



TOURISM
**TROPICAL NORTH
QUEENSLAND**
Where rainforest meets the reef

Annual Report

2018-2019

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Our Role

Tourism Tropical North Queensland (TTNQ) markets Tropical North Queensland as one of the world's most inspiring nature based destinations. We do this by promoting the region as the gateway to hundreds of unique tropical experiences set in World Heritage landscapes.

As a not-for-profit, member-based Regional Tourism Organisation we are the voice of Tropical North Queensland's tourism industry and work to increase visitor arrivals and expenditure for the benefit of the whole region.

Our destination, which is known as Cairns & Great Barrier Reef in international markets and for business events, stretches from Cardwell in the south to the Torres Strait in the north and west to the Northern Territory border.



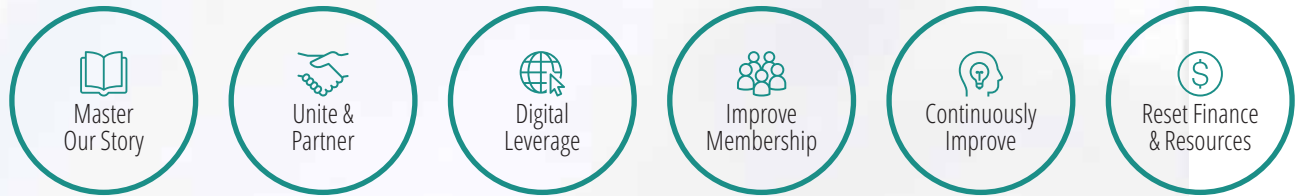
2018-2020 Strategic Direction

Organisation Vision

TTNQ is highly valued and respected, working with our allies to deliver world class, innovative destination marketing.

Organisation Mission

We are a trusted and clear voice, leading and collaborating with our allies to ensure the region's tourism marketing achieves an expenditure of \$3.5B by 2020.



Destination Vision

Tropical North Queensland is known as one of the world's most inspiring nature based destinations. It is the gateway to hundreds of accessible experiences set on the stage of the Great Barrier Reef, Earth's oldest rainforest and the outback. Lived in by an ancient culture, Tropical North Queensland is shared by passionate locals.

Destination Mission

Deliver hundreds of unique tropical experiences that are shared by passionate locals and set in World Heritage nature which together are the brand story of Tropical North Queensland.





CEO's Report



Pip Close

Chief Executive Officer

In the year ending March 2019, the number of visitors to Tropical North Queensland grew modestly by 2% to 2.86 million. In the same period, expenditure grew 6% to \$3.34 billion, edging closer to our target of \$3.5 billion expenditure by June 2020.

The 2018-19 financial year showed solid growth in the first quarter, but midway through the year global issues – including China's slowing economy and Brexit – began impacting on visitation to Australia. Tropical North Queensland took a hard hit in February and March 2019 when the Townsville flooding frightened people away.

Tourism Tropical North Queensland (TTNQ) led the charge in Brisbane to lobby for emergency marketing dollars from Tourism and Events Queensland (TEQ) to combat the downturn in the top end of the state. TTNQ, Townsville Enterprise and Tourism Whitsundays partnered with TEQ to roll out a campaign immediately in our southern markets to bring people north. The Ignite Travel Group Queensland Relief Campaign, developed by My Queensland Holiday, over-delivered on passenger targets by 34%. The Today Show also came north for an outside broadcast in April and generated more than \$1.7 million in publicity for Tropical North Queensland tourism.

Our pursuit of the high-value domestic traveller ramped up in late 2018 with the announcement that TTNQ had secured the bid to host the 2019 Australian Society of Travel Writers conference and educational program, to be held in October in Cairns. The Feel Grounded campaign, targeting high-value travellers in southern cities looking for short breaks, was launched in February 2019 with Australian model Samantha Harris the face of the campaign. TEQ was once again lobbied to secure matched funding for a \$1 million domestic campaign running from July to December 2019.

The Chinese consumer is rapidly changing and I participated in two visits to this market to meet with stakeholders and gain a deeper understanding of how we could effectively target our resources. There is an increase in independent, semi self-guided and high-end package tours with travellers demanding customised flexible travel experiences. This shift should bring higher-value travellers who stay longer than the two nights favoured by groups. TTNQ is actively pursuing this market to boost expenditure for the region.

Cairns successfully hosted the 2019 Amway China Leadership Seminar in April, with more than 6000 visitors travelling in waves of 900 to the city. This event should help the destination become more noticeable in the Chinese incentive market.

During the year, destination websites were launched in China and Germany. The 101 Stories promotion in Japan included a dedicated website containing stories about Tropical North Queensland. Our destination website earned a Pearl Award, a major international marketing award, which pitted us against leading international companies.

TTNQ spearheaded the Great Barrier Reef Campaign in 2018-19 to increase visits to the Great Barrier Reef and adjoining destinations by high-value travellers. The campaign is part of a multi-year partnership between TEQ and, for the first time, the seven Regional Tourism Organisations along the Great Barrier Reef. All KPIs were exceeded with travellers booking almost three times the number of anticipated flights to Brisbane and Cairns between April 2019 and March 2020.

With visitor growth slowing, it is an opportune time to reset the region's image. To this end, a specialist agency was appointed to align destination research with stakeholder and marketplace needs. The agency is developing a brand to be rolled out in the next financial year.

Indigenous cultural tourism continues to grow in our region. Our partnership with the Torres Strait Regional Authority to employ a Torres Strait Community Tourism Co-ordinator from October 2018 for two years will help the Torres Strait develop as a tourism destination. The region's 83 Indigenous experiences have been audited and an Indigenous tourism brochure launched. TTNQ helped secure funding for the Mandingalbay Yidinji Aboriginal Corporation eco-tourism experience near Cairns, Ewamian Aboriginal Corporation's plan to re-open the Talaroo hot springs near Georgetown, and Yarrabah Aboriginal Shire Council's plan to redevelop their cultural precinct.

Local partnerships were especially successful this year, with TTNQ joining Advance Cairns and the Cairns Chamber of Commerce on the Cairns TNQ Convoy to Canberra, which delivered an unprecedented \$658 million in Federal Government funding commitments for the

region. TTNQ's focus was on increased tourism funding, aviation attraction funds and Great Barrier Reef messaging.

The restructure of the TTNQ business has been completed, with 2018-19 being the first full year of outsourcing corporate services. We have implemented Xero accounting and moved to the cloud to create greater efficiencies in future. This will also assist in keeping fixed costs in line with revenue and ensure administration is not more than 20% of the TTNQ budget.

The hard yards have been done to move the organisation forward in the challenging market we are currently experiencing, making it time for me to seek new challenges. I thank the board, led by Chair Wendy Morris, for their guidance.

I am especially grateful to the TTNQ staff who have maintained their professionalism and passion for Tropical North Queensland while the organisation has evolved to fit the changing needs of destination marketing in the digital world.

Thank you to the members who are quick to join TTNQ when we embark on initiatives to market this very beautiful part of the world. Working together as a team is essential to our success and I trust the strategies under way will yield dividends in 2019-20.



Pip Close
Chief Executive Officer



Chair's Report



Wendy Morris
Chair

As the 2018-19 financial year comes to a close, the cranes are starting to disappear from the Cairns skyline and we have one newly completed hotel, two hotels close to completion, and a performing arts centre as new tourism infrastructure for Tropical North Queensland.

There is more development to look forward to. The \$127 million Cairns Shipping Development Project is under way and will result in an increase in the number of cruise liners from 2020 on. The \$176 million expansion of the Cairns Convention Centre will bring an additional 25 large events per year to Cairns. Federal and State funding was secured for the completion of the \$21.25 million Wangetti Trail north of Cairns and Expressions of Interest are being considered for the Global Tourism Hub.

Our greatest fear for the 2018-19 summer was another bleaching event on the Great Barrier Reef; instead, the biggest monsoon season in many years arrived, affecting visitor numbers immediately. Numbers had started to soften in December when the first of the rains arrived, but were heavily impacted by the flooding in Townsville, which was perceived to have affected Tropical North Queensland.

Thanks to intensive lobbying by TTNQ CEO Pip Close, crisis funding was secured for an immediate campaign to drive business into the region, with packages through Ignite Travel, an outside broadcast by The Today Show and digital opportunities.

Numbers dropped, but there were positive signs emerging. The revenue per available room (RevPAR) in Tropical North Queensland in April showed the first positive month of growth since August 2018, with a 5% year-on-year increase. This was helped by the Amway China incentive, which brought 6000 visitors to Cairns between 20 March and 17 April.

Weather and global challenges will always be a threat, just as they were in 2011 when flooding and cyclones decimated tourism numbers, while the region was recovering from the Global Financial Crisis. Since then, we have worked hard to develop a Tropical North Queensland events calendar that gives people a reason to visit year-round. The events calendar continues to grow, with the World Rafting Championships held in the region for the first time in May 2019, the

biennial Great Barrier Reef Masters Games in May 2019, and the inaugural Targa Great Barrier Reef scheduled for September 2019.

After a slow start to 2019, the loss of direct China Southern Airlines flights and the withdrawal of Cathay Pacific further dented optimism. This will put pressure on domestic routes but should be helped by the addition of 3828 seats per week on Qantas routes from 31 March 2019, with Qantas adding 11 return flights per week to Brisbane and using A330 wide-bodied aircraft on selected flights to Sydney and Melbourne.

SilkAir introduced daily flights from Singapore in June 2019, which has increased their capacity by 40% to this vital hub for our European markets. Qantas announced direct flights to Brisbane from Chicago and San Francisco early next year, offering excellent opportunities for our destination to grow the North American market. Aviation support is vital to our destination and Pip attended the World Routes conference, held in China in September 2018, along with Cairns Airport representatives to meet with airlines from around the world.

Negative Great Barrier Reef media continues to haunt us, but the Tourism and Events Queensland May launch of scUber, the world's first rideshare submarine experience, helped showcase the reef and reaffirm that it is worth visiting. The campaign also showed that reef operators are key partners for excellence in reef management as stewards of the sites they visit. The scUber project earned media coverage around the world, reaching 3 billion people in the first week of the campaign.

Long-term funding continues to be an issue, especially when we need to react quickly to events such as the Townsville flooding or market changes. Cairns Regional Council remains our key funding partner, providing \$2 million in marketing funds and an additional \$400,000 for events. A Memorandum of Understanding is being sought with each of the 25 councils within our destination.

I thank my fellow board members for their support in my second year as Chair and look forward to working with them in my final year, as TTNQ resets the destination's image.

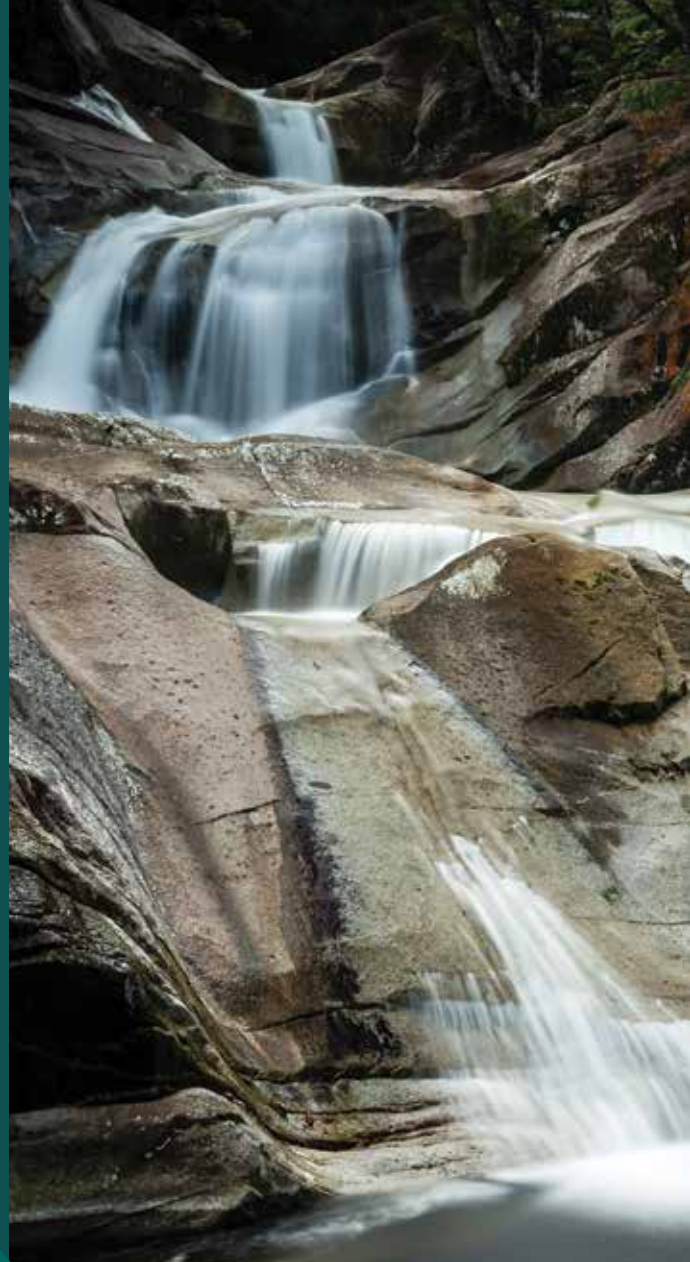
We bid farewell to CEO Pip Close and acknowledge her dedication and relentless energy in

challenging times. Pip has transformed TTNQ into an effective, streamlined organisation staffed by a dedicated and professional team.

Pip attracted significant funding for new projects and instigated new campaigns, including the highly successful Great Barrier Reef Campaign in Germany, and three new websites, with the English version winning a major international marketing award. She has also elevated Indigenous experiences through a renewed focus on marketing and a push for experience development. We wish her well in her future endeavours.

Wendy Morris

Wendy Morris
Chair





Board of Directors



Chair
Wendy Morris



Deputy Chair
Norris Carter
North Queensland Airports
Chief Executive Officer



Craig Pocock
Skyrail Rainforest Cableway
Managing Director



Sheena Walshaw
Jungle Surfing Canopy Tours
Managing Director



Todd Parker
Parker Travel Collection
Managing Director



Peter Woodward
CaPTA Group
Managing Director



Mark Evans
Paronella Park
Marketing & Public Relations
Director



Sam Ferguson
The Accommodation Centre,
Destination Cairns Marketing
General Manager Commercial



Paul Fagg
Skybury Coffee Pty Ltd
Business Development Executive



Wayne Reynolds
Pullman Reef Hotel Casino
General Manager Hotel



Jeff Schrale
ANZ Bank
Regional Executive Far
North Queensland



Finance and Risk Management Committee (FARMC)



FARMC Chair
Craig Pocock

Skyrail Rainforest Cableway Managing Director and TTNQ Board member



FARMC Deputy Chair
Wayne Reynolds

Pullman Reef Hotel Casino General Manager Hotel



Wendy Morris
TTNQ Chair



Luckbir Singh
MacDonnells Law Director



Pip Close
Chief Executive Officer and Company Secretary



Rosie Douglas
General Manager

Our Partners



Local Tourism Organisations



Local Tourism Associations



Our Staff 2018-19

CEO's Office



Pip Close
Chief Executive Officer



Rosie Douglas
General Manager



James Scullen
Business Systems Manager



Judy Lloyd
Corporate Communications
& Executive Assistant to the CEO



Ash Bartley
Torres Strait Community
Tourism Coordinator

Contractors



Liz Inglis
Corporate & Consumer Media



Jaimee Tanswell
Accounts

Business, Major & Regional Events



Kelsey Andersen
Manager – Partnerships & Events



Kylie Brand
Manager – Business Development



Abbey McDonald
Marketing Coordinator – Business,
Major, Regional Events

Destination Content Management



Chris Jahnsen
Director – Digital and Content



Amy Mail
Senior Content &
Communications Strategist



Jilara Kuch
Creative Specialist

Membership



Barbara Thomson
Membership Development Executive

Leisure Tourism Sales & Marketing



Claudia McFadden
Sales & Marketing Manager –
Western and Drive



Sam Sakamoto
Sales & Marketing Manager – Asia



Harriet Ganfield
Project Manager – China



Susan George
Domestic Sales & Marketing Executive



Bec Doktan
Projects & Educationals Executive



Advocacy

Product development

- To further develop Indigenous products and promote the region as a recognised leader in Indigenous tourism
- A two-year partnership with the Torres Strait Regional Authority (TSRA) to collaborate on the development of Indigenous tourism opportunities in the Torres Strait Islands
- To deliver \$1.5 million grant funding under the Connecting With Asia Fund to support Indigenous tourism businesses
- To work with key partners to grow and develop eco-tourism opportunities in the region such as the Wangetti Trail
- To develop and promote Tropical North Queensland as a leader in diving experiences
- To develop the story of the Wet Tropics World Heritage Area in consultation with key stakeholders.

Great Barrier Reef messaging

Perception around the world that the recent back-to-back bleaching events have destroyed the Great Barrier Reef is being tackled through partnerships with Tourism Australia, Tourism and Events Queensland, Citizens of the Great Barrier Reef, Great Barrier Reef Marine Park Authority and the Reef and Rainforest Research Centre. With our partners TTNQ has elevated messaging about the Reef's health and the measures being taken to preserve it.

We have been attending International Media Marketplace in key markets to secure one-one-one appointments with leading travel writers and influencers to discuss the state of the reef with them.

TEQ in partnership with Uber and the five GBR RTOs launched scUber to the world in May 2019 giving visitors a once-in-a-lifetime opportunity to experience the reef on a ride-sharing submarine. This initiative is generating millions of dollars in publicity and showing people around the world that the Great Barrier Reef is worth visiting.

Digital leadership

New digital technologies are playing an increasing role in how we tell our destination story and TTNQ is committed to using these to ensure members will receive immediate benefits. It is important that the whole industry excels in this space. As part of our role to build industry capacity, we have conducted workshops to build the digital capacity of the region. These include programs through the Australian Small Business Advisory Services – Northern Australia Tourism Initiative service.

Infrastructure

- To support the development of key infrastructure that will increase the resilience of the tourism industry and the regional economy
- To advocate for quality telecommunication coverage throughout Tropical North Queensland
- To provide support to major development proponents in terms of gathering market intelligence and insights to assist the formation of business cases for major investment decisions
- To support the development of the Cairns Arts, Cultural and Events Precinct and work closely with the Cairns Regional Council
- To support the delivery of the Cairns Port Shipping Development to increase access for the cruise ship market
- To support the development and delivery of the Global Tourism Hub with key stakeholders
- To support the development of key roads in the region to encourage regional dispersal.

Aviation

Government funds are required to launch new aviation routes and create brand awareness for long-term route sustainability. Currently, 75% of international visitors through Cairns Airport travel on domestic flights, constraining the number of seats available for domestic visitors and limiting the ability to grow domestic visitation.

Aviation access is integral to the further development of the economy in Tropical North Queensland. A daily international wide-body flight to Cairns is potentially a \$200 million a year export business, with \$100 million of international visitor spend, \$50-150 million of agricultural produce sales, and more than 650 new jobs for the region. There are flow-on benefits as other trade is enabled by new air routes. These benefits are widely dispersed across businesses in the region.

TTNQ aims to grow direct international capacity to Cairns Airport by working with our partners to ensure existing routes are sustainable and attracting new routes to further develop our key markets.



Key Markets

In the year ending March 2019, the number of visitors to Tropical North Queensland grew 2% to 2.86 million, while expenditure grew 6% to \$3.34 billion. Figures for the full 2018-19 financial year were not available at the time of reporting.

Expenditure is growing more than the number of visitors, in line with TTNQ's strategy to target high-value travellers who bring greater benefits including economic returns and dispersal in our region. The positive domestic figures were buoyed by a very strong June 2018 quarter; this was followed by negative growth, which will affect the figures for the year ending June 2019.

The loss of China Southern from China will be offset by the increased services by SilkAir from Singapore in June 2019, gives us the opportunity to grow both the European and Asian markets. The German market, in particular, is expected to grow on the back of the successful Great Barrier Reef Campaign, and this may help international figures.

New Qantas routes from the US to Brisbane and additional seats on domestic flights to Cairns will make our destination more accessible to the US West Coast, enabling us to further grow that market.

Total YE March 2019

Expenditure	\$3.34 billion	+6%
Visitors	2.86 million	+2%

International YE March 2019

Expenditure	\$1.08 billion	+2.6%
Visitors	849,000	-3.1%
Nights	6.65 million	+7.5%
Spend per night	\$162	
Average length of stay	7.8 nights	



Leisure Educational Attendees 2018-19

	Trade Training	Trade Educational	Media Training	Media Educational	Total
All of World	540	99	2	2	643
China	196	47	2	141	386
Domestic	809	169	27	34	1039
Europe	621	44	1	21	687
Japan	892	84	0	7	983
New Zealand	0	23	1	1	25
North America	145	32	35	2	214
UK	0	30	3	15	48
Other	405	0	28	0	433
Total	3608	528	99	223	4458





Domestic YE March 2019

Expenditure	\$2.27 billion	+8.4%
Visitors	2.02 million	+5.2%
Nights	10.7 million	+17.8%
Spend per night	\$212	
Average length of stay	5.3 nights	

Interstate	687,000
Intrastate	1.3 million
Holiday visitors	1 million
VFR	506,000
Business	453,000

National Visitor Survey figures showed record growth in the year to March 2019. Visitors from Melbourne grew 31.8% to 231,000, while Sydney visitors increased by 11.3% to 184,000.

These results were buoyed by the very healthy June 2018 quarter, which has skewed figures. During this reporting period, 75% of international visitors were arriving on domestic flights, putting pressure on flights. Figures beyond this period, from April 2019, will have the addition of 3828 seats per week on Qantas routes from Brisbane, Sydney and Melbourne.

Domestic numbers in the third quarter were impacted by weather events, but should be assisted in the fourth quarter by the dedicated campaign in southern capitals to drive visitation north. The Ignite Travel Group Queensland Relief Campaign, developed by My Queensland Holiday, over-delivered on passenger targets by 34%.

Drive remains an integral part of this market, with the region represented at the peak caravan and camping shows in Brisbane, Sydney and Melbourne.

The domestic marketing campaign Feel Grounded was launched in February 2019 and achieved \$1.9 million in PR value with a print reach of 3.6 million, online reach of 36.1 million, social reach of 541,000 and broadcast reach of 255,000.

Key educationals for the year were pre- and post-touring for the Travellers Choice Conference, Virgin Airlines, Helloworld and Sunlover Holidays. Trade training was ramped up in 2018-19 with travel agents trained throughout New South Wales and Victoria through the AOT Roadshow. Sydney, Melbourne and regional destinations were visited.

China YE March 2019

Expenditure	\$221 million	+9.4%
Visitors	206,000	+0.7%
Nights	901,000	
Average length of stay	4.4 nights	
Spend per night	\$245	

Expenditure and length of stay is anticipated to increase as we focus on attracting the high-value independent traveller. Expenditure increased by 9.4% from the previous year and the length of stay grew from 2.6 nights in 2016 to 4.4 in 2019.

The loss of China Southern and Cathay Pacific's direct flights to Cairns will put more pressure on domestic seats, with Chinese visitors accessing our destination from southern ports as part of their Australian holiday. This will stifle visitor growth from this market. However, the strong double-digit growth in recent years was driven by groups doing all-inclusive tours of Australia.

A dedicated destination website in Mandarin was launched and a Chinese Payment Expo was held in November 2018 to inform local businesses about preferred payment systems, to help capitalise on the spending habits of Chinese visitors.

More than 60 TTNQ members provided content to TEQ's Queensland CityExperience Mini Program within WeChat, China's most popular mobile application, which has more than one billion active monthly users.

Cairns was selected as a triathlon training camp for the growing number of Chinese visitors wanting to compete in events like Ironman Asia-Pacific and bring their family for a post-event holiday.

Almost 300 Chinese business events and leisure agents were briefed on Cairns and Great Barrier Reef products during a combined business events and Connecting With Asia mission to China. Three Connecting with Asia media familiarisations were undertaken in July.

Guangzhou television program, Travel Together, brought 11 people into the region to shoot two episodes, to be broadcast to more than 1.2 billion people. Top sports app Codoon will promote the destination to sports enthusiasts after an educational with eight people, while mobile content provider CAN Video shot four episodes for its travel series, which will each have more than 6 million views and online content.

Europe YE March 2019

Expenditure	\$191 million	-11.2%
Visitors	157,000	-11.8%
Nights	1.57 million	
Average length of stay	9.9 nights	
Spend per night	\$122	

The European market showed a decline with the Townsville floods affecting the strong drive sector from that market. The average length of stay is stable and wholesalers are reporting strong forward bookings.

Germany is the best performing European market for our destination, achieving a \$53 million spend in the year ending March 2019. This market is also valuable for its longer length of stay and dispersal throughout the region on self-drive journeys. A German website was launched to support this market.

This was the first year TTNQ had an in-market resource in Germany and this enabled strong representation in many activities in that market. These included:

- the Queensland on Stage educational visit by 22 German media on five itineraries throughout the region
- ITB Berlin, the world's largest tourism trade fair, in March 2019 with 60 travel agents, 30 marketing representatives and 50 media appointments
- International Media Marketplace France to further push the Great Barrier Reef messaging with the 95 French journalists and influencers registered for the March 2019 event
- top German sellers from DERTOUR visited Cairns, Mission Beach, Undara, Atherton Tablelands, Mossman Gorge and the Great Barrier Reef on an 8-day itinerary.

Our main activity was the highly successful Great Barrier Reef Campaign, initiated by TTNQ with TEQ Europe and including all seven RTOs along the Great Barrier Reef. This \$655,000 campaign surpassed expectations, with all KPIs exceeded, and will increase travel between April 2019 and March 2020.

SilkAir's new daily flights, which began in June 2019, will assist with access for the European market, as it is a major hub. In addition to Singapore Airlines' European network, Singapore is well served by the Star Alliance partners Lufthansa, Swiss, Austrian, Scandinavian Airlines (SAS), Thai, Turkish Airlines, Ethiopian Airlines, EgyptAir, and LOT Polish Airlines.

North America YE March 2019

Expenditure	\$175 million	+15.9%
Visitors	142,000	+9.2%
Nights	798,000	
Average length of stay	5.6 nights	
Spend per night	\$219	

This market has been performing well and the announcement that Qantas will begin direct flights to Brisbane from Chicago and San Francisco early in 2020 offers great opportunities for our destination to grow the North American market. Qantas has added 11 additional return flights between Brisbane and Cairns, providing excellent connectivity to the US.

US visitor numbers grew by 7.5% to 116,000 while the number of Canadian visitors was up 20.6% to 26,000.

TTNQ has done extensive work in this market this year, which included joining Tourism and Events Queensland Los Angeles on a distribution development mission throughout North America. Meetings and presentations were held with 35 travel business owners, general managers and product managers to highlight destination and new product developments, as well as providing destination updates to 32 selected media in New York.

We were also invited to attend the first Signature Travel Network Advisors Australia workshop in Los Angeles, led by Tourism Australia, which gave destination presentations to more than 40 travel network advisors.

The Down Under Answers Tourism Exchange event in New South Wales enabled TTNQ to meet 50 high-end North American Aussie Specialists.

During this financial year, TTNQ participated in three North American campaigns:

- Virgin and Expedia campaign in partnership with TEQ US to leverage Tourism Australia's successful Dundee Campaign
- Signature Travel Consortia Campaign US in partnership with TEQ
- We partnered with Tourism Port Douglas and Daintree for a dedicated Tropical North Queensland campaign with Paul Watkins / About Australia on high-value travel and dive.

Japan YE March 2019

Expenditure	\$136 million	-9.9%
Total visitors	110,000	0%
Total nights	555,000	
Average length of stay	5 nights	
Spend per night	\$245	

The Japanese market was stable, despite the three-week closure of the Osaka Kansai airport during a typhoon in September 2018. Expenditure was down in line with a reduction in the average length of stay by one night. This was influenced by travel agents creating multi-city itineraries in Australia that lessened the time in Cairns.

A new landing page was launched as part of TTNQ's 101 Stories promotion for Japan with the media, influencers, travellers and agents sharing their insights into Cairns and the Great Barrier Reef, achieving 23,186 unique users. The campaign resulted in 11,682 bookings through three wholesale partners and 285 trade staff were trained as part of it. The stories will continue to be uploaded in the next financial year.

Golden Week from April 27 to May 5 was the peak holiday period for Japanese visitors, with a cluster of national holidays giving them the opportunity to travel. Bookings to Cairns grew 58% from the previous year, with HIS package tour sales figures showing Cairns has risen from the 15th most popular destination to the fifth, behind Honolulu, Taipei, Guam and Busan.

Four JTB charter flights brought 1000 passengers, including 750 students, to Tropical North Queensland from Tokyo and Fukuoka in October 2018. TTNQ helped secure business for the flights by promoting them in-market, bringing travel agents to TNQ to educate them about the region and conducting educational seminars for agents in-market.

The Japanese Facebook page has grown by 49.6% to 14,963 followers.

TTNQ provided Cairns and Great Barrier Reef destination training to 928 Japanese trade staff in 2018-19.

United Kingdom YE March 2019

Expenditure	\$108 million	+9.1%
Visitors	79,000	-10.2%
Nights	755,000	
Average length of stay	9.6 nights	
Spend per night	\$143	

This market has declined in the wake of Brexit, but is a traditional market worth maintaining to ensure growth in better economic times. The growth in expenditure resulted from an increase in the average length of stay by one night.

This market has substantial repeat visitation and we are working with TA and TEQ to reignite the first-time visitor. There has been a decline in working holiday-makers, which Tourism Australia's Australia Inc. campaign is addressing.

In September 2018 we hosted a UK film crew in the region to film a show with BBC presenter Julia Bradbury, which aired in February 2019. In partnership with TEQ, we also hosted Griff Off the Rails: Down Under, the new TV series for British comedian Griff Rhys Jones.

A UK digital marketing campaign in partnership with TEQ, Destination Gold Coast and Trailfinders ran from January to May 2019 focusing on bringing first-time high-value travellers to the region.

We hosted the Flight Centre UK Mega Famil in May 2019, bringing 30 agents to the region on two itineraries for an industry networking function.

New Zealand YE March 2019

Expenditure	\$67 million	+4.7%%
Visitors	41,000	+10.8%
Nights	432,000	
Average length of stay	10.5 nights	
Spend per night	\$155	

The New Zealand Greater Aussie Experiences Educational brought 15 travel agents to the region in partnership with TEQ in October 2018. TTNQ worked with Cairns Airport to host two Air New Zealand VIPs on an educational visit to the region and successfully pitched for the New Zealand Herald to write a series of travel articles on Indigenous tourism.

Other YE March 2019

India

Expenditure	\$14 million
Total visitors	22,000

Korea

Expenditure	\$33 million
Total visitors	17,000





Events

Business Events

Visitor numbers to Cairns were boosted in April 2019 with more than 6000 Amway China Business Owners visiting the region for the first time for a major leadership seminar program. In waves of 900 guests at a time, top-performing sellers experienced the Cairns and Great Barrier Reef region's lifestyle with bespoke experiences ranging from wildlife encounters to fine dining.

With more than 65% of guests arriving on direct services from Asia, the groups were welcomed to the city by locals and tourism operators, who collaborated to provide five days of memorable and inspiring experiences.

The seamless operation of Amway China's large-scale leadership seminar program is proof that Cairns has the infrastructure and capability to welcome large groups. Our world-class hotels, restaurants, attractions and event delivery capabilities make Cairns a strong contender for large-scale leadership seminar and business events.

The Amway incentive pushed the number of delegates up to 37,331 and delegate days to 157,974 across 308 meetings. During 2018-19 Business Events Cairns & Great Barrier Reef received 89 event leads worth \$30.2 million and won 27 bids valued at \$12.6 million. They were able to give 33 referrals to members.

Key Activities for 2018-19:

- Business Events Cairns & Great Barrier Reef's Director of Business Events Rosie Douglas joined Jenny Yang from Tourism Australia on a successful two-week sales trip to China. The pair attended meetings and events throughout China and returned to Sydney with five key industry decision-makers to take part in Business Events Australia's corporate educational.
- Australian Convention Bureaux including Business Events Cairns & Great Barrier Reef (BECGBR) worked together in Auckland to build destination awareness at the Business Events Australia New Zealand Showcase.
- TTNQ GM Rosie Douglas and Cairns Convention Centre's Jenny Graham are following leads for events to 2025 after strong interest in the Cairns and Great Barrier Reef region at IMEX, the worldwide exhibition for incentive travel, meetings and events in Frankfurt. As part of the Business Events Australia stand, they met with 35 association and corporate meeting planners.

- The Business Events Cairns & Great Barrier Reef website was relaunched with a fresh new look and content.
- Ten members joined the team at AIME (Asia Pacific Incentives and Meeting Event) to showcase the diverse new product in the region.
- Sell TNQ was held in Port Douglas and attended by 34 members and 24 event planners with 12 of the planners doing post-touring in Cairns.

Leisure Events

The biannual Great Barrier Reef Masters Games returned in May 2019 with athletes competing in 21 sports. Three new sporting events were held: the Pan Pacific Para Swimming Championships were held at Tobruk Memorial Pool in August 2018, while the World Rafting Championships brought 300 competitors and 10,000 spectators to the Tully River in May 2019 for the first time. More than 200 cars competed in the inaugural Targa Great Barrier Reef on 30 August-1 September 2018, with 25,000 fans flocking to TargaFest on the Cairns Esplanade. This successful event is scheduled to run for three years.

Sporting events continue to dominate the Tropical North Queensland events calendar, with the Cairns Airport Ironman Asia-Pacific the pinnacle event for the region. These events are helping boost the destination's reputation as the ideal place to train for international sport, with Cairns selected as a training camp for Chinese triathletes.

The Australian Dolphins swim team trained in Cairns in July 2018 and will continue to do so each year in the lead-up to the Tokyo Olympics in 2020. The Japanese National Swimming Team trained in Cairns in May 2019, the third time Japanese national swimmers have trained in Cairns.

The Australian Irish Dancing Championships came to Cairns in October 2018, boosting the number of cultural events held in the city. The Cairns Indigenous Art Fair continues to go from strength to strength and in the past nine years has brought a \$22 million boost to the economy.

Cruise Ships

TTNQ has a Memorandum of Understanding with Tourism and Events Queensland for their Cruise Leader Julie O'Brien to manage and represent Tropical North Queensland in the cruise sector.

Activity included cruise presentations and mentoring of tourism operators in Cairns, Port Douglas and Thursday Island to ensure the development of quality experiences for cruise passengers, maximising the benefits for the region.

Key cruise industry decision makers learnt more about our capabilities at the CLIA Cruise 360 trade show and Seatrade Cruise Global 2019 in Miami. The region was also showcased in a special day-long forum at the Royal Caribbean Headquarters in Miami.

In 2018-19, Cairns welcomed 193 cruise visit days, with 97,174 passengers and nearly 16,000 crew contributing more than \$50 million direct expenditure into the region, while the total economic benefit reached nearly \$102 million.

Port Douglas received 15 ship calls in 2018-19 with 20,500 passengers contributing \$4.78 million in direct expenditure to the local economy.

Cooktown welcomed just one ship last year and Thursday Island welcomed six. In a season of extraordinary weather, the exposed mooring sites at these locations proved challenging and resulted in several cancelled calls.

Education

TTNQ is working closely with Study Cairns and in 2018 partnered with them by providing \$10,000 to attract international students to the destination. This included producing a video that was translated into five different languages – Mandarin, Japanese, German, Korean and Spanish.

A Study Cairns video competition was designed for the Japanese market, with the winner coming to Cairns to study with the assistance of the \$8000 prize and blogging about the many great lifestyle experiences students can enjoy in the region.

CEO Pip Close worked closely with James Cook University to develop a Master of International Tourism and Hospitality Management course, designed to attract international students and boost education tourism in the region.

Destination Development

TTNQ partnered with the Torres Strait Regional Authority to employ a Torres Strait Community Tourism Co-ordinator from October 2018 for two years, to assist the Torres Strait develop as a tourism destination. This diverse role includes mentoring Torres Strait businesses in strategic planning, business development, brand and online presence, training council tourism staff, promoting events and engaging with community.

The region's 83 Indigenous experiences were audited and these include 57 that are owned by Aboriginal or Torres Strait Islander people. These experiences were used to develop an Indigenous tourism brochure, which was launched at the Australian Tourism Exchange 2019. TTNQ also has new shirts featuring Aboriginal and Torres Strait Islander art, which are worn when promoting Indigenous tourism. TTNQ has worked with TA to develop new imagery of Indigenous products in the region.

The development of new infrastructure is the next step in cementing Tropical North Queensland's position as the best place to experience Australia's Indigenous cultures. TTNQ helped secure funding for the Mandingalbay Yidinji Aboriginal Corporation eco-tourism experience near Cairns, Ewamian Aboriginal Corporation's plan to re-open the Talaroo hot springs near Georgetown, and Yarrabah Aboriginal Shire Council's plan to redevelop their cultural precinct. TTNQ is overseeing the Mandingalbay Yidinji Aboriginal Corporation project as it progresses through key funding milestones towards completion by early 2021.





Content

Tropical North Queensland's destination website beat leading international brands, including Porsche and IBM, to win two Pearl Awards, the most prestigious content marketing awards in the United States. The website won Best Website and Most Effective: Travel and Leisure awards.

New German and Chinese websites were launched, while the Business Events Cairns & Great Barrier Reef and TTNQ corporate websites were relaunched.

A Locals of Tropical North Queensland chatbot was launched in March 2019 to allow travellers to tap into insider knowledge of the region. Cairns locals, marine biologist Gareth Phillips and scuba diving instructor Tanya Murphy, are the first people to feature on the chatbot. The chatbots are accessible via the Facebook Messenger app to its audience of over 1.3 billion global monthly users.

Digital capability ramped up with an expanded team allowing us to deliver compelling, timely and engaging content to address changing consumer booking behaviour, and to counteract negative messaging about the reef.

Tropical North Queensland's domestic marketing campaign Feel Grounded was rolled out across bought, owned and earned channels, targeting high-value travellers in southern cities looking for a short break. It includes targeted video and static advertising on Facebook, search engine marketing and display advertising across the TripAdvisor network.

Digital stats

Organic audience size	625,313	+11.2% YoY
Website sessions	358,444	+127% YoY
Time on site	2:17 mins	
Post-travel sharing Hashtag utilisation	24,554	-15.5% YoY

Business Support

In 2018-19, TTNQ delivered the third year of the three-year Australian Small Business Advisory Services Program, an Australian Government Northern Australia tourism Initiative. TTNQ has been awarded a six-month extension of this funding to carry it through to the end of 2019.

During the year 46 workshops were held, with an average of 14 people per workshop and a total of 6743 attendees. A total of 330 hours of one-on-one mentoring sessions were delivered to 115 businesses.

The topics of these activities were split over six areas:

- Funding avenues and financial analysis
- Building your business
- Making the most of your talent and team
- Management capabilities
- Digital engagement and implementation
- Tourism ready.

The Australian Small Business Advisory Services program supports the TNQ Tourism Small Business Development Program, which is for TTNQ member and non-member businesses (or start-ups) that receive a significant portion of revenue from tourism and have fewer than 20 full-time equivalent employees. Businesses and business intenders can participate in as many activities as they like.

"Very relevant, very clever insights not generally found / heard elsewhere, punctual and personable, slides were great. All too often workshops like this are very turgid. This one was a gem. Looking forward to the next workshop."

– Gordon Wellham from Exemplar who attended the Googlopoly Workshop with The SEO Shop

Member Networking

TTNQ connects members and stakeholders through regular networking events, and by providing marketing opportunities to maximise business exposure in local, state, national and international markets. These events also give our members the opportunity to become directly involved in key discussions impacting the future of the region.

Member networking evenings are held after TTNQ board meetings, allowing members to discuss issues informally with the board and the executive team. These evenings are an excellent opportunity for members to share information and make new contacts. At least three events are held outside Cairns city each year to assist regional members to attend.

The annual TNQ Tourism Industry Excellence Awards are held after the Annual General Meeting each year, with strong attendance from a broad range of members. At the Awards, we announce the Chairman's Award for Excellence, Outstanding Contribution by an Individual, Life Members, Innovation Excellence and Young Achiever Excellence winners.

2018 TNQ Tourism Industry Excellence Awards winners:



**CHAIRMAN'S AWARD
FOR EXCELLENCE**
Ironman



**OUTSTANDING CONTRIBUTION
BY AN INDIVIDUAL**
Paula Wallace



LIFE MEMBER
Gary Young



INNOVATION EXCELLENCE AWARD
Reef Restoration Foundation



YOUNG ACHIEVER EXCELLENCE AWARD
**Jasmine Porteous, Castaways Resort
& Spa Mission Beach**

Thank you to the members who hosted the 2018-19 networking evenings:

August 2018 KURANDA HOTEL MOTEL	September 2018 HEMINGWAY'S BREWERY	October 2018 PULLMAN REEF HOTEL CASINO (joint TEQ event)	
December 2018 SHERATON GRAND MIRAGE RESORT PORT DOUGLAS (joint Tourism Port Douglas & Daintree event)	January 2019 RILEY, A CRYSTALBROOK COLLECTION HOTEL	March 2019 SKYBURY CAFE & ROASTERY	June 2019 RYDGES ESPLANADE RESORT CAIRNS



Membership

ACCOMMODATION

B&B / Farm Stay

- Downunder Farmstays
- Gilberton Outback Retreat

Backpacker Hostel

- Cairns Central YHA
- Cairns Sharehouse.com
- Gilligan's Backpackers Hotel & Resort

Caravan & Camping Parks

- Atherton Hallorans Leisure Park
- BIG4 Ingenia Holidays Cairns Coconut
- Cairns Holiday Park
- Cape York Camping Punsand Bay
- Cooktown Orchid Travellers Park
- Ellis Beach Oceanfront Bungalow & Leisure Park
- Fishery Falls Holiday Park
- King Reef Resort
- Lake Placid Tourist Park
- NRMA Atherton Tablelands Holiday Park
- Palm Cove Holiday Park

Hotel, Motel, Apartment, Resort 4 & 4.5 star

- Accor Hotels North Queensland
- Cairns Colonial Club Resort
- Cairns Harbour Lights
- Cairns Sheridan Hotel
- Cape Trib Beach House
- Cayman Villas Port Douglas
- City Terraces
- Coral Towers Holiday Suites
- Coral Tree Inn
- Daintree Ecolodge
- Fitzroy Island Resort
- Freestyle Resort Port Douglas
- Holiday Inn Cairns Harbourside
- Hotel Grand Chancellor Palm Cove
- Il Palazzo Boutique Apartments Hotel
- Mantra Trilogy Resort
- Marlin Waters Beachfront Apartments
- Melaleuca Resort
- Meridien at Trinity
- Mission Beach Resort
- Novotel Cairns Oasis Resort
- Ocean Free & Ocean Freedom
- On the Beach Holiday Apartments
- Pacific Hotel Cairns
- Palm Royale Cairns
- Paradise Links Resort
- Park Regis City Quays / Piermonde Apartments
- Port Douglas Peninsula Boutique Hotel
- Queens Court
- Rydges Esplanade Resort Cairns
- Rydges Plaza Cairns
- Sea Change Beachfront Apartments
- Silky Oaks Lodge
- Stay Well Hospitality Group
- Sunshine Tower Hotel
- The Boutique Collection
- The Reef House & Spa by MGallery
- The Reef Retreat
- Tropic Towers Apartments
- Villa San Michele
- Vue Apartments – Trinity Beach

Hotel, Motel, Apartment, Resort 5 star

- Alamanda Palm Cove by Lancemore
- Bailey, a Crystalbrook Collection Resort
- Coconut Grove
- Crystalbrook Collection
- Green Island Resort
- Hilton Cairns
- Kewarra Beach Resort & Spa
- Lizard Island
- Mandalay Luxury Beachfront Apartments
- Peppers Beach Club & Spa Palm Cove
- Pullman Cairns International
- Pullman Palm Cove Sea Temple Resort & Spa
- Pullman Port Douglas Sea Temple Resort & Spa
- Riley, a Crystalbrook Collection Resort
- Saltwater Luxury Apartments
- Shangri-La Hotel, The Marina, Cairns
- Shantara Resort Port Douglas
- Sheraton Grand Mirage Resort, Port Douglas
- Thala Beach Nature Reserve
- The Reef Hotel Casino
- Waters Edge Apartments Cairns

Hotel, Motel, Apartment, Resort below 4 star

- Abbott Boutique Hotel
- Ash's Holiday Units & Ash's @ the Point Cafe
- Bay Village Tropical Retreat
- Cairns Plaza Hotel
- Cairns Queenslander Hotel & Apartments
- Castaways Resort & Spa Mission Beach
- Hides Hotel Cairns
- Mena Creek Hotel
- MiHaven Student Living
- Royal Palm Villas
- Sea Change Beachfront Apartments
- The Palms at Palm Cove
- Villa Marine Holiday Apartments & Motel
- Wongalinga Apartments Mission Beach

Lodges / Guest Houses

- Gilberton Outback Retreat
 - Heritage Lodge in the Daintree
 - Mt Mulligan Lodge
 - Rose Gums Wilderness Retreat
 - Sealords
- ### ACTIVITIES, TOURS & ATTRACTIONS
- Active Tropics Explorer
 - AJ Hackett Cairns
 - All Angling Ventures
 - Aus China Connect Pty Ltd
 - Australian Armour & Artillery Museum
 - Babinda Kayaking
 - Bad Fishy
 - BFT Australia Pty Ltd
 - Bike n Hike Adventure Tours
 - Blazing Saddles
 - Cairns Adventure Group
 - Cairns Canyoning
 - Cairns Museum
 - Cairns Quads & Adventures
 - Cairns Reef Fishing Australia
 - Cairns Wake Park
 - Cobbold Gorge Tours

- Connect Sport Australia
 - Daintree Discovery Centre
 - Event Cinemas
 - Gallo Dairyland
 - Go Fish Australia
 - Historic Village Herberton
 - Hook Up Fishing Charters
 - Hot Air Balloon Cairns
 - Jaques Australian Coffee
 - Jungle Surfing Canopy Tours
 - Kuranda Koala Gardens
 - Kuranda Scenic Railway
 - KUR-Cow Farm
 - Makotrac
 - Mamu Tropical Skywalk
 - Palmer Sea Reef Golf Course
 - Paronella Park
 - Raging Thunder – Hot Air Ballooning
 - Raging Thunder – White Water Rafting
 - Rainforestation Nature Park
 - Rapid Boarders
 - Savannahlander
 - Sea Eagle Adventures Pty Ltd
 - Skybury Cafe & Roastery
 - Skydive Australia
 - Skyrail Rainforest Cableway
 - Skytrans Airlines
 - Small World Journeys
 - Swags Under Stars
 - Tandem Cairns
 - Team Elite Merchandise
 - Uncle Brian's Tours
 - Undara Experience
- ### Day & Half Day Tours
- Active Tropics Explorer
 - Adventure North Australia Pty Ltd
 - BFT Australia Pty Ltd
 - BTS Tours
 - Cairns Canyoning
 - Cairns Harbour & Sunset Cruises
 - Cairns Quads & Adventures
 - Cairns Tableland Tours
 - CaPTA Group
 - Discovery Tours
 - Down Under Tours Australia
 - Global Travel Services & Doki Doki Tours
 - Hi Cairns Travel
 - Hook-A-Barra
 - Jungle Tours & Trekking – CaPTA
 - North Queensland Wildscapes Phototours
 - On the Wallaby
 - Port Douglas Connections
 - Reef & Rainforest Connections
 - Skedaddle Cairns
 - Small World Journeys
 - Tropic Wings Charters
 - Tropical Journeys
 - Walkabout Cultural Adventures
- ### Festivals / Events
- Cairns Indigenous Art Fair Ltd
 - Great Barrier Reef Marathon
 - IRONMAN
 - The Cairns Amateurs
- ### Food & Wine Tours
- Brett's Outback Tasting Adventures

- Cairns Tableland Tours
- Charley's Chocolate Factory
- Paradise To Plate

Galleries

- Cairns Art Gallery
- Fusion Art Bar & Tapas
- Gab Titui Cultural Centre
- Janbal Gallery
- Pandanus Gallery
- Terra Nova Gallery
- The Crystal Caves
- UMI Arts Limited

Indigenous Experience

- Active Tropics Explorer
- Cairns Indigenous Art Fair Ltd
- Culture Connect
- Djunbunji Ltd
- Jarramali Rock Art Tours
- Mossman Gorge Centre
- Ngadiku Dreamtime Tours
- Rainforestation Nature Park
- Tjapukai Aboriginal Cultural Park
- Yagurli Tours

Reef Tours / Cruises

- Aquarius Low Isles – Port Douglas
- Aroona Luxury Boat Charters
- Big Cat Green Island Reef Cruises
- Cairns Harbour & Sunset Cruises
- Calypso Reef Charters Pty Ltd
- Coral Expeditions Pty Ltd
- Coral Sea Dreaming Dive and Sail
- Daintree River Cruise Centre
- Divers Den
- Down Under Cruise & Dive
- Fitzroy Island Ferries
- Frankland Islands Reef Cruises
- Great Adventures
- Mike Ball Dive Expeditions
- Mission Beach Dive / Mission Beach Dunk Island Water Taxi
- Monsoon Reef Charters
- MV Bahama, Crystalbrook Collection – GAG Crystalbrook Boating Pty Ltd
- Ocean Safari
- Ocean Spirit Cruises
- Passions of Paradise
- Poseidon Outer Reef Cruises
- Pro Dive Cairns
- Quicksilver Connections (Quicksilver Cruises)
- Quicksilver Connections Ltd (Silver Series)
- Quicksilver Group
- Sailaway Port Douglas
- Seastar Cruises
- Skedaddle Cairns
- Spirit of Cairns
- Spirit of Freedom
- Sunlover Reef Cruises
- Tusa Dive

Safari & 4WD Tours

- Billy Tea Safaris
- Daintree Tours by Deluxe Safaris
- Discovery Tours
- Heritage 4WD Tours & Kamp Out Safaris
- Tagalong Tours of Australia

Scenic Flights / Charters

- Daintree Air Services
- East Coast Angling
- GBR Helicopters
- GSL Aviation
- Heli Tours North Queensland
- Nautilus Aviation
- Sea Eagle Adventures Pty Ltd
- Skytrans Airlines

Wildlife Experience

- Australian Butterfly Sanctuary
- Bat Hospital Visitor Centre
- Birdworld Kuranda
- Cairns Aquarium
- Cairns ZOOM and Wildlife Dome
- Crocodile Express Daintree Connection
- Hartley's Crocodile Adventures
- Kuranda Riverboat Cruises
- Snapping Tours
- Wildlife Habitat

ASSOCIATIONS & AGENCIES

Business / Industry Groups

- Mission Beach Business & Tourism Inc.
- Ports North
- Superyacht Group Great Barrier Reef Inc.
- Tropical Tablelands Tourism

Govt Agencies / Councils

- Aurukun Shire Council
- Carpentaria Shire Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Croydon Shire Council
- Mareeba Shire Council
- Tablelands Regional Council
- Torres Strait Island Regional Council

Tourism Organisations

- Savannah Way Limited
- Tourism Kuranda
- Tourism Palm Cove
- Tourism Port Douglas Daintree
- Trinity Beach Promotion Association
- Tropical Coast Tourism
- Tropical Tablelands Tourism

BUSINESS EVENTS

Catering

- Nu Nu Restaurant
- Ochre Restaurant
- Tropic Spirit Catering Pty Ltd

Event Management Companies

- Hannafords Events
- Managing Australian Destinations

Event Support Companies

- Encore Event Technologies
- Final Touch Productions Pty Ltd
- NQ Exhibitions
- Simply Hampers...Simply the Best
- Underwood Party Hire

Venues

- Event Cinemas
- Cairns Colonial Club Resort
- Cairns Convention Centre
- Cairns Sheridan Hotel
- Flames of the Forest
- Flynn, a Crystalbrook Collection Resort

- Hemingway's Brewery Cairns Wharf
- Hilton Cairns
- Lizard Island
- Nu Nu Restaurant
- Pacific Hotel Cairns
- Riley, a Crystalbrook Collection Resort
- Salt House
- Shangri-La Hotel, The Marina, Cairns
- Thala Beach Nature Reserve
- The Reef Hotel Casino

DINING & ENTERTAINMENT

Nightclubs / Bars / Entertainment

- Bar 36
- Three Wolves
- Woolshed Chargrill and Saloon Bar

Restaurants & Cafes

- Blackbird Espresso by Coffee NQ
- Bluewater
- Cafe China
- Cairns RSL Club Ltd
- Chill Cafe
- Choo Choo's @ St Crispins
- Coffee Works Australia
- Dundee's Restaurant on the Waterfront
- Flinders Bar & Grill at The Reef Hotel Casino
- Fusion Art Bar & Tapas
- Golden Boat Chinese Restaurant
- Hemingway's Brewery Cairns Wharf
- Jaques Australian Coffee
- McDonald's Family Restaurants Cairns
- Oaks Lagoons
- Salt House
- Surf Club Palm Cove
- Tamarind Restaurant
- The Raw Prawn
- Waterbar and Grill
- Woolshed Chargrill and Saloon Bar

PROFESSIONAL, SHOPPING & OTHER SERVICES

Design / Print / Publication

- Australian Tourist Publications
- Better Promo
- Cairns Visitor Guide
- Drafthouse Creative Studio
- Lotsa – Print and Design
- Pacific Coast Publishing Group

Education / Training

- Banora International
- Bentley Park College
- Cairns College of English Pty Ltd
- Cairns Language Centre
- CQUniversity Australia
- GBR Helicopters Flight Training School
- James Cook University of North QLD
- Savannah Guides Limited
- Study Cairns
- TAFE Queensland North
- theSPACE Australasia

Financial / Legal

- ANZ Mobile Lending Cairns
- Cummings Economics
- Exportise
- Grant Thornton
- HostPlus
- Intrust Super
- MacDonnells Law Pty Ltd
- Migration Plus
- Peters Bosel Lawyers

IT / Web / Digital

- Fuji Xerox Business Centre Cairns
- Respax

Marketing Representation

- Aus China Connect Pty Ltd
- Contineo Marketing
- Mitchell Kane Marketing
- Parker Travel Collection
- Pinnacle Tourism Marketing
- Ros Harries Marketing
- Tourism Marketing Services

Media / Communication

- Adjani Zhang
- Adlink Media
- Epic Times Social Media Marketing
- Liz Inglis Media & Communications
- News Corp Australia (The Cairns Post Pty Ltd)

Medical / Health

- A Fuller Life Remedial Massage
- Spinal Life Australia
- Ten Years Younger Home Care

Other

- Arthur J Gallagher
- Australian Business Consulting & Solutions
- Bell Management Consultants Pty Ltd
- Boz Oz Pty Ltd
- Conservation Volunteers Australia
- Currency Services Australia Pty Ltd
- Execugifts Australia Pty Ltd
- Export Grant Professionals
- Taste Paradise
- The Lab Cairns
- Tourism Tap

Photography / Videography

- Andrew Watson Photography
- Bedarra Island Resort
- Brad Newton Photography
- Calypso Reef Imagery Centre
- Digital Memories
- Lovegreen Photography
- Mod Videos (Mod Films)
- PhilipVids
- Threadless Films
- Trip Videos

Real Estate / Developers

- CB Richard Ellis
- David Galloway-Penney of Elite Real Estate Services Cairns

Recruitment / Personnel

- CBC Staff Selection
- Precruitment

Retail / Supplier

- AAB Office Equipment
- Bidfood Cairns
- Cairns Central Shopping Centre
- DFS Australia Pty Ltd
- Ergon Energy Corporation Ltd
- Evert Opals & Fine Jewellery
- Golden Pride Wineries
- Newart Commercial Furniture
- OK Gift Shop
- Piccones Shopping Village
- The Pier at the Marina
- Reef Society
- RUN Jewellery
- Smithfield Shopping Centre

TOURISM BOOKINGS

Inbound Tour Operators

- Cairns Holiday Specialists
- Australian Tourlink
- Dixon Travel & Tour Pty Ltd
- Entrada Travel Group
- Experience Co
- H.I.S. Cairns
- Hi Cairns Travel

- JTB Australia Pty Ltd
- Nippon Travel Agency (Australia) Pty Ltd
- Port Douglas Connections
- Small World Journeys

Tour Desks

- Golden Holidays Travel Pty Ltd
- Local Tourism Network
- Reef Adventure Centre

Travel Agents

- Cairns Business & Leisure Travel
- Destination Cairns
- Expedia Group
- Ticketmates Australia
- Travstar.com Pty Ltd

Wholesale Agents

- Kintetsu International Express (Oceania) Pty Ltd

TRANSPORT SERVICES

Airline / Air Charter

- Cairns Airport Pty Ltd
- Independent Aviation
- Peddells Ferry & Tour Bus Service
- Skytrans Airlines

Coach Operators

- Pioneer Travel Service
- Sun Palm Transport Group Pty Ltd

Coach, Limousines & Taxis

- 1300 Rideshare

Limousines / Taxis

- Cairns Taxis Limited
- Elliott's Limousines
- Exemplar Coaches & Limousines
- Sun Palm Transport Group Pty Ltd

Vehicle Rental

- Avis Australia
- Britz Australia
- Cairns Luxury Car Hire
- Choppers Motorcycle Tours
- Mini Car Rentals
- Palm Cove Car Rentals



**Far North Queensland Promotion Bureau
Limited trading as
Tourism Tropical North Queensland
ABN 94 009 953 084**

Annual financial report
For the year ended 30 June 2019

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Directors' report

The directors present their report together with the financial statements of Far North Queensland Promotion Bureau Limited (the "Company") for the financial year ended 30 June 2019 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Name and qualifications	Experience and special responsibilities	
Wendy Morris BSc (Hons) Mar. Biol/Zool Grad. Cert. Mgmt. (UNE) GAICD	Chair	Founder – The Reef Society Director – Citizens of the Great Barrier Reef Foundation (resigned Sep 2018) Member – Reef Trust Partnership Management Committee (Great Barrier Reef Foundation) Member – Great Barrier Reef Marine Park Authority
Norris Carter BE (Hons) Dip. Comp. Sc MBA Associate AICD (Appointed Deputy Chair 24 October 2018)	Appointed Director Deputy Chair	Chief Executive Officer – Cairns Airport Pty Ltd Director – Advance Cairns (resigned Feb 2019) Director – Cairns Indigenous Art Fair
Russell Boswell Grad Cert – Marketing Diploma of Education Bachelor of Arts Cert IV – Training Assessing Cert III – Tour Guiding (Retired 12 October 2018)	General Director	Manager – Savannah Way Limited Manager – Savannah Guides Limited Director – Alliance for Sustainable Tourism Director – Boz Oz Pty Ltd
Mark Evans Diploma of Management	Director – Southern Zone	Managing Director – Anella Holdings Pty Ltd Managing Director – Tropical Canopy Pty Ltd TEL – Strategic Advisory Committee
Paul Fagg BA (Hons) Town and Country Planning	Director – Tropical Tablelands /Remote Area Zone	Business Development Manager – Skybury Coffee
Sam Ferguson Bachelor Business Bachelor Applied Science	General Director	General Manager Commercial – Destination Cairns Marketing
Todd Parker	General Director Chair – Tourism Events Strategic Panel	Managing Director – Parker Travel Collection Global Distribution Mentor to Tourism Australia Executive Board Director – Trinity Anglican School.
Craig Pocock MBA Comm. Dec.	General Director Member – Finance & Risk Management Committee	Managing Director – Skyrail ITM Director – Skyrail Rainforest Cableway Director – Skyrail Rainforest Foundation Ltd Chair – Alliance for Sustainable Tourism.

Name and qualifications	Experience and special responsibilities	
Wayne Reynolds Diploma of Business Management (Appointed 12 October 2018)	General Director	General Manager – Pullman Reef Hotel Casino
Jeff Schrale B. Science Graduate Diploma in Education (Appointed 12 October 2018)	General Director	Regional Executive Far North Queensland – ANZ
Ross Steele Bachelor of Business (Acc), Fellow - Certified Practising Accountant Certified Venue Executive Graduate – AICD (Retired 12 September 2018)	Deputy Chair Cairns South Director Chair – Finance & Risk Management Committee Chair – Business Events Strategic Panel	General Manager – Cairns Convention Centre Company Secretary – BECA Chair – FNQ Engagement Committee of Central Queensland University
Sheena Walshaw B. Science – Psychology	Director Cairns North Zone	Managing Director – Keydane Pty Ltd t/a Jungle Adventures Cape Tribulation & Jungle Surfing Canopy Tours (resigned May 2019) Director – Tourism Port Douglas & Daintree
Peter Woodward B. Commerce B. Science (Computer Science)	General Director Chair – Digital Strategic Panel	Managing Director – CaPTA Group of Companies Managing Director – Respax

Company secretary

Following the resignation of Andrea Fogarty on 31 December 2018, Pip Close (Diploma in Business, Diploma in Marketing, B. Early Childhood Education) was appointed to the position of company secretary on 1 January 2019.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year were:

Director	Board meetings No of meetings		F&RMC No of meetings	
	Held^A	Attended^B	Held^A	Attended^B
Wendy Morris	7	7	6	6
Norris Carter	7	7	-	-
Russell Boswell (retired 12 October 2018)	2	2	-	-
Mark Evans	7	6	-	-
Paul Fagg	7	6	-	-
Sam Ferguson	7	5	-	-
Todd Parker	7	6	-	-
Craig Pocock	7	6	6	3
Wayne Reynolds (appointed 12 October 2018)	5	4	3	2
Jeff Schrale (appointed 12 October 2018)	4	4	-	-
Ross Steele (retired 12 September 2018)	2	2	2	2
Sheena Walshaw	7	5	-	-
Peter Woodward	7	7	-	-

^A Number of meetings eligible to attend

^B Number of meetings attended

The Finance and Risk Management Committee (F&RMC) comprising Craig Pocock as Chair (appointed 26 October 2017) Wendy Morris, Wayne Reynolds, Luckbir Singh and attended by the CEO Pip Close (Company Secretary from 1 January), General Manager Rosie Douglas, Accountant and Company Secretary Andrea Fogarty (resigned 31 December), Grant Thornton partner Graham Coonan and Cairns Regional Council Accountants Mel Ford, Kerry Robertson and Jaimee Tanswell, met during the financial year. The purpose is to discharge the board responsibilities as they relate to:

- The financial reporting process;
- The existence and maintenance of internal controls and accounting systems; and
- Corporate governance.

Membership

Classes of membership

The Company is a company limited by guarantee. Under the Company's constitution, there are five classes of membership.

Members' liability

Each member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up while that person is a member or within one year after that person ceased to be a member for payment of the debts and liabilities of the Company contracted before that person ceased to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors amongst themselves, such amount as may be required, not exceeding \$10.

Objectives

The Company's objective is to drive visitor revenue and long term benefits for the region by leading the region's tourism marketing, positioning and brand story; and by being a unifying and coordinating voice of the industry. The Company will meet these objectives through:

- Regional brand story review
- Engaging partners within and beyond our region and our industry
- Drive Digital leverage
- Improve membership engagement & retention
- Continuous improvement - an agile "fit for purpose" organisation
- Reset finance and resources

Tourism Tropical North Queensland strategic plan

The following strategies have been developed and adopted by the organisation in order to achieve Company objectives:

- Master our story
 - Develop a brand narrative supported and endorsed by industry, underpinned by compelling stories.
 - Amplifying the story with a compelling communication strategy that guides, directs and implements easily for all stakeholders and expands our global footprint.
- Unite and partner
 - Build influential relationships that amplify the region as a major economic driver.
 - Reduce industry fragmentation.
 - Tap into the extensive network of people and industries outside of the tourism framework.

- Digital leverage
 - Pursue continuous development of our digital assets.
 - Define our digital strategy.
 - Establish a reputation for our digital leadership.
 - Support the external strategic drivers via digital means.
 - Invest in the digital capability of the team.
- Improve membership
 - Actively listen to members to find out what they want and need to advance and how we can add value to their membership
 - Develop a membership strategy – provide value to our members that encourages membership value and growth.
 - Maintain our relevance by being at the forefront of changes and opportunities relating to destination marketing.
- Continuously improve
 - Aggressively reduce red-tape, drive efficiency and embed an agile mindset within the cultural DNA of TTNQ.
 - Build our governance and leadership capacity.
 - Actively manage asset utilisation i.e. people, utilities, information and risk.
 - Adopt relevant technology to assist with our continuous improvement.
 - Foster a culture of innovation.
- Reset finance and resources
 - Strengthen our capacity to manage our funding.
 - Actively engage in progressive funding strategies that maintain current needs and provide a positive pipeline of funding that will meet the future needs of the organisation.

Principal activities

The principal activities of the Company during the course of the financial year related to tourism promotion of Tropical North Queensland.

During the year, as the Company rolled out its strategies, an organisational review was conducted by external consultants to provide recommendations for efficiency improvements and asset utilisation. A number of staff structural changes were affected.

The net surplus from ordinary activities after tax amounted to \$529,645 (2018: \$184,114).

Reconciliation of net surplus¹

	2019 \$	2018 \$
Operating surplus from ordinary activities before depreciation and amortisation expenses and the mis-match of grants and grant expenditures	87,286	104,103
Depreciation and amortisation expenses	(59,944)	(74,347)
Operating surplus/(deficit) from ordinary activities	27,342	29,756
Loss on disposal of assets	-	(17,628)
Expenditure of Government grant funds recognised as revenue in 2015/2016 (ASBAS Yr1)	-	(36,230)
Expenditure of Government grant funds recognised as revenue in 2016/2017 (ASBAS Yr2)	(12,604)	(187,396)
Receipt of Government grant funds recognised as revenue in 2017/18 (ASBAS Yr3)		200,000
Expenditure of Government grant funds recognised as revenue in 2017/2018 (ASBAS Yr3)	(200,000)	-

	2019 \$	2018 \$
Receipt of Government grant funds recognised as revenue in 2016/2017 and 2017/2018 (COGBRF)	-	175,000
Expenditure of Government grant funds recognised as revenue in 2016/2017 and 2017/2018 (COGBRF)	-	(250,000)
Receipt of Government grant funds recognised as revenue in 2016/2017 and 2017/2018 (Gateway Artwork)	-	25,000
Expenditure of Government grant funds recognised as revenue in 2016/2017 (Gateway Artwork)	-	(74,388)
Receipt of Government grant funds recognised as revenue in 2017/2018 (CWA Indigenous Project Yr1)	-	400,000
Expenditure of Government grant funds recognised as revenue in 2017/2018 (CWA Indigenous Project Yr1)	(320,000)	(80,000)
Receipt of Government grant funds recognised as revenue in 2018/19 (CWA Indigenous Project Yr2)	196,221	
Receipt of Government grant funds recognised as revenue in 2018/19 (CWA)	1,000,000	
Expenditure of Government grant funds recognised as revenue in 2018/19 (CWA)	(500,000)	
Receipt of Government grant funds recognised as revenue in 2018/19 (Post Monsoon Marketing)	250,000	
Expenditure of Government grant funds recognised as revenue in 2018/19 (Post Monsoon Marketing)	(212,467)	
Receipt of Government grant funds recognised as revenue in 2017/18 (Connecting With Asia Yr1)	133,440	
Expenditure of Government grant funds recognised as revenue in 2017/18 (Connecting With Asia Yr1)	(104,039)	
Receipt of Government grant funds recognised as revenue in 2018/19 (Connecting With Asia Yr2)	135,000	
Expenditure of Government grant funds recognised as revenue in 2018/19 (Connecting With Asia Yr2)	(115,615)	
Expenditure of Government grant funds recognised as revenue in 2018/19 (Connecting With Asia Yr2)	80,674	
Receipt of Government grant funds recognised as revenue in 2018/19 (Amway)	684,169	
Expenditure of Government grant funds recognised as revenue in 2018/19 (Amway)	(634,698)	
Receipt of Government grant funds recognised as revenue in 2018/19 (Subvention)	50,000	
Receipt of Government grant funds recognised as revenue in 2018/19 (TSRA)	27,042	
Receipt of Government grant funds recognised as revenue in 2018/19 (Budgeted)	45,180	
Net surplus for the year	<u>529,645</u>	<u>184,114</u>

¹ Basis of preparation: Operating surplus from ordinary activities is a non-AASB measure that is used as the basis for determining operational results for the financial year. Operating surplus from ordinary activities is determined as net surplus for the year, adjusted for unexpended government grants. Unexpended grants are funds that have been received and remain unspent at reporting date which have been recorded as revenue in accordance with AASB 1004 Contributions. Operating surplus from ordinary activities has not been audited or reviewed.

Key performance indicators

The primary measure of performance of the organisation is Visitor Revenue, with a goal of \$3.5b by 2020.

Critical success factors monitored for performance also include:

- Fit for purpose organisation structure and resources
- A cohesive industry and growth of partnerships across the region
- Economic contribution of business events through QBES statistics
- Membership satisfaction and retention
- Engagement rate through corporate communications

Corporate governance statement

Responsibilities

The directors are responsible to the members for the performance of the Company in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of members and other key stakeholders and to ensure the Company is properly managed. The board draws on relevant corporate governance best practice principles to assist it to contribute to the performance of the Company.

The functions of the board include:

- Review and approval of corporate strategies, the annual budget and financial plans;
- Overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- Monitoring financial performance including approval of the annual financial reports and liaison with the Company's auditors;
- Appointment of, and assessment of the performance of, the chief executive officer;
- Ensuring there are effective management processes in place and approving major corporate initiatives;
- Enhancing and protecting the reputation of the Company;
- Ensuring the significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- Reporting to members.

Board members

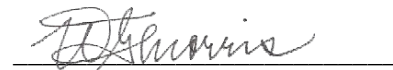
Details of the members of the board, their qualifications, term of office and independence status are set out in the directors' report under the heading "Directors". The board operates in accordance with the principles set out in the Company's constitution, including:

- The board is comprised of not less than 9 and not more than 15 directors. At the date of this report the board consisted of eleven members.
- The Chair of the board is elected by the full board.
- There shall be 9 elected directors. The board has the power to appoint up to 6 additional directors in accordance with the provisions of the Constitution.

Auditor's independence declaration

The auditor's independence declaration is set out on the following page and forms part of the directors' report for the financial year ended 30 June 2019.

This report is made out in accordance with a resolution of the directors:



Director

11 September 2019

Auditor's independence declaration

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Auditor's independence declaration to the directors of Far North Queensland Promotion Bureau Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Far North Queensland Promotion Bureau Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



G J Coonan
Partner – Audit & Assurance
Cairns, 11 September 2019

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Statement of comprehensive income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Continuing operations			
Income			
Revenue	6	<u>9,340,437</u>	<u>8,226,695</u>
Expenses			
Administration		1,842,386	1,684,145
Industry representation		393,981	424,906
Marketing and promotion		6,579,501	5,755,980
Research		<u>14,721</u>	<u>87,552</u>
		<u>8,830,589</u>	<u>7,952,583</u>
Results from operating activities		509,848	274,111
Finance income		<u>19,797</u>	<u>18,674</u>
Net surplus before tax		529,645	292,786
Income tax expense	5g	<u>-</u>	<u>-</u>
Net surplus from continuing operations		529,645	292,786
Discontinued operation			
Net deficit from discontinued operation	8	<u>-</u>	<u>(108,672)</u>
Net surplus		529,645	184,114
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>529,645</u>	<u>184,114</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of financial position

As at 30 June 2019

Assets	Note	2019 \$	2018 \$
Cash and cash equivalents		2,863,529	1,687,793
Term deposits		515,010	584,430
Trade and other receivables	9	311,278	61,744
Prepayments		<u>31,175</u>	<u>57,025</u>
Total current assets		3,720,992	2,390,992
Property, plant and equipment	10	33,935	58,220
Intangible assets	11	<u>36,174</u>	<u>69,348</u>
Total non-current assets		70,109	127,568
Total assets		<u>3,791,101</u>	<u>2,518,560</u>
Liabilities			
Trade and other payables	13	692,637	347,866
Employee benefits	14	68,671	218,336
Provisions	15	-	25,466
Deferred income/revenue	16	<u>1,577,206</u>	<u>1,015,977</u>
Total current liabilities		2,338,514	1,607,645
Provisions	15	<u>34,820</u>	<u>22,793</u>
Total non-current liabilities		34,820	22,793
Total liabilities		<u>2,373,334</u>	<u>1,630,438</u>
Net assets		<u>1,417,767</u>	<u>888,122</u>
Equity			
Retained surplus		<u>1,417,767</u>	<u>888,122</u>
Total equity		<u>1,417,767</u>	<u>888,122</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

For the year ended 30 June 2019

	2019 \$	2018 \$
Retained surplus		
Balance at 1 July	<u>888,122</u>	<u>704,008</u>
Total comprehensive income		
Net surplus	529,645	184,114
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>529,645</u>	<u>184,114</u>
Balance at 30 June	<u>1,417,767</u>	<u>888,122</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2019

		2019	2018
	Note	\$	\$
Cash flows from operating activities			
Cash receipts from customers		9,714,096	10,069,228
Cash paid to suppliers and employees		<u>(8,619,420)</u>	<u>(9,888,081)</u>
Net cash from continuing operations		1,094,676	181,147
Interest received		14,125	19,412
Net cash used in discontinued operation		<u>-</u>	<u>(87,457)</u>
Net cash from operating activities	20	<u>1,108,801</u>	<u>113,102</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,486)	(17,089)
Acquisition of intangibles		-	(69,348)
Acquisition of investments		<u>69,421</u>	<u>(12,922)</u>
Net cash used in investing activities		<u>66,935</u>	<u>(99,359)</u>
Net increase in cash and cash equivalents		1,175,736	13,743
Cash and cash equivalents at 1 July		<u>1,687,793</u>	<u>1,674,050</u>
Cash and cash equivalents at 30 June		<u>2,863,529</u>	<u>1,687,793</u>

This statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1 Reporting entity

Far North Queensland Promotion Bureau Limited (the "Company") is domiciled in Australia. The Company's registered office is at 51 The Esplanade, Cairns QLD, 4870. The Company is a not-for-profit entity and primarily is involved in promotion and development of tourism in Far North Queensland.

2 Basis of accounting

a Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial statements comply with International Financial Reporting Standards ("IFRSs") adopted by the International Accounting Standards Board. They were authorised for issue by the Board of Directors on the date shown on the directors' declaration.

Because the Company is a not-for-profit entity and AASBs include requirements for no-for-profit entities which are inconsistent with the International Financial Reports Standards ("IFRs") to the extent these inconsistencies are applied, the financial statements of the Company do not comply with IFRSs adopted by the International Accounting Standards Board. The main impact is the timing of the recognition of non-reciprocal grant income. They were authorised for issue by the Board of directors on the date shown on the directors' declaration.

b Basis of measurement

The financial statements have been prepared on the historical cost basis.

c Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

d Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Management is not aware of any assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

e Economic dependency and going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company is a not-for-profit entity and is reliant on government funding in order to continue its operations. Management has no reason to believe that the required funding will not be forthcoming for the foreseeable future. However, should future government funding be significantly reduced or curtailed, the Company would be unlikely to be able to continue its operations at current levels.

f Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

3 Standards issued by not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018, and have not been applied in preparing these financial statements. The following new standards may have an impact on the Company's financial statements, although any such impact has not yet been fully assessed:

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit Entities* become mandatory for annual periods beginning on or after 1 January 2019. AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 sets out Australian requirements and provides guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together, they establish a comprehensive framework for determining whether, how much and when revenue is recognised.
- AASB 16 *Leases* becomes mandatory for annual periods beginning on or after 1 January 2019 (with early adoption permitted) and in essence requires a lessee to:
 - recognise all lease assets and liabilities (including those currently classed as operating leases) on the statement of financial position, initially measured at the present value of unavoidable lease payments;
 - recognise amortisation of lease assets and interest on lease liabilities as expenses over the lease term; and
 - separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (which entities can choose to present within operating or financing activities consistent with presentation of any other interest paid) in the statement of cash flows.

The Company plans to adopt these standards from 1 July 2019.

4 Changes in significant accounting policies

The Company has initially applied AASB 9 from 1 July 2018. A number of other new standards are also effective from 1 July 2018 but they are not relevant to and/or do not have a material effect on the Company's financial statements.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. Any differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained surplus as at 1 July 2018.

On 1 July 2018, the date of initial application, the Company re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were no changes to classification, and carrying amounts were also unchanged.

Financial asset/liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Trade and other payables	Amortised cost

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a Foreign currency

Transactions in foreign currencies are translated to Australian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate at that date. Foreign currency differences arising on translation are recognised in income or expense.

b Discontinued operation

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

The result from discontinued operations, including prior year components of the result, are presented in a single amount in the statement of comprehensive income. This amount, which comprises the result of discontinued operations and the gain or loss resulting from the measurement and disposal of assets classified as held for sale, is further analysed in Note 8.

c Revenue

i Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

ii Rendering of services

Revenue from rendering of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

iii Commissions

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

iv Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

v Membership income

Membership income is recognised in the period that the membership renewal/purchase pertains to.

vi Industry contributions

Industry contribution income is recognised in the period that the purchased activity occurs.

vii Sponsorship income

Sponsorship income is recognised as it accrues in the period to which it relates. Certain sponsorship income which is received in kind is brought to account at its fair value.

d Government grants and other contributions of assets

Government grants and other contributions of assets are accounted for in accordance with AASB 1004 *Contributions* based on whether they are reciprocal or non-reciprocal in nature and are measured at the fair value of the contributions received or receivable.

Reciprocal transfers are those where approximately equal value is exchanged in the transfer between the transferor (grantor) and the transferee (grantee). Non-reciprocal transfers are those where equal value is not exchanged.

i Reciprocal transfers

Where grants and other contributions are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

ii Non-reciprocal transfers

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

e Finance income and finance costs

Finance income and finance costs include interest income and interest expense. Interest income or expense is recognised using the effective interest method.

f Employee benefits

i Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in expenses in the period in which they arise.

iv Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs of restructuring. If the benefits are not expected to be settled wholly within 12 months at the end of the reporting period, then they are discounted.

g Income tax

The Company has been granted exemption from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

h Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

ii Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives and is generally recognised in expenses. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

- Leasehold improvements 3-10 years
- Computer equipment 2-5 years
- Office furniture 2-15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i Intangible assets

i Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment.

ii Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives. The estimated useful lives of intangibles are as follows:

- Websites and digital assets 2-3 years

j Financial instruments

i Non-derivative financial assets and financial liabilities – Recognition, initial measurement and derecognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset, unless it is a trade receivable without a significant financing component, or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards of ownership are transferred.

A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

ii Classification and subsequent measurement

Financial assets

Policy applicable from 1 July 2018

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss
- equity instruments at fair value through other comprehensive income
- debt instruments at fair value through other comprehensive income

Classifications are determined by both:

- the Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company has determined that all of its financial assets fall within the amortised cost category.

Policy applicable before 1 July 2018

The Company classified its financial assets into one of the following categories:

- loans and receivables
- held to maturity
- available for sale
- at fair value through profit or loss

For the comparative period, all of the Company's financial assets fell within the loans and receivables category.

After initial recognition, financial assets in the loans and receivables category were measured at amortised cost using the effective interest method.

Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as fair value through profit or loss if it is held-for-trading. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The accounting for financial liabilities under AASB 9 from 1 July 2018 remains largely unchanged from the accounting under AASB 139 before 1 July 2018, i.e. in the comparative period.

The Company has only financial liabilities classified as measured at amortised cost.

k Impairment

Non-derivative financial assets

Policy applicable from 1 July 2018

Financial assets

The Company uses forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements include loans and trade receivables.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial asset.

Trade and other receivables

The Company uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Company fully allows for any memberships or industry contribution amounts that are more than 120 days past due. The Company does not allow for write off of Government grants receivable, as a default has never occurred. The Company has assessed the trade receivables as at 30 June 2019 and has determined that no impairment is required at that date.

Policy applicable before 1 July 2018

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases, and the decrease could be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. As the Company is a not-for-profit entity, value in use is the written down current replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and as the entity would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in expenses.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

I Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

m Leases

i Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

ii Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

iii Lease payments

Payments made under operating leases are recognised in expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

n Share capital

The Company is a company limited by guarantee. The Company has no share capital.

6 Revenue

	2019 \$	2018 \$
Industry contributions and membership	2,044,154	1,968,259
Government and institutional grants	5,160,084	5,233,123
Fee for service	1,138,945	386,881
Rental income from property subleases	39,465	110,119
Sponsorship	934,457	516,777
Sundry revenue	23,332	11,537
	<u>9,340,437</u>	<u>8,226,695</u>

2019	2018
\$	\$

7 Personnel expenses

Included in expenses for the year are the following personnel expenses:

Salaries and wages	1,538,691	1,938,445
Contributions to defined contribution superannuation plans	142,238	172,418
Increase in liability for annual leave	32,353	21,205
Increase in liability for long service leave	13,439	16,611
	<u>1,726,721</u>	<u>2,148,679</u>

8 Discontinued operation

As at 22 June 2018 the Cairns and Region Visitor Information Centre was closed and its operation discontinued.

Results of discontinued operation

Revenue	-	173,067
Expenses	<u>-</u>	<u>(281,739)</u>
Loss for the year from discontinued operation	<u>-</u>	<u>(108,672)</u>

9 Trade and other receivables

Current

Trade receivables	311,278	61,744
Less: Allowance for impairment losses	<u>-</u>	<u>-</u>
	<u>311,278</u>	<u>61,744</u>

Expected credit loss assessment for customers at 30 June 2019

The Company applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due and also according to customer type. The Company fully allows for any memberships or industry contribution amounts that are more than 120 days past due. The Company does not allow for write off of Government grants receivable, as a default has never occurred.

The expected loss rates are based on the payment profile for sales over the past 12 months before 30 June 2019 as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Company has identified age of customer relationship and type of product or service purchased to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery. The Company has assessed the trade receivables as at 30 June 2019 and has determined that no impairment is required at that date.

10 Property, plant and equipment

Reconciliation of carrying amount

	Leasehold improvements	Computer equipment	Office furniture	Total
Cost	\$	\$	\$	\$
Balance at 1 July 2017	1,633,585	110,385	135,859	1,879,829
Additions	2,211	11,719	3,159	17,089
Disposals	(1,635,796)	(1,266)	(69,442)	(1,706,504)
Balance at 30 June 2018	-	120,838	69,576	190,414
Balance at 1 July 2018	-	120,838	69,576	190,414
Additions	-	2,486	-	2,486
Balance at 30 June 2019	-	123,324	69,576	192,900
Depreciation and impairment				
Balance at 1 July 2017	(1,587,588)	(39,564)	(119,572)	(1,746,724)
Depreciation for the year	(36,508)	(28,441)	(9,397)	(74,346)
Disposals	1,624,096	925	63,853	1,688,874
Balance at 30 June 2018	-	(67,080)	(65,116)	(132,196)
Balance at 1 July 2018	-	(67,080)	(65,116)	(132,196)
Depreciation for the year	-	(25,679)	(1,089)	(26,769)
Balance at 30 June 2019	-	(92,759)	(66,205)	(158,965)
Carrying amounts				
At 1 July 2017	45,997	70,821	16,287	133,105
At 30 June 2018	-	53,758	4,460	58,218
At 30 June 2019	-	30,564	3,371	33,935

11 Intangible assets

	Websites \$	Digital asset \$	Total \$
Cost			
Balance at 1 July 2017	-	-	-
Additions	14,993	54,356	69,349
Balance at 30 June 2018	14,993	54,356	69,349
Balance at 1 July 2018	14,993	54,356	69,349
Additions	-	-	-
Balance at 30 June 2019	14,993	54,356	69,349
Depreciation and impairment			
Balance at 1 July 2017	-	-	-
Depreciation for the year	-	-	-
Balance at 30 June 2018	-	-	-
Balance at 1 July 2018	-	-	-
Depreciation for the year	5,997	27,178	33,175
Balance at 30 June 2019	8,996	27,178	36,174
Carrying amounts			
At 30 June 2018	14,993	54,356	69,349
At 30 June 2019	8,996	27,178	36,174

12 Financial instruments – fair values and risk management

a Accounting classifications and fair values

The fair values of financial assets and financial liabilities approximate the carrying amounts shown in the statement of financial position.

b Financial risk management

The Company has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk.

i Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Finance and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Finance and Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, members and sundry organisations.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

At the reporting date there were no significant concentrations of credit risk.

The Company does not require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

At the reporting date, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	2019 \$	2018 \$
Memberships	-	-
Grants and subsidies	-	-
Industry contributions	26,456	55,227
Fee for service	275,000	-
Other	9,822	6,517
	<u>311,278</u>	<u>61,744</u>

Impairment

At the reporting date, the aging of trade and other receivables was as follows:

Neither past due nor impaired	291,333	43,785
Past due 1-30 days	2,100	9,606
Past due 31-90 days	17,845	2,670
Past due 91-120 days	-	5,683
	<u>311,278</u>	<u>61,744</u>

There are no allowances for impairment losses in respect of trade and other receivables at 30 June 2019 (2018: nil).

Cash and cash equivalents

Cash and cash equivalents held by the Company at reporting date are held with Australian financial institutions with credit ratings of AA- or higher.

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$	Contractual cash flow \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
2019							
Trade and other payables	692,637	692,637	692,637	-	-	-	-
	<u>692,637</u>	<u>692,637</u>	<u>692,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2018							
Trade and other payables	347,866	347,866	347,866	-	-	-	-
	<u>347,866</u>	<u>347,866</u>	<u>347,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to foreign currency risk on sales and purchases.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	2019 \$	2018 \$
Fixed rate instruments		
Term deposits	515,010	584,430
Variable rate instruments		
Bank balances	2,863,529	1,687,793

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect net surplus.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and net surplus by the amounts shown below. This analysis assumes that all other variables remain constant.

	Income or expenses		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
2019				
Financial assets	28,633	(28,633)	28,633	(28,633)
Cash flow sensitivity (net)	28,633	(28,633)	28,633	(28,633)
2018				
Financial assets	16,878	(16,878)	16,878	(16,878)
Cash flow sensitivity (net)	16,878	(16,878)	16,878	(16,878)

	2019 \$	2018 \$
13 Trade and other payables		
Trade payables	451,657	-
Accrued expenses	170,713	217,875
Other payables	70,267	129,991
	<u>692,637</u>	<u>347,866</u>

Information about the Company's exposure to liquidity risk is included in Note 12.

14 Employee benefits

Current		
Annual leave	68,671	101,024
Termination benefits	-	117,312
	<u>68,671</u>	<u>218,336</u>

The Company makes contributions to defined contribution plans. The amount recognised as an expense was \$142,238 for the year ended 30 June 2019 (2018: \$172,768).

15 Provisions

Current

Long service leave	<u>-</u>	<u>25,466</u>
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Non-current

Long service leave	<u>34,820</u>	<u>22,793</u>
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Balance at 1 July	48,259	70,077
Provisions made during the year	12,027	16,611
Provisions used during the year	(25,466)	(38,429)
Balance at 30 June	<u>34,820</u>	<u>48,259</u>

Long service leave

The provision for long service leave represents the Company's best estimate of the future benefit that employees have earned. The amount and timing of the associated outflows is uncertain and dependent on employees attaining the required years of services. Where the Company no longer has the ability to defer settlement of the obligation beyond 12 months from the reporting date, liabilities are presented as current. This would usually occur when employees are expected to reach the required years of service in the 12 months from reporting date.

16 Deferred income/revenue

	2019 \$	2018 \$
Membership subscriptions received in advance	76,272	83,491
Industry contributions and service revenue received in advance	1,500,934	932,487
	<u>1,577,206</u>	<u>1,015,978</u>

This note presents information about income received by the Company for expenditure in future accounting periods. All non-grant income received for expenditure in future accounting periods is recognised as deferred revenue.

17 Operating leases

Leases as lessee

The Company leased a number of buildings under operating leases until 31 October 2018. During this time, parts of the leased property were sublet by the Company.

From 1 November 2018 the Company leased only the office space occupied by the Company from Cairns Regional Council. This lease expires in October 2019.

At reporting date, the future minimum lease payments under non-cancellable leases were payable as follows:

Less than one year	312	300
Between one and five years	-	-
More than five years	-	-
	<u>312</u>	<u>300</u>

During the year ended 30 June 2019, \$370,964 was recognised as an expense in respect of operating leases (2018: \$415,976). Contingent rent recognised as an expense amounted to nil. \$39,465 was recognised as income in respect of subleases.

18 Capital and reserves

Company limited by guarantee

The Company is a company limited by guarantee. Accordingly, each member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up while that person is a member or within one year after that person ceased to be a member for payment of the debts and liabilities of the Company contracted before that person ceased to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors amongst themselves, such amount as may be required, not exceeding \$10.

19 Capital management

The Company's policy is to maintain a strong capital base so as to maintain member, creditor and funding body confidence and to sustain future development of the business. Capital consists of retained surpluses. Management monitors the Company's operating surplus.

The Company's net debt to equity ratio at the reporting date was as follows:

Cash and cash equivalents	2,863,529	1,687,793
Term deposits	515,010	584,430
Less liabilities	<u>(2,373,334)</u>	<u>(1,630,438)</u>
Net cash	<u>1,005,204</u>	<u>641,785</u>
Total equity	<u>1,417,767</u>	<u>888,122</u>
Net cash to equity ratio at 30 June	<u>0.71</u>	<u>0.72</u>

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

	2019 \$	2018 \$
Net surplus	529,645	184,114
Adjustments for:		
Depreciation and amortisation	59,944	74,347
Loss on disposal of assets	-	17,627
	<u>589,589</u>	<u>276,088</u>
Changes in:		
Trade and other receivables	(249,534)	517,300
Inventories	-	611
Trade and other payables and deferred revenue	756,335	(766,022)
Prepayment	25,850	(23,559)
Provisions and employee benefits	(13,439)	108,684
Net cash from operating activities	<u>1,108,801</u>	<u>113,102</u>

21 Related parties

a Transactions with key management personnel

i Key management personnel compensation

The key management personnel compensation comprised the following:

Short-term employee benefits	620,850	726,445
Post-employment benefits	57,646	65,996
Other long term benefits	3,441	4,726
Termination benefits	49,635	24,987
	<u>731,572</u>	<u>822,154</u>

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined contribution plan.

ii Loans to key management personnel

There were no loans made, guaranteed or secured by the Company to key management personnel during the year (2018: nil).

iii Key management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over these entities.

A number of these entities transacted with the Company during the year. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Sales \$	Purchases \$	Balance owed to TTNQ \$	Balance owed by TTNQ \$
2019				
Todd Parker	1,150	41,871	-	-
Mark Evans	6,227	-	-	-
Sam Ferguson	6,250	949.89	-	-
Wendy Morris	250	-	-	-
Craig Pocock	32,150	3,106	-	890
Sheena Walshaw	4,275	-	-	-
Peter Woodward	39,026	5,625	-	-
Russell Boswell (retired 12 October 2018)	250	11,000	-	-
2018				
Todd Parker	1,169	37,400	-	-
Russell Boswell	-	2,517	-	-
Mark Evans	6,786	93	-	-
Wendy Morris	-	105	-	-
Sam Ferguson (elected 25 October 2017)	1,106	7,299	-	-

From time to time directors of the Company, or their related entities, may buy goods from the Company. These purchases are on the same terms and conditions as those entered into by other Company employees or members.

Historically, the Company has intentionally sourced many of its directors from within its membership base. The membership payments for these member companies are on the same terms and conditions as those of companies and businesses which do not have a representative on the Board.

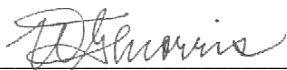
	2019 \$	2018 \$
22 Auditor's remuneration		
Audit services		
Auditors of the Company – Grant Thornton		
Audit of financial statements	27,050	24,000
Other regulatory audit services	1,050	2,000
	<u>28,100</u>	<u>26,000</u>
Other services		
Auditors of the Company – Grant Thornton		
In relation to taxation services	750	1,915
In relation to services provided for ASBAS workshops and mentoring	-	3,220
Other advice and assistance	1,900	-
	<u>2,650</u>	<u>5,135</u>

Directors' declaration

In the opinion of the directors of Far North Queensland Promotion Bureau Limited (the "Company"):

- a the financial statements and notes are 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 2019 and of its performance for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b 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:



Director

11 September 2019

Independent auditor's report

Independent auditor's report to the members of Far North Queensland Promotion Bureau Limited

Opinion

We have audited the financial report of Far North Queensland Promotion Bureau Limited (the "Company"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Far North Queensland Promotion Bureau Limited is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



G J Coonan
Partner – Audit & Assurance

Cairns, 11 September 2019