

Tourism Queensland Annual Report 2008 – 2009

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30 September 2009

The Honourable Peter Lawlor MP
Minister for Tourism and Fair Trading
GPO Box 1141
Brisbane Q 4001

Dear Minister

I am pleased to present the Annual Report 2008–09
for Tourism Queensland.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, and
- the detailed requirements set out in the Annual Report Guidelines for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be accessed at www.tq.com.au/annualreport08-09 and is on page 70–71.

Yours sincerely



Don Morris AO
Chairman





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Message from the Chairman

This year has been the most profoundly challenging for the entire Queensland tourism industry and Tourism Queensland since its inception as the QTTC 30 years ago.

With global tourism experiencing negative growth for the first time in the post-war era, TQ's focus has, by necessity, been on developing highly original, 'act now' tactical advertising and promotional campaigns to help minimise the threat to around 225,000 Queensland tourism jobs and 115,467 tourism-related businesses from the world economic crisis.

Without doubt, the highlight was the groundbreaking *Best Job in the World* campaign.

With an estimated global reach of more than one billion, the campaign's website drew visitors from every place on earth except Western Sahara.

More importantly, the *Best Job in the World* rocketed global awareness of the Islands of the Great Barrier Reef — and indeed Queensland (and Australia) — to an unprecedented level, and has conservatively generated more than \$370 million in global media coverage, and still counting.

With imitation being the sincerest form of flattery, the *Best Job in the World* inevitably spawned a series of copycat campaigns around the world, which simply served to further reinforce global consumer awareness of Queensland's campaign and the Islands of the Great Barrier Reef.

The *Best Job* campaign is also continuing to reel in awards, most notably stealing the show at the world's most prestigious advertising awards, the Cannes Lions International Advertising Festival, by winning more of the ultimate Grand Prix awards than any other campaign in the Festival's 55-year history.

None of this would have been possible without the creativity and dedication of the team at Tourism Queensland. Behind the deceptively simple campaign was a complex, global execution that took the TQ team into uncharted waters. The significant challenges of executing TQ's first truly global campaign (coping with almost 35,000 entries from 202 countries was in itself a massively demanding task) was delivered with great professionalism and a healthy dose of Queensland irreverence and fun.

The top priority, of course, is converting this phenomenal global awareness into crucially needed sales for the Queensland tourism industry.

Early results have been encouraging, with particularly strong response from Europe, the USA and domestically.

While the *Best Job in the World* campaign stole the spotlight, in 2009 Tourism Queensland ran its most successful domestic retail campaign yet. The *Unreal Deals* campaign, in partnership with Sunlover Holidays, generated more than \$6.5 million in total sales for Queensland, which translated into an estimated visitor expenditure of up to \$16.5 million.

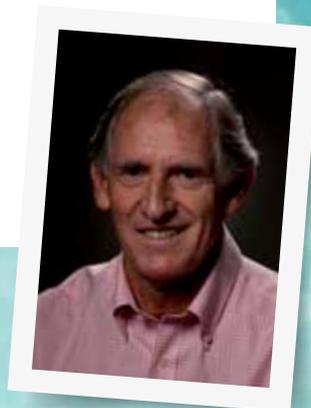
The \$1 million campaign promoted 'the best deals on the best Queensland holidays' with more than 130 tourism operators participating.

Additionally, at the time of writing, Tourism Queensland was just launching its major *Hey hey this is Queensland!* domestic campaign which we have every confidence will strongly deliver for Queensland tourism operators.

None of this would be possible without the continued support of the Queensland Government. On behalf of the TQ board, I thank Premier Anna Bligh and Tourism Minister Peter Lawlor for recognising the crucial role tourism plays in the Queensland economy, particularly throughout regional Queensland.

The Government's recently announced additional funding of \$36 million over three years will allow Tourism Queensland to strategically target those markets most likely to deliver immediate results, and to enable early resumption of the historically strong growth and prosperity of the Queensland tourism industry.

Don Morris AO
Chairman



Introduction



Message from the CEO

In 2008–09 Tourism Queensland worked at a cracking pace, honing its operations and strategic direction to deliver strong results for the Queensland tourism industry in these most testing of times.

Following the Queensland Tourism Network Review we deployed seven zone directors to the regions. These directors provide on-the-ground support, strengthening our relationship with local industry. They also sharpen our responsiveness to the needs of each region. The zone directors are an important local touchstone to ensure Tourism Queensland's domestic and international marketing campaigns, industry development and product development initiatives deliver results for each Queensland destination.

The Queensland Government's \$4 million Tourism Assistance Package provided the impetus to run two large retail campaigns in the domestic market as well as a suite of international activity including negotiating support for the introduction of important new airline routes. The \$1 million *Too Easy* interstate campaign translated into the sale of more than 16,000 room nights and an estimated visitor expenditure of approximately \$9.5 million. The *Home Grown* campaign was a heavily subsidised direct call-to-action campaign that drove tens of thousands of consumers to Queensland tourism operators' websites and was very well received by industry. The success of these campaigns has Tourism Queensland more convinced than ever that we are on the right track with large, retail campaigns that can pack a punch.

Internationally, \$700,000 of the Tourism Assistance Package was deployed to a range of sales-based activities that drew an additional \$2.1 million in cooperative investment from our international industry partners in the UK, Germany and the US and helped maintain international visitor expenditure in Queensland. The global financial crisis (not to mention the oil spill and swine flu) is certainly putting the Queensland tourism industry to the test. Strategically we are planning a strong domestic focus in 2009–10 given the market intelligence that consumers are holidaying closer to home in uncertain economic times. The campaigns will continue to be retail-driven offering great value Queensland experiences. Tourism Queensland is maintaining market presence in Queensland's key international source markets. Activity in New Zealand — our largest international market and nearest neighbour — will be strengthened and we are planning a bigger market presence in China as it is the market with the strongest growth potential in the near future.

Tourism Queensland is a motivated and productive team. Every staff member is very aware that Queensland tourism jobs and livelihoods are on the line in the current operating environment. We are working together more collaboratively, drawing on the strengths of each area to ensure our projects and initiatives are the most effective they can be. Last year I thought we couldn't surpass a staff satisfaction rate of 88 percent but I am pleased to report that this year we have peaked at 97 percent. I wish to reassure you that all our energy and enthusiasm will be directed to supporting the Queensland tourism industry through these very challenging times.



Anthony Hayes
Chief Executive Officer





Awards

Ceremony	Award	Organisation	For/team
2007 Web Marketing Association Awards	Travel Standard of Excellence	Web Marketing Association	Queensland Holidays
2007 Web Marketing Association Awards	Outstanding Website Award	Web Marketing Association	Where Else But Queensland
Australian Interactive Media Industry Association (AIMIA) awards	Best Tourism or Travel category	Australian Interactive Media Industry Association	Eye on Q
OZcars	'Best Australia campaign targeted to a luxury audience'	Tourism Australia	TQ London
OZcars	Australia campaign in an in-store retail environment	Tourism Australia	TQ London
One Show Awards	Best of Show	The One Show	Best Job in the World
15th annual Communicator Awards	Winner Marketing Effectiveness	International Academy of Visual Arts	XCOM Media's 'After the Rain' recovery campaign
15th annual Communicator Awards	Winner Interactive and the Online Advertising and Marketing	International Academy of Visual Arts	XCOM Media's 'After the Rain' recovery campaign
15th annual Communicator Awards	Winner Viral Marketing	International Academy of Visual Arts	XCOM Media's 'After the Rain' recovery campaign
2009 Gourmet Traveller Award	Best Tourism Innovator	Gourmet Traveller	Best Job in the World
Cannes Lions International Advertising Festival	Grand Prix – PR	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	Grand Prix – Direct Marketing	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	Grand Prix – Cyber	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	Media Gold Lion – Travel, entertainment & leisure	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	PR Lion – Travel, tourism and leisure	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	PR Lion – best use of the internet, digital media & social media	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	Direct Marketing Gold Lion – Travel, entertainment & leisure	Cannes Lions	Best Job in the World
Cannes Lions International Advertising Festival	Direct Marketing Gold Lion – Traffic building	Cannes Lions	Best Job in the World
Corroboree 2008	The Opal Award for Excellence – Best State Tourism Organisation	US Aussie Specialist travel agents	TQ America
CIMTIG Travel Marketing Awards	Silver standard Runner Up Award for Best Use of Viral Communication	CIMTIG	Koala-pult – TQ London

Corporate Governance

Tourism Queensland's functions

Tourism Queensland is established under the *Tourism Queensland Act 1979* and is a statutory body under the *Statutory Bodies Financial Agreements Act 1982* and the *Financial Administration and Audit Act 1977*. The functions and powers of the corporation are outlined in sections 13 and 14 of the *Tourism Queensland Act*.

Board Appointment

The Chairman and the board members are appointed by the Governor in Council and are responsible to the Minister for Tourism. As at 1 July 2009, Tourism Queensland's Board was comprised of eight members and the Director-General of the Department of Employment, Economic Development and Innovation.

Board Members' Profiles

Mr Don Morris AO

Chairman

Don has spent his career in advertising and communications. As Managing Director of D'arcy MacManus & Masius Advertising he joined Mojo Australia in 1979 as one of three founding principals and shareholders. Don later chaired the company until his retirement in 1995. In 1989, he was appointed inaugural Deputy Chairman of The Tourism Taskforce. He joined the board of directors of the Australian Tourist Commission in 1993 and served two terms as Chairman. In 2002, he was appointed an Officer in the Order of Australia for services to tourism.

Ms Julie McGlone

Deputy Chairman

Julie has been involved in tourism marketing since the mid '80s when she joined the Australian Tourist Commission as Manager of International Publications and Films. Her work won several PATA awards. Julie has worked as travel editor for the *Australian Women's Weekly* and as editor of the Rural Press lifestyle title, *Friday Magazine*. She is a past member of the Executive Committee of the Australian Society of Travel Writers and winner of the Peregrine Responsible Tourism Travel Writing Award. Julie currently runs her own media and marketing communications consultancy.

Mr Shane O'Reilly

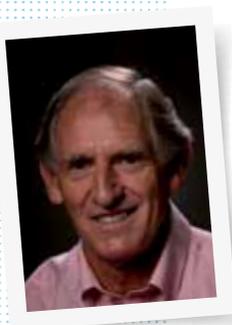
Shane is the Managing Director of National Park Pty Ltd the company that owns and operates O'Reilly's Rainforest Retreat, Mountain Villas and Lost World Spa as well as Canungra Valley Vineyards. He has extensively studied the theory and principles behind successful multi-generational family-owned businesses and over the past decade has led O'Reilly's through significant change and growth. Shane's formal tertiary studies have been in business, human resource management and company directorship and he has worked in the hospitality industry in management in both Australia and South Africa. Shane is involved in a number of local tourism bodies within the Scenic Rim as well as being the Queensland Tourism Director on the federally appointed Gondwana World Heritage Committee that oversees the World Heritage Parks between Barrington Tops and Lamington.

Ms Ann Sherry AO

Ann's career in management and more recently as a chief executive in the tourism industry has earned her two Orders of Australia; the first an Australian Government Centenary Medal for expanding banking services to Aboriginal and other disadvantaged communities in 2001, followed by an Order of Australia for corporate governance and diversity management in 2004. Currently Ann is Chief Executive Officer of Carnival Australia global cruise company, one of the largest vacation companies in the world with a portfolio of 11 distinct brands comprised of the leading cruise operators in North America, Europe and Australia.

Mr Grant Cassidy

Grant is a leading tourism and hospitality owner/operator in Central Queensland specialising in accommodation and food and beverage. Grant has a strong media and marketing background having had a 15 year commercial radio career, working in Brisbane, Central Queensland, Mackay, the Whitsundays and Cairns. Grant is Chairman of Capricorn Tourism, Deputy Chairman of Rockhampton Girls Grammar School and is a member of the Council of Central Queensland University.



Ms Pamela Hardgrave

Pamela lives and works on Lillydale Farmstay, a family-run business that is a member of Ecotourism Australia's accreditation scheme and currently holds Advanced Ecotourism status. She is co-owner of a beef cattle property and a director Lillydale, one Queensland's elite 'Hall of Fame' tourism award winners. Pam is a well-known tourism identity and active member of the tourism industry and local Scenic Rim community in south-east Queensland. A Telstra Business Women's Award winner, she was recently recognised for leadership in the Aussie Host Program, the first business in Queensland to attain this milestone.



Dr Peter Lynch

Peter is principal of dci lyncon, a Brisbane-based professional services consultancy, and also acts as an independent company director. He has hands-on marketing experience at the researcher, product manager, and marketing director levels including exposure to product categories including food, financial services, accounting, legal, project homes, transport and resort islands.



Mr Peter Henneken

Peter Henneken is the Director-General of the Department of Employment, Economic Development and Innovation. Peter was previously the Director-General of the Department of Employment and Industrial Relations. He has a long interest in the labour market and its impact on the lives of working people, and has worked in all areas of labour market policy and regulation. Peter was appointed as a member of the QSuper Board in December 2007. He is currently the Chair of the Building and Construction Industry (Portable Long Service Leave) Board and the Contract Cleaning Industry (Portable Long Service Leave) Board.



Mr Tony Baker

Tony is Quicksilver Managing Director, a pioneering reef tourism operator, which is Australia's leading Great Barrier Reef cruise company and one of North Queensland's largest private employers. Tony was formerly the Group's General Manager of Corporate Services and is currently Chair of the Australian Marine Park Tourism Operators (AMPTO) and a board member of the



Alliance of Sustainable Tourism. He also sits on GBRMPA's Tourism Reef Recreation Advisory Committee. Tony has an extensive background in tourism, specifically tour and attraction based products in Queensland.

Mr Peter Savof

Peter's knowledge and involvement in the tourism accommodation sector is extensive, having worked in this industry for almost 20 years. Currently Peter is in the role of General Manager — Hotels at the Anthony John Group, an award-winning Queensland based property developer. The Group's new Hotels Division was launched in 2006 to build a collection of high-end, boutique hotels. The Emporium Hotel in Brisbane, which opened in June 2007 being the first, has already won six industry awards, including Best Small Luxury Hotel, Gourmet Traveller Travel Awards Australia 2009. Peter has a Master of Commercial Law and a Master of Business Administration.



Board Performance

Tourism Queensland has in place a formal and transparent process for assessing and evaluating the performance of Tourism Queensland's Board of Directors, including individual directors.

Between board meetings, there is regular contact between the Chairman and Chief Executive Officer to discuss major policy and operational matters, especially when such matters are the subject of board interest, or likely to become so.

The Chairman also meets with senior management to discuss strategy and operational issues. Regular board papers inform board members of current and forthcoming strategic issues for Tourism Queensland's operation and performance. These papers contain the year-to-date financial performance.

Board Committees

To better concentrate on strategy and performance management matters, the Tourism Queensland Board has delegated certain duties to board committees. Each committee has its own charter defining its role and responsibilities.

Audit Committee

The primary role of this committee is to assist the Board of Directors to fulfil corporate governance responsibilities overseeing Tourism Queensland's financial, operational and risk management control environment. From 28 February to 30 June 2009, the Board considered Audit Committee matters. During the year, issues addressed by the committee and the full board included:

- Reviewing annual financial statements and reports prior to board consideration
- Reviewing and assessing management reports, internal audit reports and external audit reports on matters impacting the financial statements
- Audit planning — reviewing and approving the internal audit plan and agreeing areas of focus and approach
- Reviewing internal and external audit reports and where weaknesses in controls or procedures were identified, assessing whether management's actions to improve controls or procedures were adequate and appropriate.
- Tracking implementation of agreed internal and external audit recommendations
- Reviewing the risk register
- Extending the term of the outsourced internal audit function
- Assessing independence of internal and external audit functions.

The Audit Committee has three members: two board members and one member appointed by the Director-General of the Department. The Chief Executive Officer, the Executive Director Business Performance and Planning, the Director Finance and the internal and external auditors attend Audit Committee meetings as requested by the committee. The committee also holds discussions with the auditors without management attending.

Commercial Licence Committee

The members of this committee were Mr Don Morris, Tourism Queensland Board Chairman; the then Director-General of the former Department of Tourism, Fair Trading and Wine Industry Development, Bob McCarthy; Tourism Queensland Chief Executive Officer; Tourism Queensland Executive Director Business Performance and Planning and a Queensland Treasury representative. At its meeting of 26 November 2008, the board decided that this committee was no longer required as the Queensland Government had terminated the licence early.

Internal audit

Internal audit is responsible for advising all levels of management and the audit committee on Tourism Queensland's internal control systems and management of business risk.

Internal audit works with management and the audit committee to align its audit program with tourism Queensland's strategic risk profile.

During 2008–09, internal audit conducted audits of contract management and media and marketing contracts.

Remuneration Committee

This committee ensures that appropriate remuneration policies are designed to meet the needs of the corporation and to enhance corporate and individual performance. It has three members: Chairman Don Morris, Deputy Chairman Julie McGlone, and, until February 2009, Chris White. Mr Tony Baker was appointed to this committee on 11 August 2009. During the year, the committee met once with all members in attendance.

Code of conduct

The Code of Conduct is intended to give staff a framework to ensure the organisation maintains its professional standards. It outlines the expectations of all staff and provides information on the ethical values and behaviour required in Tourism Queensland's daily business activities. Adherence to these values is fundamental to building a relationship of trust between industry, government and the community.

The code applies to all staff (whether they are based in the Brisbane head office, regional Queensland offices or international offices), including the Chairman, board members, contractors and their employees. If the code is not followed, performance feedback will ensue, with the outcome of this feedback ranging from counselling to termination of employment.

Risk management

Tourism Queensland has an organisation-wide risk management framework, including a risk management policy and a risk register. The Audit Committee reviews the risk management framework, the risks identified and their management to assess whether management's mitigation processes are adequate and appropriate. The committee reviews the relevance and completeness of the risks identified. Risk management is also monitored and confirmed by the Board.

Board Meetings during 2008–09

Name	Position	Eligible to attend	Attended	Appointment date	End date
Don Morris AO	Chairman	6	6	10 December 2004 Chairman since 21 July 2007	Term expired 10 December 2008
				Reappointed 23 December 2008	31 May 2011
Julie McGlone	Deputy Chairman	6	5	26 April 2005 Deputy Chairman since 31 May 2007	Term expired 10 December 2008
				Reappointed 23 December 2008	31 May 2011
Grant Cassidy	Member	5	5	15 March 2007	10 December 2008
				Reappointed 8 January 2009	28 February 2009
				Reappointed 1 July 2009	30 June 2011
Shane O'Reilly	Member	5	5	15 March 2007	10 December 2008
				Reappointed 8 January 2009	28 February 2009
				Reappointed 1 July 2009	30 June 2011
Kayleen Collins	Member	5	4	15 March 2007	10 December 2008
				Reappointed 8 January 2009	28 February 2009
Lyn Gregson	Member	5	5	15 March 2007	10 December 2008
				Reappointed 8 January 2009	28 February 2009
Peter Henneken	Member	0	0	Director-General from 26 March 2009	current
Bob McCarthy	Member	5	4	Appointed to Director- General Position September 2007	Director-General until 26 March 2009
				Appointed as D-G's delegate on 31 March 2009	1 June 2009
Bryan Coulter		1 as Bob McCarthy's representative	1	Appointed as D-G's delegate on 1 June 2009	resigned 17 July 2009
Sarina Russo	Member	4	1	26 April 2002	Term ended 28 February 2009
Chris White	Member	4	4	10 December 2004	10 December 2008
				Reappointed 8 January 2009	Resigned 12 February 2009
Peter Lynch	Member	0	0	Appointed 1 July 2009	30 June 2011
Peter Savoff	Member	0	0	Appointed 1 July 2009	30 June 2011
Pam Hardgrave	Member	0	0	Appointed 1 July 2009	30 June 2011
Tony Baker	Member	0	0	Appointed 1 July 2009	30 June 2011
Ann Sherry AO	Member	0	0	Appointed 1 July 2009	30 June 2011

Audit committee meetings

Name	Position	Eligible to attend	Attended	Appointment date	End date
Chris White	Chairman	2	2	10 July 2007	12 February 2009
Kayleen Collins	Member	2	2	10 July 2007	28 February 2009
Laurie Longland	Member	2	1	6 July 2007	No end date
Grant Cassidy	Member	0	0	11 August 2009	30 June 2011
Peter Lynch	Member	0	0	11 August 2009	30 June 2011

Remuneration committee meetings

Name	Position	Eligible to attend	Attended	Appointment date	End date
Don Morris	Chairman	1	1	10 December 2004	31 May 2011
Julie McGlone	Member	1	1	26 April 2005	31 May 2011
Chris White	Member	1	1	10 December 2004	Resigned 12 February 2009
Tony Baker	Member	0	0	11 August 2009	30 June 2011

Senior Executives

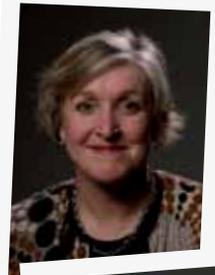
Anthony Hayes

Anthony was appointed Chief Executive Officer in September 2007. He joined Tourism Queensland as Executive Director International Operations in May 2005 with responsibility for Tourism Queensland's international offices and the international operations team based in Brisbane. Before joining Tourism Queensland, Anthony had a long career in management with Qantas which included heading up the airline's German and Austrian operations.



Leanne Coddington

Leanne is Executive Director Destinations and oversees the destinations group. She joined Tourism Queensland in 1996 and has held a variety of positions including Executive Director Strategic Services and Executive Director Human Resources. She previously held senior management positions with Hyatt Hotels in Melbourne and Canberra.



Michelle Clarke

Michelle is the Executive Director of the Business Performance and Planning group and joined TQ in November 2007 after three years at Suncorp Treasury where she was responsible for strategy and finance. Michelle's background includes corporate finance, financial management and project management in various roles within Queensland Treasury Corporation.



Steve McRoberts

Steve was appointed Executive Director Marketing in October 2004 with responsibility for setting the strategic direction of Tourism Queensland's marketing activities. Steve has high-level expertise in global branding through his involvement in some of Australia's largest brand campaigns. He has a background in sales and marketing having held senior sales and



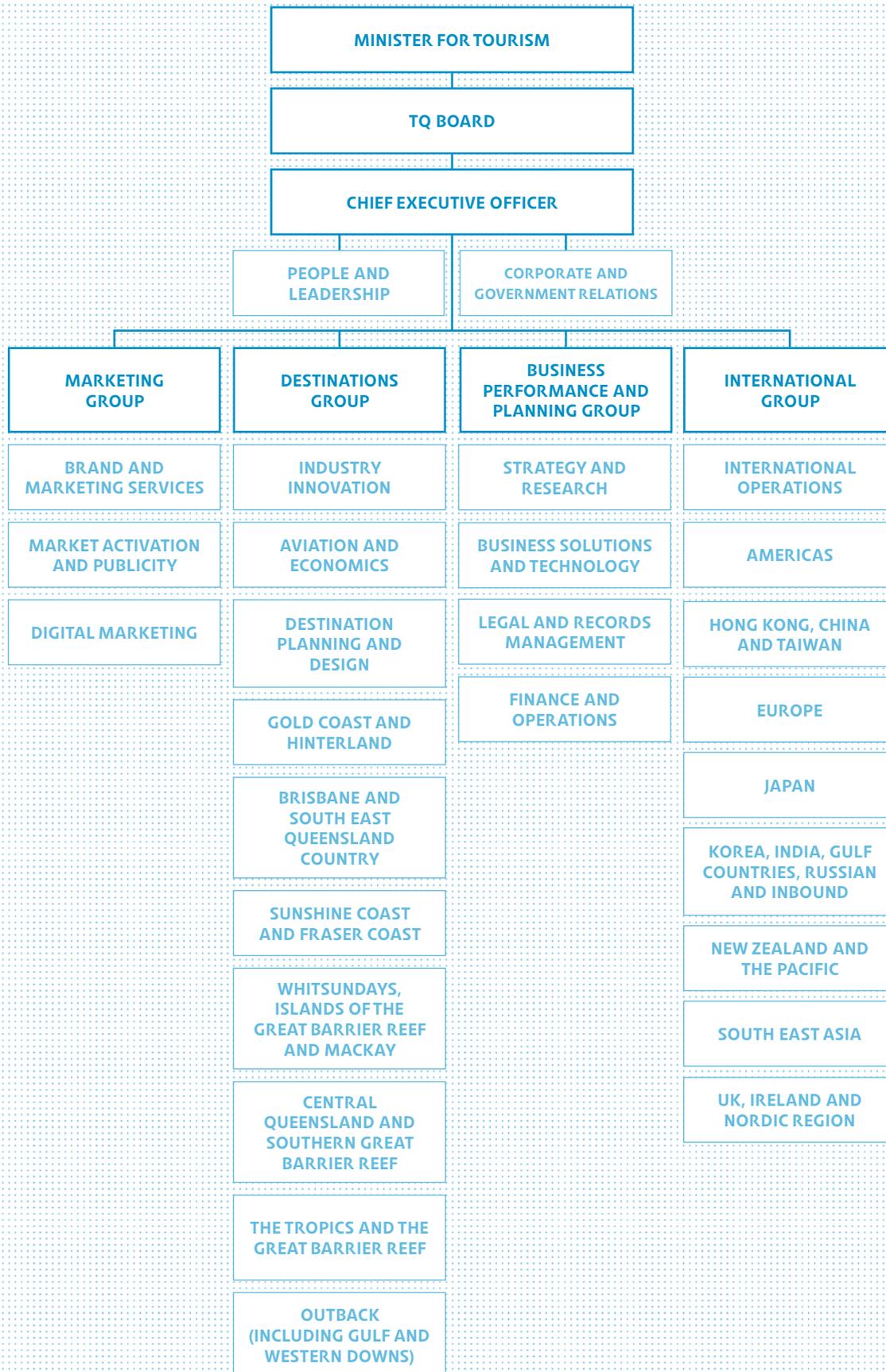
marketing management roles over the past decade with Carlton United Breweries.

Wendy Harch

Wendy was appointed Executive Director International in January 2009. Wendy has a long career in the tourism industry. She was previously Tourism Queensland's Regional Director, China, Hong Kong and Taiwan and prior to Tourism Queensland she worked for a Japanese inbound tour operator on the Gold Coast.



Organisation Chart



External Scrutiny

Tourism Queensland was the subject of four external reviews during 2008–09:

The Queensland Tourism Network Review by the Stafford Group which recommended:

- Tourism Queensland and the regional tourism organisations more closely align
- The number of tourism regions be rationalised
- There are more opportunities for core support
- More support be provided to local tourism organisations and industry at a local level
- Partnerships with local government and local tourism businesses be strengthened
- The role of the (former) Department of Tourism, Regional Development and Industry be more clearly defined.

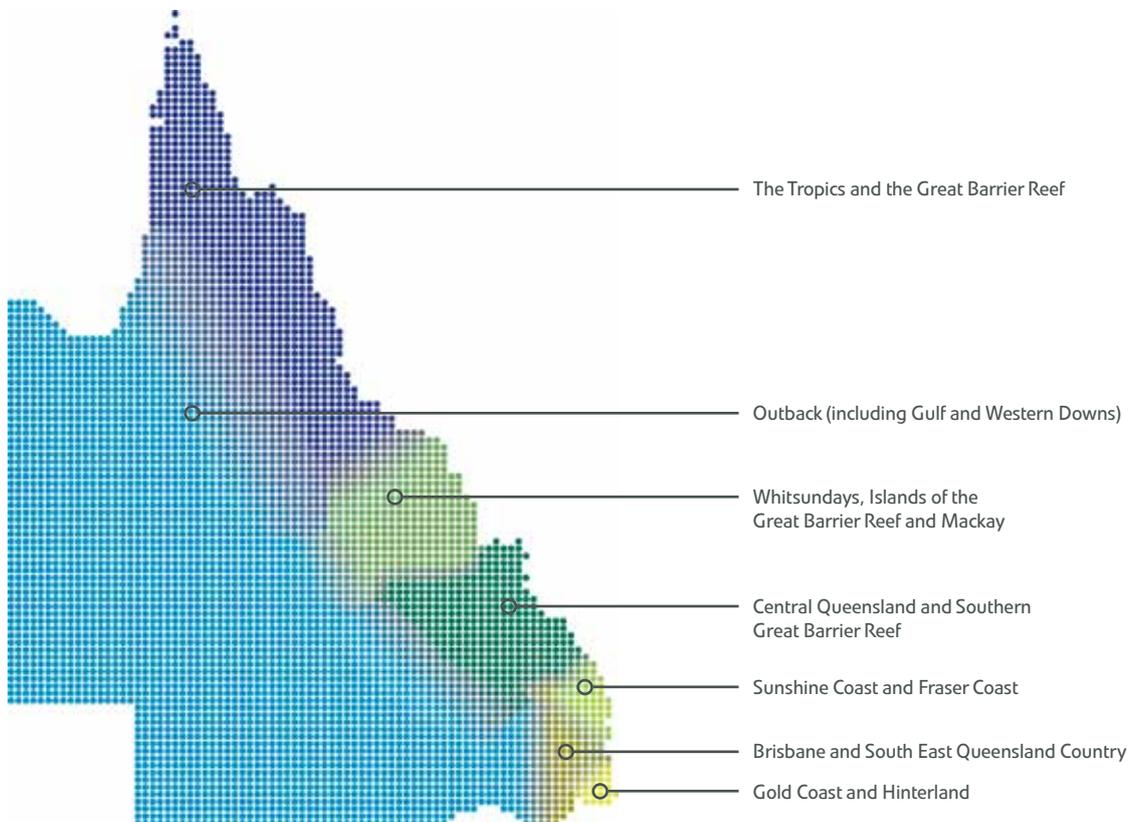
As a result of the Minister’s response to the review, Tourism Queensland implemented the following:

- Seven new tourism zones were created
- Tourism Queensland regionalised its destination-focused resources, appointing a Zone Director within each zone to work closely with local industry and stakeholders
- Tourism Queensland fine-tuned its direction and focus integrating some specialist market activities into mainstream destination activity and transferring lead responsibility for policy and infrastructure projects to the department.

Former Tourism Minister Desley Boyle MP subsequently directed the Tourism Queensland Chairman to conduct an independent review of Tourism Queensland’s operations. This review was conducted by David Williams. His recommendations were presented to Minister Boyle in February 2009. The recommendations were considered by the Minister and Tourism Queensland Chairman and incorporated into TQ’s 2009–10 corporate planning as appropriate. This process is ongoing.

Tourism Queensland was also included in: “Brokering Balance: A Public Interest Map for Queensland Government Bodies” by Simone Webbe and Patrick Weller, published in March 2009. This review recommended that Tourism Queensland be abolished and its functions transferred to a suitable department. In April the Premier announced that Tourism Queensland would not be abolished and would remain a statutory body.

Each year, an external audit of the financial reports is conducted. As the delegate of the Auditor-General of Queensland, WHK Horwath issued an unqualified audit report for Tourism Queensland’s financial statements for 2008–09 on 13 August 2009.



Visitors to Queensland

Tourism contributes \$8.8 billion to the Queensland economy and accounts for 4.5% of Queensland's Gross State Product (GSP).

Overnight interstate visitors (35.5%) contributed most to tourism GSP in Queensland, followed by overnight intrastate visitors (28%) and international visitors (20.6%).

In 2008–09 the Queensland tourism industry faced some major challenges including the impact of the global financial crisis, an oil spill in Moreton Bay and the advent of the H1N1 'swine flu' virus.

In the year ending June 2009, domestic overnight visitors to Queensland totalled 16.1 million, domestic day visitors totalled 31.4 million and international visitors totalled 2 million.

(Source: *Tourism Satellite Accounts, 2006–08; Queensland; National Visitor Survey, Year ended June 2009; and International Visitor Survey, Year ended June 2009*)

Visitor Expenditure

Total expenditure by visitors to Queensland:

\$18.6 billion (down 3% compared with year ended June 2008)

Expenditure by domestic overnight visitors:

\$11.4 billion (down 9%)

Expenditure by international visitors:

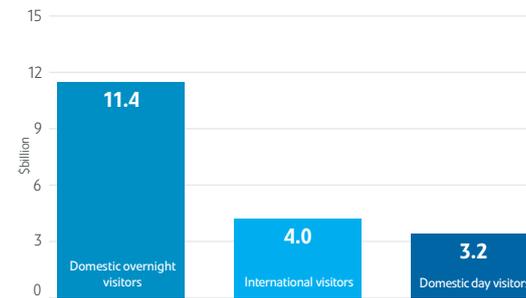
\$4.0 billion (up 0.2%)

Expenditure by day visitors:

\$3.2 billion (down 0.3%)

Source: *Tourism Research Australia, year ended June 2009*

Total expenditure in Queensland



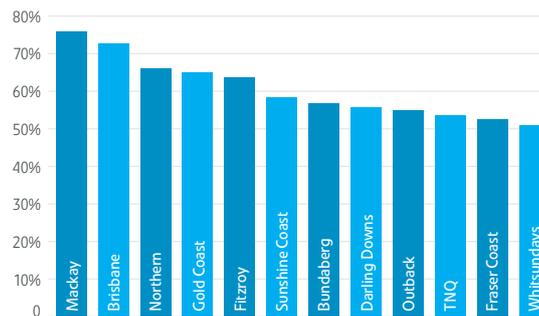
Accommodation

(year end June data not available at time of publishing)

There were 17,985,451 room nights occupied in Queensland establishments in the year ended March 2009, a 2% decline from the year ended March 2008.

Source: *Survey of Tourist Accommodation, year ended March 2009*

Average room occupancy rates – total establishments



Domestic Visitors

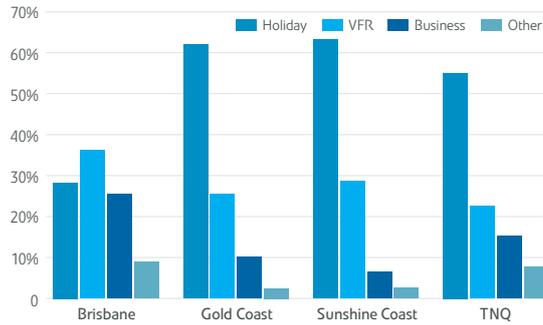
Visitors to Queensland represented 24% of all domestic visitors in Australia in the year ended June 2009.

Visitor nights in Queensland represented 26% of the total domestic visitor nights in Australia in the year ended June 2009 (down 0.7%).

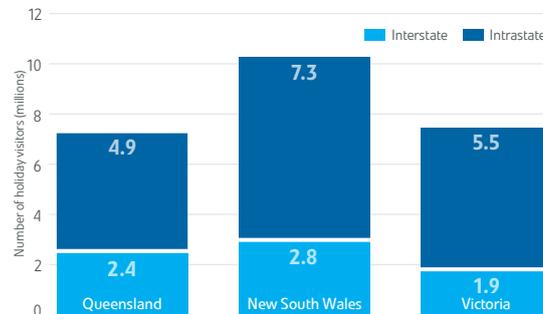
Domestic visitor nights in Queensland totalled 67.6 million in the year ended June 2009 (down 11%), including 31.4 million interstate visitor nights (down 16%) and 36.2 intrastate visitor nights (down 5%).

(Source: National Visitor Survey, year ended June 2009)

Purpose of visit for domestic overnight visitors



Domestic holiday visitors



International Visitors

In the year ended June 2009, international visitors to Queensland represented 40% of all international visitors in Australia. A total of 39.9 million international visitor nights were spent in Queensland (up 2%), which equates to 23% of the total international visitor nights spent in Australia (down 1.3%).

Of the 2.0 million international visitors to Queensland, 405,000 (20% were from New Zealand (down 4%).

Other significant markets included the UK (12%), Japan (12%) the United States (8%) and China (7%).

(Source: International Visitor Survey, year ended June 2009)

International holiday visitors

	Total international holiday visitors	% of Total
QLD	1,454,000	52.2
NSW	1,525,000	54.8
VIC	747,000	26.8
Total Australia	2,785,000	100.0

(State by state percentages can total more than 100% as visitors can travel to more than one state)

International holiday visitors

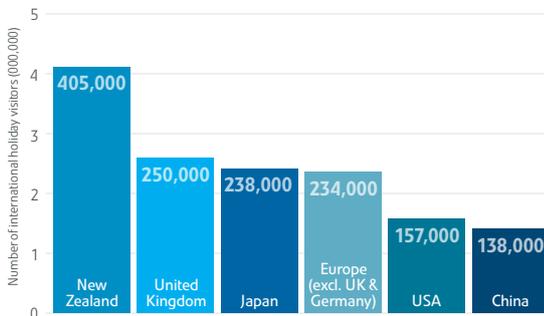


Outlook for 2009–10

Queensland international source markets

New Zealand	405,000	Taiwan	49,000
United Kingdom	250,000	Singapore	45,000
Japan	238,000	Malaysia	41,000
Europe (excl. UK & Germany)	234,000	Hong Kong	35,000
USA	157,000	India	30,000
China	138,000	Other Asia	24,000
Germany	80,000	Indonesia	14,000
Korea	65,000	Thailand	8,000
Canada	53,000	Other Countries	148,000
Total		2,012,000	

Queensland's top international source markets



Since September 2008, the global financial has impacted all industries including tourism.

The Tourism Forecasting Committee estimates that, on a national level, there will be a 4% fall in international arrivals to 5,365,000 and a 3.9% fall in domestic visitor nights to 261 million in 2009. The decline in international visitor arrivals suggests the inbound tourism segment is likely to face its worst calendar year performance since 1989, when inbound travel fell 7.5% due to the pilot strike. This forecast also assumes a much worse performance than 2003 (down 2.0%, due to Severe Acute Respiratory Syndrome) and in 1998 (down 3.5%, primarily due to the Asian Financial Crisis).

The Tourism Forecasting Committee indicates that, while the expected recovery in economic conditions in 2010 will support domestic tourism, the associated increase in the value of the Australian dollar as well as higher costs of petrol and airfares may subdue any upswing.

Growth in international visitor arrivals is expected to resume in 2010 with international visitor arrivals forecast to be 5,529,000 (+3.1%).

Source: Tourism Forecasting Committee Forecast 2009, Issue 1



Strategic Direction



Tourism Queensland Performance

Overview

Tourism Queensland contributes to the Queensland Government's TowardQ2 ambition of Strong — Creating a diverse economy powered by bright ideas. It maintains a network of international offices and works closely with Queensland's regional tourism organisations, government agencies, industry and the community to:

- provide industry leadership to ensure the ongoing development of a strong and sustainable tourism industry in Queensland
- deliver effective tourism marketing to grow leisure visitation, length of stay and expenditure in all of the state's destinations particularly for the benefit of Queensland's economy and job creation
- further develop tourism destinations by identifying new and enhanced tourism experiences and products as well as through increased presence in each tourism zone.

Review of Performance

- promoted Queensland internationally through furthering trade relationships and aviation partnerships and public relations, media, digital and consumer marketing activities. A key highlight was the delivery of the second stage of the *Islands of the Great Barrier Reef* campaign via *The Best Job in the World* initiative
- coordinated domestic marketing campaigns for Queensland's destinations. Key highlights included the *Too Easy* interstate campaign and the *Home Grown* direct to operator campaign delivered under the Queensland Tourism Assistance Package
- continued to support the growth of Queensland's international and domestic aviation access and capacity by approaching Jetstar, Continental Micronesia, Cathay Pacific, China Airlines, Qantas, V Australia, Virgin Blue and Viva Macau. This activity was assisted by the Queensland Tourism Assistance Package
- executed the outcomes of the Tourism Network Review by implementing new zone teams and increasing Tourism Queensland's regional presence
- during the year the licence of Tourism Queensland's former commercial division, Sunlover Holidays, to the AOT Group was cashed out, and the intellectual property sold to AOT Group.

Future Developments

- increase retail/tactical activity in domestic markets
- maintain a strong international presence whilst increasing the focus on Chinese and New Zealand markets
- continue to implement the global brand strategy through marketing activity, strategic brand direction and management, the identification of the global target audience, alignment to source markets, experience identification and addressing product gaps
- focus on industry development via increased regional presence and assistance to smaller operators.

Tourism Queensland	Notes	2008–09 Target/Est.	2008–09 Est. Actual	2009–10 Target/Est.
Value of media and publicity generated by Tourism Queensland's activities in domestic and international markets	1	\$370 million	\$574 million	\$348 million
Value of cooperative investment in marketing campaigns		10.8 million	10.3 million	10.2 million
Number of Queensland Tourism Strategy initiatives implemented		54	54	58
Number of unique visitors to Tourism Queensland's websites	1	6.1 million	13.4 million	6.75 million
Number of subscribers to email database for market activity		400,000	410,000	450,000
State Contribution (\$000)		49,070	46,853	43,536
Other Revenue (\$000)		14,428	23,504	11,449
Total Cost (\$000)		63,498	70,357	54,985

Any variance between figures in the 2008–09 Queensland State Budget Service Delivery Statements — Department of Tourism, Regional Development and Industry and this document is the result of estimated actuals published prior to the end of 2008–09

Tourism Queensland Corporate Plan 2008–2012

Tourism Queensland's 8 Key Result Areas

Our Vision

As a global leader in destination management, our vision is to be the champion of world's best practice in sustainable tourism.

Our Target Markets

Tourism Queensland (TQ) focuses on the **holiday and visiting friends and relatives** markets with a focus on international, interstate, and intrastate markets.

Who We Are

We are the lead creative organisation for tourism in Queensland and a global leader in destination management.

Tourism Queensland Corporate Plan 2008–2012 as agreed on 01 July 2008.

What we do

Specifically, our challenges include how to:

- Capitalise on our global reputation as a must see part of an Australian holiday and expand the consumers' knowledge of destinations within Queensland
- Mitigate the impacts of shocks on the industry through sustainable development
- Facilitate the investment in industry development and tourism-related infrastructure that meets the needs of the consumers and the growing Queensland population
- Counter the increasing overseas travel by Australians
- Minimise the impact to Queensland of the global contraction of aviation services due to increased oil prices and late delivery of larger aircraft.

Our Responsibility and Functions

Our primary responsibility is to facilitate the promotion, marketing and development of tourism and travel to and within Queensland.

Our functions are:

- to facilitate the promotion and marketing, domestically and internationally, of tourism and travel
- to facilitate the development of the tourist and travel industry
- to facilitate the making of tourism and travel arrangements
- to facilitate the provision of tourism and travel information services, and
- to prepare a State tourist and industry strategic marketing plan in extensive consultation with the tourist industry, the general community and appropriate departments.

1	We provide leadership in tourism coordination, partnerships and industry engagement
2	We facilitate investment, infrastructure and access growth through effective coordination
3	We influence effective tourism workforce development in Queensland
4	We ensure industry development and marketing supports a Queensland-style visitor experience
5	We facilitate sustainable access to and development of Queensland's natural environment and culture
6	We provide insights and research as the basis for decision-making
7	We operate as a knowledge and performance-driven organisation
8	We maintain a streamlined and innovative business environment

Overarching Strategies for 2009–10

- Increase leisure visitor expenditure for all Queensland zones
- Implement the new marketing strategy (global brand strategy)
- Focus on big and small industry operators
- Branded retail focus
- Consolidate source markets (maintain, grow or explore).

2008–09 Performance Report

KEY RESULT AREAS

1. We provide leadership in tourism coordination, partnerships and industry engagement.

Queensland Tourism Strategy

The Queensland Tourism Strategy (QTS), launched in 2006, outlines priority projects for stakeholders and agencies to undertake over the next decade to grow tourism across the state.

38 of the 56 QTS actions led by Tourism Queensland in the first four year action plan have been completed and another 10 are on track for completion within the allocated timeframe, while seven face minor delays. One action was discontinued, superseded by other initiatives delivered in 2008–09.

Following a recent Queensland Government announcement that \$36 million had been allocated over three years from 2009/10 to support the Queensland tourism industry, a review of the next three year Queensland Tourism Strategy action plan is currently underway. The review aims to ensure the actions under the strategy remain relevant and responsive to industry needs and shifts in the global tourism environment.

For a copy of the QTS visit: www.qldtourismstrategy.com.au

Destination management

Tourism Queensland provides strategic industry leadership through its destination management approach. Tourism Queensland coordinates stakeholders in the planning, development, marketing and application of resources to grow tourism in each Queensland destination for the benefit of the local tourism industry and the wider community.

In 2008–09, following the recommendations of the Queensland Tourism Network Review, Tourism Queensland deployed a director to each of seven tourism zones throughout the State. These directors provide industry support and market intelligence to ensure Tourism Queensland's activities are responsive to the needs of the different destinations within Queensland.

Government relations

Tourism Queensland works closely with the Department of Employment, Economic Development and Innovation as well as other government agencies to ensure a holistic response to tourism industry needs.

Tourism Queensland provides information and advice to the department and Minister for Tourism about tourism industry issues and Tourism Queensland activities.

Representing Queensland industry

Tourism Queensland led and actively participated in key tourism industry forums including the Australian Standing Committee on Tourism (ASCOT), Destination Australia Marketing Alliance (DAMA) and the National Tourism Incident Response Group (NTIRG).



Conversations with TQ

In 2008–09 Tourism Queensland held a series of workshops with tourism operators in Queensland's major destinations to ensure Tourism Queensland's planned destination activity for 09–10 was responsive to local industry needs.

Crisis response

Tourism Queensland hosted timely industry briefings on issues including the emergence of H1N1 (swine flu) and the Moreton Bay oil spill. Tourism Queensland subsequently led the \$750,000 *Looking Better than Ever* campaign, supported by Queensland's tourism industry, to regain market confidence in the affected destinations of Moreton Bay, the Sunshine Coast and Fraser Coast.

Queensland Tourism Awards

Tourism Queensland produced the 2008 Queensland Tourism Awards in partnership with the Queensland Tourism Industry Council, which coordinates the entry and judging process. Held at the Brisbane Convention and Exhibition Centre, the event attracted more than 900 guests and celebrated the achievements of the Queensland tourism industry.

Publications

Tourism Queensland produces a variety of publications to keep industry informed of the latest news, opportunities and issues. These include a weekly email newsletter, *Tourism on Q*, distributed to more than 5200 industry members and *Stats on Q*, providing analysis of the latest tourism research data.

Tourism Queensland provides comprehensive information on its corporate website (www.tq.com.au), which includes a dedicated research section, tourism news and industry information and referrals.

Tourism Queensland also works to keep the community abreast of tourism industry issues and news through regular media releases.

G'day! Enjoy your stay!

The *G'day! Enjoy your stay!* community engagement campaign encouraged Queenslanders to make visitors feel welcome to increase word-of-mouth recommendation of Queensland destinations. In 2008–09 community service announcement media placements were estimated to be worth \$521,000.



KEY RESULT AREAS

2. We facilitate investment, infrastructure and access growth through effective coordination.

Tourism Opportunity Plans

Tourism Queensland has been working in partnership with regional tourism organisations to develop Tourism Opportunity Plans (TOPs), formerly known as Regional Tourism Investment and Infrastructure Plans. TOPs identify sustainable tourism product development opportunities for each region and associated infrastructure requirements.

The following TOPs have been completed:

- Whitsundays/Mackay
- Brisbane

The following TOPs are due for completion in 2009/10:

- Tropical North Queensland
- Fraser Coast/Bundaberg
- South East Queensland Country
- Gold Coast
- Central Queensland
- Townsville North Queensland
- Queensland's Outback (including Gulf and Western Downs)
- Sunshine Coast

Aviation

Tourism Queensland works to maintain and develop the frequency and capacity of domestic and international aviation services to Queensland destinations. This is achieved by presenting detailed business cases to airlines, cooperative marketing, providing input to the Queensland Government Aviation Steering Committee, gathering market and industry intelligence and developing effective partnerships.

Throughout 2008–09, global economic challenges and the outbreak of Influenza A (H1N1) impacted heavily on the airline and tourism industries. Demand for air services declined domestically and internationally, putting pressure on airlines to fill seats. In line with this fall in demand, airlines made adjustments to their networks globally, resulting in capacity reductions in some services to Queensland.

Tourism Queensland negotiated with domestic and international airlines in a bid to maintain current levels of capacity and improve air access to Queensland's tourism destinations. In 2008–09 this focus was supported through the allocation of \$1.5 million, under the Queensland Government's Tourism Assistance Package, to encourage airlines to restore withdrawn routes and support new services through cooperative marketing incentives. Additionally, through the Queensland Investment Incentive Scheme (QIIS), Tourism Queensland accessed cooperative marketing funds from the Queensland Government to encourage international airlines to establish new routes into Queensland.

Despite the tough economic conditions, international capacity to Queensland grew by five percent year on year during the Northern Summer scheduling period (April – October 2009).

Key international route development successes for 2008–09 included:

- The launch of V Australia's three times weekly Los Angeles-Brisbane service in April 2009
- The commencement of daily return flights by Jetstar between Auckland and the Gold Coast in April 2009
- An increase from two to four flights per week on the Continental Micronesia Guam to Cairns route from March 2009
- A second daily service between Dubai and Brisbane operated non-stop by Emirates from February 2009
- Operation of six charter flights by Qantas on the Hong Kong to Cairns route during the 2009 Chinese New Year period
- Operation of five charter flights by China Airlines to Brisbane and Cairns during the 2009 Chinese New Year period
- New daily Jetstar services between Osaka and the Gold Coast and Tokyo and the Gold Coast were launched in October 2008 and December 2008 respectively, following the cessation of Jetstar services from Osaka and Nagoya to Cairns
- The cessation of Qantas services from Tokyo to Cairns and Brisbane in December 2008 and subsequent introduction of daily Jetstar services between Tokyo and Cairns
- Increased capacity on Cathay Pacific's Brisbane services from November 2008
- New flights between Brisbane and the Solomon Islands, Samoa and Papua New Guinea launched by Pacific Blue throughout the Northern Winter 08 and Northern Summer 09 scheduling period
- A three times weekly Jetstar Gold Coast to Cairns service from February 2009 to re-establish a link between western Japan and Cairns.

- A new daily Virgin Blue service between Sydney and Hamilton Island from July 2009
- The commencement of daily Virgin Blue services between Townsville and Canberra, the Gold Coast, Cairns and Rockhampton in April 2009
- The launch of daily services between Adelaide and the Gold Coast by Tiger Airways in March 2009
- 11 new QantasLink services between Townsville and Mount Isa from March 2009.

Cruise shipping

Cruise shipping continues to be a valuable sector of Queensland's tourism industry. Tourism Queensland's activity in this sector has been focused on using established working relationships with cruise companies to promote the inclusion of Queensland ports in future cruise itineraries.

Tourism Queensland is also assisting the Department of Employment, Economic Development and Innovation to update Queensland's Cruise Shipping Plan.

KEY RESULT AREAS

3. We influence effective tourism workforce development in Queensland.

Tourism Queensland continued to play a lead role in a variety of workforce development projects including supporting 11 tourism operators to attend a business development program to lift business capacity and viability.

Tourism Queensland assisted tourism operators to adopt best-practice sustainable tourism operations to drive a shift towards Queensland becoming a sustainable destination and community. In November 2008 Tourism Queensland developed a web portal to provide the tourism industry with accurate and timely information on all aspects of business sustainability, www.tq.com.au/sustainability. Tourism Queensland continued to be an active member of the Australian Standing Committee on Tourism Climate Change Sub-Committee.

TQ continues to work collaboratively with the Queensland Tourism Industry Council, the Department of Education and Training and the Department of Employment, Economic Development and Innovation, in identifying opportunities to support workforce development.



KEY RESULT AREAS

4. We ensure product development and marketing supports a Queensland-style visitor experience.

Marketing

Tourism Queensland undertakes marketing activities domestically and internationally including:

- Queensland brand and retail campaigns
- brand marketing for Queensland destinations and experiences
- alliances and partnerships
- trade relationships
- destination publicity and media activities
- digital marketing
- cooperative marketing with industry partners

Marketing investment

Tourism Queensland's total investment in marketing for the 2008–09 financial year was \$38.1 million.

This includes industry cooperative marketing contributions of \$10.6 million. The total of \$38.1 million is comprised of:

- \$22.5 million in whole-of-state and destination-specific domestic marketing programs
- \$15.6 million in international marketing programs

Global Brand Strategy

In 2008 Tourism Queensland began developing a global brand strategy to build a sustainable, compelling and effective brand for Queensland to define the quintessential Australian experience.

This strategy will be implemented in 2009/10 and aims to:

- differentiate Queensland
- provide consistent messages about the Queensland holiday experience
- strengthen Queensland's competitive advantage
- grow Queensland's brand equity
- increase regional dispersal

The strategy has identified a range of domestic and international market segments and will drive all future domestic and international marketing activity by Tourism Queensland.

Workshops were conducted with the 14 regional tourism organisations on Tourism Queensland's target audiences and communication strategies.

The Best Job in the World Campaign

In January 2009, Tourism Queensland launched its first global consumer campaign and its most high profile and successful campaign to date: *The Best Job in the World*. The campaign was the second phase of the *Islands of the Great Barrier Reef* activity and was Tourism Queensland's major international campaign for 2008–09.

The digital and news media-driven campaign centred on a quest to find candidates for *The Best Job in the World*. In May 2009, Mr Ben Southall from the United Kingdom is announced as the successful candidate and in July began his \$150,000 six-month contract as the live-in caretaker of the Islands of the Great Barrier Reef. As part of his contract Mr Southall is required to report back to Tourism Queensland headquarters via weekly blogs, a photo diary, video updates and media interviews, promoted through a range of Tourism Queensland's global marketing and public relations channels.

The highlights of *The Best Job in the World*:

- More than 34,000 applications from more than 200 countries.
- More than \$370 million in estimated global media exposure (as at August 2009).
- High profile exposure for Queensland in markets where Tourism Queensland does not have direct marketing representation.
- A swag of awards including eight awards at the Cannes Lions International Advertising Festival. The campaign won more Grand Prix awards at a single festival than any other campaign during the Festival's 55-year history.
- Significant increases in interest and bookings through spin off tactical campaigns.

Domestic marketing highlights

Major domestic marketing activities in 2008–09 included:

Too Easy Interstate Campaign

Launched in July 2008, this one-month campaign offered three nights for the price of two deals through Sunlover Holidays. With an investment of \$1 million it generated the sale of more than 16,000 room nights, which translates to an estimated \$9.5 million in visitor expenditure. This campaign was funded under the Queensland Government's \$4 million Tourism Assistance Package.

Home Grown — Queensland (intrastate) direct-to-operator campaign

In an effort to reduce wholesale overhead costs for tourism operators, particularly smaller operators, the *Home Grown* campaign was designed to put consumers in direct contact. The \$500,000 campaign ran during September 2008 and included press advertising and listings on the Tourism Queensland website. It resulted in more than 40,000 visitors to the campaign website and 14,000 entries in the campaign's competition. 38.5 percent of visitors to the campaign website clicked through to operators' websites. This campaign was funded under the Queensland Government's \$4 million Tourism Assistance Package.

Bonus Breaks

This campaign encouraged southern tourists to take a Queensland short break by promoting 158 bonus offers from participating operators, including free nights, room upgrades or breakfast. The month-long campaign was timed to coincide with Australians receiving their 'bonus payments' under the Federal Government's stimulus package. It generated approximately 23,655 room nights or up to \$13.4 million in estimated visitor expenditure in Queensland. It was launched in March and was a partnership with Flight Centre, Infinity Holidays and Virgin Blue.

Queensland Hot Hits

The *Queensland Hot Hits* campaign was launched in April 2009 and targeted Queensland's biggest intrastate market, 'social fun-seekers', by promoting short break deals through popular radio personalities and interactive website banners. It ran for ten weeks and resulted in over 80,000 visitors to the campaign website, and an above-industry average click through rate of 0.14 percent for brandtube placements. The campaign, which had a direct call-to-action to the participating tourism operators, was executed in partnership with Jetstar and more than 35 Queensland operators including Stella Resorts and the Accor and Voyages Groups.

Digital marketing

Tourism Queensland manages a range of websites including the popular www.queenslandholidays.com.au and a number of international websites. The organisation also manages the Queensland product subscriptions for the Australian Tourism Data Warehouse (ATDW) and a network of more than 40 distributor websites. 2008–09 saw 2286 ATDW subscribers and a further 1797 records highlighting Queensland destinations, events and free attractions. This was an increase of approximately seven percent.

Key digital marketing achievements in 2008–09 included:

- rolling out Tourism Queensland's social networking program with content on YouTube and the development of a Queensland Facebook page. With 8875 fans the Queensland page can be found at www.facebook.com/queenslandaustralia. A Twitter profile was also created for Queensland and has 5887 followers.
- Growth in consumer email subscribers with 460,770 subscribers receiving regular communications on upcoming events, special offers, competitions, and other content encouraging visitation to Queensland.
- Development of a Queensland iPhone application allowing visitors to access Queensland product on a google maps interface to identify tourism product near their location. The application lists the 10 most frequently viewed products on the ATDW network, Queensland stories and includes subscription to the Queensland e-newsletter. This application was downloaded 4532 since its launch in late May 2009.

Tourism Queensland's various websites attracted 12,908,532 visits in 2008–09. *The Best Job in the World* website attracted the most hits with 6,480,268 visitors, the Queensland Holidays site followed with 3,033,102 visits. Tourism Queensland's international, regional network and campaign websites were also very popular.

Publicity

Tourism Queensland works to generate positive media exposure for Queensland as a holiday destination by working with a number of partners including regional tourism organisations.

The media and publicity generated by Tourism Queensland's activities in Queensland's domestic and international markets is one of the organisation's key performance measures.

In 2008–09 Tourism Queensland greatly exceeded its media target of \$370 million, generating \$704 million in media and publicity value in domestic and international markets.

This achievement can be primarily attributed to *The Best Job in the World* campaign.

Image library

Tourism Queensland manages an extensive image library housing more than 20,000 images available online. This is a valuable resource for the tourism industry and media ensuring up-to-date, professionally-shot images of Queensland are available for use in magazines, documentaries and television series throughout the world.

Market activation

Throughout 2008–09 Tourism Queensland focused on developing and marketing 16 specific tourism industry market sectors in partnership with key stakeholders.

Recognising that the majority of these segments have reached a mature status in the tourism destination management lifecycle, much of this activity has been integrated into regional and statewide planning, industry development and marketing activities.

A specialist marketing and industry development focus will be maintained for tourism in protected areas, indigenous tourism and cruise shipping.

Tourism Queensland has now adopted a new market activation approach to develop strategic business opportunities that have the potential to further Queensland's competitive advantage.

International activity

Tourism Queensland has 13 international offices or representatives in:

- London
- Munich
- Shanghai
- Hong Kong
- Kuala Lumpur
- Seoul
- Los Angeles
- Auckland
- Singapore
- Taipei
- Tokyo
- Osaka
- Mumbai.

These representatives develop and strengthen in-market trade relationships and undertake public relations and media activities, digital and consumer marketing and form airline marketing alliances.

The key goals of Tourism Queensland's international group include:

- driving increased visitor expenditure
- encouraging visitor dispersal through Queensland's regions
- broadening the number of source markets, providing strong and sustainable visitation to Queensland.

These goals are achieved by maintaining a focus on mature markets that make up the majority of Queensland's international visitors and exploring opportunity markets to increase visitor expenditure.

International marketing highlights 2008–09 include:

- *The Best Job in the World* campaign which provided dramatically increased awareness of Queensland destinations and new opportunities for Queensland products in packaging and partnerships. This was the second stage of the *Islands of the Great Barrier Reef* campaign launched in 2006
- continued activity to promote southern Queensland under the Great Sunshine Way campaign
- targeted campaign activity, under the Queensland Government's \$4 million Tourism Assistance Package, in the United Kingdom, United States and Germany
- increased international awareness of Queensland's destinations through hosting 260 media and trade familiarisation tours
- encouraging trade partners and strengthening relationships to increase the distribution of Queensland product. An example was hosting Queensland on Stage Asia in partnership with Gold Coast Tourism resulted in buyers from 12 Asian countries expanding their knowledge of Queensland destinations, experiences and products, to sell in their respective markets
- Queensland operators were assisted to strengthen their international market presence through the 'Queensland on Tour' series
- negotiated with international airlines to maintain current capacity and to increase air access to Queensland's tourism destinations. International capacity to Queensland grew by five percent year-on-year during the northern summer scheduling period (April–October 2009), despite the tough economic conditions
- maintaining a strong Queensland presence at the Australian Tourism Exchange 2009, held in Melbourne. This included the introduction of a new themed Queensland area.

Destination reports

Brisbane and South East Queensland Country

Brisbane

- An interstate marketing campaign targeting Sydney and Melbourne was launched in December 2008 in partnership with Virgin Blue Holidays focusing on the Scenic Rim.
- A similar interstate marketing campaign in May and June 2009 in partnership with Virgin Blue Holidays focused on Brisbane's Moreton Bay and Islands. The campaign was timely support for Queensland's tourism industry in the wake of the Moreton Bay oil spill.
- Distribution of 600,000 copies of the biannual publication of *Experience Brisbane Magazine* inserted into *The Sunday Mail* in November 2008 and May 2009.
- Development of Brisbane 'Five-in-One' attractions pass, which packages five key Brisbane product for the domestic and international markets.
- Interstate marketing support for the blockbuster event *Picasso & his collection* hosted by the Gallery of Modern Art.
- National TV coverage via Channel 7's *Sunrise* for exclusive Paris Opera Ballet, *La Bayadere* (Queensland Performing Arts) and the landmark exhibition from the New York Metropolitan, *American Impressionism & Realism* (Queensland Art Gallery) in June 2009.

South East Queensland Country

- Tourism Queensland worked in partnership with Toowoomba and Golden West Tourism, Southern Downs and Granite Belt Regional Tourism and Fraser Coast South Burnett Tourism to develop a South East Queensland Country Tourism Opportunity Plan. The plan is due to be released in October 2009.
- A tourism action plan for the Scenic Rim was developed in partnership with key stakeholders and the Community Futures Taskforce. A prioritisation of the projects has been completed and investigation will take place during 2009–10.
- Training initiatives including tourism online marketing and 'Staying on top in a Downturn' workshops were held in the Scenic Rim in June 2009.
- The 11th edition of the *South East Queensland Country Guide* was produced and 145,000 copies distributed via a targeted letterbox drop in Brisbane and through visitor information centres and RACQ retail stores.
- More than 100,000 copies of the *Country Club* magazine were distributed throughout South East Queensland during each seasonal quarter.
- The South East Queensland Country Conference was held in Stanthorpe in November 2008 and provided education and training to more than 120 industry participants.



Central Queensland and Southern Great Barrier Reef

- Domestic marketing activity under the Central Queensland and Southern Great Barrier Reef brands took place from February to June 2009, with a focus on Gorges and Hinterland and the Coast and Islands of the Southern Great Barrier Reef.
- The region was featured in Queensland Holidays e-newsletters, online banner advertising and press features targeting Brisbane, South-East Queensland and regional mining communities. A campaign website was also developed.
- The Central Queensland and Southern Great Barrier Reef zone also continued to be promoted in key international markets of Europe and the UK under the *Reef to Outback* international marketing campaign. *Reef to Outback* was featured again at this year's ATE and international marketing opportunities discussed with international wholesalers, Inbound Tour Operators and Aussie Specialists.
- The *Reef to Outback* mentoring program continued to assist tourism operators to develop international product. Participants met with inbound tour operators resulting in some now featuring in inbound tour operator programs.
- Tourism Queensland implemented a Tourism Pipeline Project in partnership with the Queensland Tourism Industry Council and Bundaberg and North Burnett Region Tourism to assist small and medium-sized tourism enterprises grow. This initiative included a product and skills gap analysis and customised business solutions such as business mentoring and Aussie Host: a nationally recognised customer-service training program.

Sunshine Coast and Fraser Coast

Fraser Coast

- A four-month Fraser Coast whale watching campaign targeting Brisbane and south-east Queensland included a 'Whale Bus' operating in Brisbane CBD, 200,000 brochures distributed via *The Sunday Mail*, television advertisements, billboards and online activity.
- A Fraser Coast campaign targeting Sydney in June 2009 aimed to promote the destination's nature-based experiences including Fraser Island and whale watching.
- A comprehensive domestic and international publicity campaign for the region, in partnership with Fraser Coast South Burnett Tourism, included media familiarisations, press releases and feature stories.
- The region was promoted internationally to key source markets of Europe (including Germany) through attendance at *Queensland on Tour Europe* and the *Great Sunshine Way* cooperative marketing campaign.
- Tourism Queensland extended its integrated *Oil Spill Recovery Campaign* to include the Fraser Coast and targeted Melbourne and Sydney. The campaign was worth in excess of \$750,000 and aimed to inform consumers that Fraser Coast was "Open for Business".

Sunshine Coast

- A print and online retail campaign in early 2009 targeting Sydney and Melbourne was developed in partnership with Tourism Sunshine Coast, local tourism organisation partners, industry and Virgin Blue Airlines.
- Tourism Queensland and Tourism Sunshine Coast undertook a comprehensive domestic and international publicity campaign including media familiarisations, press releases and feature stories.
- The Sunshine Coast was represented internationally in the *Great Sunshine Way* cooperative marketing activity.
- A Nature Based Tourism Plan was developed to provide tourism opportunities for the Sunshine Coast Hinterland.
- The Sunshine Coast featured in the Tourism Queensland oil spill recovery campaign which targeted Brisbane, Sydney and Melbourne. A New Zealand retail campaign was also part of oil spill recovery activity.

Gold Coast and Hinterland

- A month-long drive campaign was launched in August 2008 to address declines in intrastate visitation to the Gold Coast.
- Tourism Queensland partnered with Qantas Holidays and local operators for a retail campaign in October and November 2008 including magazine, television and online advertising to encourage consumer bookings on the Gold Coast.
- Gold Coast holiday packages were promoted in Sydney and Melbourne markets during January 2009 in partnership with Virgin Blue, Blue Holidays, Gold Coast Airport and Gold Coast Tourism.
- 788,000 copies of the *Very Gold Coast Magazine* were distributed throughout Sydney, Melbourne and Brisbane in February 2009 as part of a major marketing campaign. Online activity, outdoor billboards and bus panels also supported the magazine distribution.
- The Gold Coast region was also part of the *Great Sunshine Way* promotion at the Australian Tourism Exchange (ATE) 2009.
- Tourism Queensland worked in partnership with Gold Coast Tourism on the development of the Gold Coast Tourism Opportunity Plan (formerly known as the Regional Tourism Investment and Infrastructure Plan). Nine catalyst projects identified in the plan were announced in January 2009 and included ecologically sustainable infrastructure, marine infrastructure and sports and entertainment facilities.
- Tourism Queensland supported the production of a *Classic Walks* documentary, as part of Australian Geographic's *Best of Australia* series. The documentary featured the Gold Coast Hinterland Great Walk, and aired on Channel 9 in January 2009.

Whitsundays, Islands of the Great Barrier Reef and Mackay

Whitsundays

- The *Whitsundays Eight Great Offers* campaign targeted Sydney, Melbourne, Brisbane and regional Queensland July – October 2008.
- The *90 Days of Summer* campaign from November 2008 to February 2009 targeted Sydney and Melbourne through magazine advertorials, press advertisements and online activity.
- A Whitsundays Blue Holidays campaign in January and February 2009 targeted Sydney, Melbourne and Brisbane through press, online, outdoor and radio advertising.
- A workshop series was delivered to Whitsunday operators in November 2008 covering domestic and international marketing, public relations fundamentals and how to work with the media.

Mackay

- A three-month intrastate campaign was launched in June promoting boating, camping and fishing in Mackay targeting Brisbane. This was a partnership with BCF (Boating, Camping and Fishing) and NOVA radio.
- From September to October 2008 a Blue Holidays campaign promoted Mackay holiday packages and highlighted the *Reef to Rainforest* experience.
- In March 2009 a Mackay region magazine was released to entice visitors living within 400km to extend their trips to Mackay into a long weekend holiday. This was supported by local radio promotions.

Outback (including Gulf and Western Downs)

- An outdoor adventures campaign was launched in October 2008 which included promotions through motoring magazines.
- An Autumn campaign took place in February and March 2009 to increase awareness and extend visitation in the shoulder season.
- A two-month brand campaign was launched in June 2009 to stimulate interest and desire to travel to Queensland's Outback.
- Tourism Queensland launched the Queensland's Outback Education Program in June 2009, designed to integrate Queensland's Outback experiences in the Queensland school curriculum and encourage Outback excursions.
- The *Reef to Outback* journey was promoted in international markets following a German media familiarisation in April 2009 and participation in the Stella Travel Services campaign, *Journey to Australia's Outback*, in November 2008, leveraging the interest created by *Australia* the movie.
- Tourism Queensland facilitated operator involvement in business development courses such as 'Maximise your Business Value, Maximise Your Business Growth' and the Reef to Outback Internationally Ready Mentoring program.
- A two-month 'Outback on Sale' campaign from June 2009 attracted a record number of Outback advertisers.



The Tropics and the Great Barrier Reef

Tropical North Queensland

- A Qantas Holidays retail campaign promoting Tropical North Queensland in August 2008 targeted families nationally, with a specific focus on Sydney and Melbourne.
- A two-month Green Season cooperative campaign was launched in October 2008 targeting 'active explorers' in Brisbane and regional Queensland to encourage visitation during the wet season.
- Tourism Queensland in conjunction with Tourism Tropical North Queensland began the development of a Tropical North Queensland Tourism Opportunity Plan to identify tourism infrastructure and investment opportunities in the region.
- The Mamu Canopy Walk commercialisation project was finalised providing a sustainable business venture for Indigenous land owners of the Mamu Land.
- The Cape York Peninsula and Torres Strait Tourism Development Action Plan was implemented in partnership with government agencies and industry stakeholders. Key actions included a bush camping and national parks tourism plan and facilitation of industry development of the region to assist participation in public relations and marketing activities for Tropical North Queensland.
- Tourism Queensland worked with Mission Beach in its recovery from Cyclone Larry by developing an identity for the Cassowary Coast region and working with individual operators to maximise the use of *The Great Green Way* concept.
- Tourism Queensland in conjunction with the Cassowary Coast Regional Council, Queensland Transport and the Department of Employment, Economic Development and Innovation (Formerly known as the Department of Tourism, Regional Development and Industry) provided significant funding towards the construction of Mission Beach's safe boating pontoon at Clump Point boat ramp. This initiative was one of the key projects identified in the Cyclone Larry Project Report to meet the visitor and community needs in Mission Beach.
- A Virgin Blue/Blue Holidays retail campaign promoting Tropical North Queensland ran in February 2009 targeting Sydney and Melbourne 'social fun-seekers' to increase visitation over the traditional low season of February–March.

Townsville

- A Magnetic Island intrastate campaign ran in December 2008.
- North Queensland featured in an April campaign to support the new Virgin Blue Townsville to Canberra daily direct service.
- Tourism Queensland worked with Townsville Enterprise on an intrastate tactical campaign targeting the drive market within 400km of Townsville in May.
- Tourism Queensland worked with Townsville Enterprise Limited to finalise a Local Government Engagement strategy to achieve better tourism outcomes for the region.
- Tourism Queensland worked with Townsville Enterprise Limited to develop the Townsville North Queensland Tourism Opportunity Plan scheduled for release in September 2009.
- Tourism Queensland continued to assist tourism development on Palm Island.



KEY RESULT AREAS

5. We facilitate sustainable access to and development of Queensland's natural environment and culture.

Arts and Cultural Tourism

A draft Arts and Cultural Tourism Strategy was completed. The two lead agencies (Tourism Queensland and Arts Queensland) have undergone significant restructures and major changes in focus, and are revisiting the format of the strategy whilst still meeting the original intent.

Indigenous Tourism

Tourism Queensland has maintained its focus on Indigenous tourism, through the whole-of-Government **Indigenous Tourism Strategy** and the **Cape York and Torres Strait Tourism Development Action Plan**.

Nationally, Tourism Queensland participates in the Indigenous Tourism Government Forum and works with Tourism Australia to facilitate Queensland Indigenous operator involvement in major industry events.

Tourism Queensland also provides advice and guidance and helps connect Indigenous products with key source markets.

Protected Areas

Historically, Tourism Queensland has focused on eco and nature-based tourism, however as eco and nature-based tourism are now recognised as part of the mainstream tourism industry, the organisation's focus in the future will be on tourism in protected areas.

Tourism Queensland's focus on tourism in protected areas will include:

- facilitating investment and planning of infrastructure and development
- helping to address regional tourism issues in protected areas
- providing representation on key industry forums, programs and project groups
- developing regional ecotourism plans. For example the *Cape York Camping and National Park Tourism Plan*, *Sunshine Coast Hinterland Nature Based Tourism Plan*
- promoting natural encounters under Queensland experiences marketing activities.

KEY RESULT AREAS

6. We provide insights and research as a basis for decision-making.

Key highlights for 2008–09 include:

- Tourism Queensland commenced a major research project — Understanding the Connectors Market: Perceptions of Regional Queensland Destinations — in partnership with Tourism Research Australia. This will assist regional Queensland destinations maximise product development opportunities and communicate with target consumers. The research is due to be completed in early 2010.
- Consumer segmentation models were completed for France, Italy, Sweden and South Korea based on motivations and attitudes towards long-haul travel rather than traditional segmentation approaches (demographic characteristics).
- The performance of Tourism Queensland's major advertising campaigns and the brand health of Queensland and Queensland destinations continued to be monitored through the customised ad tracking program.
- As part of the Queensland Tourism Strategy's goals, statewide indicators to measure the environmental and social impact of tourism in Queensland were developed. The environmental indicators are now being used as an important part of Tourism Queensland's Sustainable Regions project.
- Product and consumer trends and insights were communicated to industry through the periodical *Ideas and Inspiration* newsletter and other industry forums.
- Tracking of the domestic consumer segments has been ongoing, and confirms stability of Tourism Queensland's consumer segmentation model.
- A domestic segmentation toolkit was developed for inclusion in Tourism Queensland's marketing toolkit.

KEY RESULT AREAS

7. We operate as a knowledge and performance-driven organisation.

Capturing great ideas and resource allocation

In 2008–09, Tourism Queensland established a Project Advisory Group to assess new projects ideas, prioritise planned projects and assist in resource allocation.

Tourism Queensland also introduced a new business planning process to increase the alignment of projects with the strategic direction of the organisation.

Your Say Survey

The *Your Say* Survey for 2009 demonstrated Tourism Queensland's staff satisfaction at its highest level ever. Key findings of the survey included:

- overall staff satisfaction was 97 percent (88 percent in 2008)
- improvements in organisation-wide measures of integrity, respect and trust
- significant improvements in levels of satisfaction with accountability (delegation, direction, decisions)
- staff feel clear in their own goals and those of their Group
- staff feel happy with the Healthy, Wealthy and Wise initiatives and with their work-life balance.

Performance @ TQ Framework

The launch of the Performance @ TQ framework included a series of leadership development workshops attended by staff.

Reward and recognition

Healthy Wealthy & Wise Initiatives

Healthy Wealthy & Wise has become one of the organisation's cornerstone programs that engages employees with non-monetary rewards. It provides staff with optional benefits and a wide range of information that adds value to both work and personal life. The program aims to increase job satisfaction, work/life balance and health in general.

Activities in 2008–09 included:

- health appraisals
- self defence workshop
- The Smith Family toy & book appeal
- skin checks
- first aid awareness seminar
- healthy cooking workshop
- flu vaccinations
- financial health seminar
- discounted QR tickets
- QSuper seminars.

Learning

A Learning Framework outlining a range of specialised learning programs was developed to offer valuable and targeted learning opportunities customised to each Group's needs.



TQ Conference and Awards for Excellence

The 2009 Awards for Excellence and Conference was held in February 2009. The awards recognised outstanding achievements from 1 January 2008 – 31 December 2008.

Category	Winner(s)	Highly Commended
Outstanding Staff Member	Jodie Aczel	Alison Horsburgh
Outstanding Team	Best Job in the World (all TQ Staff)	Andrew Parle, Mark Kelso, Steve Battle, Katie Mills, Ollie Philpot, Graeme Manson, Gabrielle Ashford & Sarah Tittman
Excellence in Management	Birte Zurhold	Craig Shim
Excellence in Leadership	Amy Newman	Wendy Levy
Toshio Watanabe Award	UK, Ireland & Nordic Regional International Office (Jane Nicholson, Liz Mulcaster, Hayley Lloyd)	Michelle Kyung
Wendy Hall Achievement Award	Glen Miller/ Emma Hanson	

Workforce Statistics @ 30 June 2009

Demographic	
Full-time equivalent (FTE)	144
FTE staff establishment	150
Compliment total	Brisbane FTE— 125.4 Overseas FTE— 18.6 Casuals— 3 Full-time— 104 Part-time— 19 Fixed Term Contract— 8 Temporary full-time— 14 Temporary part-time— 1
Male	27%
Female	73%
Average age	36.25
Average length of service	3.43
Annualised turnover (permanent)	21%
Absenteeism	1.55%
Staff satisfaction	97%

KEY RESULT AREAS

8. We maintain a streamlined and innovative business environment.

Key achievements

- Continuation of financial management processes simplification.
- Completion of infrastructure projects including an upgrade to Tourism Queensland's firewalls.
- The commencement of a review of the system to replace the current famil database system used by Tourism Queensland's International Media and Trade Relations team.
- Completion of the business continuity and international connectivity projects.
- Contract management training was completed for all Tourism Queensland staff.
- Continuation of TQ Intranet and weekly internal staff newsletter, *Crew on Q*.
- A two-year Enterprise Bargaining Agreement (EBA) was negotiated by staff and management, and certified by the Queensland Industrial Relations Commission in 2008. The agreement is titled the *Tourism Queensland Employing Office Certified Agreement 2007*.

Tourism Queensland records are 'public records' as defined in the *Public Records Act 2002*. Tourism Queensland applies Queensland Government policies and standards to these records and is progressively implementing the requirements of *Information Standard 40: Recordkeeping*. Tourism Queensland has implemented the Total Records Information System (TRIM) software tool, which has facilitated an effective electronic document and records management system and proper management of corporate records. All corporate records are retained and disposed of in accordance with *Information Standard 31: Retention and Disposal of Public Records*.

Financial Summary

Successful delivery of Tourism Queensland services requires management of costs within budget and ensuring value-for-money expenditure in accord with the State Government procurement policy. For the 2008-09 financial year, Tourism Queensland had income of \$67.83 million of which \$43.53 million was the annual grant from the Queensland Government. In November 2008, \$9.7 million was received when the Sunlover Holidays licence agreement was terminated early and the brand sold. After recognising the licence fee and adjusting for transaction costs and other adjustments, income of \$8.8 million was recognised.

Total expenditure for 2008-09 was \$67.47 million of which \$45.73 million was invested in marketing, promotion and development initiatives as well as grants to regional tourism organisations. The cost of consulting fees for marketing and development initiatives was \$311,525 while the cost of consulting fees for an operational initiative was \$45,000.



Tourism Queensland	2004-05 \$M	2005-06 \$M	2006-07 \$M	2007-08 \$M	2008-09 \$M
Total Income*	108.08	62.83	69.96	65.52	67.83
Cooperative marketing income	13.19	13.75	13.06	10.72	10.58
Marketing, promotion and development initiatives**	41.13	42.80	48.17	44.55	45.73
Marketing / income ratio***	38.1%	68.1%	68.9%	68.0%	67.4%

* decreases from 2004-05 to 2005-06 due to the commercial licence agreement

** includes grants paid to RTOs and excludes marketing employee expenses

*** percentage of total income spent on marketing, promotion and development initiatives



International Travel By Tourism Queensland Employees 2008–09

Andrew Parle Director, Aviation	Japan, Korea, Macau, Hong Kong and China	29 Jun – 11 Jul	Route development opportunities — meetings were held with Japan Airlines, All Nippon Airways, Continental Micronesia and Air New Zealand to investigate opportunities to introduce or maintain direct services to Queensland.	\$14,628
Graeme Manson Acting Executive Director, International	United States	3 Aug – 9 Aug	Meetings with industry partners and possible representative agencies for Tourism Queensland's Los Angeles operations.	\$3,300
Steve McRoberts Executive Director, Marketing	United States	4 Aug – 13 Aug	Meetings with digital agencies to develop interactive applications for <i>The Best Job in the World</i> campaign. Investigation of a new digital marketing project for iPhone application.	\$23,475
Chris Chambers Director, Digital Marketing				
Graeme Manson Acting Executive Director, International	Korea	17 Aug – 19 Aug	Review Tourism Queensland's operations in Korea. Meetings with wholesalers, media, airlines and possible representative agencies to progress cooperative activities.	\$2,450
Paul Buggy Regional Director, India, Middle East, Korea and Russia	Korea	17 Aug – 23 Aug	Leading Queensland Tourism operators on the Queensland on Tour trade mission. Confirm and progress cooperative marketing opportunities with wholesalers, media and airline partners.	\$4,610
Andrew Parle Director, Aviation	China and Hong Kong	6 Sept – 12 Sept	Route development opportunities — meetings were held with China Southern Airlines, Cathay Pacific and Qantas to investigate opportunities to introduce or maintain direct services to Queensland.	\$8,835
Anthony Hayes Chief Executive Officer	China	11 Sept – 14 Sept	Meetings with head office representatives of carriers that could introduce/maintain direct services to Queensland.	\$11,171
Paul Buggy Regional Director, India, Middle East, Korea and Russia	Russia	21 Sept – 28 Sept	Attendance at the Moscow Travel and Leisure Show to assist Queensland destinations feature in Russian trade programs. Meetings with Singapore Airlines, Emirates Holidays and Japan Airlines to explore trade familiarisations.	\$14,300
Andrew Parle Director, Aviation	United Arab Emirates, Malaysia, China and Hong Kong	8 Oct – 16 Oct	Attendance at World Air Route Development Conference. Finalised cooperative marketing agreements with Etihad Airways and Emirates Airlines.	\$16,343
Don Morris Chairman, Tourism Queensland	China and United Arab Emirates	15 Nov – 24 Nov	Meetings with senior executives of Singapore, Emirates and Etihad Airlines to explore cooperative proposals, accompanying the Minister.	\$15,800
Denise Deveney Regional Director, Gold Coast and Hinterland	Germany, Netherlands, France, Switzerland and Italy	22 Nov – 6 Dec	Present new Queensland product to international trade at Queensland on Tour Europe. Meetings and workshops with trade also held to assist Queensland destinations feature in European brochures.	\$13,135

Andrew Parle Director, Aviation	China	25 Nov – 30 Nov	Guest speaker at the China International Air Routes Summit. Meetings with Shanghai and China Southern Airlines to present business cases for flights into Gold Coast and Brisbane.	\$10,302
Mark Kelso Manager, Aviation and Economics	Japan	18 Dec – 20 Dec	Attendance at the inaugural Jetstar flight from Gold Coast to Tokyo to meet with Japanese tourism industry stakeholders and strengthen relations.	\$181
Matthew Smith Project Leader, Market Activation	United States	14 Jan – 29 Jan	Attendance at G'Day USA: Australia Week mentoring industry operators and building relations within market.	\$11,120
Paul Buggy Regional Director, India, Middle East, Korea and Russia	Korea	8 Mar – 14 Mar	Meetings with Korean Air and major wholesalers to confirm Tourism Queensland's investment in marketing for 2009.	\$4,100
Katie Mills International Market Consultant, Asia and New Zealand	China, Taiwan and Singapore	11 Mar – 25 Mar	Business meetings with trade and attendance at Queensland on Tour China. Airline meetings held in Singapore to discuss MOU arrangements.	\$3,636
Steve Battle Market Development Specialist	United States	14 Mar – 23 Mar	Attendance at Cruise Shipping Miami and Queensland Exchange to build relationships with key stakeholders and reconfirm Tourism Queensland's commitment to the industry.	\$5,897
Paul Buggy Regional Director, India, Middle East, Korea and Russia	United Arab Emirates and India	24 Apr – 11 May	Participating in Tourism Australia mission and two trade shows to support and advise operators in creating networks with international trade.	\$17,000
Anthony Hayes Chief Executive Officer	Germany	15 May – 22 May	Interview potential representative agencies in Munich and Frankfurt. Meeting with Tourism Queensland's current representative agency in London in order to discuss renewal of contracts.	\$22,012
Paul Buggy Regional Director, India, Middle East, Korea and Russia	Korea	31 May – 6 Jun	Meetings with Korean Air Regional Manager for Oceania confirming Korean operations to Brisbane. Meetings with major wholesalers to support charters. Meeting with Cathay Pacific to implement cooperative campaigns and Qantas and Tourism Australia to discuss market movements.	\$4,100
Steve McRoberts Executive Director, Marketing	Germany, France and United Kingdom	20 Jun – 3 Jul	Attend the Cannes Lions 2009 Awards. Manage Best Job in the World campaign media and PR activity. Negotiate with global partners to progress Tourism Queensland's 2010 "Next Big Idea".	\$13,609

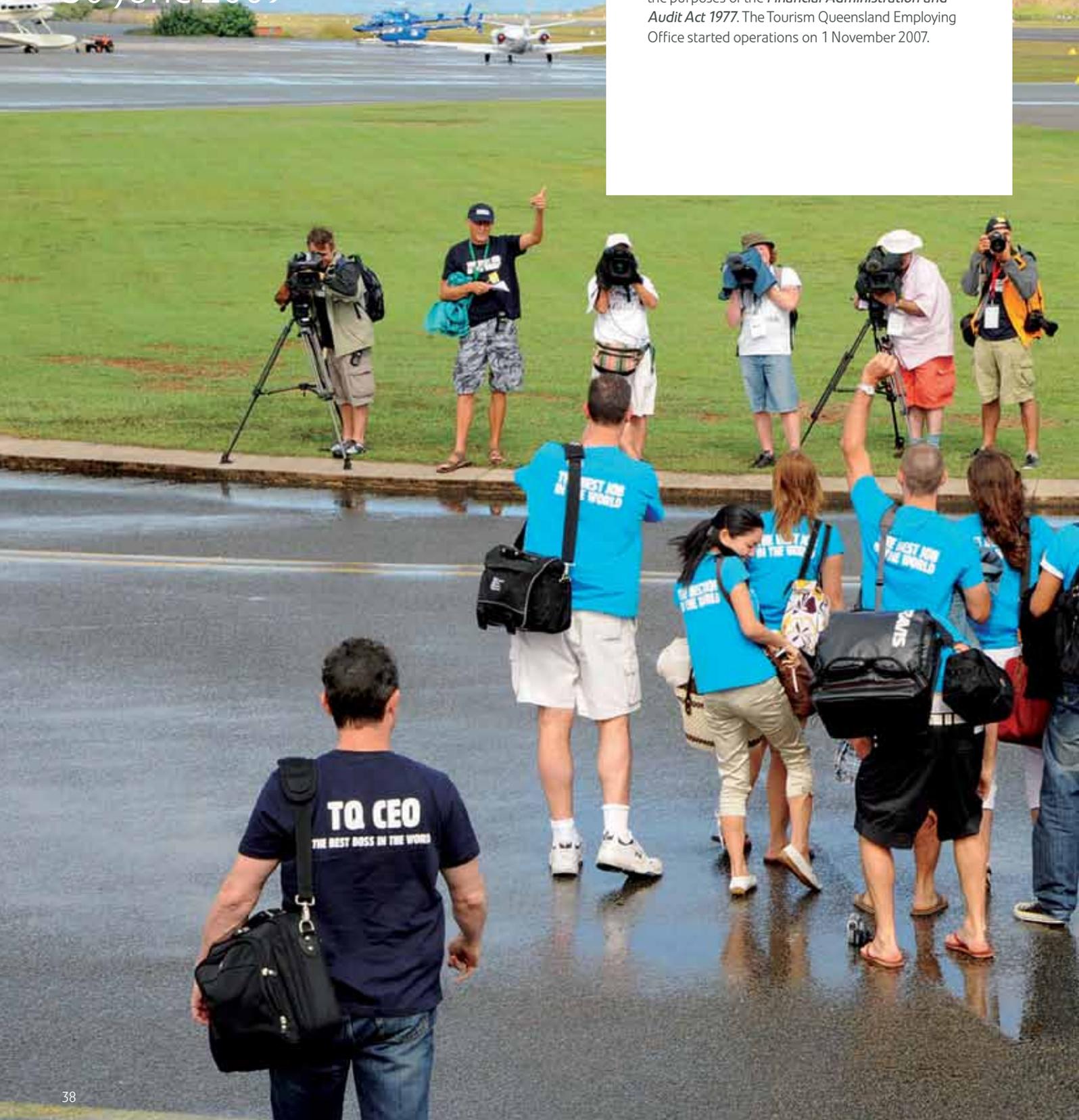


Consolidated Financial Report

for the year ended
30 June 2009

Tourism Queensland ("the Corporation" or "TQ") is constituted under the *Tourism Queensland Act 1979* and is a statutory body within the meaning given in the *Financial Administration and Audit Act 1977*.

On 23 April 2007 the Queensland Parliament passed the *Statutory Bodies Legislation Amendment Act 2007* which amended the *Tourism Queensland Act 1979*. These amendments included the creation of the Tourism Queensland Employing Office ("the Employing Office") as a statutory body for the purposes of the *Financial Administration and Audit Act 1977*. The Tourism Queensland Employing Office started operations on 1 November 2007.



The *Financial Accountability Act 2009* came into effect on 1 July 2009 replacing the *Financial Administration and Audit Act 1977* and its subordinate legislation. In accordance with the transitional provisions contained in the *Financial Accountability Act 2009*, the financial reports for the year ended 30 June 2009 have continued to be prepared in accordance with the *Financial Administration and Audit Act 1977*.

Accordingly, these Statements have been prepared:

- to satisfy the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements;
- to provide accounting for the custody and management of moneys and resources under the control of the Corporation; and
- to disclose the results of operations of the Corporation during the year and to indicate the financial position of the Corporation at the close of the year.

These consolidated statements have been prepared for the first time under *AASB 127 Consolidated and Separate Financial Statements*. Information has been provided for the economic and parent entity for the period ending 30 June 2009. The financial statements for Tourism Queensland Employing Office as at 30 June 2008 includes only transactions from inception.

Separate statements have been included for Tourism Queensland Employing Office under *APG 14 Consolidated Financial Reports*.

The Statements are general purpose in nature and provide a full presentation of the financial activities of the Corporation.



Consolidated Income Statement for the year ended 30 June 2009

Income	Notes	Consolidated		Parent	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Revenue					
Government revenue	2	44,056	49,309	44,056	49,309
Other Revenue					
Cooperative marketing income		10,575	10,717	10,575	10,717
Interest received		808	1,032	808	1,032
Other	2	2,314	4,433	2,314	4,433
Gains					
Gain on foreign exchange		1,267	13	1,267	13
Gain on sale of fixed assets		-	18	-	18
Gain on sale of Sunlover Licence	2	8,808	-	8,808	-
Total Income		67,828	65,522	67,828	65,522
Expenses					
Marketing and promotion expenses	3	38,097	35,423	38,097	35,423
Operation expenses	4	5,690	6,139	5,690	6,139
Employee expenses	5	15,274	14,071	15,274	14,071
Development expenses	6	2,239	3,139	2,239	3,139
Grant payments	7	5,398	5,985	5,398	5,985
Depreciation and amortisation	8	745	733	745	733
Losses					
Loss on sale of fixed assets		31	-	31	-
Total Expenses		67,474	65,490	67,474	65,490
Operating Surplus		354	32	354	32

The accompanying notes form part of these Financial Statements.

Consolidated Balance Sheet for the year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Current Assets					
Cash & cash equivalents	11	6,827	4,434	6,827	4,434
Trade & other receivables	12	2,413	6,110	2,413	6,110
Other current assets	13	69	257	69	257
Total Current Assets		9,309	10,801	9,309	10,801
Non-Current Assets					
Other financial assets	14	107	107	107	107
Property, plant and equipment	15	1,468	1,828	1,468	1,828
Intangibles	16	872	641	872	641
Total Non-Current Assets		2,447	2,576	2,447	2,576
Total Assets		11,756	13,377	11,756	13,377
Current Liabilities					
Trade & other payables	17	7,435	8,614	9,882	10,956
Accrued employee benefits	18	2,305	2,243	161	160
Provisions	19	-	577	-	577
Other liabilities	21 (b)	247	248	247	248
Total Current Liabilities		9,987	11,682	10,290	11,941
Non-Current Liabilities					
Accrued employee benefits	18	326	270	23	11
Provisions	19	-	89	-	89
Other liabilities	21 (b)	578	825	578	825
Total Non-Current Liabilities		904	1,184	601	925
Total Liabilities		10,891	12,866	10,891	12,866
Net Assets		865	511	865	511
Equity					
Retained surplus		865	511	865	511
Total Equity		865	511	865	511

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Equity for the year ended 30 June 2009

	Consolidated	Parent
	Retained Surplus \$000	Retained Surplus \$000
Balance at 30 June 2007	479	479
Operating surplus for the year	32	32
Balance at 30 June 2008	511	511
Operating surplus for the year	354	354
Balance at 30 June 2009	865	865

The accompanying notes form part of these Financial Statements.

Consolidated Cash Flow Statement for the year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009 \$000 Inflows (Outflows)	2008 \$000 Inflows (Outflows)	2009 \$000 Inflows (Outflows)	2008 \$000 Inflows (Outflows)
Cash flows from operating activities					
Revenue from Government received		45,888	48,788	45,888	48,788
Receipts from customers		17,419	20,588	17,419	20,588
Licence fee		1,144	2,856	1,144	2,856
GST input tax credits received		4,088	4,071	4,088	4,071
Payments to suppliers and employees		(72,405)	(75,933)	(72,405)	(75,933)
GST paid to the ATO		(2,393)	(1,561)	(2,393)	(1,561)
Interest received		848	1,010	848	1,010
Net cash flows provided by / (used in) operating activities	20 (a)	(5,411)	(181)	(5,411)	(181)
Cash flows from investing activities					
Proceeds from the sale of property, plant & equipment		-	18	-	18
Proceeds from the sale of Sunlover Licence		8,700	-	8,700	-
Purchase of property, plant & equipment		(178)	(93)	(178)	(93)
Purchase of intangibles		(470)	(495)	(470)	(495)
Net cash flows provided by (used in) investing activities		8,052	(570)	8,053	(570)
Cash flows from financing activities					
Repayment of lease		(248)	(268)	(248)	(268)
Net cash flows provided by / (used in) financing activities		(248)	(268)	(248)	(268)
Net increase / (decrease) in cash and cash equivalents		2,393	(1,019)	2,393	(1,019)
Cash and cash equivalents at beginning of period		4,434	5,453	4,434	5,453
Cash and cash equivalents at end of period	11	6,827	4,434	6,827	4,434

The accompanying notes form part of these Financial Statements.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009

Note 1

Summary of Significant Accounting Policies

Tourism Queensland's objective is to enhance the development and marketing of Queensland tourism destinations in partnership with Industry, Government and the Community.

a. Basis of Accounting

The financial statements have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board.

This financial report is a general-purpose financial report. Except where stated, the historical cost convention is used.

The accounting policies disclosed below have been consistently applied during the year.

b. The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Corporation and its controlled entity, the Tourism Queensland Employing Office. In the process of reporting the Corporation as a single economic entity, all transactions with entities controlled by the Corporation have been eliminated.

The Tourism Queensland Employing Office is subject to audit by the Auditor-General of Queensland or their delegate.

c. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Government Contribution

Non-reciprocal revenue from the Government is measured at the fair value of the contribution received. Revenue is recognised when:

- (i) The Corporation gains control of the grant;
- (ii) It is probable that the economic benefits will flow to the Corporation; and
- (iii) The amount of the grant can be measured reliably.

Reciprocal revenue from Government is accrued over the terms of the funding arrangements.

Cooperative Marketing Income

Cooperative marketing income comprises revenue earned from industry partners as a contribution towards the cost of marketing activity. Cooperative marketing income is recognised when the marketing activity is provided.

Interest

Interest income is recognised on an accrual basis when the Corporation controls the right to receive the interest.

Asset Sales

The gain or loss on disposal of assets is recognised at the date an unconditional contract of sale is signed. Gains or losses of financial assets and financial liabilities are reported by category.

Dividends

Revenue is recognised when the Corporation's right to receive the payment is established.

Rental Income

Rental income is accounted for on a straight-line basis over the term of the lease.

Licence Fee

Licence fee income is recognised when the Corporation controls the right to receive the fee.

Other

Other income is recognised as it accrues.

d. Foreign Currency Transactions

Both the functional currency and presentation currency of the Corporation is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at an average foreign exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Translation differences relating to amounts payable and receivable in foreign currencies are taken to the income statement in the financial year in which they arise.

e. Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the balance sheet when the Corporation becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- **Cash and cash equivalents** — held at fair value through profit and loss
- **Receivables** — held at amortised cost
- **Held to maturity investments** — held at amortised cost
- **Payables** — held at amortised cost.

Apart from cash and cash equivalents, Tourism Queensland holds no financial assets classified at fair value through profit and loss.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Derivative Financial instruments

The Corporation uses derivative financial instruments such as foreign currency contracts to hedge its risk associated with foreign currency fluctuations for general commitments in several of its international offices. Such derivative financial instruments are stated separately at fair value with disclosure of the risks associated with the hedge. Derivative financial instruments are not held for speculative purposes.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-valued at the reporting date in line with market fluctuations. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Corporation's derivative financial instruments do not qualify for hedge accounting. Any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, in banks and money market deposits at call, all stated at their principal amounts.

Money market deposits at call are recorded at cost, which also equates to market value. Invested funds are used in the Corporation's day-to-day cash management function and are classified as cash due to the convertible nature of the investments.

g. Investments

All investments are initially recognised at cost, being the fair value of the consideration given.

After initial recognition, investments, which are classified as investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less amounts provided to recognise diminution in values.

h. Trade and Other Receivables

Receivables are recognised and carried at original invoice amount less a provision for impairment. An allowance for impairment is made when there is objective evidence that the Corporation will not be able to collect the debt. Bad debts are written-off when identified.

Settlement on debtors is required within 30 days.

i. Property, Plant and Equipment

Acquisition and Valuation

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Items of plant and equipment, including leasehold improvements, with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Depreciation

Depreciation is provided on a straight-line basis over the estimated useful life of the asset:

Major depreciation periods are:	2009	2008
Leasehold Improvements	Lease term	Lease term
Property, Plant and Equipment		
Computer equipment	3 years	3 years
Furniture, fixtures and fittings	7–12 years	7–12 years

j. Intangibles

Intangible assets with a cost or other value greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed in the year of acquisition. Each intangible asset is amortised over the useful life to the Corporation, less any anticipated residual value. The residual value is zero for all of Tourism Queensland's intangible assets.

Major amortisation periods are:	2009	2008
Internally generated software	2.5 years	2.5 years

k. Non-Current Assets Held for Sale

Non-current assets held for sale consists of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next 12 months.

These assets are measured at the lower of the assets carrying amount and their fair values less costs to sell and are not depreciated.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009 (continued)

I. Impairment of Non-Current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Corporation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and the depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a re-valued amount. When the asset is measured at the re-valued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m. Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Corporation. Trade creditors are non-interest bearing and are normally settled on 30 day terms.

n. Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include liabilities for employee benefits of wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and long service leave that are expected to be settled within 12 months are measured at their nominal values.

Liabilities for long service leave benefits that are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefits expenses arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits

are charged against profits on a net basis in their respective categories.

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Corporation's obligation is limited to its contribution to QSuper. Therefore, no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 Financial Reporting by Governments.

o. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Corporation has entered into a number of operating lease agreements for buildings, motor vehicles, computer equipment and office equipment. Rentals payable under these operating leases are charged to the income statement over the term of the lease.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease, or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

In the event that lease incentives are received to enter into non-cancellable operating leases, such incentives are recognised as a liability. Lease payments are allocated between rental expenses, reduction of the liability and, where appropriate, interest expense over the term of the lease.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2009 (continued)

p. Other Financial Liabilities

Interest bearing liabilities are recognised at book value as the amount contractually owing.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

q. Provisions

Provisions are recorded when the Corporation has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date to settle the obligation in a future period.

r. Insurance

The Corporation's non-current physical assets and other key risks are insured. In addition, the Corporation pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

s. Comparatives

Where changes in presentation have been made in the current financial period, comparative figures have been adjusted for consistency.

t. Rounding

Amounts have been rounded to the nearest thousand dollars unless otherwise stated.

u. Taxation

The Corporation is exempt from income tax under Section 24 AQ of the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and GST. As such, GST credits receivable from / payable to the ATO are recognised and accrued.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

1. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
2. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Cash Flow Statement 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, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

v. Issuance of Financial Statements

The financial statements are authorised for issue by the Chairman, Chief Executive and Executive Director Business Performance and Planning at the date of signing the Certificate of Tourism Queensland.

w. Use of Estimates and Judgement

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected. The Corporation has made no judgement that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

x. New and Revised Accounting Standards

At the date of authorisation of the financial report, a number of new or amended Australian Accounting Standards with future commencement dates have been issued. Details of these Standards that may have an impact on future financial reports are set out below:

- AASB 101 Presentations of Financial Statements applies to reporting periods beginning on or after 1 January 2009. The Corporation has not yet assessed the full impact of this Standard.
- AASB 127 Consolidated and Separate Financial Statements applies to reporting periods beginning on or after 1 July 2009. The Corporation has not yet assessed the full impact of this Standard.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to the Corporation, or have no material impact on the Corporation.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 2 Revenue

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Government Revenue				
Department of Employment Economic Development and Innovation — annual grant	43,531	48,809	43,531	48,809
Department of Premier and Cabinet	-	500	-	500
Commonwealth Department of Resources Energy & Tourism	525	-	525	-
	44,056	49,309	44,056	49,309
Other Revenue				
Rent received	59	69	59	69
Licence fee	1,000	3,000	1,000	3,000
Other	1,255	1,364	1,255	1,364
	2,314	4,433	2,314	4,433
Gains				
Sale of Sunlover Licence	8,808	-	8,808	-

In November 2008, the Queensland Government accepted an offer by Australian Outback Travel Pty Ltd (AOT) for Tourism Queensland to cash out the Sunlover Holidays licence agreement early. The financial effects of the transaction on Tourism Queensland are the sale of the Sunlover Holiday brand and the receipt of \$9.7 million. After allocation of the proceeds to licence fees for the period, transaction costs and other adjustments, a gain of \$8.8 million was recognised. As a result of the proceeds received, the annual grant received by the Department of Employment, Economic Development and Innovation was reduced by \$6.0 million. More information on the sale of the Sunlover Licence is available in the Queensland Government Press Release dated 5 November 2008.

Note 3 Marketing and Promotion Expenses

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Domestic activity	20,036	19,185	20,036	19,185
International activity	15,599	13,056	15,599	13,056
Research activity	2,462	3,182	2,462	3,182
	38,097	35,423	38,097	35,423

These figures do not include the salaries and wages of marketing staff.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 4 Operation Expenses

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Lease expenses	1,447	1,358	1,447	1,358
Telephone, fax and postage	370	436	370	436
Computer charges	1,220	924	1,220	924
Contractors and consultants fees	299	402	299	402
Travel and accommodation expenses	405	346	405	346
Printing, stationery and office consumables	139	162	139	162
Staff training	166	195	166	195
Rates, electricity and other charges	377	292	377	292
Bad and doubtful debts	(31)	232	(10)	232
Insurance and legal fees	284	280	285	280
Fringe Benefits Tax	110	90	110	90
Motor vehicle expenses	74	98	74	98
Repairs and maintenance	54	65	54	65
Bank fees and charges	70	56	70	56
Subscriptions	82	94	82	94
Entertainment	53	36	53	36
Other	571	1,073	571	1,073
	5,690	6,139	5,690	6,139

Note 5 Employee Expenses / Number of Employees

Wages and salaries	11,497	10,620	1,896	4,378
Employer superannuation contributions	1,085	1,025	29	373
Compensated absences	1,320	1,070	32	344
Payroll tax	598	522	27	203
Employing office	-	-	12,516	7,939
Other	774	834	774	834
	15,274	14,071	15,274	14,071
Number of employees at the end of the period	144	142	20	21

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 6
Development Expenses

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Regional development	954	1,606	954	1,606
Other	1,285	1,533	1,285	1,533
	2,239	3,139	2,239	3,139

Note 7
Grant Payments

Regional Tourist Corporation grant payments	3,523	4,110	3,523	4,110
Convention & Incentive Bureaux grant payments	1,875	1,875	1,875	1,875
	5,398	5,985	5,398	5,985

Note 8
Depreciation and Amortisation

Plant and equipment	400	438	400	438
Leasehold improvements	106	108	106	108
Intangibles	239	187	239	187
	745	733	745	733

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 9

Key Management Personnel Compensation

(i) Directors

The number of directors who received remuneration or were due to receive remuneration within the following bands:

	2009	2008
Up to \$9,999	5	1
\$10,000 to \$19,999	2	6
\$20,000 to \$29,999	-	-
\$30,000 to \$39,999	1	1
	8	8

	2009 \$000	2008 \$000
Total remuneration of directors	95	110

The above remuneration includes fees, commissions, retirement payments, fringe benefits, post employment benefits received or due and receivable, directly or indirectly by the Directors from Tourism Queensland.

(ii) Executives

The number of senior executives who received remuneration or were due to receive remuneration within the following bands:

	2009	2008
\$100,000 to \$119,999	-	1
\$120,000 to \$139,999	-	-
\$140,000 to \$159,999	-	-
\$160,000 to \$179,999	-	-
\$180,000 to \$199,999	2	-
\$200,000 to \$219,999	-	-
\$220,000 to \$239,999	1	1
\$240,000 to \$259,999	1	2
\$260,000 to \$279,999	-	-
\$280,000 to \$299,999	-	1
\$300,000 to \$319,999	1	-
	5	5

	2009 \$000	2008 \$000
Total remuneration of senior executives	1,175	1,009

The above remuneration includes fees, commissions, retirement payments, fringe benefits, post employment benefits received or due and receivable, directly or indirectly by the senior executives from Tourism Queensland. These figures do not include separation and redundancy benefits.

	2009 \$000	2008 \$000
Total separation and redundancy benefit payments to senior executives	85	242

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 10
Auditors' Remuneration

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Amounts paid or payable to the external auditors: Auditing the accounts	22	53	22	53

Total external audit fees relating to the 2008-09 financial year are estimated to be \$76,200 exclusive of GST (2008: \$68,400).

Note 11
Cash & Cash Equivalents

General account	6,827	4,434	6,827	4,434
	6,827	4,434	6,827	4,434

Note 12
Trade & Other Receivables

Trade debtors	2,229	3,296	2,229	3,296
Less: Provision for impairment	(406)	(430)	(406)	(430)
	823	2,866	823	2,866
Other debtors	734	2,152	734	2,152
Net GST receivable	831	1,027	831	1,027
Interest receivable	25	65	25	65
	1,590	3,244	1,590	3,244
	2,413	6,110	2,413	6,110

Movements in the provision for impairment

Balance at beginning of year	430	200	430	200
Amounts written off	(1)	(3)	(1)	(3)
Amounts recovered	(408)	(157)	(408)	(157)
Increase/(decrease) in provision	385	390	385	390
Balance at end of year	406	430	406	430

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 13
Other Current Assets

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Prepayments	69	257	69	257
	69	257	69	257

Note 14
Other Financial Assets

Investment in Australian Tourism Data Warehouse	107	107	107	107
	107	107	107	107

The nature of the Corporation's investment in Australian Tourism Data Warehouse ("ATDW"), including distribution and voting rights, dividend entitlements and Board representation, is such that ATDW is neither a subsidiary nor an associate of the Corporation. Tourism Queensland holds a 11.94% ownership interest in ATDW.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 15
Property, Plant and Equipment

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Leasehold improvements				
At cost	1,143	1,169	1,143	1,169
Less: Accumulated depreciation	(828)	(747)	(828)	(747)
	315	422	315	422
Plant and equipment				
At cost	4,185	4,760	4,185	4,760
Less: Accumulated depreciation	(3,069)	(3,377)	(3,069)	(3,377)
	1,116	1,383	1,116	1,383
Work in progress				
At cost	37	23	37	23
	37	23	37	23
Total Property, plant and equipment				
Cost	5,365	5,952	5,365	5,952
Less: Accumulated depreciation	(3,897)	(4,124)	(3,897)	(4,124)
Total written down amount	1,468	1,828	1,468	1,828

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Leasehold improvements \$000	Plant & equipment \$000	Work in progress \$000	TOTAL \$000
Carrying Amount at 1 July 2008	422	1,383	23	1,828
Additions	-	47	155	202
Disposals	(26)	(8)	-	(34)
Transfers	25	94	(141)	(22)
Depreciation expense	(106)	(400)	-	(506)
Carrying amount at 30 June 2009	315	1,116	37	1,468

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 16
Intangibles

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Software internally generated				
At cost	1,128	914	1,128	914
Less: Accumulated amortisation	(805)	(566)	(805)	(566)
	323	348	323	348
Work in progress				
At cost	549	293	549	293
	549	293	549	293
Total Intangibles				
Cost	1,677	1,207	1,677	1,207
Less: Accumulated amortisation	(805)	(566)	(805)	(566)
Total written down amount	872	641	872	641

Reconciliations of the carrying amounts of each class of intangibles at the beginning and end of the current financial year are set out below.

	Software Internally Generated \$000	Work in Progress \$000	TOTAL \$000
Carrying Amount at 1 July 2008	348	293	641
Additions	-	540	540
Disposals	(22)	(48)	(70)
Transfers	236	(236)	-
Amortisation expense	(239)	-	(239)
Carrying amount at 30 June 2009	323	549	872

Note 17
Trade and Other Payables

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Accrued expenses	1,065	1,262	1,428	1,761
Trade creditors	1,682	5,153	3,766	6,996
Other creditors	4	1	4	1
Unearned revenue	3,855	2,023	3,855	2,023
Deposits and fees in advance	829	175	829	175
	7,435	8,614	9,882	10,956

The Corporation has entered into a MasterCard credit facility with Westpac to a limit of \$1,000,000. At 30 June 2009, the Corporation had utilised approximately \$63,975 of this facility.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 18
Accrued Employee Benefits

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Current				
Employee benefits – annual leave	1,060	926	152	154
Employee benefits – long service leave	873	812	-	-
Wages Outstanding	372	505	9	6
	2,305	2,243	161	160
Non-Current				
Employee benefits – long service leave	326	270	23	11
	2,631	2,513	184	171

	Consolidated		
	Current	Non-current	
	Annual leave \$000	Long service leave \$000	Long service leave \$000
Opening balance at 1 July 2008	926	812	270
Increase/(decrease) in provision	940	321	56
Reductions in provision as a result of payments	(806)	(261)	-
Closing balance at 30 June 2009	1,060	872	326

	Parent		
	Current	Non-current	
	Annual leave \$000	Long service leave \$000	Long service leave \$000
Opening balance at 1 July 2008	154	-	11
Increase/(decrease) in provision	19	-	12
Reductions in provision as a result of payments	(21)	-	-
Closing balance at 30 June 2009	152	-	23

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 19 Provisions

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Current				
Annual Leave — SL Holidays Pty Ltd	-	134	-	134
Long service leave — SL Holidays Pty Ltd	-	443	-	443
	-	577	-	577
Non-current				
Long service leave — SL Holidays Pty Ltd	-	89	-	89
	-	666	-	666

On 16 June 2005, Tourism Queensland signed a licence agreement with SL Holidays Pty Ltd, a subsidiary of the AOT Group, for rights to manage Tourism Queensland's commercial enterprises including Sunlover Holidays and the Queensland Travel Centres. The licence agreement was for a minimum five-year term with a five-year option and became effective on 1 July 2005. The accrued annual leave and long service leave entitlements of the employees (278 full-time equivalents) who transferred to SL Holidays Pty Ltd were preserved in trust by Tourism Queensland. In November 2008, the Queensland Government approved Tourism Queensland accept an offer by Australian Outback Travel Pty Ltd (AOT) to cash out the Sunlover Holidays licence agreement. All provisions were cleared leaving a nil balance as at 30 June 2009.

	Current		Non-current
	Annual leave – SL Holidays Pty Ltd \$000	Long service leave – SL Holidays Pty Ltd \$000	Long service leave – SL Holidays Pty Ltd \$000
Opening balance at 1 July 2008	134	443	89
Payments to SL Holidays Pty Ltd	-	-	-
Transfers	-	-	-
Increase/(decrease) in provision	(134)	(443)	(89)
Closing balance at 30 June 2009	-	-	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 20
Cash Flow Statement

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
(a) Reconciliation of Net Profit to Net Cash Used in Operating Activities				
Net profit	354	32	354	32
Depreciation and amortisation expense	745	733	745	733
Provision for impairment	(24)	229	(24)	229
(Profit)/loss on sale of non-current assets	31	(18)	31	(18)
(Profit)/loss on sale of Sunlover Licence	(8,808)	-	(8,808)	-
Impairment of shares	-	123	-	123
Changes in assets and liabilities:				
(Increase)/decrease in receivables	3,320	4,650	3,320	4,650
(Increase)/decrease in other assets	188	165	188	165
Increase/(decrease) in creditors and accruals	(843)	(6,220)	(738)	(3,879)
Increase/(decrease) in accrued employee benefits	118	386	13	(1,955)
Increase/(decrease) in provisions	(492)	(261)	(491)	(261)
Net cash used in operating activities	(5,411)	(181)	(5,410)	(181)

(b) Reconciliation of Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash comprises cash on hand and highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the investor's option and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility. Cash at the end of the reporting period as shown in the Cash Flow Statement agrees with the related item in the Balance Sheet (refer to Note 11).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009 (continued)

Note 21
Commitments

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Lease Expenditure Commitments				
(a) Operating Leases				
Minimum lease payments				
– Not later than one year	3,216	3,099	3,216	3,099
GST input tax credits receivable	(214)	(205)	(214)	(205)
	3,002	2,894	3,002	2,894
– Later than one year but not later than five years	7,674	9,880	7,674	9,880
GST input tax credits receivable	(534)	(734)	(534)	(734)
	7,140	9,146	7,140	9,146
– Later than five years	170	815	170	815
GST input tax credits receivable	-	-	-	-
	170	815	170	815
Aggregate lease expenditure contracted for at balance date (excluding GST)	10,312	12,855	10,312	12,855
(b) Lease Incentive Recognised in Balance Sheet				
– Not later than one year	247	248	247	248
– Later than one year but not later than five years	578	825	578	825
– Later than five years	-	-	-	-
	825	1,073	825	1,073
Total Lease Liability Accrued				
Current	248	248	248	248
Non-current	578	825	578	825
	826	1,073	826	1,073

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 22 Financial Instruments

a. Categorisation of Financial Instruments

The Corporation has categorised the financial assets and financial liabilities held as:

Financial Asset	Category
Cash	
Receivables	Loans and receivables (at nominal value)
Shares	Financial asset available for sale
Other financial assets	Forward foreign exchange contracts at fair value through the profit and loss
Financial Liabilities	Category
Payables	Financial liability not at fair value (at nominal value)
Lease incentive liability	Financial liability not at fair value (at amortised cost)
Other financial liabilities	Forward foreign exchange contracts at fair value through the profit and loss

Financial assets and financial liabilities are presented separately from each other, offsetting has not been applied.

b. Financial Risk Management

Tourism Queensland's activities expose it to a variety of financial risks — credit risk, foreign exchange risk and liquidity risk. Financial risk management is implemented pursuant to policy covering specific areas such as mitigating foreign exchange risk and use of derivative financial instruments. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Corporation.

c. Credit Risk

Credit risk exposure refers to a situation where the Corporation may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The Corporation aims to reduce the exposure to credit default by ensuring it invests in secure assets and monitors all funds owed on a timely basis.

The following table represents Tourism Queensland's maximum exposure to credit risk:

	Consolidated		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Financial Assets				
Cash	6,827	4,434	6,827	4,434
Receivables	2,413	6,110	2,413	6,110
	9,240	10,544	9,240	10,544

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount inclusive of any provisions. The method for calculating any provisional impairment for risk is based on the age of the financial instrument. Any party with an outstanding obligation greater than 60 days is included in the provision for impairment, with the exception of grant monies from Queensland Government departments.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 22 Financial Instruments (continued)

c. Credit Risk (continued)

No significant concentration of credit risk has been identified as exposure is spread over a large number of counterparties and customers.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following tables represent Tourism Queensland's financial assets past due but not impaired:

Financial Assets as at 30 June 2009	Not Overdue \$000	Less than 30 Days \$000	30 to 60 Days \$000	61 to 90 Days \$000	More than 90 days \$000	Total \$000
Receivables	1,873	146	394	-	-	2,413
	1,873	146	394	-	-	2,413

Financial Assets as at 30 June 2008	Not Overdue \$000	Less than 30 Days \$000	30 to 60 Days \$000	61 to 90 Days \$000	More than 90 Days \$000	Total \$000
Receivables	4,527	871	512	-	200	6,110
	4,527	871	512	-	200	6,110

Impaired financial assets are detailed at Note 12.

d. Foreign Exchange Risk

Foreign exchange risk arises when future transactions are denominated in non-Australian currency.

Tourism Queensland operates nationally and internationally and is exposed to foreign exchange risk arising from currency exposures to the Euro, British Pound, US Dollar, Hong Kong Dollar, Japanese Yen, New Zealand Dollar, Singapore Dollar, Taiwan Dollar, Indian Rupee and South-Korean Won. The Corporation enters into a forward foreign exchange contract under which it is obliged to receive foreign currency at set exchange rates and pay a predetermined amount of Australian Dollars. As at 30 June 2009, no such contract had been entered into for the 2009-10 financial year.

Tourism Queensland's risk management policy is to hedge between 50% and 100% of committed and forecast purchases denominated in foreign currency where settlement is within 12 months.

The forward foreign exchange contract for 2009-10 will be made up of the following currencies

Currency	Contract Amount \$A 000
Euro	735
British Pounds	201
US Dollar	567
Hong Kong Dollar	768
Japanese Yen	663
New Zealand Dollar	406
Singapore Dollar	542
	3,882

Notes to and forming part of the Financial Statements for the year ended 30 June 2009 (continued)

Note 22 Financial Instruments (continued)

e. Market Risk Sensitivity Table

The following interest rate sensitivity analysis depicts the outcome to profit and loss if interest rates change by +/- 1% from the year-end rates applicable to the Corporation's financial assets and liabilities.

	Carrying Amount		Interest Rate Risk							
			-1% Profit		-1% Equity		+1% Profit		+1% Equity	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash	6827	4,434	(7)	(4)	(7)	(4)	(7)	4	(7)	4

f. Liquidity Risk

Liquidity risk refers to the situation where the Corporation may encounter difficulty in meeting obligations associated with financial liabilities.

Tourism Queensland manages its exposure to liquidity risk by ensuring sufficient funds are available to meet employee and supplier obligations at all times. This is achieved by ensuring minimum levels of cash are held within the various bank accounts to match the expected duration of the various employee and supplier liabilities. All payables, with the exception of the lease liability (see Note 21(b)), are payable within one year.

g. Net Fair Value

The carrying amount of financial assets and financial liabilities approximates net fair value.

The net fair value is determined as follows:

- The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts.
- The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists, or is determined by discounting expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles.

Note 23 Related Party Disclosures

Transactions with Directors and Director related entities

In the ordinary course of business conducted under normal terms and conditions, Tourism Queensland has dealt with the following Directors and Director related entities.

- a. Mr Don Morris AO is a Director of Hamilton Island Enterprises Ltd
- b. Ms Julie McGlone is Owner of Diva Media & Publishing consultancy.
- c. Ms Lyn Gregson is Chairman of Tourism Whitsundays and Director of Whitsunday Development Corporations
- d. Mr Shane O'Reilly has shareholdings in National Park Pty Ltd trading as O'Reillys and a related party who is Chief Executive Officer of Tourism Whitsundays
- e. Mr Grant Cassidy is Director of Capricorn Tourism and Development Organisation, Director of Coffee House Properties Pty Ltd, Director of Glenmore Palms Management Pty Ltd,
- f. Ms Kayleen Collins is Executive General Manager Cairns International Airport and Committee Member of the National Long-Term Tourism Strategy Steering Committee.

Transactions with Tourism Queensland Employing Office

In the ordinary course of business conducted under normal terms and conditions, Tourism Queensland dealt with the Tourism Queensland Employing Office.

Certificate of Tourism Queensland

These general purpose consolidated annual financial statements for the year ended 30 June 2009 have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* (the Act) and other prescribed requirements. In accordance with section 46 (F) of the Act, we certify that in our opinion the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of Tourism Queensland and

- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the foregoing consolidated annual financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions and cash flows of Tourism Queensland and the consolidated entity for the year 1 July 2008 to 30 June 2009 and of the financial position as at the close of that year.



D MORRIS AO
Chairman



A HAYES
Chief Executive Officer



M CLARKE
Executive Director Business Performance and Planning

Dated: 11/08/2009

Independent Auditor's Report

To the Board of Tourism Queensland

Report on the Financial Report

I have audited the accompanying financial report of Tourism Queensland, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Chairman, Chief Executive Officer and the Executive Director Business Performance and Planning of the consolidated entity comprising the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entities' internal control, other than in expressing an opinion on compliance with prescribed requirements.

An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of Tourism Queensland and the consolidated entity for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.



B PWORRAL, FCA
Delegate of the Auditor-General of Queensland
Signed at Brisbane on 13 August 2009

Tourism Queensland Employing Office Income Statement for the period ended 30 June 2009

Income	Notes	2009 \$000	2008 \$000
<i>Revenue</i>			
Employment services income		12,516	7,939
Total Income		12,516	7,939
<i>Expenses</i>			
Employee expenses	2	12,516	7,939
Total Expenses		12,516	7,939
Operating Surplus/(Deficit)		-	-

Balance Sheet as at 30 June 2009

Current Assets			
Trade receivables		2,084	1,842
Accrued revenue		363	499
Total Current Assets		2,447	2,341
Total Assets			
2,447			
Current Liabilities			
Accrued employee benefits	3	2,144	2,082
Total Current Liabilities		2,144	2,082
Non Current Liabilities			
Accrued employee benefits	3	303	259
Total Non Current Liabilities		303	259
Total Liabilities		2,447	2,341
Net Assets		-	-
Equity			
Retained surplus/(deficit)		-	-
Total Equity		-	-

The accompanying notes form part of these Financial Statements.

Tourism Queensland Employing Office Statement of changes in Equity for the period ended 30 June 2009

	Retained Surplus \$000
Balance at 1 November 2007	-
Operating surplus/(deficit) for the year	-
Balance at 30 June 2008	-
Operating surplus/(deficit) for the year	-
Balance at 30 June 2009	-

Cash flow statement for the period ended 30 June 2009

	2009 \$000 Inflows (Outflows)	2008 \$000 Inflows (Outflows)
Cash flows from operating activities		
Receipts from customers	10,866	6,742
Payments to suppliers and employees	(10,866)	(6,742)
Net cash flows provided by / (used in) operating activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

The accompanying notes form part of these Financial Statements.

Tourism Queensland Employing Office

Notes to and forming part of the Financial Statements for the year ended 30 June 2009

Note 1

Summary of Significant Accounting Policies

Tourism Queensland Employing Office's objective is to provide employment services to Tourism Queensland

a. Basis of Accounting

The financial statements have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board.

This financial report is a general-purpose financial report. Except where stated, the historical cost convention is used.

These financial statements are presented in Australian dollars which is the Employing Office functional currency.

The accounting policies disclosed below have been consistently applied during the year.

b. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Employing Office and the revenue can be reliably measured.

c. Trade and Other Receivables

Receivables are recognised and carried at original invoice amount less a provision for impairment. An allowance for impairment is made when there is objective evidence that the Employing Office will not be able to collect the debt. Bad debts are written-off when identified.

Settlement on debtors is required within 30 days.

d. Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Employing Office. Trade creditors are non-interest bearing and are normally settled on 30 day terms.

e. Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include liabilities for employee benefits of wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and long service leave that are expected to be settled within 12 months are measured at their nominal values.

Liabilities for long service leave benefits that are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefits expenses arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits
- are charged against profits on a net basis in their respective categories.

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary.

Contributions are expensed in the period in which they are paid or payable. The Employing Office's obligation is limited to its contribution to QSuper. Therefore, no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 Financial Reporting by Governments.

f. Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the balance sheet when the Employing Office becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Receivables — held at amortised cost

g. Rounding

Amounts have been rounded to the nearest thousand dollars unless otherwise stated.

h. Use of Estimates and Judgement

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected. The Employing Office has made no judgement that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

i. Taxation

The Employing Office is exempt from income tax under Section 24 AQ of the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and GST. As such, GST credits receivable from / payable to the ATO are recognised and accrued.

Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

1. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
2. for receivables and payables which are recognised inclusive of GST.

Tourism Queensland Employing Office

Notes to and forming part of the Financial Statements for the year ended 30 June 2009

Note 2

Employee Expenses / Number of Employees

	2009	2008
	\$000	\$000
Wages and salaries	9,601	6,242
Employer superannuation contributions	1,056	652
Compensated absences	1,288	726
Payroll tax	571	319
	12,516	7,939

Number of employees at the end of the period. **124** 121

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

Note 3

Accrued Employee Benefits

	2009	2008
	\$000	\$000
Current		
Employee benefits – annual leave	908	772
Employee benefits – long service leave	873	812
Wages Outstanding	363	498
	2,144	2,082

Non-Current

Employee benefits – long service leave	303	259
	2,447	2,341

	Current	Non-current	
	Annual leave \$000	Long service leave \$000	Long service leave \$000
Opening balance at 1 July 2008	772	812	259
Transfer from Tourism Queensland	-	-	-
Increase/(decrease) in provision	921	322	44
Reductions in provision as a result of payments	(785)	(261)	-
Closing balance at 30 June 2009	908	873	303

Note 4

Financial Instruments

The Employing Office receivables are due from Tourism Queensland and are not past due.

Certificate of Tourism Queensland Employing Office

These general purpose annual financial statements for the year ended 30 June 2009 have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* (the Act) and other prescribed requirements. In accordance with section 46 (F) of the Act, we certify that in our opinion the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of Tourism Queensland Employing Office and

- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions and cash flows of Tourism Queensland Employing Office for the period ending 30 June 2009 and of the financial position as at the close of that year.



A HAYES
Chief Executive Officer



M CLARKE
Executive Director Business Performance and Planning

Dated: 11/08/2009

Independent Auditor's Report

To the Executive Officer of the Tourism Queensland Employing Office

Report on the Financial Report

I have audited the accompanying financial report of Tourism Queensland Employing Office which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Executive Officer and Executive Director Business Performance and Planning.

The Executive Officer's Responsibility for the Financial Report

The Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirement identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

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An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Executive Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Tourism Queensland Employing Office for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.



B P WORRAL, FCA
Delegate of the Auditor-General of Queensland
Signed at Brisbane on 13 August 2009

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Accessibility	Table of Contents	ARGs – section 8.1	1
	Glossary		N/A
	Public availability	FMS – section 95 (1) (i)	inside cover
	Interpreter service statement	<i>Queensland Government Language Services Policy</i>	inside cover
	Copyright notice	<i>Copyright Act 1968</i>	inside cover
Letter of Compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister(s)	ARGs – section 9	inside cover
Introductory information	Agency role and main functions	FMS – section 95(1) (a) and (b) ARGs – section 10.3	8
	Operating environment	FMS – section 95 (1) (f), (e), (j)	8
	External scrutiny	ARGs – section 10.3	14
	Machinery of Government changes	ARGs – section 10.3	N/A
	Review of proposed forward operations	FMS – section 95 (1) (h)	20
Agency performance	Government objectives for the community	FMS – section 95(1) (a) and (i) ARGs – section 11.5	N/A
	Agency objectives and performance indicators		20–34
	Agency outputs and output performance measures		19
Summary of Financial Information	Summary of financial information	ARGs – section 12	35
	Disclosure of budget v actual results	ARGs – section 12.3	N/A
Governance – Management and Structure	Organisational structure	FMS – section 95 (1) (f) (iii)	13
	Executive management	FMS – section 95 (1) (f) (iii)	12
	Related entities	FMS – section 96 (1)	N/A
	Schedule of statutory authorities or instrumentalities	FMS – section 96 (2)	N/A
	Boards and committees	ARGs – section 13.5	N/A
	Public Sector Ethics Act 1994 - implementation statement giving details of the action taken during the reporting period	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule)	N/A
	Whistleblowers Protection Act 1994 - public interest disclosures received	<i>Whistleblowers Protection Act 1994</i> (section 30-31 and Schedule)	N/A
Governance – Risk Management and Accountability	Risk management	FMS – section 95 (1) (k)	10
	Audit committee	ARGs – section 14.2	10
	Internal audit	ARGs- section 14.3	10

Summary of requirement		Basis for requirement	Annual report reference
Governance – Human Resources	Workforce planning, retention and turnover	FMS – section 95 (1) (f) (iii)	34
	Voluntary Early Retirement (VER)	Directive No. 11/05 <i>Voluntary Early Retirement (VER)</i>	N/A
	Retrenchments	Directive No. 10/05 <i>Retrenchment</i>	N/A
	Initiatives for women	ARGs – section 15.4	N/A
Governance – Operations	Consultancies	FMS – section 95 (1) (eb)	35
	Overseas travel	FMS – section 95 (1) (ea)	36–37
	Information systems and recordkeeping	<i>Public Records Act 2002</i>	34
	Waste management	<i>Environmental Protection (Waste Management) Policy 2000, Environmental Protection Act 1994</i>	N/A
Other Prescribed Requirements	Shared services	ARGs – section 17.1	N/A
	Carbon emissions	<i>Premier’s Statement</i>	N/A
Optional Information that may be Reported	Corrections to previous annual reports	ARGs – section 18.2	N/A
	Freedom of Information	<i>Freedom of Information Act 1992</i>	N/A
	Privacy policy	Queensland Government <i>Privacy Policy</i>	N/A
	Indigenous matters	N/A	N/A
	Native Title	N/A	N/A
Financial Statements	Annual general purpose financial statements	<i>Financial Reporting Requirements for Queensland Government Agencies</i>	38–69
	Certification of financial statements	FAA – sections 39 and 46F	63 and 68
	Independent Auditors Report	FAA – sections 38AA(1) and 46FA(3)	64 and 69
	Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i>	51

FAA *Financial Administration and Audit Act 1977*

FMS *Financial Management Standard 1997*

ARGs *Annual Report Guidelines for Queensland Government Agencies*

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