



Annual Report

2008/2009

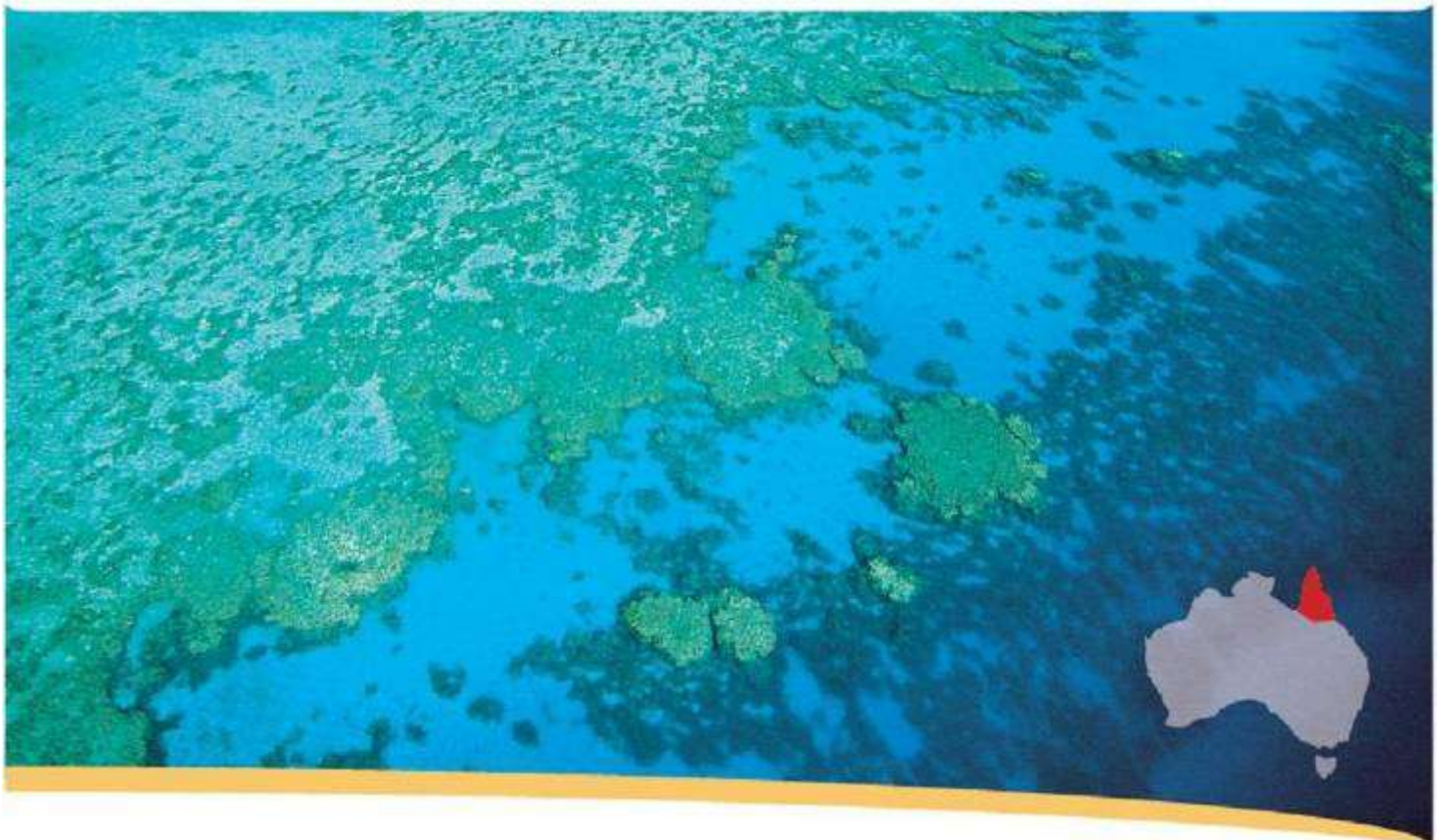


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ABOUT US

OUR VISION

To develop and sustain a diverse and vibrant Tropical North Queensland (TNQ) economy that creates employment, attracts investment and services, and enhances our environment, lifestyle, and community.

OUR MISSION

Coordinating, facilitating and advocating economic growth in TNQ.

OUR VALUES

The values which underpin our operation create the culture of the organisation and allow us to assess the validity of actions, are as follows

- Honesty and integrity
- Independent and apolitical advocacy
- Committed to collaboration and partnership
- Delivering on our promises
- Focussed on social and environment sustainability
- Committed to open and inclusive communication with all stakeholders
- A drive to do the right thing for the TNQ Region
- High achievements obtained despite limited resources
- Efficient use of resources & decisions

OUR OPERATING APPROACH

Advance Cairns is the peak co-ordination agency for TNQ economic development. Our strength comes through the collaboration and support of our Shareholders, Members, Patrons and Staff.

ABOUT US

The Company's vision is that of creating a vibrant and sustainable regional economy that promotes and facilitates diverse growth, employment, and lifestyle opportunities. Advance

Cairns aims to achieve this by coordinating the efforts of regional organisations, facilitating new and existing business development, and advancing the needs and opportunities of the Region in all appropriate domestic and international forums.

Advance Cairns operates at a high strategic level, taking an over-arching view of the regional economy, its constituent parts and the opportunities which will arise through cohesive planning, development and effective advocacy.

OUR CORE OBJECTIVES

The Core Activities for Advance Cairns are:

- Broadening our economic base through attracting new industries, and building on core centres of expertise, competitive advantages and facilitating business development.
- Establishing a whole of region alliance which integrates and links the plans of all councils and regional economic bodies.
- Attracting investors, migrants, services, businesses and tourists to the region by positioning TNQ as a preferred place to invest, visit, live, and operate.
- Monitoring key components of the regional economy. Collate, analyse data, and provide useful insights for all internal and external stakeholders.
- Increasing awareness and support of the organisations' role and program. Attracting widespread support and recognition across regional industry and Government's at all levels to provide financial and strategic support for region.
- Monitor and seek to influence government policy and legislative plans to ensure there is no regulatory impediment to sustainable Regional economic development. Devise appropriate policy and position papers.

CHAIRMAN'S REPORT



In preparing this Chairman's Report I had cause to consider my report for the 2007/08 year, which was presented to the Annual General meeting in October 2008, and that brought home to me the very difficult circumstances and particularly the internal challenges that the organisation had faced over that period.

In reflecting in October 2009 on Advance Cairns' operations for the 2008/09 financial year, I am pleased to be able to report that the organisation has undergone a year of renewal and growth, and that we are now very well structured and placed to deal with the economic development issues facing the greater Tropical North Queensland region. What is particularly pleasing, as those issues are serious and real, is that the need for Advance Cairns to coordinate the efforts of its member bodies to deal with those issues has arguably never been greater. But more on those challenges later.

Highlights of Advance Cairns' internal operations during 2008/09 include:

- The appointment of our new CEO Ross Contarino, commencing 1 July 2008;
- Under Ross's leadership the recruitment of a new executive team to run the operation's day-to-day activities;
- The appointment of new Directors, with the process of Director selection for the first time being based on an advertised and transparent Director "seek and selection" process;
- A renewed and enhanced Patron's program including better engagement with our Patrons and select briefing sessions for them with politicians and business leaders; and
- Improved operational efficiencies and structures, including extensive use of an internal committee system, and strict adherence to budgeting, which has left us in a sound financial position.

Highlights of our external operations during the period under review include:

- A significant increase in the profile of our organisation throughout Tropical North Queensland;
- Our first service contract with Queensland's Department of Employment, Economic Development and Innovation, pursuant to which we were able to deliver various agreed programmes and projects on behalf of the Department;
- As part of that we participated in joint forums with other key Queensland regional economic development organisations, which were originally an Advance Cairns suggestion. In our view they have led to valuable information sharing between those organisations, and we expect them to assist with delivering better regional development outcomes for the State;
- The expansion of our area of operations outside of the area of Cairns Regional Council to include the surrounding Shires of Tablelands, Cassowary Coast and Cook,

CHAIRMAN'S REPORT

which included the employment of a Regional Development Officer jointly funded with FNQROC;

- A decision by the organisation to move squarely into the sustainability debate, with the formation of a very active and widely representative Sustainability Committee hosted by Advance Cairns, which has the ambitious aim of facilitating our region to achieve the goal of becoming Australia's first truly sustainable region;
- A very successful and ongoing project to promote Tropical Expertise, and particularly to promote our region as both the "home" and "owner" of that concept;
- The delivery of a number of successful projects, including Invest TNQ and a Food Tourism project;
- Involvement in a successful Guam Trade Mission;
- Working with various local industry clusters to both support them and to provide office and administrative support;
- Working through and managing the consequences of changes in operations and structures of the Cairns air and sea ports and maintaining our excellent working relationship with FNQ Ports, and working up a good and developing relationship with Cairns Airports; and
- An ongoing commitment to lobbying on behalf of our region, in both Brisbane and Canberra, including various lobbying trips and a significant presence at the regional State Parliament sittings in Cairns.

Generally during the year under review we further developed our working relationships with our various members and stakeholders, including Cairns Regional and other councils, the FNQROC, other regional representative bodies such as Tablelands Futures, State and Federal politicians and departments and other local bodies including Cairns Chamber of Commerce and Tourism Tropical North Queensland. In that regard a key decision which we took during the year was to restructure as a company limited by guarantee to better enable the organisation to operate as a true representative of its stakeholder bodies. While the technical issues to give effect to that are still being worked through, meaning that we have not yet converted to the new structure, I am confident that once we do so that will enable us to provide even better regional economic development products and services and to better represent the entire Tropical North Queensland region.

I am pleased and confident that we finished this year as a stronger and better-run organisation than we were when the year started, which on any measure must be seen as a successful year of operations. However, while that may be so, the challenges we face have never been greater. The economic and associated social and other issues that we face are well known to us all, and arguably this region has been impacted worse than any other in Australia by those issues. Our unemployment rate and the Prime Minister's recent comments at the United Nations would certainly suggest so.

CHAIRMAN'S REPORT

Accordingly I expect that at this time next year we should not be judged by how well we have run ourselves as an organisation, but by what we have achieved and the difference we have made. I throw that challenge out now to all of the Advance Cairns team, be they employees, Directors, stakeholders or others. Our region needs us to produce results, and we are now properly resourced to allow us to do that – it is now up to us to so produce.

In closing, I would like to thank Ross and his team, all of our Directors and Observers, our stakeholders and Patrons. I cannot name you all, but the efforts of each one of you are very much appreciated. However, I must make one exception and personally thank and acknowledge the efforts of my Deputy Chair Rose-Marie Dash. Her passion for the organisation and drive to help it succeed has been outstanding, and we would not have achieved what we have achieved in the year under review without her tireless efforts and refusal to accept second best.

Russell Beer
Chairman

ADVANCE CAIRNS PATRONS

The Advance Cairns Board and Executive Committee gratefully acknowledge the support of the Advance Cairns Patrons

PLATINUM PATRONS



GOLD PATRONS



SILVER PATRONS



CLIENTS | PEOPLE | PERFORMANCE



BRONZE PATRONS



chartered accountants & business consultants



CORPORATE GOVERNANCE

Advance Cairns is a public company limited by shares registered under the Corporations Act 2001 on 9 October 2001. At 30 June, 2009 all shares in Advance Cairns were equally held by Cairns Regional Council and Cairns Port Authority. The company's operations are carried out in accordance with a Company Constitution. Advance Cairns is audited by the Queensland Audit Office.

BOARD OF DIRECTORS

The Board of Directors consists of a representative of each Shareholder, who in turn appoints six member organisations. A representative from each organisation is appointed a Director. The six Directors in turn appoint six Independent Directors from the general business community. The Chairman and Deputy Chairman are selected from the Independent Directors. The Board operates in accordance with a comprehensive Charter and functions include:

- Ensuring commercial policy and management are sound.
- Ensuring the organisation acts in accordance with and carries out the objectives of its approved business plan.
- Accounting to Shareholders and Stakeholders for the organisation's performance.
- Ensuring that the organisation otherwise performs its functions in a proper, effective and efficient way.

CURRENT DIRECTORS

| | | |
|--|---|--|
| Russell Beer – Chairman Partner, MacDonnells Law Appointed October 2001 | Rose-Marie Dash – Deputy Chairman & Director Director & CEO, HS Vision Group Appointed November 2006 | Clive Abbott - Director Betta Real Estate Appointed May 2007 |
| Jeremy Blockey - Director Chairman, Cairns Chamber of Commerce Director, Blockey Consulting Appointed May 2007 | Cam Charlton – Director Director, Kleinhardt FGI Pty Ltd Appointed July 2005 | Owen Dalton – Director Senior Planner, Conics Appointed October 2008 |
| Rob Giason - Director CEO, Tourism Tropical North Queensland Appointed November 2005 | Prof Sandra Harding - Director Chancellor, James Cook University Appointed December 2007 | Michael Huelin – Independent Director Partner, Williams, Graham Carman Appointed October 2009 |
| Cr Val Schier - Director Mayor, Cairns Regional Council Appointed April 2008 | Clive Skarott - Director Chairman, Cairns Ports Appointed February 2007 | Ron Tong - Director Managing Director, Tong Sing Appointed September 2005 |

CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD

To support its activities, the Board has established the following committees:

Operations Committee

The committee exists to undertake additional oversight of audit, compliance, risk management systems and operational strategies and practices on behalf of the Board.

Chairman Russell Beer

Members Rose-Marie Dash Michael Huelin
CEO, Cairns Regional Council Advance Cairns Management

Committee chairman's report:

During the year in review the Operations Committee was kept busy as the organisation moved from a consolidation phase into a growth phase, and some of the issues which we dealt with or oversaw included:

- The growth of the organisation, particularly the development of both our regional and sustainability focuses, and our ongoing mentoring role with various cluster organisations;
- Appointment of staff to service those new areas of operation;
- The negotiation, adoption and running of various programmes for the Queensland Department of Employment, Economic Development and Innovation; and
- The further development of our relationships with other key stakeholders in our region.

The Operations Committee, in common with the other Advance Cairns committees, proved during year 2008/9 to be a valuable tool for the organisation in allowing efficiency in operations and providing feedback and guidance to Advance Cairns staff in a timely manner between scheduled Board meetings, as well as allowing the Board to concentrate more on strategic, rather than day-to-day operational, issues.

Finance Committee

The committee exists to look at all aspects of the funding stream and identify the strategic direction of the organisation's future funding.

Chairman Rose-Marie Dash

Members Ron Tong Owen Dalton
CEO, Cairns Regional Council Advance Cairns Management

CORPORATE GOVERNANCE

Committee chairman's report:

The Finance Committee approached the 2008/09 year with renewed energy and focus in guiding the organisation to discover additional funding opportunities, in a continual effort to increase our ability to add to our resources and thus undertake more regional projects.

Some of the Subcommittee's major achievements this year were:

- Continuation and enhancement of the Advance Cairns Patrons Program;
- Securing funding from Far North Queensland Regional Organisation of Councils (FNQROC), which has contributed to the appointment of a Regional Development Officer;
- Implementing better budgetary controls for the organisation resulting in a more accountable financial position; and
- Better transparency and information flow.

All in all, we have increased our level of income and managed to sustain a strong financial position.

Communications Subcommittee

The Committee was formed to provide Advance Cairns management with input and guidance with the communications and marketing activities of the organisation.

Chairman Jeremy Blockey

Members Rob Giason

Clive Abbott

Ross Contarino

Advance Cairns Management

Committee chairman's report:

Since its inception in March 2009, the Communications Committee has been actively guiding and providing advice to the Advance Cairns executive on the following issues:

- How to improve engagement with Advance Cairns Patrons;
- What direction to take the editorial of The Cairns Post monthly advertorial;
- Deliberating over, and deciding on a preferred new logo for the company from a selection of 36 concepts provided by local graphic designers;
- How best to partner with stakeholders on community events; and
- Strategic communications.

CORPORATE GOVERNANCE

BUSINESS PLANNING

Each year the Board holds a strategic planning, the outcomes of which are used by management as input into the annual business planning cycle. The Business Plan is approved by the Board in June each year.

REPORTING PROCESSES

The primary source of information for the Board is the monthly reports of the Chief Executive Officer, tabled at monthly board meetings. The Board also participates in special briefings on key topics and with key representatives as they arise. The organisation also provides formal six-monthly reports against key objectives and strategies to its shareholders, the Cairns Regional Council and Cairns Ports.

BUSINESS REPORT

During the 2008/09 reporting period, Advance Cairns experienced a significant period of growth that saw the organisation herald in a new and re-vitalised strategic direction. Given the tumultuous time the region found itself in during the period, due to the impact of the Global Financial Crisis, it was recognised that collaboration achieves greater success, and so new strategies were implemented to collaborate with other stakeholders across the broader TNQ region. This would bring with it a second, and equally important, advantage to break down barriers that are instinctively competitive streaks and recognise that collaboration means progress.

Underpinning the new 'era' of the organisation was the adoption of a sustainability focus that would be central to all of its activities. Advance Cairns established the TNQ Sustainable Region Initiative, which has continued to attract the enthusiastic and willing participation of key industry and community leaders who are determined to engage, inform and empower the region towards a sustainable future. The committee has developed and adopted a Vision and Mission Statement, articulated goals, terms of reference and a strategic framework, developed a prospectus document and adopted a logo.

A project officer has been appointed by Advance Cairns to drive the initiative, and working groups have been established to develop social sustainability indicators using recognised national and international principles and to initiate discussion and participation in clean and renewable energy options and efficiency strategies for the region. Projects have been identified to engage the community and raise awareness of best practice sustainable development, natural resource and environmental management. The group has engaged regularly with all levels of government to obtain support and to promote efficiencies from government spending. A challenge continues to be the current economic conditions;

however, an opportunity is seen in the transition from Area Consultative Committees to local Regional Development Australia Committees. Through the local RDA the TNQ Sustainable Region Initiative hopes to continue to build networks and relationships with all levels of government and key stakeholders in the region to realise our commitment to making this region both livable and sustainable.

The implementation of the new strategic direction of the organisation was to be coordinated by the efforts of the new executive team, which includes:

- Sarah Powell, Economic Development Officer
- Lianne Brown, Corporate Communications Officer
- Margaret Darveniza, Regional Development Officer
- Karyn Bliesner, Sustainable Regions Project Officer
- Nola Craig, Project Officer
- Michelle Jago, Senior Administration Officer
- Emiliese Anderson, Administration Assistant

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|--|--|---|--|
| 1. Creating a Diversified Economy | | | |
| <p>It is vitally important that we seek to diversify the economy of the TNQ region. The region's strength has been the tourism industry, which has its ups and downs like any other industry.</p> <p>Hopefully, by expanding our economic base we can shield our business success from the vagaries of the economic climate.</p> | <ul style="list-style-type: none"> • Tropical Expertise • Food Tourism • Regional Development • Industry cluster support | <ul style="list-style-type: none"> • Capability Data Matrix, ATEC website upgrade, and investment attraction and business matching activities • Assist Southern Cross University in their administration of the Regional Destination Development Program • Formal agreement with FNQROC to identify key projects to be undertaken in the TNQ Region • Appointment of a Regional Development Officer to undertake priority projects • Provide operational support to clusters to allow them to focus on strategic growth and industry development | <ul style="list-style-type: none"> • Expansion of expertise data matrix expertise categories from 1 (Tropical Environment) to 5 to include: Agribusiness, Education, Health & Tourism • ATEC website launch in Cairns, Sept 2008 • 76 tropical experts attended the Business Matching for Global opportunities Expo held in Cairns, Nov 2008 • Co-hosted and facilitated 3 Agriculture Tourism forums in TNQ • Co-hosted and facilitated workshops on product development and diversification • Co-hosted and facilitated 4 all-day outcome driven training sessions for local producers • Convened a high-level taskforce to co-ordinate the opportunities and |

| | | | |
|--|--|--|---|
| | | | <p>addressing the challenges that arise from the 2012 Total Solar Eclipse</p> <ul style="list-style-type: none">• Developed a strategy for investment opportunities in retirement facilities across the tablelands• Completed a report for the Cassowary Coast Regional Council describing alternative models for economic development• Established solid working relationships with surrounding regional councils and business organisations• Established a Cluster Business Centre to maximise opportunities for collaboration, and provide a serviced office environment. |
|--|--|--|---|

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|--|--|---|---|
| 2. Creating a Sustainable Future | | | |
| <p>The continued economic success of the region is heavily dependent on the triple bottom-line growth of its industries.</p> <p>The activities that Advance Cairns is driving within the region are steered towards developing a truly sustainable region.</p> <p>To do this successfully, a series of indicators will be established to gauge our progress. Much of the emphasis of this project will surround community education.</p> | <ul style="list-style-type: none"> • Economic, social and environmental sustainability for the region • Development of renewable energy opportunities for North Queensland | <ul style="list-style-type: none"> • TNQ Sustainable Regions initiative • ROAM Report | <ul style="list-style-type: none"> • Implementation of three key projects) <ul style="list-style-type: none"> - MAD Campaign - Sustainability Street - Energy Efficiency Summit, December 2009 • Establishment of an Indicators Working Group to develop social and community indicators, which will be used to help assess regional progress towards the 8 goals of the initiative • Relationship building with proponents toward a Renewable Energy Summit that was held in Cairns, October 2009 • Seeking opportunities under the Federal Government's Solar Flagship Program. |

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|---|--|--|--|
| 3. Attracting Resources to Drive Growth | | | |
| <p>If an economy is not growing then it is certainly falling behind the growth in population. Therefore, it is vitally important that initiatives are put in place to drive the economy forward.</p> <p>In this manner, Advance Cairns has been investigating ways to drive the growth of the region. Attracting investment into the region has been identified as a major hurdle, and the Investment Attraction project was seen as a mechanism for driving investment attraction.</p> <p>Advance Cairns is also searching for new markets in our near trading partners, by conducting international trade missions.</p> | <ul style="list-style-type: none"> • Investment attraction • Guiding economic development • Developing international relationships and investigating opportunities for international business and trade | <ul style="list-style-type: none"> • Business Readiness and Investment Network • Collaboration with Cairns Regional Council on distribution of economic development funds • Joint trade mission to Guam with TTNQ • Hosting international delegations • TNQ investment opportunity database • Regional profiling | <ul style="list-style-type: none"> • Invest TNQ, which attracted 40 potential investors to view presentations by three local innovative companies • To provide an objective opinion of grant applications submitted to Council • 46 delegates attended a four-day trade mission to Guam in April 2009 • Facilitated a meeting with regional business and civic leaders and a delegation of municipal government representatives from the Guangdong province in China • Facilitated a meeting with regional stakeholders and a delegation from the Federation of Karnataka Chamber of Commerce and Industry (FKCCI) in Bangalore • Development of regional web portal Think TNQ |

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|---|--|--|---|
| 4. Monitoring Regional Economic Trends | | | |
| <p>To effectively steer the region, Advance Cairns must utilise the most up-to-date information. The organisation must also have this information available for other projects and proponents within the region.</p> <p>Each year Advance Cairns gathers up-to-date intelligence from across the region and makes it available to interested parties.</p> <p>Regional information will ultimately be available on a single web portal containing intel on investment, services, liveability and regional potential.</p> | <ul style="list-style-type: none"> • Think TNQ • Information dissemination | <ul style="list-style-type: none"> • TNQ research hub • Overview of business and industry in TNQ | <ul style="list-style-type: none"> • Development of regional web portal, to be launched in early 2010 • Publication an annual regional statistics book - TNQ Region in Figures 2008 |

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|--|---|--|---|
| 5. Building the Profile and Support for the Organisation and the Region | | | |
| <p>To build its credibility both within and outside the region, Advance Cairns must have a proactive promotional campaign. This campaign must cover both print and electronic media, as well as a strong internet presence.</p> <p>The organisation must also host several events and functions throughout the year, which coincide with projects undertaken by Advance Cairns or as part of our Patrons' engagement process.</p> <p>Advance Cairns also promotes through other brand names such as the Australian Tropical Expertise Consortium (ATEC).</p> | <ul style="list-style-type: none"> • Promotion • Patron engagement • Internet • Re-branding | <ul style="list-style-type: none"> • Monthly advertorial in The Cairns Post • Increase media coverage • Patrons' eNewsletters • Patrons' functions • Advance Cairns website • ATEC website • New logo | <ul style="list-style-type: none"> • Signed a one-year contract with The Cairns Post to run a one-page advertorial in Business Week on the first Wednesday of every month, for 11 months. • Regular press releases on current activities, which continue to be picked up across all media • Bi-monthly Patrons' eNewsletter • Quarterly Patrons' functions • Upgrade and continued maintenance of AC website • Upgrade and continued maintenance of ATEC website • Development of a new logo by a local graphic design company. Logo to be launched to the public in November 2009 |

A REPORT AGAINST KEY OBJECTIVES AND STRATEGIES – 2008/09 YEAR REVIEW

| Objective | Strategies | Measures | Report Against Measures |
|---|--|---|---|
| 6. Provide Effective Advocacy for the Region on Key Issues | | | |
| <p>An important part of Advance Cairns' role is that of an advocate for regional issues. Advance Cairns gathers the opinions of residents and businesses and then advocates to the three levels of government on their behalf.</p> <p>The organisation prides itself on consolidating the message for the region and then expressing that message to government sources.</p> <p>It does this through deputations with ministers, meetings with government members and officials and direct letters to appropriate powers.</p> | <ul style="list-style-type: none"> • Lobbying and advocacy for regional stakeholders of TNQ • Collaboration with regional economic development organisations | <ul style="list-style-type: none"> • Meetings with State and Federal members • Quarterly forums with (list REDCs) | <ul style="list-style-type: none"> • 13 deputations with Ministers during the Queensland Parliamentary sitting in Cairns, October 2008 • Seven deputations with Ministers and parliamentary secretaries in George Street, Brisbane, June 2009 • Attended the inaugural REDC meeting in Brisbane in November 2008, the second meeting in Townsville in April 2009, and hosted the June meeting in Cairns. |

THE YEAR IN REVIEW – A PICTORIAL

Indian delegation, April 09



Patrons' function, May 09



Guam Radio interview – Cairns, September 09



REDC Conference – Cairns, June 09



Guam Trade Mission, April 09



Food Forum tour, August 09



Premier's Roundtable, September 09



RDO agreement, July 09



**Annual Directors' Report
for the Year Ended
30 June 2009**

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DIRECTORS' REPORT

The directors present their report on the company for the year ended 30 June 2009.

DIRECTORS

The following persons were directors of Advance Cairns Limited at any time during or since the end of the financial year up to the date of this report.

| <i>Director</i> | <i>Special Responsibilities</i> |
|---------------------------------------|---|
| Russell Beer | Chairman; Member of Operations, Audit & Governance Committee |
| Cam Charlton | - |
| Ronald Tong | - |
| Robin Giason | - |
| Rose-Marie Dash | Member of Operations, Audit & Governance Committee |
| Clive Abbott | - |
| Jeremy Blockey | - |
| Clive Skarott | - |
| Sandra Harding (Appointed 11/12/2007) | - |
| Valerie Schier (Appointed 7/4/2008) | - |
| Michael Huelin (Appointed 21/10/08) | Member of Operations, Audit & Governance Committee |
| Owen Dalton (Appointed 20/10/08) | - |

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

INFORMATION ON DIRECTORS

| <i>Director</i> | <i>Qualifications and experience</i> |
|--|---|
| Russell Beer | Partner, MacDonnells Law President, AFL Cairns Chairman of Finance Council, Roman Catholic Diocese of Cairns LLB; Grad Dip. Legal Practice |
| Cam Charlton | Director, Kleinhardt Business Consultants B Comm; LLB |
| Ronald Tong | General Manager, Tong Sing Pty Ltd |
| Robin Giason | CEO, Tourism Tropical North Queensland |
| Rose-Marie Dash | CEO & Director H & S Vision Group B Econ. |
| Clive Abbott | Director FNQ Area Consultative Committee |
| Jeremy Blockey | President Cairns Chamber of Commerce |
| Clive Skarott | Chairman Cairns Ports Limited General Manager & Company Secretary Electricity Credit Union |
| Sandra Harding | Vice-Chancellor & President, James Cook University BSc (Hons) ANU , M.Pub.Admin UQ , PhD NCSU , FAICD, FAIM |
| Valerie Schier | Mayor of Cairns Regional Council |
| Michael Huelin (Appointed 21/10/08) | Partner of William Graham Carman Solicitors LLB |
| Owen Dalton (Appointed 20/10/08) | Director of Conics (Cairns) Pty Ltd, B RTP |

COMPANY SECRETARY

The company secretary is Mr Ross Contarino. Mr Contarino was appointed to the position of company secretary on 28 October 2008 replacing Miss Amanda Farinola who resigned from the position of Company Secretary on 28 October 2008.

MEETINGS OF DIRECTORS

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2009, and the number of meetings attended by each director were:

| | <i>Full meetings of Directors</i> | | <i>Meetings of Operations, Audit, Governance Committee</i> | |
|-----------------|-----------------------------------|----------|--|----------|
| | A | B | A | B |
| Russell Beer | 11 | 11 | 11 | 9 |
| Michael Linnan | | 0 | * | * |
| Cam Charlton | 11 | 8 | * | * |
| Ronald Tong | 11 | 6 | * | * |
| Rob Giason | 11 | 4 | * | * |
| Clive Skarott | 11 | 6 | * | * |
| Jeremy Blockey | 11 | 10 | * | * |
| Clive Abbott | 11 | 11 | * | * |
| Rose-Marie Dash | 11 | 11 | 11 | 11 |
| Sandra Harding | 11 | 3 | * | * |
| Valerie Schier | 11 | 11 | * | * |
| Michael Heulin | 10 | 6 | 4 | 3 |
| Owen Dalton | 10 | 7 | * | |

A = Number of meetings held during the time the director held office or was a member of the committee during the year.

B = Number of meetings attended

* = Not a member of the relevant committee.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was to promote the growth and development of the Far North Queensland region.

No significant change in the nature of this activity has occurred during the financial year.

DIVIDENDS

No dividends were paid or declared since the end of the previous financial year up to the date of this report.

REVIEW OF OPERATIONS

The company's net surplus for the financial year was \$146,879 (2008: net deficit of \$ 46,918).

The company's operations were limited to the performance of its principal activity during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company since the end of the previous financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In the 2009 financial year, the company commenced investigations into the possibility of restructuring itself. The company is seeking to restructure itself into a company limited by guarantee. The Cairns Regional Council, which is a controlling shareholder in the existing structure, is currently seeking advice from the Queensland Government as to the legality of accepting a directorship in the proposed new structure. The success of the proposed restructure will depend on the advice the Council receives on this matter.

Apart from the above, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments in operations of the company that were not finalised at the date of this report.

ENVIRONMENTAL REGULATION

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

OPTIONS OVER SHARES

No options over issued shares or interests in the company were granted during or since the end of the financial year, for any person who has been an officer or an auditor of the company.

INSURANCE OF OFFICERS

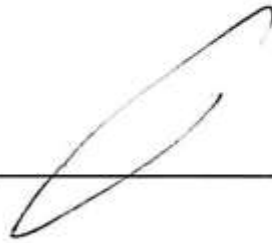
During the financial year, the company paid a premium of \$295 for directors' and officers' liability insurance for coverage from 24 May 2009 to 30 June 2009. In the 2010 financial year the company paid a premium for insurance coverage for the period 1 July 2009 to 1 July 2010.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration is set out on page 7.

This report is made in accordance with a resolution of directors.

Russell Beer
Director



Rose-Marie Dash
Director



Dated at Cairns this 30th day of September 2009

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Advance Cairns Limited (ABN 79 098 379 572)

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor for the audit of Advance Cairns Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been –

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

C J WEH FCPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

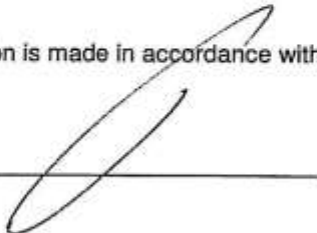
DIRECTOR'S DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Russell Beer
Director



Rose-Marie Dash
Director



Dated at Cairns this 30th day of September 2009.

INDEPENDENT AUDITOR'S REPORT

To the Members of Advance Cairns Limited

Report on the Financial Report

I have audited the accompanying financial report of Advance Cairns Limited, as set out in pages 8 to 22, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

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

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Advance Cairns Limited on 29 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion, the financial report of Advance Cairns Limited is in accordance with the *Corporations Act 2001*, including –

- (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



C J WEH FCPA
(as Delegate of the Auditor-General of
Queensland)



Queensland Audit Office
Brisbane