create a more diverse set of attractions and further develop Major Events, Eco, Food, Indigenous, Marine and Cultural experiences which increasingly have appeal for today's travellers.

In FY16 the Gold Coast Business Events unit won \$71 million worth of conferences, incentives and corporate meetings, the destination continued to dominate the Queensland Business Events sector, capturing 40% of the market and increased the number of meetings to the city by 11%.

International visitors contributed \$1.26 billion to the local economy - a record spend by approximately 984,000 travellers, 14.3% more than FY15.

Visitor growth from China continued at a staggering pace, up 33% over the previous 12 months. Growth in capacity at both Gold Coast and Brisbane airports combined with targeted cooperative marketing investments in consumer and trade channels with our key partners enabled GCT to capitalise on the latent opportunity which currently has no end in sight. Notwithstanding this, our risk-spreading strategy to continue investing in traditional markets also delivered well, with New Zealand maintaining its lead in international visitor nights and Japan bouncing back strongly with 17% visitor growth in response to Qantas' return to the Tokyo-Brisbane route. For the first time in many years, every international market performed well for the Gold Coast in FY16, apart from Malaysia which was heavily impacted by issues associated with its national carrier.

Gold Coast Tourism's success continues to be guided by the Destination Tourism Management Plan (DTMP), and over the year we worked closely with the city to review the progress each agency was making to ensure our shared objectives were being met. To further align strategies and avoid duplication, Connecting Southern Gold Coast, Broadbeach Alliance, Surfers Paradise Alliance and Study Gold Coast were each embedded into the Plan. Performance measures, established as service standards under our agreement with the City of Gold Coast, were achieved including, but not limited to, the delivery of 75 marketing campaigns; the attraction of 3.27 million unique website visitors; generation of 2.2 million social media fans; securement of \$2.44 million in direct sales for members through our Visitor Information Centres; the capturing of \$9.4 million in leveraged marketing funds from industry stakeholders; the supply of an estimated \$13.8 million worth of qualified online business leads to members, and the generation of \$44 million worth of positive, unpaid media exposure for the city.

In the coming year we will continue to grow air capacity into Brisbane and Gold Coast airports and ramp-up our investment in the once-in-a-generation opportunity presented by the Gold Coast 2018 Commonwealth Games™. We will also continue to build the destination's foundations post-2018, with re-positioning beyond Famous for Fun that appeals better to tomorrow's tourist and ensures it becomes the must-visit destination for both domestic and international visitors in the next decade. This work aligns with the escalating aspirations of the city and broader Gold Coast community and will be guided by an industry-leading marketing strategy to ensure maximum visibility in the cluttered global tourism landscape.

We believe there are many good reasons to be very confident about the future of the Gold Coast's tourism industry and look forward to again working in genuine collaboration with all stakeholders who share our ambitious aspiration.



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



MEMBERSHIP SERVICES

The Membership Services team succeeded in attaining all targets set for FY16 related to membership opportunity and servicing. In particular, member engagement, exposure across digital platforms and training and development of members was undertaken effectively.

Industry and member relationships were positively established and nurtured, with a 95% member retention rate and the presentation during the year of Longevity Awards (20-40 years) to 23 members. Furthermore, by acquiring 84 new members, the Membership Services team injected new experience offerings for our visitors to the destination. Business Events membership increased 10% on last year, with more businesses identifying this market as an opportunity to grow their product.

From the 483 member engagement meetings held, a crucial strengthening of member rapport was obtained. Increased awareness of Gold Coast Tourism’s activities resulted in a satisfying 97% of members noting in the Annual Survey that these meetings were valuable. A member satisfaction rating of 4 out of 5 also indicated industry’s endorsement of GCT’s Membership Services.

The Membership Services business unit also hosted 10 educational and informational events and 4 networking events during the year. The program of events was designed with the feedback obtained from members in the Annual Survey. From these results, smaller digital coaching workshops were facilitated, catering to hands-on skill based training to empower members to develop their digital channels. From the survey, 94% of attendees rated these events as excellent or good.

The Membership Services business unit streamlined the Extranet function of the Customer Relationship Management system (CRM), to continue to provide members with a robust platform where they can access statistics, industry resources and past presentations with ease. Return On Investment (ROI) reporting for members was provided on an ongoing basis through the CRM system, contributing to strong member satisfaction.

A new CRM module encompassing event management was rolled out during the second half of the financial year which enabled more effective organisation of events through seamless distribution, response collection and reminders. As a result 1,852 members attended the annual calendar of events managed by the team.

With visitgoldcoast.com launched during the year, additional effort was applied to ensuring member product is well represented through a more responsive platform. In addition, Australian Tourism Data Warehouse’s online system launch enabled members easier editing, updating and integration of their listings profiled on our leisure-based site.

New product development and enhanced service culture initiatives continued to be a focus for Membership Services with education and assistance offered to new and emerging products. In particular, there was strong growth in the interest demonstrated by a variety of start-ups. Both online and physical resources from stakeholder organisations were shared with these businesses.

HIGHLIGHTS

- 480 members
- \$409,000 membership revenue
- 84 new members acquired
- 483 engagement meetings conducted
- 14 Industry events and workshops conducted
- 1,852 attendees at events
- 84 industry and stakeholder events/meetings/ presentations attended
- 4/5 member satisfaction rate

MEMBERS BY CATEGORY

- Accommodation 28%
- Service 22%
- Attraction/Activity 16%
- Restaurant/Cafe 12 %
- Tour 10%
- Transport 5%
- Shopping 4%
- Venue 3%

AUSTRALIA MARKETING

The Australia Marketing Team remained focused on increasing domestic overnight visitation and subsequent overnight visitor expenditure, by delivering a comprehensive calendar of campaign activity across the year. For the year ending June 2016, Tourism Research Australia’s *National Visitor Survey* reported the Gold Coast welcomed 3.7 million domestic overnight visitors, generating \$2.9 billion in overnight visitor expenditure with an average length of stay of 4.6 nights from our interstate markets and 2.5 nights from our intrastate visitors. This represents 11.8% year-on-year growth in domestic overnight visitation, whilst domestic day trip visitation also increased by 15.6% with the region welcoming 8.6 million day trip visitors, generating \$892 million in day trip visitor expenditure for the Gold Coast.

Challenging long-held perceptions and enhancing the profile of the destination via our direct to consumer channels formed a core part of our strategy across the year. A dedicated approach to re-engage travellers from our number one interstate source market of Sydney was executed with the aim of offsetting a number of headwinds identified as part of a consumer research project undertaken in partnership with Tourism and Events Queensland (TEQ) in late FY14-15. A concerted effort to significantly increase our email subscriber base was made, with this audience growing by 262% to over 235,000 active email subscribers. Four national brand campaigns led our calendar of activity, with TEQ co-funding three of these. More than 200 online holiday offers were secured from GCT Members in support of these campaigns, with 62,000 direct leads generated to these businesses.

Gold Coast Tourism leveraged our domestic aviation and travel trade partners with national campaign activity undertaken with HotelClub, Jetstar Airways, Virgin Australia, Virgin Australia Holidays, Flight Centre Group and Webjet.com.au. Domestic aviation capacity was further strengthened with the introduction of new flights from Melbourne in October 2015, with Qantas announcing a daily service from Tullamarine airport and Jetstar Airways a daily service from Avalon airport.

Sports and events marketing continued to be a key focus, the Australia Marketing team worked with the City of Gold Coast, Broadbeach Alliance, Connecting Southern Gold Coast, Surfers Paradise Alliance and TEQ to drive tourism benefits around our extensive calendar of activity and strengthening the city’s image as a world class sports and events destination in the lead up to the Gold Coast 2018 Commonwealth Games™.

Targeting the 2.1 million international youth travellers (15-29 years) that visit Australia annually remained a priority. Campaigns with Student Flights and Peterpans Travel Group were executed, along with GCT representation at a number of trade events that are core to attracting this market. The city continues to secure strong growth from this market with a 17% increase in arrivals (to 331,000) international youth travellers for the year ending June 2016. Our collaboration with Study Gold Coast in engaging with this market is pivotal to its continued success.



HIGHLIGHTS

CAMPAIGNS

- HotelClub
- Gold Coast, Famous for Fun ‘And...Action’ Pre-Spring Campaign
- Gold Coast, Famous for Fun ‘And...Action’ Pre-Summer Campaign with Jetstar Airways and TEQ
- Virgin Australia Long Weekender
- Student Flights and Infinity Holidays
- Webjet.com.au
- Flight Centre Group and Infinity Holidays
- Gold Coast, Famous for Fun ‘And...Action’ Autumn/Easter Campaign with TEQ
- Gold Coast, Famous for Fun ‘And...Action’ Winter Campaign with TEQ
- Peterpans Travel Group
- Viva Surfers Paradise
- Swell Sculpture Festival
- V8 Supercars Gold Coast 600 Campaign with Virgin Australia Holidays
- XCat Gold Coast Grand Prix
- The Australian PGA Championship
- Jeep Magic Millions Racing Carnival with Virgin Australia Holidays
- Burleigh Pro
- Australian Ladies Masters Golf
- Quiksilver & Roxy Pro
- Bleach* Festival
- Gold Coast Film Festival
- Surfers Paradise Live
- Gold Coast airport Marathon
- AFL with Gold Coast Suns
- NRL with Gold Coast Titans
- Sanctuary Cove International Boat Show
- Cooly Rocks On
- Blues on Broadbeach
- Broadbeach Country Music Festival

FAMILIARISATIONS

- Website Travel Famil
- Virgin Australia Melbourne Sales Team Incentive Famil
- Gold Coast National Mega Famil with Virgin Australia
- NSW/ACT Flight Centre Assistant Team Leaders Conference
- Virgin Australia/Corporate Traveller VIP Famil
- Travel Partners Conference

MISSIONS

- Flight Centre Travel Expo’s in Sydney and Melbourne
- Caravanning QLD – Caravanning, Camping and 4WD Expo’s nationally
- Website Travel Training Summit, Sydney
- WYSE Exchange Sydney
- Website Travel Training Summit, Cairns
- Backpacker Youth Travel Exchange, Sydney

INTERNATIONAL MARKETING

International visitation to the Gold Coast performed strongly throughout FY16, recording 14.3% growth in visitor numbers alongside a solid 14.8% growth in visitor spend. All of the Gold Coast’s primary source markets of international tourism recorded positive growth for the year-ending June 30, 2016, with China and Japan standouts, growing at 33% and 16.9% respectively.

Central to Gold Coast Tourism’s international marketing efforts in FY16 was the successful hosting of the Australian Tourism Exchange, the first time it was held on the Gold Coast in its 37-year history. Industry feedback and official survey results from Tourism Australia showed overwhelmingly high levels of satisfaction from both seller and buyer delegates. Beyond the week of buyer/seller appointments, 25 group familiarisation tours were conducted throughout the Gold Coast for the 900 trade buyers and a global media contingent. The event also reinforced the strong position of the Gold Coast amongst mainstay Asian markets whilst starting to change perceptions amongst a number of our non-traditional Western markets.

An increase to Gold Coast Tourism’s investment in Japan this last year delivered strong marketing results across increased consumer-direct and trade tactical activities with Qantas, Jetstar, JTB, HIS and Watabe Weddings. With a return to a healthy pipeline of airline capacity from Japan into Australia, together with renewed attention towards Australia from Japan’s travel trade, the Gold Coast is in a strong position to take further advantage of this market’s recent turnaround.

New Zealand remains the Gold Coast’s largest international market in terms of visitor nights for the region. FY16 saw a healthy 3% and 4% growth in visitation and visitor nights respectively. Gold Coast Tourism maintained a strong emphasis in consumer-direct marketing, with the successful ‘Weather Protection Unit’ PR campaign in New Zealand, coupled with strongly leveraged tactical activity in conjunction with Flight Centre, House of Travel and United Travel.

Mainland China continued to deliver strong results for the Gold Coast industry with significantly increased air capacity both servicing and building further demand within the market. The securing of year-round thrice-weekly services from Hong Kong Airlines into Gold Coast airport, strong results from Jetstar’s Central China service, along with China Eastern’s results that will now lead to a year-round service commencing November into Brisbane airport, promises continued growth from this market in the year ahead. Aside from significant investment into cooperative consumer marketing with our airline partners, Gold Coast Tourism continued to invest its resources equally across both consumer and travel trade channels, with the highly successful Wang Xiao ‘Run to Gold Coast’ digital campaign, and the over 30 roadshows conducted with trade partners throughout China’s Tier 1 and 2 cities.

South East Asia, India and the Middle East also delivered solid growth for the Gold Coast over the last 12 months. Whilst from a comparatively small base, the Gulf continued its rebound, and with significant PR campaign activity around Master Chef Tarek and combined tactical campaigns with trade partner DNATA, interest in the Gold Coast has been reignited across the Gulf Cooperation Council markets. In India Gold Coast Tourism continues to pursue its trade-focused strategy with the further rollout of our ‘Gold Coast Champions’ program with key distribution partners.



HIGHLIGHTS

FAMILIARISATIONS

- Gold Coast Marathon Trade Famil
- Qantas Japan Trade and Media Famil
- JTB Japan Travel Planners Famil
- Singapore Digital Influencers Famil
- Swallow Holidays China Famil
- Japan ‘KAT-TUN’ Media Famil
- AAX Jane Chuck Influencers Famil
- JTB Japan Metropolitan VIP Group Famil
- Qantas Japan ‘Power Famil”
- Japan Association of Travel Agents (JATA) VIP Famil
- China Lu Yi NG Magazine Famil
- Hong Kong Airlines China Trade Famil
- Avia Tour Indonesia Food Bloggers Famil
- Times Of India Media Famil
- South East Asia Digital Influencers Famil
- NZ Trade Famil
- New Zealand Herald Writers Famil
- Guangxi TV ‘Selfie Queen’ Media Famil
- Japan Teachers Famil
- Jetstar Japan Trade Famil
- Beijing TV Media Famil
- Flight Centre NZ / The Hits Radio Famil
- Watabe Japan ‘Marry Me” Media Famil
- Wang Xiao Celebrity Marathon Famil

CAMPAIGNS

- New Zealand ‘Weather Protection Unit’ PR Campaign
- Japan ‘Marry Me’ PR Campaign
- China Southern Campaign
- Hong Kong Airlines Campaign
- Singapore Scoot ‘Re-Review’ Campaign
- Middle East DNATA Tactical Promotion
- Master Chef Tarek Middle East PR Promotion
- UK Flight Centre Promotion
- China Step Into The World ‘Perfect GC’ Tactical Campaign
- New Zealand House of Travel Winter Campaign
- India ‘GC Champions’ Campaign
- Japan JTB World Vacations Wai Wai Family Campaign
- China Wang Xiao ‘Run to Gold Coast’ Campaign
- Japan HIS Tokyo Campaign

BUSINESS EVENTS

Gold Coast Business Events (GCBE) delivered a broad range of sales initiatives in FY16 as it continued to establish the Gold Coast as a leading business events destination, both nationally and internationally.

Despite operating in an increasingly competitive global environment, internationally the team secured a total of 17 association conferences and corporate meetings and 38 incentive events.

On the national stage, the Gold Coast grew in popularity as a business events destination, with the team securing a record 69 event wins. The combined result of international and national events resulted in an economic contribution of over \$71 million to the city.

Our signature event, ‘This is Gold Coast Business Exchange’, drew 43 qualified corporate and association planners from Australia and New Zealand, plus six national and international BE trade media. The program included a combination of themed social events, a trade exhibition with pre-scheduled appointments, and a range of exciting destination experiences on the post-famil. Approximately 50 members participated, with most securing new leads and business contacts. The event generated a unanimous 100% satisfaction rating from both members and buyers.

GCBE delivered a range of cooperative events and sales missions in core markets, providing opportunities for members to showcase their product to the business events sector, make new connections and acquire new business leads.

Traditional sales and marketing activity continued to be a focus with the team conducting a total of 451 sales calls, hosting 43 site inspections and nine destination and media famil programs across key markets. In addition, the team supplied event servicing to over 194 clients for destination collateral, images and general information to support upcoming business events to the city.

With Gold Coast 2018 Commonwealth Games™ on the horizon, sport was a new focus with GCBE employing a dedicated resource to conduct research on potential sporting conferences and sporting related events, with the aim of bidding for these events in the future. To date GCBE has procured 21 such conferences attracting over 8,200 delegates to the city.

The *Queensland Business Event Survey* (QBES) figures continue to be strong, with Gold Coast conducting 1,623 qualified business events in FY15, representing an 11% increase to the Gold Coast and an overall 40% market share of all business events to Queensland.



HIGHLIGHTS

SALES ACTIVITY AND MISSIONS

- Sales Calls Conducted 451
- Site Inspections Hosted 43
- ‘This is Gold Coast Business Exchange’ - 43 clients
- Gold Coast Connect Brisbane
- Gold Coast Connect Sydney
- Gold Coast Connect Melbourne
- Gold Coast Connect Canberra
- Japan BE Agent Sales Mission
- ICCA Asia Pacific Client Supplier Workshop
- PCO Association National Conference
- Gold Coast Medical Association Conference
- Associations Forum Conference & Exhibition
- PAICE New Zealand
- AIME Trade Show - Global
- BEA North Asia Showcase
- Associations World Congress - Global
- IMEX Frankfurt - Global
- Dreamtime - Global
- Associations CEO Symposium
- JTB Business Expo - Tokyo
- BEA Best Partner Program - China

FAMILIARISATIONS

- Post Dreamtime China
- Marriott Melbourne Famil - Activity
- QF TEQ Japan BE Agents
- GCBE BEA China Corporate
- ‘This is Gold Coast Business Exchange’ - Post Famil
- Sofitel PCO Famil - Activity
- GCBE KNT ECC Japan
- CIM Publication
- MICENet Publication
- Meeting Newz Magazine
- Business Event News
- Spice Magazine
- TTG Travel Magazine

VISITOR INFORMATION CENTRES

Gold Coast Tourism continues to operate two fully accredited Visitor Information Centres (VICs) - one in Surfers Paradise and the other in the domestic terminal of Gold Coast airport.

As online content grows globally, finding trusted information sources is increasingly important. Although VICs need to continually evolve to take advantage of these digital opportunities, they still remain a cornerstone to the visitor experience and expenditure, with one-on-one unbiased advice available for more than 360 days a year from our friendly, knowledgeable and dedicated staff and volunteers. The centres welcome an average of 19,000 visitors each month - that's 228,000 people per year. The opportunity to reach and influence a large number of visitors is further enhanced by the ability of staff to book accommodation, tours, cruises, bus, train and light rail tickets, theme park tickets and sell Gold Coast 2018 Commonwealth Games™ branded merchandise.

HIGHLIGHTS

- \$2.44 Million - Member product sales
- 228,000 - Visitor enquiries
- 128 - VIC member packages
- Free Wi-Fi installed in Surfers Visitor Information Centre since December 2015



COMMUNICATION AND MARKETING SERVICES

Gold Coast Tourism's main consumer-facing website has seen increased overall website traffic of 27%, increased total social media following +16% (to 2.2 million engaged followers) and has positioned visitgoldcoast.com as the most visited regional tourism organisation website and most popular regional tourism organisation Facebook profile in Australia.

The social channels and the Hidden Gems program generated an additional \$10.2 million in media value through the use of familiarisation activity for 118 domestic and key international influencers, with the focus on the lesser known locations and experiences of the Gold Coast including beaches, the hinterland and southern Gold Coast. 1,092 images were produced through this program - reaching an online audience of 181 million and gaining 10.2 million engagements.

Gold Coast Tourism's media and publicity strategy assisted in the delivery of \$44 million in advertising value equivalency in FY16, reaching a collective audience of more than 163 million.

Coverage throughout the year was generated across influential online platforms including The Guardian, HuffingtonPost, News.com.au, Lonely Planet and NineMSN; print outlets such as Jetstar Magazine, Escape and Australian Traveller and influencer channels such as SheSaid.com, YTravel and This Magnificent Life.

Gold Coast Tourism also worked with leading Australian broadcasters including live broadcasts on the Today Show, Sunrise and Studio 10 and coverage was secured via international outlets such as National Geographic (China), World Traveller Magazine (China), Yahoo! (Canada and New Zealand) and via highly targeted Business Events publications such as CIM News Magazine, MICE.net and Business Events News.

HIGHLIGHTS

- Social Media followers 2,269,549
- Unique website visitors 3,277,104
- Total consumer engagements online 13.4 million
- Media value generated \$44 million
- Leads generated to members 224,794

DESTINATION MANAGEMENT

In FY16 the Destination and Corporate Partnerships Team, in conjunction with industry partners, continued to actively participate in the facilitation, monitoring and progress reporting of the Gold Coast Destination Tourism Management Plan (DTMP). Within the seven strategic priorities of the DTMP, sixty-eight key actions have been identified to deliver outcomes for the destination. As such, through a cross-agency approach, sixty-four of the sixty-eight actions have progressed or have been completed.

Gold Coast Tourism in partnership with industry stakeholders, local, state and federal agencies participated in or led collaborative Experience Development and Industry Development initiatives including but not limited to:

- Evolution of the Be My Guest Program and launch of the Be My Guest Service Awards
- Engaging the China Market Program
- Gold Coast Tourism's Digital Coaching Initiative for Industry
- Gold Coast Experience Development Best Practice Tour 2016

According to STR Global Data reports, the Gold Coast accommodation sector continued to trend higher in occupancy, Revenue Per Available Room and Average Daily Room Rate year to date as well as the running twelve months. This positive trend helped influence investment/reinvestment into tourism infrastructure. Aviation access was also enhanced from the Gold Coast's tier one international priority markets of New Zealand and Greater China as well as some improvements in domestic connectivity.

The unified, action-based DTMP will continue to be the reference point used to optimise our existing events calendar and will maximise the economic potential of destination defining events such as the Gold Coast 2018 Commonwealth Games™. As demonstrated in FY16, the Destination and Corporate Partnerships Team will remain committed to further develop strong cooperative relationships with key stakeholders throughout the tourism industry and all tiers of government.



HIGHLIGHTS

REPRESENTATION

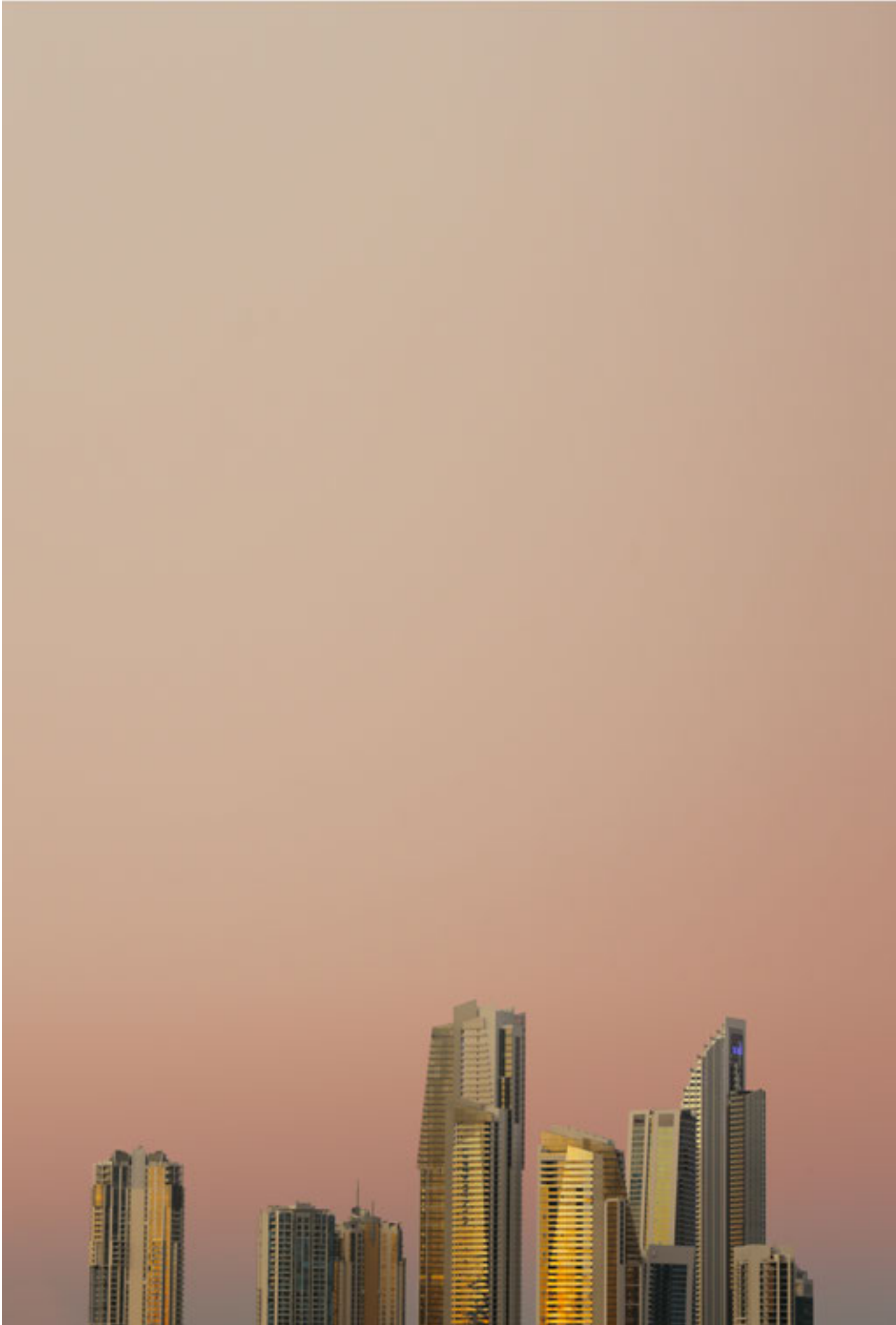
- Gold Coast Quality Service Project
- Southern Gateway Advisory Committee
- Safer Suburbs Forum
- Tourism and Events Queensland Destination Director – Gold Coast
- Australia's Green Cauldron Committee
- Association of Australian Convention Bureaux
- International Congress and Conventions Association
- QIBT Academic Board
- Major Events Strategic Planning Committee
- DTMP Steering Group
- City of Gold Coast China Working Group
- Japan Tourism Gold Coast Committee
- Gold Coast Chamber of Commerce Sub-Committee
- Events Management Queensland Gold Coast Board
- Regional Tourism Organisation Committee
- Gold Coast Cultural Strategy Consultation
- Gold Coast airport Master Plan Community Consultation Committee
- Heart of the City Advisory Committee
- Supercars Community Consultation Committee
- Gold Coast Waterways Board
- Surf World Museum Committee
- Gold Coast World Surfing Reserve Stewardship Committee
- Gold Coast Tourism, Hospitality and Education Committee

KEY ACTIVITIES

- Collaborated with industry, Local and State Government agencies to progress or complete 100% of the twenty-four Gold Coast Tourism-led or shared actions and helped facilitate progress or completion of sixty-four of the total sixty-eight actions of the DTMP
- Actively participated in, or led, collaborative Experience Development / Industry Development initiatives
- Through a partnership approach, successfully hosted ATE2016 - the best attended Australian Tourism Exchange in nearly a decade – a result which is reflective of the upbeat tourism economy and appeal of the new, refreshed host destination
- Renewed annual partnership agreement with Tourism and Events Queensland with the shared primary objective of increasing visitor expenditure

ENGAGEMENT

- GCT and Tourism Industry Meetings/Events
- GCT and Local, State and Federal Government Meetings/Events
- Interface with Local Tourism Organisations: Surfers Paradise Alliance, Broadbeach Alliance and Connecting Southern Gold Coast
- Interface with Study Gold Coast
- Political lobbying for destination objectives



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Directors' Report.....	24
Statement of Comprehensive Income.....	29
Statement of Financial Position.....	30
Statement of Changes in Equity.....	31
Statement of Cash Flows.....	32
Notes to and Forming Part of the Financial Statements.....	33
Lead Auditor's Independence Declaration.....	48
Directors' Declaration.....	49
Independent Auditor's Report.....	50

DIRECTORS' REPORT

The Directors present the following report of Gold Coast Tourism Corporation Limited (“the Company”) for the year ended 30 June 2016:

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)	10	11	-	-
Adrienne Readings (Vice Chairman)	9	11	3	3
Paul Steer	8	11	3	3
Jonathan Fisher	11	11	2	2
Craig Davidson	8	11	-	-
John Morris	8	11	-	-
Lindsay Wallace (Appointed 24/11/15)	5	5	-	-
Peta Fielding (Appointed 16/03/16)	2	3	-	-
Cr. Peter Young (Appointed 16/06/16)	1	1	-	-
Cr. William Owen-Jones - Alternate (Appointed 16/06/16)	-	-	-	-
Bruce Nicholls (Ceased 24/11/15)	5	5	-	1
Bob East (Ceased 24/11/15)	2	5	-	-
Cr. Greg Betts (Ceased 07/04/16)	5	8	-	-
Cr. Glenn Tozer - Alternate (Ceased 07/04/16)	1	1	-	-
The position of Honorary Secretary was held by: John Punch	9	11	-	-

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.

DIRECTORS' REPORT (Continued)

Principal Activities

The principal activity of the Company for the year ended 30 June 2016 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

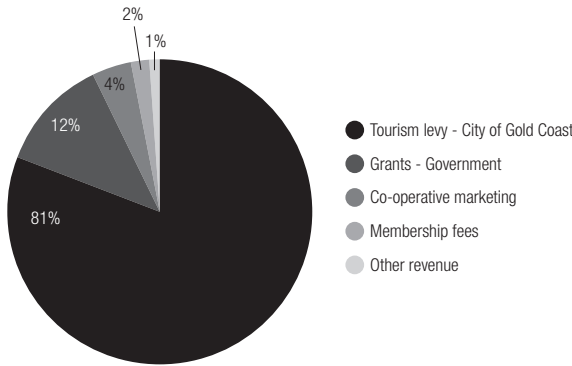
The Company measures its performance in terms of both the level of tourist visitation and expenditure to the Gold Coast and the volume and quality of the marketing activities it undertakes. Visitor statistics released by Tourism Research Australia assist with the assessment of performance in visitation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

Review and Results of Operations

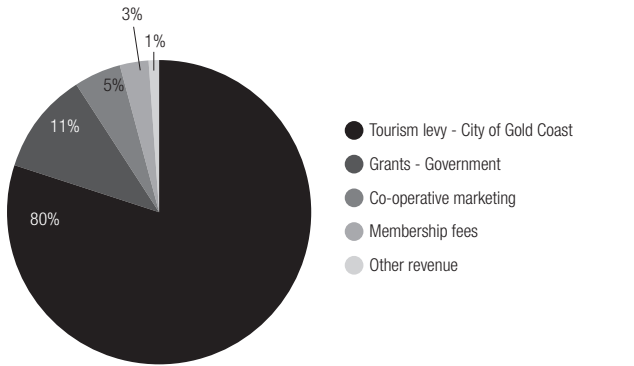
The Company has incurred a net profit for the year of \$516,296 (2015: \$119,280 profit).

Revenue

2016 REVENUE



2015 REVENUE

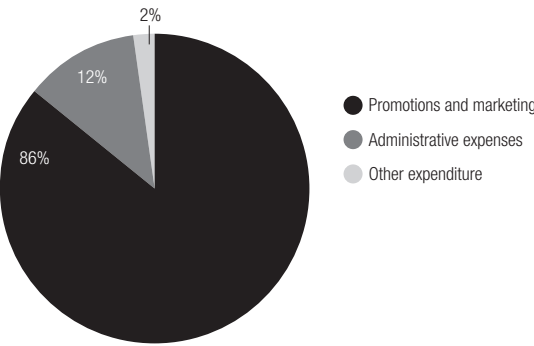


The Company continued to maintain a strong membership fee base of \$409,848 (2015: \$404,108) and obtained funding of \$14.2m (2015: \$12.6m) from the Tourism Levy. The Company also received co-operative marketing revenue of \$767,960 (2015: \$762,408).

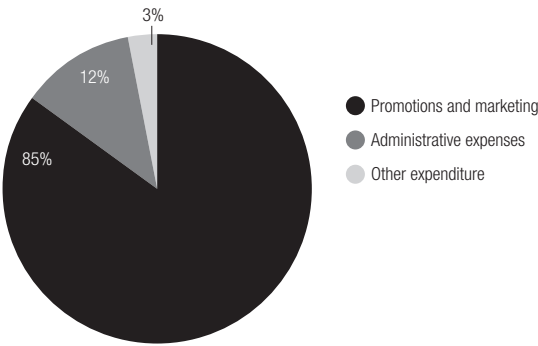
DIRECTORS' REPORT (Continued)

Expenditure

2016 EXPENDITURE



2015 EXPENDITURE



The 2016 expenditure of \$17.2m (2015: \$15.8m) continued to focus on external promotions and marketing of the Gold Coast. Approximately 86% (2015: 85%) of total expenditure of the Company focused on external activities.

The net assets of \$2,686,271 at 30 June 2016 are represented by Members' equity at year end, which includes an accumulated surplus of \$2,436,271. The surplus is higher than in previous years, as a result of the surplus for the current year. This surplus has been intentionally accumulated to have an appropriate financial base to enable funding of future significant projects, including the 2018 Commonwealth Games and Gold Coast destination brand positioning.

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 \$9,600 based on 480 current ordinary members.

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	Chairman	11 years
READINGS, Adrienne	General Manager	Gold Coast Convention & Exhibition Centre	Vice Chairman	12 years
STEER, Paul	Financial Adviser	in8capital (Member nominee for KPMG)	Director	9 years
FISHER, Jonathan	Chief Executive Officer	National Trust of Australia (Queensland)	Director	3 years
DAVIDSON, Craig	Chief Executive Officer	Ardent Leisure Theme Parks	Director	2 years
MORRIS, John	General Manager	RACV Queensland Resorts	Director	2 years
WALLACE, Lindsay (Appointed 24/11/15)	Director (Marketing & Communications)	The Arts Centre Gold Coast	Director	1 year
FIELDING, Peta (Appointed 16/03/16)	Chief Executive Officer	Burleigh Brewing Company	Director	-
YOUNG, Peter (Appointed 16/06/16)	Councillor	City of Gold Coast	Director	-
OWEN-JONES, William (Appointed 16/06/16)	Councillor	City of Gold Coast	Director - (Alternate)	-
NICHOLLS, Bruce (Ceased 24/11/15)	Managing Director	Tallship Island Adventures Pty Ltd	Director	12 years
EAST, Bob (Ceased 24/11/15)	Chief Executive Officer	Mantra Group	Director	3 years
BETTS, Greg (Ceased 07/04/16)	Councillor	City of Gold Coast	Director	2 years
TOZER, Glenn (Ceased 07/04/16)	Councillor	City of Gold Coast	Director - (Alternate)	2 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.

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 48.

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


.....
Director

Broadbeach, 4 October 2016.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Revenue	3	17,592,259	15,785,850
Cost of Goods Sold		(3,040)	(2,443)
Information Centre Expenses		(388,116)	(375,377)
Promotions and Marketing Expenses		(14,776,026)	(13,505,368)
Administrative Expenses		<u>(2,081,812)</u>	<u>(1,958,945)</u>
Net Income / (Loss) from Operating Activities	4	343,265	(56,283)
Financial Income		178,930	181,181
Financial Expenses		(5,899)	(5,618)
Net Finance Income		<u>173,031</u>	<u>175,563</u>
Net Income / (Loss) for the year		<u>516,296</u>	<u>119,280</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>516,296</u>	<u>119,280</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	13(a)	2,805,266	5,894,644
Financial assets	5	2,522,639	-
Trade and other receivables	6	72,712	172,424
Inventories		9,519	11,162
Other current assets	7	200,828	427,088
Total Current Assets		5,610,964	6,505,318
Non-Current Assets			
Property, plant and equipment	8	201,331	415,165
Intangible assets	9	169,341	124,827
Total Non-Current Assets		370,672	539,992
TOTAL ASSETS		5,981,636	7,045,310
Current Liabilities			
Trade and other payables	10	2,584,665	4,284,822
Bank overdraft		61,444	51,725
Provisions	11	324,754	249,657
Total Current Liabilities		2,970,863	4,586,204
Non-Current Liabilities			
Provisions	11	324,502	289,131
Total Non-Current Liabilities		324,502	289,131
TOTAL LIABILITIES		3,295,365	4,875,335
NET ASSETS		2,686,271	2,169,975
Equity			
Reserves	12	250,000	215,090
Accumulated surplus		2,436,271	1,954,885
TOTAL EQUITY		2,686,271	2,169,975

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Reserves \$	Accumulated Surplus \$	TOTAL \$
Balance at 1 July 2014	171,126	1,879,570	2,050,696
Total Comprehensive Income for the year	-	119,279	119,279
Transfer from reserve	(84,995)	84,995	-
Transfer to reserve	128,959	(128,959)	-
Balance at 30 June 2015	215,090	1,954,885	2,169,975
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	250,000	2,436,271	2,686,271

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from sales of goods and other receipts		21,858,116	20,273,061
Payments to suppliers and employees		(22,398,752)	(19,644,693)
Interest received		173,632	181,181
Net cash (utilised) / provided by operating activities	13(b)	<u>(367,004)</u>	<u>809,549</u>
Cash Flows from Investing Activities			
Purchase of plant and equipment		(46,571)	(84,384)
Purchase of intangibles		(165,433)	(94,445)
Purchase of financial assets		(2,522,639)	-
Proceeds from sale of plant and equipment		2,550	11,930
Net cash used in investing activities		<u>(2,732,093)</u>	<u>(166,899)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(3,099,097)</u>	<u>642,650</u>
Cash and cash equivalents at the beginning of the financial year		5,842,919	5,200,269
Cash and cash equivalents at the end of the year	13(a)	<u><u>2,743,822</u></u>	<u><u>5,842,919</u></u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. INTRODUCTION

Gold Coast Tourism Corporation Limited for the year ended 30 June 2016 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 4th October 2016 by the Directors.

2. SUMMARY OF ACCOUNTING POLICIES

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

a) Statement of Compliance

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

b) Basis of Preparation

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

c) Critical Accounting Judgements, Estimates and Assumptions

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 and digital development costs	40%	Prime Cost
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF ACCOUNTING POLICIES (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 2016, the Company incurred an operating profit of \$343,265 (2015: loss of \$56,283), and had a net asset position of \$2,686,271 (2015: \$2,169,975).

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 2016. 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.

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 but the impact of its adoption is yet to be assessed by 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 but the impact of its adoption is yet to be assessed by 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.

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 2015-1 Annual Improvements (amendments to various standards, including AASB 5 and AASB 119)

This standard is applicable to annual reporting periods beginning on or after 1 January 2016.

Miscellaneous changes to a number of standards, including those relating to servicing contracts, the discount rate for post-employment benefit obligations and changes in the method of disposal when applying AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

AASB 2015-2 Presentation of financial statements (amendments to AASB 101)

This standard is applicable to annual reporting periods beginning on or after 1 January 2016.

Entities will be able to use the amendments to streamline or simplify disclosures in the financial statements. The amendments clarify that specific disclosures need not be made if the financial information resulting from the disclosure is not material; even if an Australian Accounting Standard states that the disclosure is a minimum requirement. Only significant accounting policies should be disclosed. There is flexibility as to the order in which notes are presented. The Company will adopt this standard from 1 July 2016 but the impact of its adoption is yet to be assessed by the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
3. REVENUE		
Sale of goods and services	203,442	216,323
Tourism levy - City of Gold Coast	14,157,000	12,600,000
Grant (Core) - Tourism and Events Queensland	300,000	300,000
Grant (Business Events) - Tourism and Events Queensland	815,373	616,401
Grant (Other) - Tourism and Events Queensland	800,000	609,081
Grant (EMDG) - Austrade	119,926	271,926
Membership subscriptions	409,848	404,108
Co-Operative marketing - Other	767,960	762,408
Profit on sale of fixed assets	1,571	640
Other	17,139	4,963
	<u>17,592,259</u>	<u>15,785,850</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. ITEMS INCLUDED IN INCOME

Additional information on the nature of expenses:

Depreciation and amortisation expense	380,345	349,343
Inventories:		
- Amount of inventories recognised as an expense	3,040	2,443
Employee benefits expense:		
- Salaries and wages	4,382,061	3,910,646
- Superannuation	379,814	348,058
Foreign exchange loss	17,971	19,330
Minimum operating lease payments	628,117	593,871

5. FINANCIAL ASSETS

Fixed term deposit	2,283,018	-
Fixed term guarantee deposit	<u>239,621</u>	<u>-</u>
	<u>2,522,639</u>	<u>-</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	43,002	156,312
Sundry	<u>29,710</u>	<u>16,112</u>
	<u>72,712</u>	<u>172,424</u>

7. OTHER CURRENT ASSETS

Prepayments	200,828	199,797
GST Receivable	<u>-</u>	<u>227,291</u>
	<u>200,828</u>	<u>427,088</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
8. PROPERTY, PLANT AND EQUIPMENT		
a) Property, Plant and Equipment		
Office Furniture & Fittings - at cost	325,720	314,335
Less: Accumulated Depreciation	<u>(279,803)</u>	<u>(222,287)</u>
	<u>45,917</u>	<u>92,048</u>
Computer Equipment - at cost	308,068	327,386
Less: Accumulated Depreciation	<u>(255,916)</u>	<u>(246,230)</u>
	<u>52,152</u>	<u>81,156</u>
Motor Vehicles - at cost	69,383	69,383
Less: Accumulated Depreciation	<u>(23,682)</u>	<u>(12,320)</u>
	<u>45,701</u>	<u>57,063</u>
Leasehold Improvements - at cost	675,287	676,484
Less: Accumulated Depreciation	<u>(619,294)</u>	<u>(492,062)</u>
	<u>55,993</u>	<u>184,422</u>
Promotional Equipment - at cost	18,215	19,071
Less: Accumulated Depreciation	<u>(16,647)</u>	<u>(18,595)</u>
	<u>1,568</u>	<u>476</u>
Total Property, Plant and Equipment	<u><u>201,331</u></u>	<u><u>415,165</u></u>

b) Movement during the year

2016

	Office Furniture & Fittings \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	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>

2015

	Office Furniture & Fittings \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Promotional Equipment \$	Total \$
Opening written down value	139,442	101,870	60,896	314,685	1,347	618,240
Additions at cost	12,150	52,817	18,548	869	-	84,384
Disposals at written down value	-	(641)	(10,256)	(394)	-	(11,291)
Depreciation expense	(59,544)	(72,890)	(12,125)	(130,738)	(871)	(276,168)
Closing written down value	<u>92,048</u>	<u>81,156</u>	<u>57,063</u>	<u>184,422</u>	<u>476</u>	<u>415,165</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
9. INTANGIBLE ASSETS		
a) Intangible Assets		
Software and digital development- at cost	467,794	317,811
Less: Accumulated Amortisation	(298,453)	(192,984)
	<u>169,341</u>	<u>124,827</u>
b) Movement during the year		
Software and digital development:		
Opening written down value	124,827	103,557
Additions at cost	165,433	94,445
Disposals at written down value	-	-
Amortisation expense	(120,919)	(73,175)
Closing written down value	<u>169,341</u>	<u>124,827</u>
10. TRADE AND OTHER PAYABLES		
Trade payables and accruals	2,109,405	2,993,492
Members subscriptions in advance	190,530	181,085
Revenue received in advance	190,235	1,110,245
GST payable	94,495	-
	<u>2,584,665</u>	<u>4,284,822</u>
11. PROVISIONS		
Current		
Annual leave	258,315	249,657
Current portion of long service leave	66,439	-
	<u>324,754</u>	<u>249,657</u>
Non Current		
Long service leave	200,626	171,154
Leasehold premises - make good	123,876	117,977
	<u>324,502</u>	<u>289,131</u>

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	117,977	112,359
Charged to profit/(loss) - unwinding of discount	5,899	5,618
Balance at end of year	<u>123,876</u>	<u>117,977</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
12. MOVEMENT IN RESERVES		
Reserve - Subvention funds:		
Balance at the beginning of the year	215,090	171,126
Transfer to meet current period expenditure	(66,062)	(84,995)
Transfer to meet current and future expected expenditure	100,972	128,959
Balance at end of year	<u>250,000</u>	<u>215,090</u>

A 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	2,805,266	5,894,644
Bank overdraft	(61,444)	(51,725)
Balance as per statement of cash flows	<u>2,743,822</u>	<u>5,842,919</u>

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

Profit for the year	516,296	119,280
Depreciation and amortisation	380,345	349,343
Profit on disposal of assets	(1,571)	(640)

Changes in assets and liabilities:

Trade and other receivables	99,712	170,648
Inventory	1,643	946
Other current assets	226,260	(202,942)
Trade and other payables	(1,700,157)	333,762
Provisions	110,468	39,152

Net Cash (Utilised) / Provided by Operating Activities

	<u>(367,004)</u>	<u>809,549</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	630,324	568,913
-12 months or longer and no longer than 5 years	511,312	1,098,014
- later than 5 years	-	-
	<u>1,141,636</u>	<u>1,666,927</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	1,120,597	994,981
-12 months or longer and no longer than 5 years	427,138	307,197
	<u>1,547,735</u>	<u>1,302,178</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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.)	417	45,824
	Tourism and Events Queensland	Board Director	2,656,838	2,191,083
Adrienne Readings (Vice Chairman)	Gold Coast Convention & Exhibition Centre	General Manager	37,586	35,467
Jonathan Fisher	Currumbin Wildlife Sanctuary	CEO	2,068	11,988
	Griffith Institute of Tourism	Committee Member	14,100	-
Craig Davidson	Ardent Leisure Theme Parks	CEO	38,720	30,217
John Morris	RACV Queensland Resorts	General Manager	13,357	20,370
Lindsay Wallace	The Arts Centre Gold Coast	Director	16,463	13,171
Peta Fielding	Burleigh Brewing Company	CEO	1,352	568
	Bleached Arts Ltd	Director	83,125	-
Greg Betts, Glenn Tozer, Peter Young & William Owen-Jones	City of Gold Coast	Councillors	111	14,185,470
Bruce Nicholls	Tallship Island Adventures Pty Ltd	Managing Director	11,453	7,143
Bob East	Mantra Group	CEO	25,310	18,640
	Tourism & Events Qld	Chairman	2,656,838	2,191,083
	Gold Coast Suns & TTF	Board Director	26,200	918
John Punch	Short Punch & Greatorix	Partner	4,303	-
Martin Winter (CEO)	QTIC Destination Q	Committee Member	8,645	-
	Assoc. of Australian Convention Bureaux	Director	28,383	-

Trade receivables due from related parties at balance date amount to \$27,161 and trade payables due to related parties at balance date amount to \$846.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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.

Key executives remuneration included in expenditure amounted to \$1,454,961 (2015: \$1,421,012).

	2016 \$	2015 \$
Short-term employee benefits	1,350,033	1,320,313
Post-employment benefits	104,928	100,699
	<u>1,454,961</u>	<u>1,421,012</u>

18. AUDITOR'S REMUNERATION

Audit of financial report	18,340	18,000
Other non-audit services provided	-	-
	<u>18,340</u>	<u>18,000</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 2016, 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 \$53,221 lower/higher (2015 change of 100 bps: \$58,891 lower/higher).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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:

	2016 Gross \$	2016 Allowance \$	2015 Gross \$	2015 Allowance \$
Current	35,010	-	119,981	-
31 - 60 days	6,733	-	34,247	-
61 - 90 days	157	-	-	-
91 days and over	1,102	-	2,084	-
	<u>43,002</u>	<u>-</u>	<u>156,312</u>	<u>-</u>

During the financial year nil bad and doubtful debts were written off (2015: 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:

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	-	-
	<u>2,584,665</u>	<u>2,584,665</u>	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

19. FINANCIAL RISK MANAGEMENT (Continued)

2015	Contractual Repayment Amount \$	6 mths or less \$	6 - 12 mths \$	1 - 5 years \$
Trade payables	1,278,757	1,278,757	-	-
Sundry payables and accruals	3,006,065	3,006,065	-	-
	<u>4,284,822</u>	<u>4,284,822</u>	<u>-</u>	<u>-</u>

The Company maintains the following facilities:

Credit Standby Facilities

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

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 new 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 2016 and 30 June 2015.



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AUDITOR'S INDEPENDENCE DECLARATION

As auditor of Gold Coast Tourism Corporation for the year ended 30 June 2016, 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 30 June 2016.

Crowe Horwath South Queensland
Crowe Horwath South Queensland

Logan Meehan

Logan Meehan
Partner – Audit & Assurance

Level 5, 3321 Central Place
Emerald Lakes, Carrara QLD 4211

Dated this 06th day of October 2016

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DIRECTORS' DECLARATION

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

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2016 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

[Signature]

Director

Broadbeach, 4 October 2016.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

GOLD COAST TOURISM CORPORATION LIMITED ACN 009 935 184

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD COAST TOURISM CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Gold Coast Tourism Corporation Limited (the Company), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gold Coast Tourism Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Crowe Horwath South Queensland
Crowe Horwath South Queensland

Logan Meehan

Partner – Audit & Assurance

Level 5, 3321 Central Place
Emerald Lakes, Carrara QLD 4211

Dated this 4th day of October 2016

GOLD COAST TOURISM CORPORATION LTD

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