

Mackay Tourism
Annual Report
2017 - 2018





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Thanks to our SPONSORS





INTRODUCTION

Mackay Tourism Limited (MTL) is a Regional Tourism Organisation (RTO) that represents the Mackay and Isaac Regions. MTL exists to market these regions to domestic and international visitors, and to assist in the development of these regions tourism industries.

MTL is a company limited by guarantee, with a member elected board. MTL collaborates and partners with businesses, local, regional, state and federal agencies and organisations to generate economic growth through tourism. The board's objective is for MTL to work with industry in continuing to grow this key pillar of the local economy thereby fostering economic diversity and employment. MTL delivers destination marketing, industry development and visitor access and dispersal services.

MTL Vision:

Be the leading Tourism Organisation creating a 'must visit' destination by showcasing memorable, authentic and unique nature and heritage based experiences to the world.

MTL Mission:

Through innovative marketing, be the story tellers for our region; supporting operators and events, developing experiences and inspiring visitors.

This annual report details the activities and outcomes of the work undertaken by the organisation in the 2017-2018 financial year.

Every effort has been made to provide accurate information at the time of printing.



REPORT CARD

Marketing:

LinkedIn:

89% 
INCREASE IN
follower gains

561 followers



Instagram:

15,614

Photos shared using
#meetmackayregion
[33% increase]

8,025 followers
Increase of 12%



Facebook:

14,412 

21% increase in total Facebook
likes. From 11,935 to 14,412



38.5% INCREASE

in organic post reach from 420,981 to 583,091

7 CAMPAIGNS

54 Participating
operators



Case Study: #mymackay Campaign

#myMACKAY



3,269

Hashtag
mentions

286%
increase



303

Competition
entries

47%
increase



7,764

Competition
webpage
visits

319%
increase



274

Facebook
engagements



1,144

Instagram
posts liked



409

Votes
cast by
the public



209

Downloads of
mymackay
ARt app

used at DBCT
Illuminate

Publicity:



1,839 mentions in the media worth a total of \$4.2 million

4.2 MILLION
MEDIA VALUE 61% increase
in media value



62
media releases
published

13,008

total number of
subscribers who
received consumer
newsletters

2.6 MILLION

Tourism shines on Sunshine



Estimated number of viewers who marveled at Wallabies on the Beach at Cape Hillsborough during Channel 7 Sunrise weather crosses.

\$1,728,600



Elton John Rocks Mackay

Media value brought to Mackay from Elton John Concert

Business Development:



11

Development Workshops –
57 operators in attendance

34



Operators awarded at
Best of Queensland

2



The Australia Tourism Exchange –
2 operators attended



21

New members joined Mackay
Tourism in 2017-2018

Visitor Information

DOMESTIC Year ending March 2018

895,000

27.4%

4.2MIL

A new record following six successive quarters of domestic visitation increases to the region

Average length of stay rose to 4.7 nights, an increase of 27.4%

The number of nights spent by domestic visitors in the region, an increase of nights (up 29.9%)

INTERNATIONAL Year ending March 2017

12.2%

15.9MIL

26.4%

the increase in international visitors to the region, now at 54,0000. Also representing six successive quarters of growth.

total economic contribution of international visitors to the region's economy.

increase in European visitors to the region, now at 34,0000.



New Mackay Region Visitor Information Centre located in Sarina
opened 1 July, 2018



3.6% increase in Mackay Tourism revenue through various grants and funding from local, state and national bodies throughout the year





CHAIRMAN'S REPORT

It is an honour to have continued as Chair of Mackay Tourism Ltd (MTL). During 2017/18 MTL has developed to become a leading tourism organisation, worthy of representing our industry.

Our dedicated Board of Directors, our General Manager, Tas Webber, and his dynamic team of volunteers and staff, have worked hard to deliver a series of wins for The Mackay Region's tourism industry throughout the 2017-18 financial year.

I will start by congratulating the Board, Tas, and stakeholders involved in the launch of the Cape Hillsborough Sunrise with the Wallabies Tours, and the opening of the Mackay Region Visitor Information Centre located in Sarina.

These projects required significant forward planning, consultation and considerable investment in time, effort and funds. I am confident these commitments by MTL will build on The Mackay Region's attractiveness to visitors and will go a long way to securing the long-term sustainability of our industry.

2017/2018 saw MTL continue to grow as an organisation with the hiring of a new Marketing Manager and Communications Officer. Two new roles were also created with the employment of a Visitor Information Centre Manager to manage the new Mackay Region Visitor Information Centre and a Tour Guide for the Sunrise Wallaby Tours.

I would like to congratulate members, and the MTL Board and team for achieving six successive quarters of international and domestic visitation growth. Increases in visitation demonstrates the success of MTL's marketing strategies. Consistency of visitor number increases reflects the level of professionalism, and sustainability The Mackay Region prides itself on.

Consultation with members, governments, stakeholders and the community has remained a centerpiece of MTL's activities this year. A review of the Mackay Isaac



Destination Tourism Plan was conducted. This review identified The Mackay Region's hero experiences, evaluated visitation growth and forecasts and identified the necessary steps required to reach MTL's goal of reaching \$500 million expenditure by 2022.

In April, MTL secured its future with the review of the MTL Business Plan. A plan which I believe, will see MTL continue to grow and adapt to the challenges faced by our industry. Members should feel confident that, as a membership based organisation, MTL works for their interests and has taken all appropriate measures to secure the long-term growth of tourism in our region.

I would like to take this opportunity to thank our key partners this year, Mackay Regional Council, Isaac Regional Council, Tourism and Events Queensland, Mackay Airport, Channel Seven, Southern Cross Austereo, the Daily Mercury and QantasLink for their ongoing support.

Finally, I wish to thank our members. MTL exists to benefit its members, and without their dedication, we would be unable to market our region and the memorable experiences they offer.

I look to the future with great optimism, as MTL has put in motion the strategies necessary to develop The Mackay Region into a desired tourism destination.

With our plentiful natural assets, devoted operators, and ongoing investment and support, Tourism will become the preeminent pillar in The Mackay-Isaac Region's economy. A strong tourism industry is something the whole community can support and benefit from.

Warm regards,

Rob Porter

Chair

Mackay Tourism Ltd

GENERAL MANAGER'S REPORT



In 2017/2018, The Mackay Region continued to establish itself as a 'must visit' destination, and tourism has become increasingly important to the Mackay/Isaac economy. As General Manager of Mackay Tourism Ltd (MTL), I am immensely proud of our achievements.

The crowning achievement for our industry has been recording six successive quarters of both domestic and international visitation growth. More visitors than ever before sought out The Mackay Region's offering of memorable, authentic and unique nature and heritage based experiences.

For year ending March 2018, The Mackay Region welcomed 895,000 domestic visitors. Visitor growth was buoyed by substantial increases in length of stay. This means that domestic visitors stayed 4.2 million nights and contributed \$380 million to the region's economy.

MTL's branding of Nature. Reserved. has also proved popular with international visitors. Concentrated marketing efforts have paid off with a record 54,000 international visitors injecting \$15.9 million into the economy.

Securing six successive quarters of visitation growth is a worthy reflection of the dedication of the MTL members, volunteers, Board and staff. As an industry, and as a community, we can be proud of our efforts in making The Mackay Region an attractive destination for visitors from across the globe.

Driving this growth has been a coordinated strategy of destination marketing, that aims to utilize The Mackay Region's considerable natural assets and formulate campaigns to inspire relevant target markets. This has been supported by a record 54 operators over the course of 7 campaigns.

Imagery from across our beautiful region have been shared to unprecedented levels. On print, digital and social media, millions of people have been inspired by Eungella Platypus, Cape Hillsborough Wallabies, Kinchant Dam Barramundi, the list goes on.

MTL has taken its publicity value to record levels. Strong relationships with media, combined with a stellar year of events, saw MTL achieve a \$4.2 million media value. MTL's publicity was reinforced by an ever-increasing presence on social media. Destination content, blogs, media releases and itineraries all

contributed to making The Mackay Region a 'must-visit' destination.

MTL has also endeavored to build our tourism industry, and promote economically and environmentally sustainable practices through business development. Engagement with operators is at the forefront of MTL activities, and not a day went by without a staff member consulting with our members.

Two projects demonstrated MTL's commitment to securing the growth of tourism this year.

Reconising a need to protect one of our region's main drawcards, MTL, for the first time ever, collaborated on and implemented guided tours of the Cape Hillsborough sunrise with Wallabies. These tours will protect this priceless asset, and provide a catalyst for further investment into tourism in the region.

Secondly, MTL, along with Mackay Region Council, identified the need for a presence south of the Mackay Ring Road. The result is the new, state-of-the-art Mackay Region Visitor Information Centre, located in Sarina. This centre will inspire thousands of visitors to continue to Mackay and explore our region.

With thorough planning and continued investment, 2018/19 looks to set push new boundaries in marketing The Mackay Region and promoting tourism in our region.

Thank you to our sponsors for the support they have provided throughout the year, including Mackay Regional Council, Isaac Regional Council, Tourism and Events Queensland, Mackay Airport, Channel Seven, Southern Cross Austereo, the Daily Mercury and QantasLink.

I would also like to thank our members, volunteers, staff and stakeholders for your ongoing support and I look forward to working with you in the future.

Warm regards,

Tas Webber
General Manager
Mackay Tourism Ltd

DIRECTOR'S REPORT

30 June 2018

The directors present their report on Mackay Tourism Ltd for the financial year ended 30 June 2018.

General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Colin Adamson

Qualifications Mechanical Engineer
Experience Owner Reeforest Adventure Tours

Ron Ailwood

Resigned October 2017
Qualifications Engineering Surveyor
Experience President of Sarina Community Arts & Crafts Co-Operative Ltd.

Nick uit den Bogaard

Experience Advisory Board Member Accommodation Association of Australia
Regional leader Choice Hotels Australasia, Owner of Comfort Resort Blue Pacific.

Jane Pickels

Experience Councillor Isaac Regional Council

Racheal Klitscher

Resigned October 2017
Qualifications Bachelor of Business (Tourism Management)
Certificate IV Frontline Management
Experience Destination Director - The Whitsundays, Islands of Great Barrier Reef & Mackay Tourism and Events Queensland.
Special responsibilities Ex officio member of Board
Deputy chair of Events Advisory Group (EAG)

Judy Langdon

Appointed October 2017
Qualifications Master of Education, Diploma of Secondary Teaching (Visual Art and English)
Experience Partner - Hay Point Country Bed and Breakfast. 20 years teaching with Education Queensland.

Rob Porter

Qualifications Graduate Certificate Business Administration (General Management)
Member of Australian Institute of Company Directors
Experience General Manager - Mackay Airport.

Kelly Davidson

Resigned February 2018
Experience General Manager Coral Cay Resort.

Qualifications

Bachelor of Business (Marketing and Human Resource Management)
Marketing Manager - Caneland Central Shopping Centre.

Scott Reboetz Resigned October 2017
Qualifications Bachelor of Commerce
Experience Owner - Big 4 Mackay Marine Tourist Park

Michele Shea Appointed October 2017
Qualifications Film & Media Degree
Experience Business Owner - The Old Station Teahouse

Luana Royle
Qualifications TAA Certificate IV, Certificate III in Pathology, Certificate IV in Disabilities, Diploma in Business.
Experience Business Owner - Rainforest Scuba

Bayden Matheson Appointed October 2017
Paul Kelly
Experience Solicitor, Director at Kelly Legal

Cr Amanda Camm
Qualifications Deputy Mayor Mackay Regional Council
Experience Councillor Mackay Regional Council

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Mackay Tourism Ltd during the financial year was the development of Tourism in the Mackay-Isaac Region. No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Increase visitors numbers to Mackay - Isaac region
- Increase visitor length of stay in the Mackay - Isaac region
- Increase visitor expenditure in the Mackay - Isaac region

Long term objectives

The Company's long term objectives are to:

- Make tourism a cornerstone of the Mackay - Isaac regional economy, creating employment and enhancing liveability for our regional community.

How principal activities assisted in achieving the objectives

The principal activities during 2017 - 2018 contributed to these objectives through our marketing activities stimulating our target visitor markets, our destination development strengthening our competitiveness, and our industry activities helping build business professionalism in the delivery of our tourism experiences and services.

Performance measures

The Company measures its performance by monitoring visitor arrival and length of stay statistics and expenditure, monitoring sales at our Visitor Information Centre, monitoring sales of memberships to local business, and their degree of participation in our programs of promotional and educational activities.

Members guarantee

Mackay Tourism Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100 for members that are corporations and \$ 100 for all other members, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$ 15,400 (2017: \$ 16,900).

Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

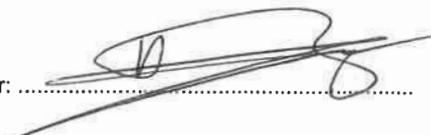
Directors' Meetings		
	Number eligible to attend	Number attended
Colin Adamson	10	5
Ron Ailwood	4	1
Nick uit den Bogaard	10	10
Jane Pickels	10	10
Racheal Klitscher	4	2
Judy Langdon	6	6
Rob Porter	10	8
Kelly Davidson	7	6
Deanne Woolcock	10	-
Scott Reboetz	4	1
Michele Shea	6	6
Luana Royle	10	9
Bayden Matheson	6	4
Paul Kelly	10	9
Cr Amanda Camm	10	6

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated this 24th day of September 2018



Partners
Darryl Camilleri
Chris Sammut
Paul Hinton
Therese Scotton
Geoff O'Connor
John Lavis
Ryan Leach
Brenton Lazzarini

Mackay Tourism Ltd

ABN: 56 074 909 265

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mackay Tourism Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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

Paul Hinton - CA

18 September 2018

Mackay QLD

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GPO Box 2561, Brisbane QLD 4001 **Phone: 07 3221 6200**

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue			
Brochure & display		41,785	45,823
Operating funding		862,000	817,000
Grant funding		50,000	119,552
Interest received		6,238	7,865
Marketing		134,762	42,121
Membership	1(c)	38,817	76,262
VIC commission & merchandise		56,560	48,725
Other income		42,271	32,282
Total Revenue		1,232,433	1,189,630
Expenses			
Depreciation and amortisation expense		(22,400)	(40,414)
Employee benefits expense		(529,611)	(424,652)
Leadership program		-	(18,359)
Tourism awards		(19,319)	(16,603)
Marketing		(297,423)	(214,600)
Motor vehicle		(14,342)	(14,866)
Networking		(5,444)	(8,541)
Visitor Guide Production & Distribution		(43,375)	(52,416)
Grant funding expense		(125,194)	(135,185)
VIC merchandise & booking fees		(18,707)	(19,319)
Other operating expenses		(139,888)	(185,049)
Surplus/ (Deficit) before income tax		16,730	59,626
Income tax expense		-	-
Surplus/(Deficit) after income tax for the year attributable to operations		16,730	59,626
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		16,730	59,626

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	797,726	537,399
Trade and other receivables	3	14,835	38,386
Inventories	4	11,311	6,982
Other assets		200	-
TOTAL CURRENT ASSETS		824,072	582,767
NON-CURRENT ASSETS			
Property, plant and equipment	5	253,552	245,289
Intangible assets	6	30	7,484
TOTAL NON-CURRENT ASSETS		253,582	252,773
TOTAL ASSETS		1,077,654	835,540
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	72,579	84,598
Other financial liabilities	8	440,000	250,000
Other liabilities	9	47,404	-
TOTAL CURRENT LIABILITIES		559,983	334,598
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		559,983	334,598
NET ASSETS		517,671	500,942
EQUITY			
Reserves		164,324	164,324
Retained earnings		353,347	336,618
TOTAL EQUITY		517,671	500,942

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	336,618	164,324	500,942
Surplus / (deficit) for the year	16,730	-	16,730
Balance at 30 June 2018	353,348	164,324	517,672

2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	276,992	164,324	441,316
Surplus / (deficit) for the year	59,626	-	59,626
Balance at 30 June 2017	336,618	164,324	500,942

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,249,545	1,158,318
Payments to suppliers and employees		(972,247)	(1,084,780)
Interest received		6,238	7,864
Net cash provided by/(used in) operating activities	14	283,536	81,402
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(23,209)	(4,420)
Net cash provided by/(used in) investing activities		(23,209)	(4,420)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		260,327	76,982
Cash and cash equivalents at beginning of year		537,399	460,417
Cash and cash equivalents at end of financial year	2	797,726	537,399

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(a) Basis for preparation

The directors have prepared the financial statements on the basis that the not-for-profit entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical cost unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(c) Revenue and other income (cont.)

Grant revenue

Mackay Tourism Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Membership revenue

Revenue from membership subscriptions is now recognised on an accruals basis to reflect the financial year. This has changed from prior year where memberships were recognised on a cash basis as they were received. This change in accounting policy has resulted in the current year income being less than the prior year comparative. The amount of \$47,404 of membership revenue has been received in the 2018 year but relates to the 2019 year. This is now being treated as unearned revenue at 30 June 2018. This unearned revenue is disclosed in Note 9 – Other liabilities and will be recognised as revenue in the 2019 year.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Trade and other receivables

Accounts receivable and other debtors include amounts due from members and any other grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current asset. All other receivables are classified as non-current assets.

(f) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Summary of Significant Accounting Policies

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these assets. In the event that the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Buildings

Buildings are measured using the revaluation model on a depreciated replacement cost basis.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	4 - 25%
Plant and Equipment	20 - 25%
Motor Vehicles	25%
Computer & Communications Equipment	20 - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(h) Intangible assets

Owned digital media

Owned digital media has a finite life and is carried at cost less any accumulated amortisation and impairment losses.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Summary of Significant Accounting Policies

(i) Financial instruments (cont.)

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use

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

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through the profit or loss", in which case transaction costs are expensed to profit or loss immediately. The company has no instruments carried at fair value through the profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Summary of Significant Accounting Policies

(i) Financial instruments (cont.)

(II) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial asset has been impaired. A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal repayments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of the impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Summary of Significant Accounting Policies

(j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST. The net amount GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(k) Trade and other payables

Trade and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the company during the reporting period with remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

(l) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term...

(m) Employee benefits

Short-term employee benefits

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

The company's obligation for short-term employee benefits such as wages, salaries and annual leave are recognised as part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee Superannuation fund and are charged as expenses when incurred.

(n) Economic dependence

Mackay Tourism Ltd is dependent on the Mackay Regional Council and Tourism and Events Queensland for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Mackay Regional Council and Tourism and Events Queensland will not continue to support Mackay Tourism Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2. Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	548,083	22,009
Short-term deposits	250,303	516,050
Other cash and cash equivalents	(660)	(660)
	797,726	537,399
	797,726	537,399

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	797,726	537,398
Balance as per statement of cash flows	797,726	537,398
	797,726	537,398

3. Trade and other receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	14,835	42,325
Provision for doubtful debts	-	(3,939)
	14,835	38,386
	14,835	38,386

4. Inventories

	2018	2017
	\$	\$
CURRENT		
At cost:		
Stock on hand	11,311	6,982
	11,311	6,982
	11,311	6,982

5. Property, plant and equipment

	2018	2017
	\$	\$
Buildings		
At directors valuation	367,512	367,512
Accumulated depreciation	(171,364)	(162,687)
	196,148	204,825
	196,148	204,825

Notes to the Financial Statements
For the Year Ended 30 June 2018

5. Property, plant and equipment

	2018	2017
	\$	\$
Plant and equipment		
At cost	63,196	63,196
Accumulated depreciation	(30,995)	(25,758)
	32,201	37,438
Motor vehicles		
At cost	41,292	20,277
Accumulated depreciation	(18,539)	(17,767)
	22,753	2,510
Computer equipment		
At cost	11,164	8,970
Accumulated depreciation	(8,714)	(8,454)
	2,450	516
Total property, plant and equipment	253,552	245,289

The Company's buildings have been valued on the basis of the depreciated replacement cost of the building and improvements. The building is situated on Mackay Regional Council land and therefore valuation at a market sales value is not appropriate. The company's directors have reviewed this valuation methodology at year end and consider the carrying value at year end a conservative value of the depreciated replacement cost of the company's building.

6. Intangible assets

	2018	2017
	\$	\$
Owned digital media		
Cost	73,065	73,065
Accumulated amortisation and impairment	(73,035)	(65,581)
	30	7,484

7. Trade and other payables

	2018	2017
	\$	\$
Current		
Trade payables	11,304	17,297
Travel bookings	18,408	47,287
GST payable	(4,961)	(11,773)
Provision for annual leave	23,579	14,518
Superannuation payable	11,467	8,777
Other accruals	(351)	360
PAYG tax payable	13,134	8,132
	72,580	84,598

Notes to the Financial Statements

For the Year Ended 30 June 2018

8. Other financial liabilities

	2018	2017
	\$	\$
CURRENT		
Government grants	440,000	250,000
	440,000	250,000
	440,000	250,000

9. Other liabilities

	2018	2017
	\$	\$
CURRENT		
Memberships paid in advance	47,404	-
	47,404	-
	47,404	-

10. Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

11. Capital and leasing commitments

(a) Operating leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	11,963
	-	11,963
	-	11,963

Operating leases have been taken out for computer equipment, for a term of 36 months. The first payment commenced in July 2014.

12. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstanding obligations of the Company. At 30 June 2018 the number of members was 154 (2017: 169).

13. Contingencies and capital commitments

In the opinion of the Directors, the Company did not have any significant contingencies or expenditure commitments at

Notes to the Financial Statements

For the Year Ended 30 June 2018

14. Cash flow information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Net surplus/(deficit) attributable to members	16,730	59,624
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	22,400	40,414
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	23,551	(23,445)
- (increase)/decrease in other assets	(200)	-
- (increase)/decrease in inventories	(4,329)	1,069
- increase/(decrease) in income in advance	190,000	(10,000)
- increase/(decrease) in trade and other payables	(12,019)	13,740
- increase/(decrease) in other liabilities	47,404	-
Cash flows from operations	283,537	81,402

15. Statutory information

The registered office and principal place of business of the company is:

Mackay Tourism Ltd
 320 Nebo Road
 MACKAY QLD 4740

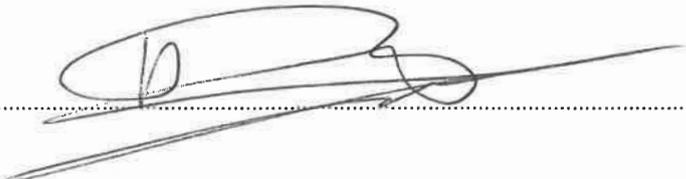
Directors Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 21, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director.....


Director.....


Dated this 24th day of September, 2018

Mackay Tourism Ltd

Independent Audit Report to the members of Mackay Tourism Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mackay Tourism Ltd, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors statement.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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.

Liability limited by a scheme approved under professional standards legislation.

Website: www.bennettpartners.com.au

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Bennett Partners Pty Ltd ATF The Bennett Partners Trust ABN 21 171 313 477

Bennett Partners ABN 59 281 397 611

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PO Box 92, Mackay QLD 4740 Phone: 07 4951 1455

Brisbane: Level 3,400 Queen Street, Brisbane QLD 4000
GPO Box 2561, Brisbane QLD 4001 Phone: 07 3221 6200

Mackay Tourism Ltd

Independent Audit Report to the members of Mackay Tourism Ltd

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 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosure and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Paul Hinton - CA

Mackay

Dated this.....27th..... day ofSeptember.....2018

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MEMBERS 2017-2018

Aidforce
Airlie Beach YHA
Andergrove Van Park
Armstrong Beach Caravan Park
Ball Bay Campground
BarraCrab Caravan Park
BB Print
Big 4 Adventure Whitsunday Resort
Big 4 Airlie Cove Van Park
BIG 4 Mackay Blacks Beach Holiday Park
BIG 4 Mackay Marine Tourist Park
Broken River Mountain Resort
Broken River Visitor Information Centre
Brooke Miles Photography
Bucasia Beachfront Caravan Park
Bush Village Budget Accommodation
Bushmans Bread
Caneland Central
Cape Hillsborough Nature Tourist Park
Central Tourist Park
Clermont Visitor Information Centre
Channel Seven
Church Café Pinnacle
Clarion Mackay Marina
Clean Feeling
Cloudbreak Lowlines
Comfort Resort Blue Pacific
Coral Cay Resort Motor Inn
Coral Sands Motel
Core Publishing & Events Pty Ltd
CQUniversity
Cruise Whitsundays
Daily Mercury
Deirdre Comerford
Department of National Parks, Sports and Recreation
Direct Hotels - Pacific Sands
Dolphin Heads Resort
DR Tourism
Drop Bear Entertainment
EconoLodge Beachside
Eimeo Pacific Hotel
Eungella Business Group
Eungella Chalet
Events by Ramona
Explore Whitsundays
Finch Hatton Gorge Cabins
Forest Flying
Freckle Farm
Goanna Brewing
Grant Broadcasters
Hamilton Island

Harrup Park Country Club
Hay Point Country Bed and Breakfast
Helloworld
Hi-Way Units Motel
House Call Doctor
Ibis Mackay
Illawong Beach Resort
Inshore Fishing Mackay
Isaac Regional Council
Island Gateway Holiday Park
Jayco Mackay
Kelly Legal
Keswick Island Developments
La Solana Holiday Units
Lanai Riverside Apartments
Mackay Airport
Mackay Aqua Park
Mackay Entertainment and Convention Centre
Mackay Historical Society & Museum
Mackay Marina Run
Mackay North State High School
Mackay Reef Fish Supplies
Mackay Region Chamber of Commerce
Mackay Regional Council
Mackay Resort Motel
Mackay Transit Coaches
Mackay Visitor Information Centre
Mackay Whitsunday Taxi
Magpies Sporting Club Inc
Media Whitsunday
Melba House
Miner's Lodge Motor Inn
Mirani Caravan Park & Swimming Pool
Museum of Tropical Queensland
MyCow Pty Ltd
NE Food Café Pty Ltd
Oaks Carlyle
Oaks Middlemount
Oaks Moranbah
Oaks Rivermarque
Ocean International
Ocean Rafting
P. Comino & Sons
Pacific Petroleum
Paronella Park
Payne Print
Peppers Airlie Beach
Pinnacle Family Hotel
Pioneer Valley Show Society
Plattered Up





MEMBERS 2017-2018 cont.

Platypus Lodge Restaurant & Café
Mackay Central Oceanside Motel
Premier Caravan Park
Purple Betty Productions P/L
Qantaslink
Queensland Rail
Quest Mackay
Quest Mackay on Gordon
Rainforest Scuba
Reeforest Adventure Tours
Regional Air
Riviera
Rover Holidays Units
Sandpiper Motel
Sarina Arts and Craft Centre
Sarina Golf Club
Sarina Sugar Shed
Seabreeze Tourist Park
SeaEagles Beach Resort, Salonika Beach
Seaforth Camping Reserve
Shakespeare Motel
Shamrock Gardens Motel
Sorbello's Italian Restaurant
Southern Cross Austereo
St Helens Beach Camping Area
Stryker Sports Fishing
Sun Plaza Motel
That Sapphire Place
The Family Table

The Feathered Nest - Luxury Wildlife Retreat
The Old Station Teahouse
The Park Mackay
The Shores Holiday Apartments
Think Office Technology Mackay
Toscana Village Resort
Tourism and Events Queensland
Travellers Rest Caravan & Camping Park
Tropic Coast Motel
Ulysses Garden Café
Uneek Industries
White Lace Motel
Whitsunday Crocodile Safari
Whitsunday Jetski Tours
Whitsunday Sailing Adventures
Windmill Motel and Reception Centre

This list contains operators who have been financial members for a period within the 2017-2018 financial year.