



Annual Report 2013-2014



Letter from the Chairman

12 September 2014

The Honourable Jann Stuckey MP
Minister for Tourism, Major Events, Small Business and the Commonwealth Games
Level 26
111 George Street
Brisbane Qld 4000

Dear Minister

I am pleased to present the Annual Report 2013-14 and financial statements for the period ended 30 June 2014 for the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC).

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining the annual report reporting requirements can be found on page 28 of this annual report or accessed at www.gc2018.com

Yours sincerely



Nigel Chamier OAM
Chairman
Gold Coast 2018 Commonwealth Games Corporation

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Chairman's statement

A year marked by key achievements sees the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) well prepared to embark on the next phase of planning to deliver a great event in 2018.

We were delighted with the Commonwealth Games Federation (CGF) Coordination Commission's (Co-Com) response to progress following their annual review conducted in November 2013 receiving high commendation for our progress thus far.

The master plan for the Parklands redevelopment which incorporates the Commonwealth Games Village (CGV) was released in January. This is an exciting development of the largest urban renewal project ever undertaken on the Gold Coast and an outstanding complement to the burgeoning Parkland's Health and Knowledge precinct.

The Gold Coast Aquatic Centre is now complete and heralds a new era in competitive aquatics for the Gold Coast. The state of the art complex makes its debut on the international sporting stage when it hosts the Pan Pacific Swimming Championships in August 2014. This event will provide a wonderful opportunity to showcase the facility that will host the aquatics program at the Gold Coast 2018 Commonwealth Games™ (GC2018).

Early June 2014 saw the CGF provide final approval of the GC2018 sports program, CGV Master Plan and venues master plan. This confirmed the final location of competition venues and the sports to be contested in the largest sport event to be staged in Australia for at least a decade. This key milestone was a demonstration of strong planning, consultation and collaboration between the Queensland Government, GOLDOC and international sporting federations (IFs) in pursuit of the most suitable locations that also provide long term legacies for the community.

Construction of the Carrara Sports and Leisure Centre, Coomera Sports and Leisure Centre and Queensland State Velodrome is due to commence in late 2014, and we are on schedule to deliver upgrades to the remaining seven venues by mid-2017.

The release of GC2018's Forward Procurement Plan and Schedule in June, attracted extensive interest with close to 5000 stakeholders joining procurement teams from the Queensland Government and GOLDOC in comprehensive information sessions across southeast Queensland. It was the first time a 'whole of Games' approach has been taken to Games procurement activation – an initiative also commended by the Co-Com.

Preparations for the delivery of the Gold Coast Flag Handover Ceremony at the Glasgow 2014 Commonwealth Games (G2014) have also been a major focus this year. We are delighted with the quality of talent that world-renowned creative director David Atkins and his team have chosen and have every confidence our moment to shine on the world stage will be an outstanding production.

A small team from GOLDOC will be working diligently behind the scenes at G2014 to experience operational delivery and logistical processes. This is to ensure that the capture of information at G2014 and operational Games-time learnings are maximised and transferred back to the organisation to enhance GOLDOC's planning and delivery.

The Queensland Government and our passionate Minister for the Commonwealth Games, the Hon. Jann Stuckey, with their ongoing enthusiasm, have again demonstrated a commitment to the delivery of an event that all Queenslanders will be proud of. We are grateful for their positivity and leadership. It is also important to acknowledge the support of the City of Gold Coast (CGC) and the



continuing collaboration across all stakeholders that auger well for the next phase of the GC2018 journey.

Nigel Chamier OAM
Chairman

Chief Executive Officer's statement

As the GOLDOC team continues to work diligently through the final stages of the strategic planning phase for GC2018, I can reflect on the past year with pride, knowing our productivity sees the organisation in a great position as the Gold Coast takes over as the Host City for the next Commonwealth Games.



Planning is well underway across the majority of the 41 Functional Areas (FAs) with the GOLDOC team experiencing exponential growth to meet Games Master Schedule (GMS) timelines and ensure we remain on time and on budget.

The financial year will end with a team of 41 personnel, a figure that will more than double over the next 12 months. The CGF Co-Com's first review was very positive and complimentary of the overall progress of planning for GC2018 to date. The Co-Com made special note of the strong delivery partnership across our Games partners including the Australian Commonwealth Games Association (ACGA), CGC, Queensland and Federal Government.

I am grateful for the ongoing support and enthusiasm of the Minister for the Commonwealth Games, the Hon. Jann Stuckey and acknowledge the contribution the CGC and other Games partners continue to make, to ensure delivery of a great Games in 2018.

The city proudly welcomed the G2014 Queen's Baton in November 2013 with our Gold Coast athletes and state dignitaries sharing the relay along the beach followed by a mass of media. The final sector of the relay saw local Olympic diver, Brittany Broben, baton in hand, scale Q1's Skypoint Climb resulting in some magnificent imagery and vision of the city on a spectacular Gold Coast day.

The 'Four Years to Go' celebration was a key milestone in the journey towards 2018, commemorated with the formation of a giant four by 400 school children on magnificent Surfers Paradise beach. The images and vision were transmitted worldwide providing GC2018 with yet another opportunity to showcase our magnificent city to the world.

It is a very exciting time in Queensland as our impending status as Host City is just a few short weeks away. Whilst there is just less than four years until GC2018, Queensland and specifically the Gold Coast can be proud that they have taken a role that no other regional city has ever undertaken in Australia – to host an international event as significant as the Commonwealth Games.

I commend the work of the GOLDOC team and acknowledge the ongoing support of the GOLDOC Board and Chairman Nigel Chamier OAM. Together, with our technical committees and working groups we will continue planning to meet the requirements of our key milestones and deliver a great Games in a great city leaving great memories and great benefits for all.

Mark Peters

Chief Executive Officer

GENERAL INFORMATION

Agency role and main functions

On 11 November 2011, the ACGA in partnership with the Queensland Government and CGC was granted the right to host the 2018 Commonwealth Games.

The Gold Coast bid based its claims on a proven history of Australia, Queensland and the Gold Coast successfully staging major international events. The success of these events has been due to excellent infrastructure, strong organisational expertise, the support of government and the private sector and the enthusiasm of the Queensland and Australian public for such events.

GOLDOC was established on 1 January 2012 under the *Commonwealth Games Arrangements Act 2011*. The functions of the Corporation are to undertake and facilitate the organisation, conduct, promotion and commercial and financial management of the Commonwealth Games.

The Gold Coast will host the Commonwealth Games from 4 to 15 April 2018 and the event will be a memorable and exciting celebration of sport and Australian culture. The event will create an atmosphere that inspires achievement, harmony and a sense of unity with the Games vision "to stage a great Games in a great city leaving great memories and great benefits for all". The Games provide the opportunity to generate long-term benefits for Australia as a nation, Queensland as a State, the Gold Coast as a city and the Commonwealth Games.

GOLDOC's vision, mission, objectives and values are as follows:

Vision

To stage a great Games in a great city leaving great memories and great benefits for all.

Mission

To conduct an athlete focused Commonwealth Games with excellent competition in a fun and friendly environment with long lasting benefits for the Gold Coast, Queensland, Australia and the Commonwealth.

Objectives

- To attract the best athletes to compete in a technically excellent, world class, fun and friendly Commonwealth Games
- To launch the Commonwealth Games into a new decade with an inspiring, memorable and landmark event
- To help our partners make the most of the opportunities presented by the Commonwealth Games
- To engage and harness the enthusiasm of our communities
- To contribute to economic growth by working with our partners to promote Queensland tourism, trade and investment
- To present the Commonwealth Games in a creative way that will encourage comprehensive and positive exposure and support.

Values

- G** Global – where we think globally for the organisation, the Games and beyond
- R** Respect – where our work and thoughts are respected and valued
- E** Excellence – where we deliver excellence in everything we do
- A** Accountable – where we act with the highest integrity and fairness
- T** Trust – where we are empowered to do our job in a collaborative environment.

Operating environment

Gold Coast 2018 Commonwealth Games™

GC2018 will be the largest elite multi-sport event that the Gold Coast has ever hosted. It will see 6,500 athletes and officials from 71 nations, representing 30 per cent of the world's population, compete in 27 sporting disciplines at over 30 competition and training venues from 4 to 15 April 2018. This 11 day sports competition period will take place between the Opening and Closing Ceremonies which will be watched by 40,000 spectators at the upgraded Carrara Stadium and broadcast to a cumulative global audience of 1.5 billion people.

Brisbane will host the shooting and track cycling events. Queensland's regional areas of Cairns and Townsville will host the preliminary basketball rounds, allowing for a further geographical spread of benefits to extend beyond the south east Queensland region.

GOLDOC partners

The government services required to deliver GC2018 are coordinated by the Office of Commonwealth Games Coordination (OCGC) within the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB). The OCGC also controls the capital budget for GC2018 venues.

The Major Projects Office within the Department of State Development, Infrastructure and Planning (DSDIP) coordinates the planning, design and project management for the delivery of GC2018 capital venue infrastructure and is the primary point of liaison with managing contractors.

Economic Development Queensland (EDQ), within DSDIP, is responsible for the planning and delivery of the Parklands capital development which incorporates the requirements of the CGV. Government's capital contribution to the development of the Parklands capital development is also managed through EDQ. Both DSDIP (for venue capital infrastructure) and EDQ (for the Parklands capital development and CGV) report through the Commonwealth Games Infrastructure Authority (CGIA) which is responsible to the Deputy Premier for the delivery of these capital infrastructure projects.

The CGIA was established under the *Economic Development Act 2012* to oversee the planning and development of the CGV and other major infrastructure projects and venues for GC2018. EDQ provides secretariat support to the CGIA.

The CGC has a Commonwealth Games unit which is responsible for delivering city operations, city legacy and arts and cultural program initiatives.

The Major Sporting Events Taskforce within the Australian Government, implements operational support for security, immigration, customs, intellectual property, tourism, communications and federal legislative matters.

Commonwealth Games movement

The peak body of the Commonwealth Games movement is the CGF. An honorary Executive Board governs the CGF with honorary financial, legal and marketing services provided to it. The CGF has a Chief Executive Officer and small secretariat based in London.

Each of the 71 Commonwealth Games Associations (CGAs) is either a distinct entity or part of its National Olympic Committee.

In order to deliver a great Commonwealth Games, GOLDOC will need strong relationships with both the CGF and CGAs. The CGF can provide significant intellectual property in relation to the successful staging of the event, while CGAs are directly responsible for the number and quality of athletes that attend GC2018.

Risks, opportunities and challenges

Through the development of its risk management framework (as detailed in the risk management section on page 24), GOLDOC's strategic risk profile was established by assessing those risks considered to have both a potential and significant impact on the achievement of GOLDOC's objectives.

As part of this exercise, it was identified that mitigation strategies needed to be developed in partnership to address cross-functional and cross agency interdependencies. It also highlighted the importance of detailed planning and the clarification of roles and responsibilities which would enhance GOLDOC and its partner's understanding of the best practice for risk management across the whole of Games.

Integration with delivery partners at the operational level now occurs through individual FAs considering information from their associated working groups and other partner organisations when identifying and assessing risks. At the strategic level, GOLDOC's strategic risk profile integrates with the whole of Games risk management process.

A Commonwealth Games strategic risk register is currently under development and will be coordinated by DTESB. The register's purpose will be to provide the Minister for Tourism, Major Events, Small Business and the Commonwealth Games with an assessment of those strategic risks considered to potentially have the greatest impact on meeting GC2018 objectives as considered by Government departments and Games partners.

The OCGC is developing the games governance process which will support the risk management interdependencies between delivery partners.

Functional Area planning

FA planning outlines the strategies and operational deliverables for GC2018 related infrastructure and services. Defining these activities supports GOLDOC's vision, mission, objectives and values through the development of detailed, venue specific operating plans that will guide the Games-time service provision and provide the framework within which FA service delivery can be developed.

FA plans serve as a core communication tool, allowing each FA to share plans with other FAs and external partners and educate the FA's own staff (as teams grow) in preparation for GC2018. Cross functional reviews occur at various check points throughout the planning lifecycle to validate and

inform the key deliverables. This will ensure that the increased understanding and knowledge of requirements and expectations of other FAs, GOLDOC clients and external partners is reflected and considered.

In accordance with CGF requirements, GOLDOC has developed and defined the framework within which Games FA planning will be governed until GC2018. This planning framework is designed to support a consistent and coordinated approach to planning across all FAs and provides opportunities for cross functional reviews and an education platform for the entire organisation.

As part of the development of this framework during 2013-14, GOLDOC grouped each of its 41 FAs into three categories to prioritise planning development. The groupings were dependent on the FAs most likely to define and impact assumptions across a number of FAs, and those that needed to be mature enough in planning to derive the most learnings from G2014 in August 2014.

During 2014-15, the FA planning process will be streamlined further with the completion of all FA strategic plans and the commencement of GOLDOC's concept of operations planning for key FAs.

Roles and responsibilities

GOLDOC recognises that it operates within a complex environment of 41 FAs in which program management is key to successful Games delivery. Clarity and understanding of roles and responsibilities within GOLDOC and across its partners is crucial to the planning process to ensure cross functional dependencies are identified and impacts and risks are mitigated.

During 2013-14 a collaborative exercise was undertaken between GOLDOC, Queensland Government departments, CGC and the Australian Government in understanding and clarifying FA roles and responsibilities. This provided a common understanding of the FAs and assigned responsibility for lead and support roles across all partners.

A consultative group (Partners Forum) involving senior partner representatives was established to endorse the outcomes of this exercise and this forum now facilitates regular cross functional discussions across all partners, enabling the identification of key risks and emerging opportunities for the benefit of Games delivery.

Further detail regarding the implementation of GOLDOC's risk management framework is outlined in the Risk Management section on page 24.

NON-FINANCIAL PERFORMANCE

Government's objectives for the community

GC2018 provides a unique opportunity for not only the Gold Coast, but Queensland and Australia to realise a lasting benefit for business, industry, sporting and community groups. In December 2013 the Queensland Government through the OCGC and in collaboration with CGC, released *Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games*. The Embracing 2018 program is a long-term, state-wide strategy to realise lasting benefits for the Queensland community through partnerships between Government, business and community groups.

The strategy outlines the Queensland Government's objectives for GC2018:

- Demonstrate Queensland's ability to stage a successful inspiring and memorable international event

- Leverage the Commonwealth Games to derive economic benefits and develop local business and workforce capability
- Maximise long-term community, sport and health benefits from GC2018
- Strengthen Queensland as Australia's premier tourism destination.

The strategy focuses effort on three key themes – our economy, our lifestyle, and our community. The strategy is supported by an annual action plan that details state-wide initiatives across the three themes.

Further details of the strategy can be found at www.embracing2018.com.

The Gold Coast Aquatic Centre redevelopment has been accelerated in time to host the 2014 Pan Pacific Swimming Championships and create a pre-Games legacy. This facility was handed back to CGC, delivering an important infrastructure legacy to the Gold Coast community, and provides an international standard competition and training venue for the region's current and future elite athletes as well as the City's residents.

Other whole of Government plans / specific initiatives

The Queensland Government's proposed six month action plan for January to June 2014 identifies launching the master plan for the CGV and continuing the whole of Government Procurement Transformation Program as actions for improving service delivery to Queenslanders and structuring Queensland's economy to deliver a strong and resilient future. The CGV master plan was released on 24 March 2014 with the project well on track and stage one of demolition works already completed.

A Procurement Framework for GC2018 is in place which focuses on coordinated procurement and industry development. The Framework takes coordinated procurement and industry development further than previous Commonwealth Games and is considered by the CGF as a potential best practice model for the future. This 'one government' approach is aligned with the Queensland Government's procurement transformation agenda and the principles of the Queensland Procurement Policy. The Forward Procurement Plan and Schedule for GC2018 have also been published and supplier information sessions have been held with huge interest and positive feedback.

The Forward Procurement Plan can be found at: www.business.qld.gov.au/commonwealth-games/get-involved-games

Agency objectives and performance indicators

GOLDOC has approximately 1,600 compliance obligations to the CGF as part of Games delivery. These obligations are sourced from the Host City Contract, the CGF Games manuals and the Gold Coast City Candidature File (the Bid Book). The Games Master Schedule (GMS) is a tool that tracks milestones and activities from the Games Roadmap, Games Manuals, FA Plans, Business and Operational Plans and CGF compliance obligations. The GMS marries milestones and activities with Games planning phases, budget, resources and FA interdependencies. Milestone delivery relies heavily on the integrated reporting process which informs FAs of what needs to be done when, tracked against allocated resources and budget.

During 2013-14 GOLDOC focussed on developing an integrated program management framework by incorporating the activities and milestones of GOLDOC with Games partners and key stakeholders. This provided GOLDOC with a tool to monitor and track progression of the planning process and FA

deliverables across the whole of Games ensuring the completion of activities in the most efficient, cost effective and timely manner.

GOLDOC is required to provide quarterly status updates to the CGF on Games planning progress and compliance obligations. In addition to quarterly progress reporting, GOLDOC is also required to undertake a six monthly review by the CGF Co-Com. The Co-Com consists of five members from the CGF, supported by a team of expert technical advisors who review key elements of planning with GOLDOC and relevant government agencies.

Following are progress updates on GOLDOC's 2013-14 strategic priorities, as informed by the Games Roadmap, GMS, strategic risk profile and the suite of CGF compliance obligations:

CGV design brief

The CGV is home to participating athletes and officials during the course of the Games and is the key piece of infrastructure due for delivery over the next three year period. It was critical that the design brief for potential developers of the CGV contained the appropriate level of detail to meet the functional requirements of the CGF and the long term objectives for the development of a Health and Knowledge precinct for the Gold Coast. GOLDOC's focus during 2013-14 was to develop a comprehensive CGV design brief to inform the expression of interest and request for proposal stages of the precinct's development being undertaken by the CGIA (the delivery agent) and to participate in the evaluation and oversight process of proposals.

Grocon was selected as the preferred proponent for the development of the CGV in December 2013. Site planning and design has progressed since this time, with input from GOLDOC to ensure that the project will effectively meet the needs of the Commonwealth Games. The Plan of Development was granted regulatory approval by DSDIP in June 2014.

Suite of corporate applications

During 2013-14 GOLDOC focussed on the initial scoping and procurement phase of its suite of corporate applications. These solutions will address GOLDOC's core corporate system needs until the decommissioning of the entity. The corporate applications addressed in this initiative include finance and procurement, human resources and payroll, contract lifecycle management, program management, customer relationship management and reporting and analytics.

GOLDOC issued a comprehensive public tender in late 2013 which resulted in a contract being signed with a Queensland-based provider for the core suite of corporate applications (finance, procurement, contract lifecycle management) and associated reporting and analytics. The implementation phase of these applications commenced in June 2014 and is planned to be completed by the second quarter of 2015.

Procurement for the remaining corporate applications is being finalised and implementation is planned to commence in the third quarter of 2014.

Event sustainability framework

GOLDOC's sustainability framework received Board approval in April 2014. The framework builds upon Queensland's and CGC's 'clean and green' image and focusses on innovation and leadership across key stakeholders to leave a lasting legacy of environmentally sustainable assets and behaviours.

Key elements of the framework include the implementation of a sustainable events management system using the new international standard *ISO20121*. During 2013-14 GOLDOC commenced

implementation of the standard, with full implementation expected by May 2015. Stakeholder engagement also commenced and the sustainability objectives for 2014-15 were determined. Sustainability plans will be further developed in conjunction with stakeholders based around the identified objectives. GOLDOC is in the process of developing a reporting framework to enable reporting against identified objectives.

Security planning

Security will provide a safe and secure Games environment by implementing integrated and effective security services to protect all Commonwealth Games participants and visitors, as well as the general public. A framework for the planning and delivery of security services has now been agreed by key stakeholders and adopts the principles of preparedness, prevention, response and recovery. The focus during 2013-14 was to appoint the Head of Games Security and review in conjunction with all stakeholders, budget and resource allocations, establish the Security Strategic Plan, undertake a security gap and needs analysis to streamline resourcing needs and commence development of the Security Concept of Operations Plan.

Transport Strategic Plan

During 2012-13, a Transport and Logistics working group was established comprising of representatives of State and local governments to plan for the delivery of transport services within the public domain and across Games Family members. The Department of Transport and Main Roads (DTMR) in conjunction with CGC have undertaken detailed reviews of the proposed Games Road Networks, Park and Ride sites, Bus Hub locations, Light Rail connection and demand modelling based on continued city operational services and event delivery services. GOLDOC prepared a set of ten technical notes which informed the development of the Transport Strategic Plan detailing governance arrangements, workforce planning and training, Games family services, venue planning, key stakeholder communications, city operations, security, logistics, CGV and legacy. The transport focus for 2013-14 was to produce the Transport Strategic Plan and commence drafting of the Transport Concept of Operations Plan. These plans were developed in conjunction with DTMR, CGC and key community stakeholders. The plans focus on the effective and efficient delivery of Games Family and public transport services.

Planning for the Glasgow 2014 Commonwealth Games

A significant priority during 2013-14 was the development and planning of the Glasgow 2014 Commonwealth Games Observer Program (OBS) and the Flag Handover Ceremony (FHC) which forms part of G2014's Closing Ceremony. GOLDOC has a contractual commitment with the CGF to attend and participate in G2014 which is held from 23 July to 3 August 2014.

Glasgow 2014 Commonwealth Games Observer Program

Host cities are required to have an observer program in place for future and potential candidate host cities. This program provides an opportunity to transfer valuable knowledge from the Host City during Games operations. The OBS offers participants a unique opportunity to gain valuable intelligence to understand major multi-sport events and for GOLDOC to gain valuable knowledge that will support the staging of GC2018.

The CGF has designed a comprehensive OBS for G2014 that will provide GOLDOC with an opportunity to access vital information on all aspects of Games planning and staging. The OBS provides a unique opportunity to observe and test strategic, operational and functional concepts in a real live Games context.

The program includes:

- High quality operational placements, observations and briefings by G2014 staff as well as other major event specialists
- All aspects of Games planning and staging including the high level post-Games related issues such as legacy, venue viability and leveraging
- An opportunity to meet with companies that have played key supplier roles to G2014.

Flag Handover Ceremony

The Closing Ceremony is a celebration where the Host City can leave a lasting impression and also promote the next Games. It is an opportunity for athletes, volunteers, organisers and audiences to celebrate the success of the event, uniting for one last time. The Ceremony takes place in the main stadium on the last day of the sports competition and usually means a transformation from sports to ceremony arena in less than 24 hours.

The FHC consists of two formal ceremonial components. The first formal component allows for the Head of the Commonwealth or their representative to officially declare the Games closed. The CGF flag is lowered from the flag pole in the main stadium and folded.

The CGF flag is then passed from one Host City to the next. This is accompanied by the recital of the Host City Oath, followed by a short formal acceptance speech.

The second component is an approximate ten minute creative program that may include music, dance, props, lighting and imagery to celebrate the honour of hosting the next Commonwealth Games. GOLDOC is responsible for delivery of the FHC at G2014.

David Atkins Enterprises was appointed in 2013 to plan and deliver the Gold Coast component of the G2014 Closing Ceremony.

Roles and responsibilities

This item is addressed in the role and responsibilities section on page 11.

Sponsorship marketing plan

During 2013-14 a sponsorship marketing plan was developed which outlines the strategy to acquire and service corporate sponsors for GC2018 from within Australia and overseas. The strategy will drive the program over the next three years, includes forecast revenues and establishes the governing principles which will underpin GOLDOC's approach and behaviour in the market. It also provides the key factors that will provide the selling strategy for GOLDOC's entry into the market and assess, grade and name potential sponsors to be included on the prospect target database.

Long term office accommodation strategy

Detailed consideration has been given to the Games Headquarters (GHQ) office accommodation requirements leading up to and beyond GC2018. During 2013-14, the GOLDOC Board approved the recommended office accommodation strategy that provided the best logistical and value for money option to accommodate GOLDOC's progressive space requirements. The first phase of the expansion of the GHQ will be operationalised during 2014-15. This will include the finalisation of lease negotiations and the design and project planning for the various stages of GOLDOC's transition and growth.

Risk management framework

This item is addressed in the risk management section on page 24.

Agency service areas and service standards

GOLDOC's key success factors for 2013-14 were to deliver on the organisation's strategic priorities and to meet the extensive range of compliance obligations it has to the CGF.

As part of its performance reporting obligations to the Queensland Government, GOLDOC has developed two service standards which are tracked annually. The first measure reflects the level of satisfaction of the CGF with GOLDOC's preparations for GC2018. A level of "satisfied" indicates that the anticipated milestones and compliance obligations, as established by the CGF, are being met. The second measure tracks how engaged the target market is with the Games and therefore its likelihood to attend, volunteer, or in some way, be involved.

Performance statement

Service standards	Notes	2013-14 Target/Est	2013-14 Estimated actual	2013-14 Actual
Level of CGF's satisfaction with preparedness for the Commonwealth Games	1, 2	Satisfied	Satisfied	Satisfied
Level of target market's engagement in the Commonwealth Games	1, 3	50%	50%	59%

Notes:

1. New service standard for 2013-14.
2. A rating of satisfied reflects that the preparation for GC2018 is meeting the anticipated milestones and compliance requirements established by the CGF. These obligations are outlined in the Host City Contract, Bid Book and other agreements. Requirements covered include financial arrangements, timelines, programming and service standards.
3. The target market is defined as all people over 18 years of age living on the Gold Coast, in Brisbane, within a four hour drive of the Gold Coast (excluding Brisbane and the Gold Coast), Sydney and Melbourne. A survey of the five catchments of the target market is undertaken twice a year to gauge the level of engagement with GC2018. The target estimate of 50% was set through the initial survey completed in November 2012.

FINANCIAL PERFORMANCE

Summary of financial performance

The audited financial statements of GOLDOC for the year ended 30 June 2014 are included in this Annual Report. A summary of the operating financial results, assets and liabilities are shown in the following table with a comparison against the year ended 30 June 2013.

Gold Coast 2018 Commonwealth Games Corporation	2013-14 \$'000	2012-13 \$'000
Income		
State Government grants	17,070	9,372
Other income	669	495
Total income	17,739	9,867
Employee expenses	5,393	3,401
Supplies and services	8,213	5,314
Depreciation	451	311
Other expenses	73	61
Total expenses	14,130	9,087
Operating result for the year	3,609	780

Assets	7,681	3,035
Liabilities	1,958	921
Total equity	5,723	2,114

An increase in the income earned from the 2012-13 financial year to 2013-14 is commensurate with grant funding required to meet an increase in the expenditure obligations of GOLDOC between these years.

Other income of \$669,000 is predominately a non-cash item relating to an unrealised foreign exchange gain booked in the 2013-14 financial year. This item has no bearing on the project financial performance of GOLDOC and will be reversed in subsequent financial years in accordance with accounting standards.

An increase in total expenses is aligned to an increase in project activity and related workforce requirements from 25 to 41 staff. Included in the total expenses for 2013-14 is a small increase in depreciation expenditure relating to the purchase and implementation of ICT and other corporate applications during the 2013-14 financial year.

Total equity has increased from the 2013-14 financial year mainly due to the purchase and capitalisation of fixed assets for the office fit out, ICT and Information Management System implementation projects.

GOVERNANCE – MANAGEMENT AND STRUCTURE

Organisational structure

GOLDOC was established under the *Commonwealth Games Arrangements Act 2011* and is a statutory body.

Under the Act, the Chairman and Board members are appointed by the Governor in Council and the Board is responsible to the Minister for Tourism, Major Events, Small Business and the Commonwealth Games. As at 30 June 2014, GOLDOC had seven Board members including the Chairman.

The general staffing strategy involves a core team of full-time staff directing specialist contractors and support volunteers. Workforce planning forecasts that by Games-time, staff numbers will reach a total of approximately 1,000 Full Time Equivalents (FTEs), 30,000 contractors (e.g. security, logistics and catering) and up to 15,000 volunteers.

GOLDOC is currently divided into three divisions: Executive Office, Finance and Business Services and Venues and Operations. As at 30 June 2014, GOLDOC had 41 FTEs and two secondees.

GOLDOC's organisational structure will continue to evolve and expand during 2014-15.

GOLDOC divisions

Executive Office

The Executive Office division is responsible for complying with Board policy and direction in planning and staging GC2018. Areas of responsibility include program management and risk, government partner relations, CGF relations, corporate and consumer public relations and communication.

This division provides the key interface with the CGF and is the primary channel of communication to and from the CGF. The division is also responsible for interfacing with the key operational areas that are responsible for delivery of services to CGAs, athletes and team officials and for delivering on compliance obligations to the CGF.

Finance and Business Services

This division provides the majority of internal services to the organisation. All FAs within Finance and Business Services are responsible for the ongoing provision of business as usual services, whilst also planning for the Games-specific requirements. This division will adjust its services and resource levels in response to growth within GOLDOC and its business needs at the time.

Venues and Operations

The Venues and Operations division is responsible for GOLDOC's coordinated input into the planning, development and delivery of GC2018 related infrastructure (permanent and temporary) and operational services required for the conduct of GC2018. GOLDOC is comprised of a total of 41 FAs of which the Venues and Operations division has responsibility for the planning and overall delivery of 24.

Key priorities for the division included:

- The design and construction of the GC2018 competition and key non-competition venues, including the CGV. GOLDOC's venue representatives, in conjunction with State and local Government partners, continue to progress the design of GC2018 permanent and temporary venues with the aim of providing lasting legacies for the Queensland community, post-Games. GOLDOC representatives are involved in all venue planning activities to ensure GC2018 technical design requirements and event operational management elements are incorporated into the detailed design of the new-build or redeveloped venues.
- Developing and refining the athlete focused GC2018 sports program and competition schedule, which ensures alignment with the rules and requirements of the IFs and the CGF and provides the best environment and venues for elite competition.
- Planning for the coordinated delivery of operational activities in support of the Games delivery including (however not limited to) accommodation, accreditation, broadcast, catering, city operations, cleaning and waste management, doping, Games Family support, medical, press operations, security, transport and logistics and venue / village operations.

The division takes the lead role in working with both external and internal stakeholders to ensure GC2018 is delivered in a sustainable manner and the legacy opportunities for the Gold Coast and Queensland are maximised.

Board and Committees

Board

The Board derives its authority from the enabling legislation. In accordance with its charter, the Board is to comprise of no fewer than eight members at any one time. As at 30 June 2014, a vacancy exists on the Board, with a decision pending on the appointment of a replacement director. There must be an equal number of members nominated by the Queensland Government and ACGA. Board members are appointed by the Governor in Council.

A member holds office for the period stated in the member's instrument of appointment. The period of appointment can be a period ending no later than the dissolution day of the organisation.

The objective of the Board is to oversee the organisation in accordance with the requirements of the Act and the CGF. This includes:

- to prepare, promote and host the 2018 Commonwealth Games
- to promote and enhance the reputation of Queensland, the Gold Coast and the ACGA through the hosting of the 2018 Commonwealth Games
- to engage in marketing activities to promote and further the above objectives
- to perform all acts necessary to achieve the above objectives.

GOLDOC Board meetings are held every two months. During 2013-14 the Board met six times.

The names, positions and appointment terms for GOLDOC Board members are detailed in the Financial Statements 2013-14, section 6 (a).

Joint Marketing Committee

Under the terms of the Host City Contract, GOLDOC is responsible for preparing and developing the Marketing Plan (MP). The Joint Marketing Committee (JMC) is responsible for approving the MP no later than five years before the Opening Ceremony. The JMC will use its best endeavours to maximise the revenue of the Joint Marketing Program (JMP) whilst taking account of the development and conduct of the JMP and the MP in a manner which:

- protects and preserves the integrity of the Games
- enhances the goodwill, good name and reputation of the CGF, the ACGA and the organisers of future Games in respect to marketing opportunities
- strives to enhance the value and promote the understanding of the Games brand in relation to all marketing initiatives in the full spirit of the vision of the CGF (to promote a unique, friendly, world class Commonwealth Games and to develop sport for the benefit of the people, the nations and the territories of the Commonwealth, and thereby strengthen the Commonwealth).

The JMC, via the GOLDOC Board, provides a detailed report to the CGF Executive Board on the JMP on a six monthly basis.

The names, positions and appointment terms for JMC members are detailed in the table below:

Name	Position	Appointment date	End date
Dennis Chant	Chair	12 June 2012	Ongoing
Perry Crosswhite AM	Member	12 June 2012	Ongoing
Andrew Bell	Member	12 June 2012	Ongoing
David Williams	Member	12 June 2012	Ongoing
Peter Doggett	Member	12 June 2012	Ongoing
Judy Brinsmead	Member	12 June 2012	Ongoing

Finance and Audit Committee

The purpose of the Finance and Audit Committee (FAC) is to assist the Board in discharging its responsibilities under the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2009*, *Statutory Bodies Financial Arrangements Act 1982* and *Commonwealth Games Arrangements Act 2011* and its obligations to other bodies including the CGF, in relation to financial accounting, reporting and risk management.

The FAC is an advisory committee established by GOLDOC's Board. The Board has not delegated any decision-making authority to the FAC however; it may bring particular matters to the Board's attention and make recommendations for the Board's approval. Subject to approval by the Board, the FAC is able to engage independent external consultants as necessary to meet its obligations.

The primary role of the FAC is to assist the Board in fulfilling its governance and oversight responsibilities in relation to financial management and reporting, internal control, risk management and internal and external audit.

The names, positions and appointment terms for FAC members are detailed in the table below:

Name	Position	Appointment date	End date
Bronwyn Morris	Chair	12 June 2012	Ongoing
Catherine Tanna	Member	12 June 2012	16 May 2014
Perry Crosswhite AM	Member	12 June 2012	Ongoing
Annabelle Chaplain	Member	12 June 2012	Ongoing
John Le Lievre	Member	12 June 2012	Ongoing

Sport and Technical Committee

The functions of the Sport and Technical Committee (STC) are to review and make recommendations to the GOLDOC Board on policy pertaining to sport and technical matters in the planning, coordination and delivery of GC2018.

More specifically these functions include the areas of:

- Overlay and venue development (including field of play)
- Sports program review and finalisation
- Sport competition (e.g. management, volunteers and test events)
- Sport policy and operations (including equipment, publications, operations, technical officials and Games training)
- Sport services (e.g. sport results, sport entries and competition schedule)
- Sport presentation (covering ceremonies, operations and technical)
- Information technology related to sport
- Special projects associated with sport
- Liaison with international sport federations and subsequent rulings
- Athlete accommodation
- Technical officials accommodation
- Athlete services at the CGV
- Media protocols for contact with athletes
- Athlete and officials security
- Athlete, team officials and technical officials transport
- Medical services (including sports medicine and doping control)
- Sport development prior to and post GC2018.

The STC is an advisory committee to the GOLDOC Board. It is supported by a number of sport, venue and operational working groups incorporating representatives of key sporting and government agencies, with the aim being to ensure integration and collaboration in planning across partners.

The names, positions and appointment terms for STC members are detailed in the table below:

Name	Position	Appointment date	End date
Sam Coffa AM JP	Chair	12 June 2012	Ongoing
Andrew Baildon	Member	12 June 2012	Ongoing
Sara Carrigan OAM	Member	12 June 2012	Ongoing
Perry Crosswhite AM	Member	12 June 2012	Ongoing
Kurt Fearnley OAM	Member	12 June 2012	Ongoing
Peter Harcourt OAM	Member	12 June 2012	Ongoing
Cameron Hart	Member	12 June 2012	Ongoing
Glynis Nunn-Cearns OAM	Member	12 June 2012	Ongoing
Andrew Minogue	Member	12 June 2012	Ongoing
Mike Victor OAM	Member	12 June 2012	Ongoing

Remuneration Committee

The purpose of the Remuneration Committee is to assist the Board in fulfilling its responsibilities on matters relating to the appointment of senior executives and the remuneration and retention arrangements of the CEO and GOLDOC staff.

The Remuneration Committee is a decision-making committee established by the GOLDOC Board. The Board has delegated decision-making authority to the Committee in respect of policy matters relating to senior appointments and remuneration. The Committee may also bring particular matters to the Board's attention and make recommendations for approval. Subject to approval by the Board, the Committee is able to engage independent external consultants as necessary to meet its obligations.

The names, positions and appointment terms for Remuneration Committee members are detailed in the table below:

Name	Position	Appointment date	End date
Stephen Conry	Chair	21 May 2013	Ongoing
Nigel Chamier OAM	Member	21 May 2013	Ongoing
Sam Coffa AM JP	Member	21 May 2013	Ongoing

Executive management

Mark Peters, Chief Executive Officer

Mark Peters is GOLDOC's Chief Executive Officer, a position he accepted after heading the Gold Coast 2018 Commonwealth Games Bid Company.

His senior sporting administration roles include almost ten years as Chief Executive Officer of the Australian Sports Commission, President of the Australian Baseball Federation, and Executive Member of International Baseball Federation.

Mr Peters has long advocated for increased sport and physical fitness programs in schools and championed Australia's profile on the international sporting stage, as a competitive nation and host destination for major sporting events.

His extensive portfolio of leadership and management experience covers tourism, events and sports organisational governance and structure.

Ian Whitehead, General Manager - Venues and Operations

Ian Whitehead brings over 20 years of Government and semi-Government executive level experience to the planning and management of GC2018 infrastructure.

Prior to his GOLDOC appointment, Mr Whitehead was General Manager - Operations for Stadiums Queensland, where he was responsible for the operational performance of Queensland's major sporting and recreational infrastructure - a portfolio of nine venues valued at more than \$1.2 billion.

He has also held several executive positions with the Queensland Government's Sport and Recreation Services Department and was Managing Director of the Gold Coast Motor Racing Events Company for ten years.

Mr Whitehead played a major role in the planning of infrastructure and the development of the successful Gold Coast 2018 Commonwealth Games bid.

Helen Moore, General Manager - Finance and Business Services

Helen Moore's capacity to deliver corporate services to GOLDOC has been demonstrated during more than 15 years of senior leadership within the semi-Government sector.

A fully qualified accountant, Ms Moore has served as Director of Organisational Services for CGC and Executive Director of Corporate Services for Tourism Queensland and held senior roles with Seqwater and the Port of Brisbane Corporation.

Public Sector Ethics Act 1994

The GOLDOC Code of Conduct (the Code) is based on the four guiding principles outlined in the *Public Sector Ethics Act 1994*. The Code provides GOLDOC employees with a framework that details the expectations of staff in upholding GOLDOC's values and in behaving in the manner required in daily business activities. The Code provides guidance to ensure employee decisions and behaviours are aligned with these principles and values so that all employees maintain a high standard of integrity, professionalism and accountability.

Adherence to the Code is fundamental to building a partnership of trust between GOLDOC's stakeholders and the community. All GOLDOC employees are provided with a copy of the Code upon appointment and it is published on the corporate intranet for ongoing employee reference.

GOVERNANCE – RISK MANAGEMENT AND ACCOUNTABILITY

Risk management

GOLDOC recognises that it has a responsibility to manage risks, protect its people, reputation, communities and the interests of its stakeholders and partners. Risk recognition and management are viewed by GOLDOC as integral to the successful execution of its strategy.

In 2013-14 GOLDOC implemented a risk management framework that adopts the relevant principles of the *Australian/New Zealand Standard AS/NZS ISO 31000:2009*. The risk management approaches and thresholds of key delivery partners were also considered.

Through the risk management framework, consistent risk management principles have been embedded in all critical business activities and FAs. Risk controls have been designed and implemented to achieve the GMS. The effectiveness of these controls is systematically reviewed at the Board, Committee, divisional and FA levels, and where necessary, improved. GOLDOC is committed to the effective implementation and integration of risk management practices. It seeks to adopt best practices where appropriate in the identification, evaluation and cost effective control of risks to ensure that they are eliminated or reduced to an acceptable level.

A key consideration in developing the risk management framework was its application across the whole of Games and integration with key delivery partners. The framework establishes a process by which this can be monitored, reported and integrated so that a whole of Games approach can be taken.

GOLDOC abides by the following guiding principles for managing risk:

- Ensure GOLDOC has a robust internal culture and process that is capable of identifying and managing its risks
- Promote a culture where risk management is understood to be everyone's responsibility
- Manage risks in accordance with best practice
- Establish clear roles, responsibilities and reporting lines for risk management
- Maintain effective communication about risk and GOLDOC's approach to risk taking.

External scrutiny

The external audit plan with Queensland Audit Office (QAO) was approved by the GOLDOC Board in July 2013. The external audit of GOLDOC's financial statements took place in July 2014 followed by certification by QAO in August 2014. Much work has taken place over the twelve months ending June 2014 towards this activity, including the development and implementation of specific policies, implementation of financial management processes and controls across day to day finance activities including transactions, taxation and working capital management and development of processes to facilitate State Government financial reporting requirements.

Internal audit

An internal audit function is yet to be established for GOLDOC. Once operational, it will provide guidance to management and the FAC on internal controls and the management of business risk.

Information systems and recordkeeping

GOLDOC has continued to work on the implementation of its information management solutions. OpenText has been adopted by the business as GOLDOC's single source of truth and is also being utilised as a collaboration tool by a number of external Games delivery partners.

During 2013-14 information management activities, such as data migration and policy and guideline development, were completed.

GOLDOC is working with Queensland State Archives to develop a Retention and Disposal Schedule for the management of games specific records, ensuring the legacy of GC2018 is available for future generations.

Further detail regarding the scoping, procurement and implementation of the corporate applications systems is addressed in the relevant section on page 12.

GOVERNANCE – HUMAN RESOURCES

Workforce planning, attraction and retention, and performance

GOLDOC is committed to attracting and retaining a highly skilled workforce to achieve its objectives. At 30 June 2014 GOLDOC had 41 FTEs and two secondees.

During 2013-14 the following activities were undertaken to ensure ideal attraction, retention, and performance through the delivery of fair, equitable and appropriate workforce practices:

Workforce planning

During 2013-14 an initial estimate of the total workforce resourcing requirements across all divisions was developed. The plan identified the number of staff, position titles and the workforce diversity profile needed for 2014-15 and subsequent years. Further analysis, review and liaising with the business will be undertaken to establish more detailed resourcing requirements as planning for Games-time operations progresses.

Attraction and retention

GOLDOC implemented a reward strategy and framework with consideration given to ensuring a balance of labour related costs with the ability to attract and keep staff. This is especially critical in an environment where budgets are constrained, jobs are short term and recruitment and retention of key staff is crucial. Roles are extensively advertised on the GC2018 website and in the media. The majority of employment opportunities will commence from 2015 onwards.

Performance

During 2013-14 an employee performance management framework was implemented across the organisation. All new employees are required to attend an induction session conducted by Human

Resources and performance reviews are conducted annually. Individuals are required to set goals and behaviours that link to the corporate operational plans and GOLDOC objectives.

OPEN DATA

For 2013-14, GOLDOC's consultancies and overseas travel will be published through the Queensland Government's Open Data website (www.data.qld.gov.au) instead of in the Annual Report.

Online publication

GOLDOC will publish its Annual Report 2013-14 online at www.gc2018.com



Financial Statements

2013-2014



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These financial statements cover the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC).

GOLDOC is a statutory authority established under the *Commonwealth Games Arrangements Act 2011*.

The GOLDOC portfolio is part of the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

The Games Headquarters and principal place of business of GOLDOC is:
2 Corporate Court
BUNDALL QLD 4217

A description of the nature of GOLDOC's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the GOLDOC's financial statements please call (07) 5583 5800, email info@goldoc.com or visit www.gc2018.com.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Income from continuing operations			
Grants	2	17,070	9,372
Interest	3	160	71
Other income	4	509	424
Total income from continuing operations		17,739	9,867
Expenses from continuing operations			
Employee expenses	5	5,393	3,401
Supplies and services	7	8,213	5,314
Depreciation	8	451	311
Other expenses	9	73	61
Total expenses from continuing operations		14,130	9,087
Operating result for the year		3,609	780

The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	10	4,727	1,310
Trade and other receivables	11	375	59
Other current assets	12	824	242
Total current assets		5,926	1,611
Non-current assets			
Plant and equipment	13	1,131	1,125
Other non-current assets	14	624	299
Total non-current assets		1,755	1,424
Total assets		7,681	3,035
Current liabilities			
Trade and other payables	15	1,490	689
Accrued employee benefits	16	411	187
Total current liabilities		1,901	876
Non-current liabilities			
Accrued employee benefits	16	57	45
Total non-current liabilities		57	45
Total liabilities		1,958	921
Net assets		5,723	2,114
Equity			
Accumulated surplus		5,723	2,114
Total equity		5,723	2,114

The accompanying notes form part of these statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Accumulated surplus \$'000	Total \$'000
Balance as at 1 July 2012	1,334	1,334
Total operating result for the year	780	780
Balance as at 30 June 2013	<u>2,114</u>	<u>2,114</u>
Balance as at 1 July 2013	2,114	2,114
Total operating result for the year	3,609	3,609
Balance as at 30 June 2014	<u>5,723</u>	<u>5,723</u>

The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Grants received		17,070	9,742
Interest received		164	71
Receipts from operations		7	15
Employee expenses		(4,949)	(3,228)
Supplies and services		(8,946)	(5,673)
GST received from ATO		552	433
GST paid to ATO		(7)	(1)
Net cash provided by operating activities	17	3,891	1,359
Cash flows from investing activities			
Payments for property, plant and equipment		(474)	(1,284)
Net cash used in investing activities		(474)	(1,284)
Net increase in cash and cash equivalents		3,417	75
Cash and cash equivalents at beginning of financial year		1,310	1,235
Cash and cash equivalents at end of financial year	10	4,727	1,310

The accompanying notes form part of these statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

Objectives and principal activities of GOLDOC

The Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) is a statutory authority established on 1 January 2012 under the *Commonwealth Games Arrangements Act 2011*. GOLDOC's functions are to undertake and facilitate the organisation, conduct, promotion, commercial and financial management of the XXI Commonwealth Games (Games) in 2018 in conjunction with the Australian Commonwealth Games Association (ACGA) and the Commonwealth Games Federation (CGF). GOLDOC is a statutory body for the purposes of the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* (SBFA). Under section 46 of the *Commonwealth Games Arrangements Act 2011*, GOLDOC is to be dissolved no later than 18 months after the end of the closing ceremony of the Games.

Responsibilities of Games partners

There are government services outside of GOLDOC required to deliver the Games and these are coordinated by the Office of Commonwealth Games Coordination (OCGC) within the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB). The OCGC also controls the capital budget for the Games venues (excluding the Commonwealth Games Village (CGV)). The Department of State Development, Infrastructure and Planning (DSDIP) coordinate the planning, design and project management for the delivery of Games capital venue infrastructure. Within DSDIP, Economic Development Queensland (EDQ) is responsible for the planning and delivery of the Parklands capital development which incorporates the requirements of the CGV.

Both DSDIP and EDQ report through the Commonwealth Games Infrastructure Authority (CGIA) which is responsible to the Deputy Premier for the delivery of these capital infrastructure projects. The CGIA was established on 1 February 2013 under the *Economic Development Act 2012* to oversee the planning and development of the CGV and other major infrastructure projects and venues for the Games.

As the capital infrastructure programs for the CGV and venues are not managed by or funded through GOLDOC, they are not included in GOLDOC's financial statements.

1. Statement of significant accounting policies

(a) Statement of compliance

GOLDOC has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Standards and Interpretations of the Australian Accounting Standards Board (AASB). In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2014 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, GOLDOC has adopted those requirements applicable to not-for-profit entities, as GOLDOC is a not-for-profit statutory authority. Except where stated, the historical cost convention is used.

(b) The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity.

(c) Revenue and other income

Grant revenue

Grants received are government grants that are non-reciprocal in nature and are recognised as revenue in the financial year in which GOLDOC obtains control over them.

Interest revenue

Interest revenue is recognised as it is accrued, using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(c) Revenue and other income (continued)

Unrealised foreign exchange gain

Unrealised foreign exchange gains are recorded as revenue in the Statement of Comprehensive Income at initial recognition of GOLDOC's derivative asset contracts. The amounts are adjusted through the operating result when the derivative contracts are re-valued in line with market fluctuations at the reporting date.

(d) Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June 2014.

(e) Trade and other receivables

Receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase or contract price). Settlement of these amounts is required within 30 days from invoice date.

(f) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use.

(g) Plant and equipment

Items of plant and equipment 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.

Assets under construction are classified as work-in-progress in the Statement of Financial Position and are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when work is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then transferred to the relevant plant and equipment asset class.

(h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or established using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets and liabilities being valued. An observable input used by GOLDOC is the published market quoted exchange rates for its derivative assets.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets and liabilities being valued. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets and liabilities. No significant unobservable inputs are used by GOLDOC in the valuation of its assets and liabilities.

All assets and liabilities of GOLDOC, for which fair value is measured or disclosed in the financial statements, are categorised as level 2 measurements under the fair value hierarchy. Level 2 represents fair value measurements that are substantially derived from inputs that are observable, either directly or indirectly.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(i) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount.

Lease payments are allocated between the principal component of the lease liability and the interest expense. GOLDOC does not have any finance leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(j) Trade and other payables

Trade creditors are recognised upon receipt of the goods or services and are measured at the agreed purchase or contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(k) Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when GOLDOC 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 the operating result
- Trade and other receivables - held at original transaction value
- Derivative assets – held at fair value through the operating result
- Trade and other payables - held at original transaction value

Derivative assets

GOLDOC uses derivative financial instruments to hedge its risk associated with foreign currency fluctuations for commitments. 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. Subsequent to initial recognition through the operating result, derivatives are re-valued at the reporting date in line with market fluctuations.

GOLDOC's derivative financial instruments do not qualify for hedge accounting. Any gains or losses arising from changes in fair value are taken directly to the Statement of Comprehensive Income through the operating result for the year.

All other disclosures relating to the measurement and financial risk management of financial instruments held by GOLDOC are included in note 19.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(I) Employee benefits

Employer superannuation contributions, annual leave and long service leave expenses are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, salaries, sick leave and annual leave

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates. For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values.

Recent trends in the Queensland public sector indicate that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, management believe it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave

Annual leave entitlements are expected to be paid within 12 months and are classified as current liabilities and recognised at their present value in accordance with pay rates as at 30 June 2014.

Long service leave

Long service leave entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value in accordance with pay rates as at 30 June 2014. Long service leave is only provided for those staff that will become entitled to an unconditional benefit within the life of GOLDOC.

Superannuation

Employer superannuation contributions are paid to superannuation funds as nominated by GOLDOC employees. Contributions meet or exceed the requirements of the *Superannuation Guarantee (Administration) Act 1992* and are expensed in the period in which they are paid or payable. GOLDOC's obligation is limited to its contribution to the superannuation funds.

QSuper (the superannuation scheme for Queensland Government employees) has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key management personnel remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 6 of the Financial Statements for the disclosures on executive management personnel remuneration.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(m) Insurance

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

(n) Taxation

GOLDOC is exempt from income tax under section 24AQ of the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from and GST payable to the Australian Taxation Office, are recognised in the Statement of Financial Position (refer to note 11).

(o) Issuance of financial statements

The financial statements are authorised for issue by the Chairman, Chief Executive Officer and Chief Financial Officer at the date of signing the Management Certificate.

(p) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements 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 future periods as relevant.

(q) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

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

(r) Depreciation of plant and equipment

GOLDOC has adopted the straight line depreciation method for all fixed assets placed in service for the 2013-14 financial year with depreciation calculated on the useful life of the asset. Useful lives are reviewed on an annual basis. Plant and equipment classifications are depreciated as follows:

- Fit out assets fully depreciated by the expiration of GOLDOC's lease on 30 June 2015
- Technology assets depreciated over three years in line with standard industry practice

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(s) New and revised accounting standards

GOLDOC has maintained the accounting policies adopted in the 2012-13 financial statements. The relevant Australian Accounting Standard changes applicable to the 2013-14 financial year have been adopted as relevant.

GOLDOC is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade, in accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Consequently, GOLDOC has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. GOLDOC applies standards and interpretations in accordance with their respective commencement dates.

The following Australian Accounting Standard changes are applicable for the first time as of 2013-14 as they have a significant impact on GOLDOC's financial statements.

AASB 13 *Fair Value Measurement* became effective for reporting periods beginning on or after 1 January 2013. Changes include a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The requirements apply to all of GOLDOC's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 relate to fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

GOLDOC reviewed its fair value methodologies (including assumptions made) for all items of plant and equipment measured at fair value to ensure the methodologies comply with AASB 13.

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 established a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements (Australian Accounting Standards which is commonly referred to as 'Tier 1', and Australian Accounting Standards – Reduced Disclosure Requirements which is commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like GOLDOC may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of GOLDOC, Queensland Treasury and Trade is the regulator. Treasury Department Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments and statutory bodies (including GOLDOC) that are consolidated into the whole-of-Government financial statements. Therefore, Tier 1 reporting requirements will apply to GOLDOC and the release of AASB 1053 and associated amending standards has had no impact on GOLDOC.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are set out below.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. GOLDOC will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the Queensland Government's Service Delivery Statements for the 2014-15 financial year. The budget figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
2. Grants		
Queensland Government grants	17,070	9,372
Total	17,070	9,372
3. Interest		
Interest from bank	23	71
Interest from QTC Cash Fund	137	-
Total	160	71
4. Other income		
Rent received	-	1
Unrealised foreign exchange gain	509	423
Total	509	424
5. Employee expenses		
Employee benefits		
Wages and salaries	4,155	2,520
Board fees	188	195
Employer superannuation contributions	388	259
Annual leave expense	99	92
Long service leave expense	12	4
Employee related expenses		
Workers' compensation premium	26	15
Payroll tax	201	114
Recruitment expenses	238	178
Other	86	24
Total	5,393	3,401
The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis is:		
Number of employees	41	25

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

6. Key management personnel and remuneration expenses

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of GOLDOC during the 2013-14 financial year. Further information on these positions can be found in the body of the Annual Report under the section relating to Governance – management and structure.

Remuneration packages for key executive management personnel comprise the following components:

- Short term benefits which consist of base salary, retention payments, allowances and leave entitlements paid and provided for the entire year, or for that part of the year during which the employee occupied the specific position; and non-monetary benefits consisting of fringe benefits tax applicable to entertainment benefits provided.
- Post-employment benefits consist of superannuation contributions.
- Long term benefits include long service leave accrued.
- Retention payments are accrued and are paid at end of Games contingent on performance.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination.

(a) Key management personnel - Board

The Board is responsible for the way GOLDOC performs its functions and exercises its powers. It is the role of the Board to ensure that GOLDOC performs its functions in an appropriate, effective and efficient way. All current Board members are included in the tables below.

Name	Position	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (date resigned from position)
Nigel Chamier OAM	Chairman	Governor in Council	10 May 2012
Sam Coffa AM	Deputy Chairman	Governor in Council	10 May 2012
Catherine Tanna	Board member	Governor in Council	10 May 2012 (16 May 2014)
Stephen Conry	Board member	Governor in Council	10 May 2012
Perry Crosswhite AM	Board member	Governor in Council	10 May 2012
Mike Victor OAM	Board member	Governor in Council	10 May 2012
Glynis Nunn-Cearns OAM	Board member	Governor in Council	10 May 2012
Dennis Chant	Board member	Governor in Council	10 May 2012

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(b) Remuneration expenses - Board

All Board members receive a fee set by the Governor of Queensland. Fees were published in the Queensland Government Gazette on 11 May 2012. In addition all Board members are eligible to be reimbursed for necessary and reasonable expenses incurred while travelling on business and attending meetings in connection with the functions of the Board. Reimbursements are excluded from the tables below.

Year ended 30 June 2014

Board member (date resigned from position)	Short term expenses		Long term expenses \$'000	Post- employment expenses \$'000	Termination expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non- monetary benefits \$'000				
	Nigel Chamier OAM	50				
Sam Coffa AM	18	-	-	2	-	20
Catherine Tanna (16 May 2014)	16	-	-	2	-	18
Stephen Conry	18	-	-	2	-	20
Perry Crosswhite AM	20	-	-	-	-	20
Mike Victor OAM	-	-	-	20	-	20
Glynis Nunn-Cearns OAM	18	-	-	2	-	20
Dennis Chant	18	-	-	2	-	20

As part of Mr Crosswhite's duties as Chief Executive Officer of the ACGA, he is required to serve as a Board member on Bid and Organising Committees and as such any Board fees are paid to the ACGA. For the year ended 30 June 2014, GOLDOC paid \$20,050 to the ACGA in relation to Board fees.

Non-monetary benefits, long term employment benefits or termination benefits were not paid or payable to Board members for the year ended 30 June 2014.

Year ended 30 June 2013

Board member	Short term expenses		Long term expenses \$'000	Post- employment expenses \$'000	Termination expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non- monetary benefits \$'000				
	Nigel Chamier OAM	50				
Sam Coffa AM	20	-	-	-	-	20
Catherine Tanna	18	-	-	2	-	20
Stephen Conry	18	-	-	2	-	20
Perry Crosswhite AM	20	-	-	-	-	20
Mike Victor OAM	-	-	-	20	-	20
Glynis Nunn-Cearns OAM	18	-	-	2	-	20
Dennis Chant	18	-	-	2	-	20

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(c) Key management personnel - Executives

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (date of restructure)
Chief Executive Officer	Responsible for the management of GOLDOC in accordance with the priorities of the Board. This includes providing strategic leadership and direction for key stakeholders including staff, industry and government agencies for the efficient and effective management of GOLDOC's administration and operation.	Governor in Council	16 February 2012, with role initially held in an acting capacity from 1 January 2012
General Manager, Finance and Business Services	Responsible for strategic direction and leadership over financial management, business solutions, technology, information management, procurement, legal and human resources for the efficient and effective management of GOLDOC.	Chief Executive Officer	10 April 2012
General Manager, Venues and Operations	Responsible for strategic direction and leadership over the planning, construction and management of sporting infrastructure and facility operations for the efficient and effective management of GOLDOC.	Chief Executive Officer	17 May 2012
General Manager, Marketing and Communication	Responsible for strategic direction and leadership of marketing, communications and sponsorship areas and management of planning, development and implementation of related strategies for the effective and efficient positioning and promotion of GOLDOC.	Chief Executive Officer	23 April 2012 (22 November 2013)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(d) Remuneration expenses - Executives

Year ended 30 June 2014

Position (date of restructure)	Short term employee expenses		Long term employee expenses \$'000	Post-employment expenses \$'000	Termination expenses \$'000	Total expenses \$'000
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000				
Chief Executive Officer	405	1	-	48	-	454
General Manager, Finance and Business Services	294	-	-	27	-	321
General Manager, Venues and Operations	264	-	-	34	-	298
General Manager, Marketing and Communication (22 November 2013)	90	1	-	7	-	98

Year ended 30 June 2013

Position	Short term employee expenses		Long term employee expenses \$'000	Post-employment expenses \$'000	Termination expenses \$'000	Total expenses \$'000
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000				
Chief Executive Officer	405	-	-	48	-	453
General Manager, Finance and Business Services	232	-	-	18	-	250
General Manager, Venues and Operations	254	-	-	29	-	283
General Manager, Marketing and Communication	213	-	-	17	-	230

(e) Retention payments – Executives

The remuneration package for executive positions may include a retention payment of up to a maximum of 10% of the respective executive's total fixed remuneration at the end of the Games per year of service. As part of GOLDOC's Board approved remuneration strategy this came into effect in the 2013-14 financial year and is reflected in short term monetary expenses for 30 June 2014. Eligibility for such a retention payment is conditional on the achievement of all key performance indicators and satisfactory performance throughout the term of the employment contract.

GOLDOC did not recognise any retention payments as an expense in prior financial years. The actual value of the retention payment expense in 2013-14 is accrued only and is calculated from the executive's commencement date to 30 June 2014. This retention amount is included in the 2014 table reflecting the total accrual recognised in the June 2014 financial year. The aggregate retention payments expensed in respect of all key management personnel are as follows:

	2014 \$'000	2013 \$'000
General Manager, Finance and Business Services	<u>57</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
7. Supplies and services		
Advertising and promotion	70	30
Building lease expense	276	88
Building services	135	155
CGF host fees	2,404	2,376
Contractors and consultants fees	3,093	1,424
Corporate services	-	43
Entertainment and hospitality	36	16
IT services	930	358
Low value assets expensed	58	185
Media expenses	48	13
Motor vehicle and car parking expenses	22	10
Postage and freight	6	5
Printing and stationery	34	33
Professional services	734	190
Telephone	50	36
Travel and accommodation expenses	235	198
Website and social media expenses	6	13
Other	76	141
Total	<u>8,213</u>	<u>5,314</u>

8. Depreciation

Depreciation was incurred in respect of:

Plant and equipment	<u>451</u>	<u>311</u>
Total	<u>451</u>	<u>311</u>

9. Other expenses

Insurance	46	39
Audit fees	<u>27</u>	<u>22</u>
Total	<u>73</u>	<u>61</u>

Total external audit fees relating to the 2013-14 financial year are estimated to be \$25,000 and have been accrued. An additional \$2,000 relates to an under accrual in the 2012-13 financial year. There are no non-audit services included in this amount.

10. Cash and cash equivalents

Cash at bank	95	1,309
Cash at QTC Cash Fund	4,631	-
Cash on hand	<u>1</u>	<u>1</u>
Total	<u>4,727</u>	<u>1,310</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
11. Trade and other receivables		
Interest receivable	-	4
Other receivables	250	2
GST input tax credits receivable	126	55
GST payable	(1)	(3)
	<u>125</u>	<u>52</u>
Total	<u>375</u>	<u>59</u>

12. Other current assets

Prepayments	515	109
Derivative assets	309	125
Other	-	8
Total	<u>824</u>	<u>242</u>

13. Plant and equipment

Plant and equipment:		
At cost	1,590	1055
Less: Accumulated depreciation	(762)	(311)
	<u>828</u>	<u>744</u>
Work-in-progress:		
At cost	303	381
Total	<u>1,131</u>	<u>1,125</u>

	Plant & equipment	Work in progress	Total
Plant and equipment reconciliation	2014	2014	2014
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2013	744	381	1,125
Acquisitions	40	417	457
Transfers	495	(495)	-
Depreciation	(451)	-	(451)
Carrying amount at 30 June 2014	<u>828</u>	<u>303</u>	<u>1,131</u>

	Plant & equipment	Work in progress	Total
Plant and equipment reconciliation	2013	2013	2013
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	-	152	152
Acquisitions	70	1,214	1,284
Transfers	985	(985)	-
Depreciation	(311)	-	(311)
Carrying amount at 30 June 2013	<u>744</u>	<u>381</u>	<u>1,125</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
14. Other non-current assets		
Derivative assets	624	299
Total	624	299
15. Trade and other payables		
Trade payables	911	415
Accrued expenses	435	150
Other payables	144	124
Total	1,490	689
16. Accrued employee benefits		
Current		
Wages and salaries	178	54
Annual leave	233	133
Total	411	187
Non-current		
Long service leave	57	45
Total	57	45
17. Reconciliation of operating surplus to net cash from operating activities		
Operating surplus/(deficit)	3,609	780
Depreciation expense	451	311
Unrealised foreign exchange gain	(509)	(423)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(317)	376
(Increase)/decrease in other current assets	(398)	(107)
Increase/(decrease) in trade and other payables	819	294
Increase/(decrease) in accrued employee benefits	236	128
Net cash provided by operating activities	3,891	1,359

GOLDOC receives Queensland State Government grant funding on an annual basis for project expenditure. The total amount received for the year is recorded as income in the Statement of Comprehensive Income.

The operating surplus reported in the Statement of Comprehensive Income (and note 17 above) for the current financial year arises mainly due to the component of unspent grant funding that is to be carried over into a future financial year, to meet remaining project expenditure commitments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

2014
\$'000

2013
\$'000

18. Commitments

(a) Non-cancellable operating lease

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	437	392
Later than one year and not later than five years	-	407
Later than five years	-	-
Total	<u>437</u>	<u>799</u>

Operating leases are entered into as a means of acquiring access to office accommodation. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

(b) Other expenditure commitments

Material classes of other expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

Not later than one year	7,536	4,374
Later than one year and not later than five years	14,655	11,485
Later than five years	-	-
Total	<u>22,191</u>	<u>15,859</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

19. Financial instruments

(a) Categorisation of financial instruments

GOLDOC has the following categories of financial assets and financial liabilities:

Category	Notes	2014 \$'000	2013 \$'000
Financial assets			
Cash and cash equivalents	10	4,727	1,310
Trade and other receivables	11	375	59
Derivative current assets	12	309	125
Derivative non-current assets	14	624	299
Total		6,035	1,793
Financial liabilities			
Trade and other payables	15	1,490	689
Total		1,490	689

(b) Financial risk management

GOLDOC's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk and interest rate risk.

Financial risk management is implemented pursuant to policies of the Government and GOLDOC. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of GOLDOC.

All financial risk is managed under policies that are approved by GOLDOC's Board.

(c) Credit risk

Credit risk is the risk of financial loss to GOLDOC from the failure of a counterparty to settle its financial or contractual obligations as and when they fall due.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets. The following table represents GOLDOC's maximum exposure to credit risk based on contractual amounts:

Category	Notes	2014 \$'000	2013 \$'000
Financial assets			
Cash and cash equivalents	10	4,727	1,310
Trade and other receivables	11	375	59
Total		5,102	1,369

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

In accordance with GOLDOC's Treasury policy, credit risk on financial assets is minimised by dealing with recognised financial institutions and counterparties with acceptable credit ratings. GOLDOC is exposed to credit risk on foreign exchange forward contracts placed with Queensland Treasury Corporation (QTC) and cash at bank deposited with the Commonwealth Bank of Australia. Counterparties hold a minimum Standard and Poor's rating of AA-.

No collateral is held as security and no credit enhancements relate to financial assets held by GOLDOC.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

No receivables were past due or impaired as at 30 June 2014.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(d) Liquidity risk

Liquidity risk is the risk that GOLDOC may encounter difficulty in meeting financial obligations associated with financial liabilities as they fall due.

GOLDOC manages liquidity risk by ensuring it has sufficient funds available to meet all financial obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held by forecasting monthly cash requirements.

GOLDOC receives its Government grant funding in quarterly instalments paid in advance, which ensures GOLDOC has sufficient cash on demand to meet operational expenses for the quarter. An overdraft facility of \$500,000 was approved by the Treasurer on 21 December 2012 in accordance with section 31(2) of the SBFA. This overdraft was not utilised by GOLDOC during the financial year ended 30 June 2014.

GOLDOC has no borrowings. The total financial liabilities are current in nature and consist of trade and other payables shown in note 15. All trade and other payables are generally settled within two months or less.

(e) Market risk

GOLDOC is required to make licence fee payments in pounds sterling to the CGF each year in accordance with obligations under the Host City Contract and this exposes it to foreign exchange risk.

GOLDOC is listed in Schedule 8 of the *Statutory Bodies Financial Arrangements Regulation 2007* as a statutory body that may enter into derivative transactions. As approved by the Treasurer under section 61A of the SBFA, GOLDOC has placed a hedging program with QTC to manage foreign currency risks relevant to payments to be made annually to the CGF. A summary of quantitative data about the exposure to currency risk and the financial instrument contractual maturities placed with QTC is as follows.

Maturity dates	Face value '000 AUD	Face value '000 GBP	Contract exchange rate	30 June exchange rate
30/12/2014	2,465	1,520	0.6166	0.5526
30/12/2015	2,539	1,520	0.5986	0.5526
29/12/2016	2,619	1,520	0.5804	0.5526
28/12/2017	2,697	1,520	0.5635	0.5526
	10,320	6,080		

The movement of the Australian dollar against the pound sterling at 30 June 2014 would have affected the measurement of financial instruments denominated in a foreign currency. The potential impact to equity and operating result is shown below. This analysis is based on foreign currency exchange rate movements considered by GOLDOC to be reasonably possible at the end of the reporting period.

The following analysis assumes that if all other variables, in particular interest rates remain constant, GOLDOC would have a surplus or equity increase or decrease of \$93,000.

Financial instruments	Unrealised gain on exchange	2014 Exchange rate movement			
		-10%		+10%	
		Surplus	Equity	Surplus	Equity
Derivatives	933	(93)	(93)	93	93
Potential impact		(93)	(93)	93	93

Financial instruments	Unrealised gain on exchange	2013 Exchange rate movement			
		-10%		+10%	
		Surplus	Equity	Surplus	Equity
Derivatives	423	(42)	(42)	42	42
Potential impact		(42)	(42)	42	42

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

(f) Interest rate sensitivity analysis

In managing interest rate risk, GOLDOC aims to reduce the impact of short-term fluctuations on GOLDOC's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on GOLDOC's earnings.

The following analysis depicts the outcome if interest rates change by +/- 1% from the year end rates applicable to GOLDOC's financial assets. With all other variables held constant, GOLDOC would have a surplus or equity increase or decrease of \$47,000.

Financial instruments	Carrying amount \$'000	2014 Interest rate risk			
		-1%		+1%	
		Surplus	Equity	Surplus	Equity
Cash and cash equivalents	4,727	(47)	(47)	47	47
Potential impact		(47)	(47)	47	47

Financial instruments	Carrying amount \$'000	2013 Interest rate risk			
		-1%		+1%	
		Surplus	Equity	Surplus	Equity
Cash and cash equivalents	1,310	(13)	(13)	13	13
Potential impact		(13)	(13)	13	13

(g) Fair values

GOLDOC recognises its foreign currency hedge contract (derivative asset) at fair value through the operating result in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The value of the original transactions for all other financial assets and liabilities is assumed to approximate their fair value.

20. Marketing rights

GOLDOC is a party to an agreement with the ACGA. This agreement provides for the future economic benefits from the marketing rights for the 2018 Commonwealth Games to flow to GOLDOC from 1 January 2015 to 31 December 2018.

AASB 138 *Intangible Assets* requires an intangible asset that is received by a not-for-profit entity at no cost is to be recognised at its fair value in the annual financial statements. An intangible asset for the marketing rights has not been recognised within these financial statements due to the uncertainty of the future economic benefits that will flow to GOLDOC. The expected revenue is immaterial in the context of GOLDOC's commercial revenue targets.

21. Events occurring after balance date

There were no events that occurred after balance date which would materially affect the financial statements or disclosures.

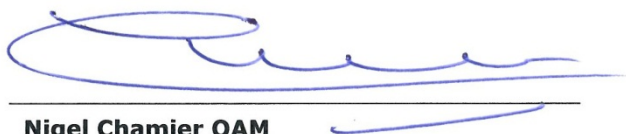
MANAGEMENT CERTIFICATE

Certification of the Gold Coast 2018 Commonwealth Games Corporation

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of GOLDOC for the financial year ended 30 June 2014 and of the financial position at GOLDOC at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Nigel Chamier OAM
Chairman

Date 26/8/2014



Mark Peters
Chief Executive Officer

Date 26/8/2014



Helen Moore FCPA
General Manager Finance and Business
Services

Date 26/8/2014

INDEPENDENT AUDITORS REPORT

To the Board of Gold Coast 2018 Commonwealth Games

Report on the Financial Report

I have audited the accompanying financial report of the Gold Coast 2018 Commonwealth Games Corporation, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman, the Chief Executive Officer and the General Manager Finance and Business Services.

The Board's responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory reporting requirements 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 all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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.

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

(b) In my opinion:

- (i) The prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respect
- (ii) The financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Gold Coast 2018 Commonwealth Games Corporation for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other matters – Electronic presentation of the audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurances on the integrity of the information presented electronically and does not provide an opinion on any of the information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



R W Hodson CPA
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Feedback

GOLDOC is interested in hearing your feedback on its Annual Report 2013-14. Please help us by taking a few minutes to complete the survey on www.qld.gov.au/annualreportfeedback so that we can continue to improve the quality of our Annual Report.

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GLOSSARY

Acronym	Definition
ACGA	Australian Commonwealth Games Association
CGA	Commonwealth Games Association
CGC	City of Gold Coast
CGF	Commonwealth Games Federation
CGIA	Commonwealth Games Infrastructure Authority
CGV	Commonwealth Games Village
Co-Com	Coordination Commission
DSDIP	Department of State Development, Infrastructure and Planning
DTESB	Department of Tourism, Major Events, Small Business and the Commonwealth Games
DTMR	Department of Transport and Main Roads
EDQ	Economic Development Queensland
FA	Functional Area
FAC	Finance and Audit Committee
FHC	Flag Handover Ceremony
FTE	Full time equivalent
G2014	Glasgow 2014 Commonwealth Games
GC2018	Gold Coast 2018 Commonwealth Games™
GHQ	Games Headquarters
GMS	Games Master Schedule
GOLDOC	Gold Coast 2018 Commonwealth Games Corporatio
IF	International Sporting Federation
JMC	Joint Marketing Committee
MP	Marketing plan
OBS	Glasgow 2014 Commonwealth Games Observer Program
OCCG	Office of Commonwealth Games Coordination
QAO	Queensland Audit Office
STC	Sport and Technical Committee

COMPLIANCE CHECKLIST

Compliance checklist			
Summary of requirement		Basis for requirement	Annual report page #
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	2
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	3, 55
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	2
	<ul style="list-style-type: none"> Information licensing 	<i>QGEA – Information Licensing</i> ARRs – section 10.5	N/A
General information	<ul style="list-style-type: none"> Introductory information 	ARRs – section 11.1	5, 7
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	8
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	9
	<ul style="list-style-type: none"> Machinery of government changes 	ARRs – section 11.4	N/A
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 12.1	11
	<ul style="list-style-type: none"> Other whole of government plans/ specific initiatives 	ARRs – section 12.2	12
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	12
	<ul style="list-style-type: none"> Agency service areas⁷ and service standards 	ARRs – section 12.4	16
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	17
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	18
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	23
	<ul style="list-style-type: none"> Related entities 	ARRs – section 14.3	N/A
	<ul style="list-style-type: none"> Government bodies 	ARRs – section 14.4	N/A
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act</i>	23

Compliance checklist

		1994 (section 23 and schedule) ARRs – section 14.5	
Governance – risk management and accountability	• Risk management	ARRs – section 15.1	24
	• External scrutiny	ARRs – section 15.2	24
	• Audit committee	ARRs – section 15.3	19
	• Internal audit	ARRs – section 15.4	25
	• Public sector renewal	ARRs – section 15.5	N/A
	• Information systems and recordkeeping	ARRs – section 15.6	25
Governance – human resources	• Workforce planning, attraction and retention, and performance	ARRs – section 16.1	25
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	25
Open Data	• Open Data	ARRs – section 17	26
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	51
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	52
	• Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	41-43