

Visit Sunshine Coast

Annual Report 2015/2016





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Cover image: Mt Ngun Ngun, Glass House Mountains



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Maroochydore 🇺🇸

Alexandra Headland 🇺🇸

Mooloolaba 🇺🇸

Buddina

Kawana Waters 🇺🇸

Wurtulla 🇺🇸

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White Patch

Banksia Beach

Bellara 🇺🇸

Bongaree

Ewen Maddock Dam, Landsborough



Chairman's Report

As my three-year term as Chair comes to a close, I am extremely proud of what the organisation has been able to achieve during the 2015/2016 year.

The region's tourism sector made excellent progress throughout the year, with record passenger movements at Sunshine Coast Airport and record international and domestic visitor arrivals and expenditure for the region.

On 1 December, 2015 we launched a new vision for the region when we officially changed our identity from Sunshine Coast Destination Ltd (SCDL) to Visit Sunshine Coast (VSC). The decision to change the name was driven by the need to bring together the public and operational identities of the organisation. The key objective of the organisation is to be consumer and industry focused, and this straightforward change was designed to maximise the potential of our marketing, digital and promotional efforts. The new identity will build on some outstanding work and results achieved by the VSC team.

The approval to upgrade Sunshine Coast Airport is particularly encouraging for the future of the region. Access is a key component in driving demand and the airport expansion will certainly create great opportunities from our key domestic source markets. This project is obviously strongly supported by the community and it was good to see Mayor Mark Jamieson receive an overwhelming mandate during the recent Council elections to push forward with the extension, along with other tourism-focused initiatives.

We feel fortunate to work with Sunshine Coast Council who, in addition to being our major funding source, have demonstrated time and again that they fully understand and support tourism development. Not surprisingly, with such a supportive environment, we have seen proposals for the region's first new 5-star hotel in decades, a massive new water-based theme and adventure park, and a new camping experience at Australia Zoo, all reflecting confidence in a shared tourism outlook for the region.

The VSC team has had to adapt to rapidly changing market conditions and their hard work and professionalism leaves the organisation in a very healthy position as we start the lead up to the 50th anniversary of the Sunshine Coast.

We are confident of even stronger performance in 2016/2017 with increased air services, a vast range of events, a highly targeted marketing and promotions strategy, and powerful business and community support.

The success with which VSC has combined with Fraser Coast Opportunities to market Australia's Nature Coast demonstrates the benefits of co-operation between tourism bodies. We continually seek opportunities to work with businesses across the region to maximise growth in visitation, expenditure and job creation.

Over the past year, the Board has convened regularly, often in conjunction with tourism forums to ensure that members have the opportunity to discuss issues of interest directly with Board members and VSC executives. I have been fortunate to have had support from an extremely well-qualified Board of Directors, including a number of new directors, who continue to provide the expertise and strategic vision to drive the organisation forward. I would like to thank the board for their tireless efforts on behalf of the region. In addition, the board operates a very proactive Audit and Risk Committee Chaired by Ian McNicol, a digital committee chaired by Fraser Green and a Nominations Committee for the search and selection of skills based board members and key executives of the organisation and is Chaired by Rodger Powell.

I'd also like to acknowledge the contribution of our previous CEO, Simon Ambrose who left us in May 2016, and congratulate our new CEO Simon Latchford, on his appointment.

As mentioned earlier, the region has benefited enormously as a result of the great support VSC has received from the Sunshine Coast and Gympie Councils, and I would like to thank them for playing such a vital role in helping build such an enviable reputation for the region's tourism operators. These associations, along with the support of our strong membership base, make it an honour and a privilege to represent the Sunshine Coast.

Grant Hunt
Chairman of the Board



Chief Executive Officer's Report

I am pleased to report to members and partners that Visit Sunshine Coast (VSC) experienced an outstanding year in 2015/2016, growing the majority of its key source markets and establishing the groundwork for sustained increases in tourism numbers and expenditure over the next few years.

The figures for the 2015/2016 year were impressive as the Sunshine Coast had a growth of 3.5% to 266,000 international visitors and 7.8% increase in domestic visitors totalling 3.1 million to create our best domestic figures for over a decade. In addition, international expenditure increased by 26.7% to \$245.3 million while domestic expenditure also increased by 6.2% to reach \$1.9 billion.

As Australia's fastest growing airport, Sunshine Coast Airport drove results with the commencement of Qantas direct services, continuation of Air New Zealand, and expansion of Jetstar and Virgin flights.

The creation of a dynamic events and conferences calendar, the growth in cruise vessels using Mooloolaba as a stopover port and the dramatic maturing of the Sunshine Coast's food scene have all contributed to the success of the region's tourism performance over the past twelve months.

The figures from the past year have demonstrated unequivocally that our marketing campaigns have created a very positive and powerful image for the Sunshine Coast, which is producing outstanding results for all areas – from the coastal towns of Caloundra, Mooloolaba, Maroochydore, Noosa and Rainbow Beach, through to inland destinations in the Hinterland and Gympie areas.

Our goal was to drive visitation from both our established channels and emerging markets. The results reflected the team's talent, hard work and innovation, as we consistently produced campaigns that resonated with target markets. 'The World is Coming to the Sunshine Coast' has proven a highly successful catch cry for the region's push to become one of the country's leading destinations for consumer and business events.

This platform has built on the record events staged during 2016 as the perfect lead-up to our 50th anniversary celebrations in 2017 as VSC is working closely with the Sunshine Coast Events Board to attract a series of events to the region throughout the anniversary year.

The emphasis on digital marketing focused on creating a new website, www.visitsunshinecoast.com and the building the social profile as #VisitSunshineCoast is now the most utilised travel hashtag in the region. All of our social media platforms saw sustained growth led by engagements Instagram (+942%), Facebook (+112%) and Twitter (+1592%).

The VSC media team had been able to boost the region's profile substantially through record levels of coverage in broadcast, print and online media, with \$20.8 million in publicity generated for the Sunshine Coast region, including two live broadcasts by the national TODAY show, which attracted outstanding audience levels both at the broadcast sites and from audiences across Australia.

We have also concentrated on developing our partnerships with Tourism Australia, Tourism and Events Queensland, major industry players like Flight Centre and Expedia, and neighbouring RTOs such as Fraser Coast Opportunities, with whom we have developed the highly successful Australia's Nature Coast. We have continued to strengthen our partnerships with Sunshine Coast Airport, Sunshine Coast Council and new affiliations with Australia Zoo and Accor.

Ongoing changes to the organisation have made us considerably leaner, with greater emphasis on digital marketing and carefully targeted promotions to boost emerging and potential markets. And yet, while technology plays an increasingly important role in tourism marketing, the power of word of mouth and knowledgeable support from our wonderful tourism 'Ambassadors' in the Visitor Information Centres should never be underestimated.

It is a privilege to work with so many talented professionals in the VSC team and to have the support and guidance of a Board that boasts such a high level of experience, insight and dedication. I'd like to thank all our members and partners for their commitment and passion in 'selling' the attractions of the Sunshine Coast. We look forward to creating new records in 2016/2017, and delivering the highest possible return for the region's economy.

Simon Latchford
Chief Executive Officer

About Visit Sunshine Coast

Visit Sunshine Coast (VSC), is a not-for-profit, membership based, destination marketing organisation. Formerly known as Sunshine Coast Destination Ltd (SCDL) since its inception in 2010, the organisation changed its trading name to Visit Sunshine Coast on 1 December 2015.

VSC's role is to lead the management and development of tourism on the Sunshine Coast. As the Regional Tourism Organisation (RTO), VSC is responsible for a geographical area that encompasses the Glass House Mountains in the south, to Rainbow Beach in the north and Hinterland and Mary Valley to the west and includes three council regions - Sunshine Coast, Noosa and Gympie.

Our vision

The Sunshine Coast tourism region will be globally recognised as Australia's premier revitalising destination where the blend of experiences showcases the region's diversity.

Key result areas

- Destination Promotion
- Unforgettable Experiences
- Sustainable Tourism Industry
- Organisation Effectiveness

Each year, Sunshine Coast Council (SCC) collects a tourism levy from commercial ratepayers. A percentage of this levy is given to VSC to sustain 26,500 direct and indirect jobs on the Sunshine Coast and to support destination marketing, attracting business events and the operation of Visitor Information Centres.

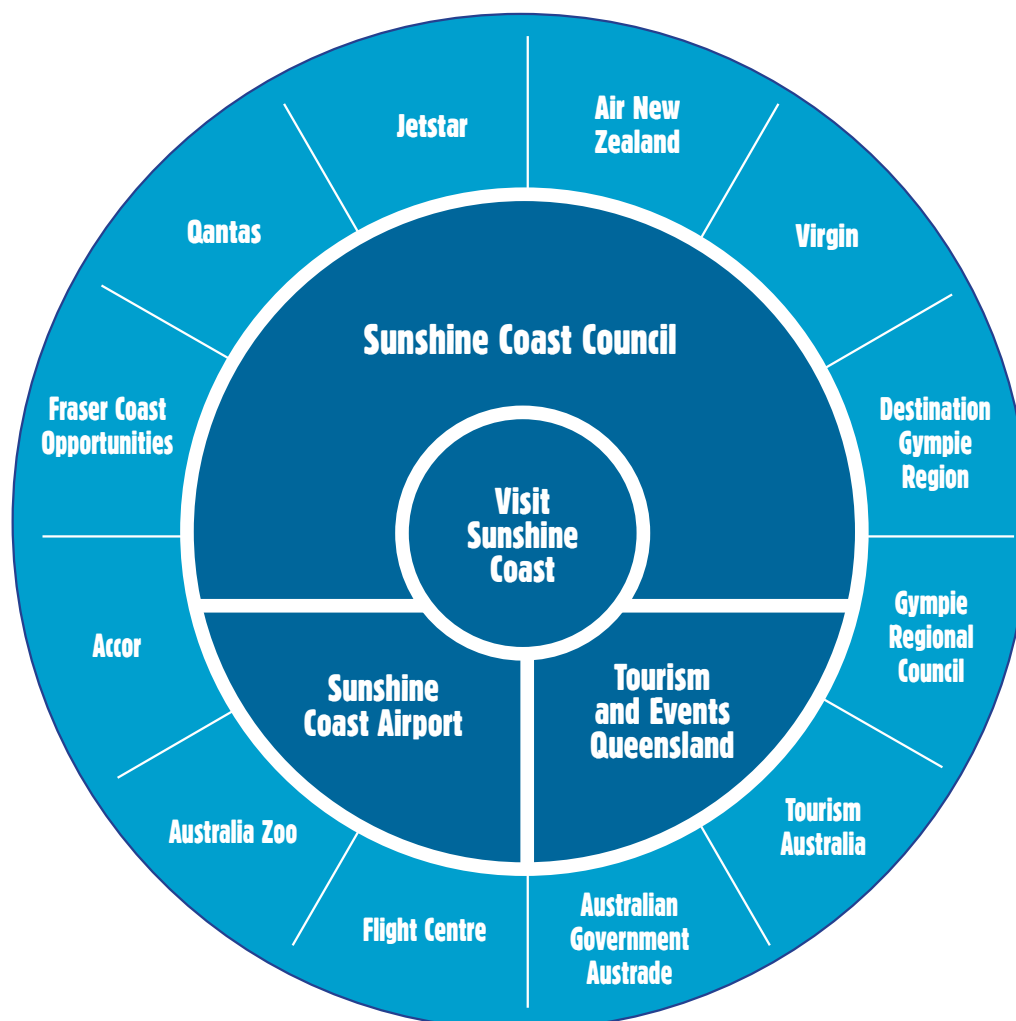
In the 2015/2016 financial year, the Sunshine Coast Council levy raised approximately \$5.17 million, of which VSC received \$3.79 million.

In addition to the tourism levy, VSC raises funds through membership fees, direct industry contributions and cooperative marketing programs. As the RTO, VSC also receives state funding via a five year Partnership Agreement with Tourism and Events Queensland (TEQ). This funding is dedicated to destination and business event marketing.

VSC represents over 600 members from various industry sectors including accommodation, tours and transport, attractions, art galleries, events, restaurants, retail, health and wellbeing.

VSC industry partnerships leverage activity to deliver a whole-of-region program for the tourism industry and include, but are not limited to Tourism Australia, Tourism and Events Queensland, Sunshine Coast Council and Sunshine Coast Airport. VSC partnered with these stakeholders and others during 2015/2016 to leverage marketing opportunities by almost \$2 million in additional in-kind value.

Partnership Pie



Partnership from 1 July 2015 to June 30 2016.

Research

VSC works with key bodies Tourism Research Australia, TEQ and other research programs to identify and utilise relevant and effective information tools and data in order to develop regular, timely and concise reporting on the key trends of visitation to the Sunshine Coast.



Domestic Tourism Snapshot



3.1 MILLION VISITORS

↑ 7.8%



HOLIDAY VISITORS

↑ 14.9%

TO 1.8 MILLION



EXPENDITURE

↑ 6.2%

\$1.9 BILLION



BUSINESS & CONFERENCE

↑ 9.9%

TO 233K



International Tourism Snapshot

LENGTH OF STAY

↑ 10.6



NIGHTS

RECORD EXPENDITURE



↑ 26.7%

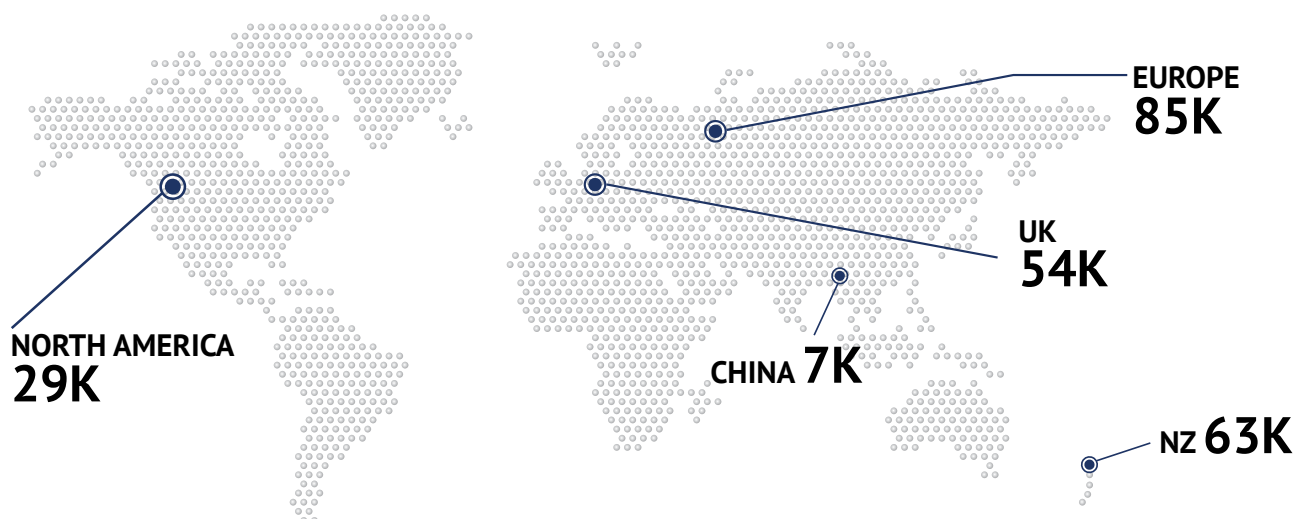
TO \$245.3 MILLION

TOTAL VISITORS



266,000

↑ 3.5%



* Source: Tourism Research Australia, International and National Visitor Surveys to year ending June 2016.



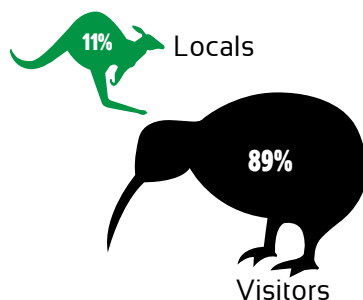
VSC has been working in close partnership with Sunshine Coast Airport (SCA) as 2015/2016 was a stellar year with month after month of growth demonstrating the increased demand for flight services to the region.

- Passenger numbers for the financial year were the highest ever recorded for a 12 month period reaching 964,362, a 13.2% increase on the previous year.
- Capacity grew by 13.5% thanks to the introduction of Qantas services to Sydney and increased seats on Sydney, Melbourne and Auckland by Jetstar, Virgin Australia and Air New Zealand.
- Demand for flight services remained high with an average load factor of 83%.
- SCA also sat atop the Commonwealth Bureau of Infrastructure, Transport and Regional Economics (BITRE) growth charts throughout the year, being the fastest growing airport in the country each month from July 2015.

International

Air New Zealand's 2015 Auckland – Sunshine Coast winter season flights commenced in late June 2015 with a new season of flights operating over the summer period from December 2015 to February 2016.

Almost 17,000 passengers took advantage of the Air New Zealand services in 2015/2016 with the direct flights again being a strong influence on holiday destination choice. 85% of all visiting passengers confirmed the ability to fly direct to the destination influenced their decision, and 15% of those passengers were first-time visitors to the region. The passenger mix for the 2015 winter season Air New Zealand Auckland – Sunshine Coast flights remained strongly inbound with 89% visitors and 11% locals.* The summer season flights were more evenly balanced between inbound and outbound passengers.



Qantas returns to the Sunshine Coast

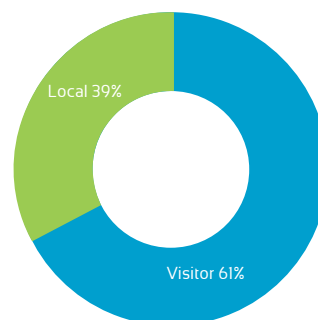
After more than a decade away, SCA welcomed Qantas services back to the Coast with the re-introduction of services from Sydney. Flights commenced in December 2015 providing a premium leisure and business flight service for the Sunshine Coast, and adding an additional 68,000 seats per annum for the region.

Leading the way in Airport Carbon Accreditation

In June 2016, SCA joined an elite number of international airports leading the way in carbon reduction, gaining accreditation under the Airport Carbon Accreditation program at Level 3 Optimisation. SCA now ranks alongside the likes of Hong Kong, Gatwick and San Francisco International Airports, in being certified at Optimisation Level under the program.

Total Passenger Mix

In 2015/2016 the domestic passenger mix comprised 61% visitors and 39% locals.**



Reason for travel



Business 19%



Holiday 44%



VFR 33%



Other 4%

* Source: Sunshine Coast Airport Annual International Passenger Survey 2015

** Source: Sunshine Coast Airport Annual Passenger Survey 2015

Membership

To reflect the change in funding for the 2015/2016 financial year, VSC implemented a dual pricing structure for membership. Membership levels remained stable with the new model resulting in a slight decrease in overall members from 2014/2015 of 636 to 617 in 2015/2016. However, the Major Events and Tourism Levy paid by tourism businesses in the Sunshine Coast local government area provided an opportunity for VSC to provide savings on membership fees in this locality. In addition, the membership satisfaction survey undertaken in the financial year indicated greater satisfaction by members increasing from 83% to 92%.

Membership engagement is critical to the organisation's success and a number of initiatives were undertaken in the past year to deliver this outcome.

These included:

- Creation of the 'Proud Member' logo.
- Implementation of the membership satisfaction survey resulting in 92% of members stating they were satisfied with their membership and VSC's performance on a number of key metrics. This improved from an 83% rating in the previous year.
- VSC held 30 operator product update opportunities for members to present and meet with key VSC staff.
- Regular delivery of eCommunications and development of corporate social media assets via Facebook and Twitter for members to access information and engage with VSC.
- VSC held five networking nights and the Annual General Meeting over the 2015/2016 year at venues including Sunshine Coast Airport, Big Kart Track, Best Western Plus Lake Kawana Hotel, and Sea Life. The networking event in May 2016 was held in partnership with Qantas, to celebrate the return of Australia's national carrier and solidify this important relationship to open up further route development.
- In addition, VSC held a regional roadshow in June 2016 with an update on the strategic direction. Briefings were attended by over 120 members across four venues in Montville, Peregian Springs, Gympie and Kawana.

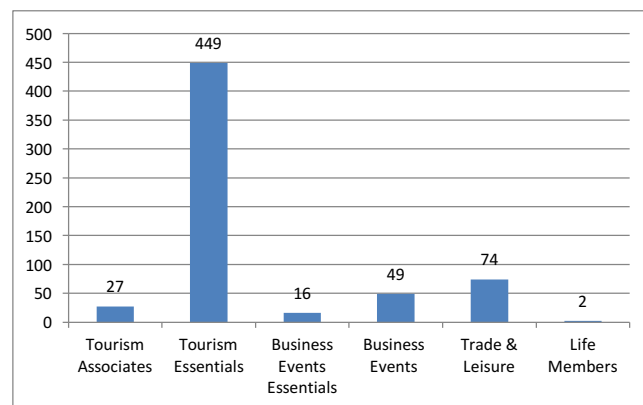


Julie Abbott, Temple Massage and Katie Wood, Direct Hotels.

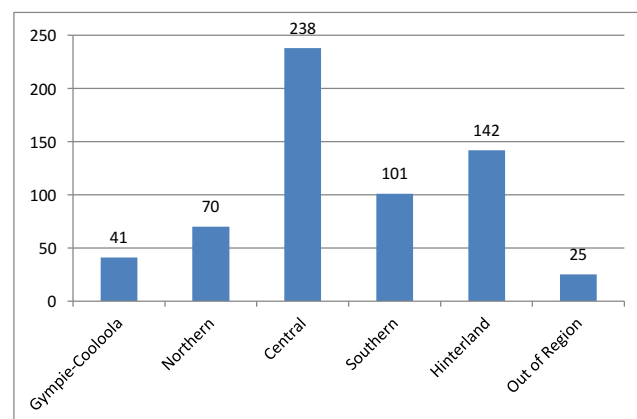


Networking event at Sea Life, Mooloolaba.

Members by Level 2015/2016



Members by Region 2015/2016



Marketing

Vacation Migration campaign

The tag line, 'Sunshine Coast, Naturally refreshing' differentiates the Sunshine Coast from other Queensland destinations and captures the essence of the Sunshine Coast holiday experience. TEQ and VSC developed a comprehensive destination brand campaign for the Sunshine Coast region targeting the Sydney and Melbourne markets during the winter period of 5 to 30 June 2016.

This campaign utilised the current 'Vacation Migration' creative concept, which yielded strong consumer results in key markets and allowed VSC to leverage the overarching position of 'naturally refreshing'. The campaign was in market from 5 to 30 June and included a television (TVC) execution, in addition to digital search, display and social placements. Virgin Australia was the tactical partner and offered holiday packages from Sydney and Melbourne, in addition to a sharp sale fare just on air.



'The World is Coming to the Sunshine Coast' campaign

This campaign was integrated to target the drive market and convert event day trippers to overnight stays, leveraging the world-class calendar of events secured for 2016. The campaign included:

- Billboard partnership with Australia Zoo – 13 different billboards featured over 12 months, with an audience of 75,000 cars a day!
- TVCs into regional areas of south east Queensland.
- Catch up television on Tenplay and Mi9.
- Facebook advertising.
- Sponsored content and display advertising with The Courier Mail.



Aquameet activity with Caloundra Jetski.

#Aquameet

Millions of people around the world were reached through the social media content campaign, leveraging Tourism Australia's (TA's) latest global activity centred around 'Coastal and Aquatic' offerings. Five Instameets were held across the Sunshine Coast (one in each sub region) with five aquatic-themed itineraries developed to highlight the active experiences available.

Key coverage highlights included:

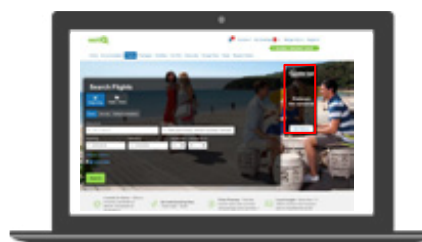
- TA Facebook album: More than one million people reached.
- TEQ Facebook album: More than half a million people reached.
- VSC owned channels: 169,985 reached.
- Traditional media coverage including Yahoo7 and Total Travel.

Landing page



Page Views: 8,454
Unique Visitors: 7,060
Average Time Spent: 1.60mins

Screenshot example



Responsive marquee:
CTR: 1.02%

Wotif campaign

VSC was in market from 22 February to 20 March, with a \$60,000 campaign, including a \$10,000 contribution from Tourism Noosa and \$25,000 from TEQ. Results included:

- Total room nights sold: 7,839.
- Total passengers: 10,097 (target: 5,821).
- Click through rate (CTR): 0.26%, twice the industry benchmark of 0.13% and significantly greater than KPI of 0.18%.
- VSC digital activity generated 3,291 clicks to the campaign landing page.

Drive campaign

To support VSC's partnership with Caravanning Queensland, VSC partnered with TEQ to activate the drive holiday market (notably the grey nomads) at the beginning of the winter 'Vacation Migration' north from the southern states. The campaign dates were 2 May to 15 June and included a digital and social media buy, including:

- Banner advertising on Nine Entertainment Company (NEC) hubs.
- Banner advertising on Queensland.com.
- What's Hot – Australian Tourism Data Warehouse Drive Journey Record on Queensland.com.
- Multi-product advertisement on Facebook showcasing coastal, hinterland and produce-themed drives.

Marketing

Consumer shows

VSC attended and promoted the Sunshine Coast at the following consumer shows:

- Flight Centre Expos in Sydney, Melbourne and Brisbane (71,500 attendance). There was 2,100 Official Visitor and Event Guides (OVEGs) distributed with resulting increase of 40% year on year (YOY). There was also 5,139 competition entries across the three expos. Entrants had a chance to win a \$4,000 'Coast to Hinterland' Flight Centre voucher in partnership with Australia Zoo. Condition of entry was accommodation must be booked on the Coast and Hinterland, with a Flight Centre consultant. It was an effective method to drive visitation to the booth and engage in conversation about the destination.
- Sydney Adventure Travel Expo (3500 attendance).
- Queensland Bridal Expo (3000 attendance).
- Brochure distribution at all Caravan and Camping Shows, as part of partnership with Caravanning Queensland.



VSC attended Flight Centre Expos.

Wotif and Expedia Campaign

Held in conjunction with TEQ during October/November, this campaign was valued at \$50,000 and targeted Sydney, Melbourne and New Zealand.

- Total room nights sold: 6,600.
- Total passengers: 8040.
- CTR: 0.18%, above industry benchmark of 0.16%.
- Impressions: 1.3 million.

Official Visitor and Event Guide

The 2016 revitalised format of the guide included six pages of events information to capitalise on 'The World is Coming to the Sunshine Coast' campaign and calendar. Advertisements increased from 117 in 2015 to 130 sold in 2016 (\$150,067.50 income = +2.7% YOY).



The website Visitsunshinecoast.com.au was migrated to .com in February 2016. The site attracts 500,000 visits a year and is the first step for visitors considering a trip to the region.


As well as providing information on what to do, where to stay, travel guides, events, itineraries, blogs and booking capability; the redeveloped website is visually-engaging, destination-focused, can be viewed on different devices and delivers a more personalised visitor experience.


The digital tourism landscape has changed dramatically since the previous version of the website was built in 2012, with a larger percentage of visitors are now accessing visitsunshinecoast.com via a mobile or tablet device.


The new website also feeds Instagram images on the homepage header, allowing visitors to contribute and share information using the hashtag #visitsunshinecoast, and bringing the story to life so that visitors can experience it for themselves.

Social media marketing has delivered record growth during 2015/2016 based on a more consistent content strategy, with greater levels of community engagement (including regular Instameets), higher quality content and alignment with TEQ and TA social media activity. Results (tables on the right) are based on organic engagement, as opposed to simply measuring number of fans or followers (which can be bought).

Content was developed and distributed via the consumer newsletter with subscribers increasing to over 79,000, average opens increasing from 16.3% to 18% and click through rate increasing from 3% to 4.4% with best practice and average opens for travel communications ranked at 2.4%.

	2014/2015	2015/2016	Growth YOY
Followers	9085	41,344	+ 355%
Engagements	74,196	773,013	+ 942 %

	2014/2015	2015/2016	Growth YOY
Followers	6310	9527	+ 51%
Impressions	338,127	4,949,847	+ 1364 %
Engagements	8463	146,251	+ 1592%

	2014/2015	2015/2016	Growth YOY
Fans	56,198	70,531	+ 25.5%
Total Reach	2,040,026	5,453,134	+ 167%
Average Post Reach	4892	14,738	+ 201%
Total Engagement	135,700	287,128	+ 112%

PR and Communications

PR and Communications utilised a full suite of communication strategies in 2015/2016 to optimise the tourism economy for the region with consistent messaging.

Media Visits (Famils)

From July 2015 to June 2016, VSC co-ordinated and assisted a total of 99 national and international media outlets and influencers to visit and experience the Sunshine Coast first-hand. Of the 99 famils, 31 of the visits were solely generated, coordinated and hosted by VSC with the remainder working in conjunction with TA and TEQ.

Held in conjunction with TEQ, VSC welcomed 40 European media to the region in September 2015 as part of a 'Qld on Stage' initiative. This was the largest media group to visit Queensland from Europe to date and included a welcome function and touring throughout the region.

Broadcasts

For the past financial year, VSC has coordinated and assisted with filming and broadcasts from television programs; Queensland Weekender, Great South East, Travel Oz, Sunrise weather, Fishing Australia, The Living Room, The Bachelor New Zealand, BBC's Wanted Down Under, Totally Wild, Bondi Vet, Wild Australia and Saturday Disney.

The highlight was staging two live broadcasts with the TODAY Show as part of their 'We love Australia' series in Caloundra (Oct 15) and in Mooloolaba (Mar 16). Not only did the broadcasts attract crowds in the hundreds but each cross reached over 1.5 million viewers across the country.

VSC has also assisted TEQ with filming of six episodes of the food related SBS program with Peter Kuruvita to air in October/November 2016. From June 2016, VSC has also commenced a regular segment on Sydney's 2UE travel show.

Media Events

In addition to holding media events in Brisbane and Sydney in early 2016, VSC also attended Australian Tourism Exchange (ATE) media marketplace workshops to build relationships and pitch/promote stories and also attended two functions with networking opportunities with international media (May 2016). This also involved hosting one pre-ATE media famil group.



TODAY Show broadcast live from Mooloolaba.

Media Value

From July 2015 to June 2016, VSC has generated and achieved a total advertising value equivalency (AVE) media value of \$20.8 million. This has increased from \$13.9 million in 2014/2015. Media values include international and domestic coverage that has been captured. All areas increased from 2014/2015 with the exception of Australia's Nature Coast (ANC) that has remained stable.

	2014/2015	2015/2016
Destination PR	10,230,000	15,187,492
Corporate	1,460,000	3,436,984
ANC	2,000,000	1,872,308
Business Events	252,000	308,000
Total	13,942,000	20,804,784

Please note, no multiplier has been applied to the advertising space rate to calculate the AVE and values have all been converted and are reported in Australian dollars.

Corporate Social Media

VSC has managed corporate Facebook and Twitter accounts with over 20% growth in engagement, since change of name from SCDL to VisitSCcorporate in late 2015.



Local media interview supporting Sunshine Coast Airport.



Australian Tourism Exchange Media Program.

Industry and Digital Development

Industry Development connects and provides opportunities to members and delivers relevant and comprehensive capacity building programs.

VSC secured Queensland Tourism Industry Council (QTIC) Tourism Demand Driver Infrastructure (TDDI) funds as administered by the Queensland Government's Department of Tourism, Major Events, Small Business and the Commonwealth Games to deliver training programs that included:

- How not to get sued when working online.
- How to create visual content to get bums on seats!
- Business Events workshops.
- Harness the power of your contacts with LinkedIn.
- Create digital content that generates buzz.
- Take your product to the world with Instagram.

In addition, VSC also secured QTIC TDDI funding to deliver an extensive International Ready Program that consisted of:

- Three days of one-on-one workshops for 61 attendees.
- A further 11 tourism operators were provided with two one-on-one mentoring sessions.

Other workshops and programs

- How to write a winning Queensland Tourism Award submission.
- 'China Now' information breakfast.
- In conjunction with QTIC, VSC held the second round of the 'Ni Hao' China Ready program which offered two days of face to face with a facilitator and an online learning portal.

Working with TEQ

With the assistance of TEQ funding, VSC also delivered three Food Tourism workshops for 43 members and developed an Official Food Guide. Also in conjunction with TEQ, VSC held a Conversations forum in May 2016 attended by over 100 members.

Instameets

Over the past 12 months, VSC has implemented a monthly Instameet for photographers and Instagrammers to meet in different locations across the Sunshine Coast. This has built a community of advocates posting images using the Visit Sunshine Coast hashtag because they have a genuine desire to share their many personal and positive Sunshine Coast holiday or local experiences and, by doing so, play a part in promoting the region.



Conversations Forum, May 2016.

Instameets were held as follows:

November: In conjunction with Qantas, Novotel Twin Waters Resort.

December: Sea Life, Mooloolaba.

January: Mary Cairncross Scenic Reserve, Maleny.

February: Boathouses, Maroochy River.

March: Aquameets leveraging TA's aquatic campaign theme with key influencers across five locations – Maroochydhore, Caloundra, Noosa, Maleny and Rainbow Beach.

April: In conjunction with Australian Surf Life Saving Championships, Alexandra Headlands Surf Club.

May: Point Cartwright, Kawana.

June: In conjunction with Caloundra Chamber of Commerce, Moffat Beach.



Instagram workshop presented by Lauren Bath.

International and Trade

VSC's continued focus to grow international visitor numbers, increase length of stay and encourage regional dispersal has seen further gains with particular success from the US, Europe and New Zealand.

New Zealand

VSC has a dedicated New Zealand based representative in Auckland to implement and drive the New Zealand strategy.

Over the past year:

- VSC undertook a mix of tactical campaigns and PR activity to support the Air New Zealand (Air NZ) direct services, drive incremental bookings, increase spend and visitor nights. This included a dedicated Air NZ campaign to raise awareness of the Sunshine Coast and drive bookings on the new Air NZ direct flights over summer (13 Dec 2015 – 28 Feb 2016). The campaign was designed to reach a wide audience and encourage visitation of younger segments (30+ years).
- Combination of consumer direct campaigns and partner campaigns including HelloWorld, Flight Centre and House of Travel in conjunction with Air NZ, as well as attendance at the Flight Centre Expos in August 2015 and February 2016 in Auckland.
- In February 2016, VSC hosted a group of leading New Zealand trade partners on a 'Sunshine Coast Mega Familiarisation (Fam)' to further educate top performing agents on the diversity of Sunshine Coast products and experiences.
- Regular trade training sessions and webinars held with key trade partners.
- Attendance at Queensland on Tour in New Zealand to meet with 100 key front-line sales agents and media.

International and Domestic Trade

The below activities were undertaken in 2015/2016:

- Attendance at North American Marketplace in the USA conducting 70 buyer meetings.
- Attendance at Great China Mission meeting with over 300 agents.
- The Sunshine Coast played host to Australian Tourism Export Council (ATEC) Southern Queensland Workshop and hosted a gala dinner and post mega fam visit for attending Inbound Tour Operator (ITO) partners.
- Attendance at Australian Tourism Exchange (ATE) 2016 along with 21 Sunshine Coast tourism businesses. VSC was prominently featured with double booth and three fully subscribed VSC appointment schedules, meetings undertaken with close to 300 buyers across the four days of business. VSC also hosted 40 international buyers on famils to the region and in partnership with Scoot hosted a private function for Singaporean buyers.



Australian Tourism Exchange.

- VSC hosted over 20 trade famils visits from key source markets during 2015/2016.
- 2015/2016 International Product Manual - leading trade resource to assist key product decision makers with itinerary planning and product selections for travel programs.



VSC hosted pre and post ATE trade famils.

Australia's Nature Coast (ANC)

VSC has continued the ANC marketing partnership with further success in growing trade relationships in Europe, with a particular focus on Germany and the United Kingdom. In 2015/2016, VSC pooled resources with Fraser Coast Opportunities, Destination Gympie Region and Tourism Noosa. Additional funding was provided through TEQ's contestable funds grant scheme further cementing the vision and reinforcing the value of collaboration which enabled the partnership to flourish.

Major activities and outcomes:

- Queensland Tourism Award 2015 winner and silver at the National Tourism Awards for Destination Marketing.
- TEQ/ANC/EXPLORER FERNREISEN German campaign in partnership with Cathay Pacific and endorsed by TA (March 2016) including online advertising with dedicated microsite, point of sale window display in Explorer shops as well as dedicated newspaper supplement with a distribution of 330,000 copies targeting highest disposable income earners in Germany.
- Partnering with TEQ in the UK, ANC partners delivered a digital campaign (April-May 2016). Key component was a video hub with holiday packages via four UK based tour operators. Dashboard results and video views displayed strong results with over 3 million unique users for 189,000 completed views, with an impressive hub dwell time of over two minutes.
- Sunshine Coast was promoted to leading UK/European trade partners through attendance at 2015 FTI Roadshow, UK Queensland Agents Workshop and Product Manager Event (November 2015). In addition, independent sales calls to key European markets and a targeted sales blitz was undertaken to train front line Aussie Specialist agents in Germany (including 12 Explorer Fernreisen retail stores).
- Development of dedicated ANC website and supporting trade marketing collateral.
- ANC media and trade famils, including influencers visit to highlight and amplify the 'Great Beach Drive' experience via social media channels.
- ANC eco-accreditation workshop in partnership with Eco-Tourism Australia and Earth Check.

Business Events Sunshine Coast

During 2015/2016, Business Events Sunshine Coast (BESC) delivered a number of marketing events and bids to promote and grow the Sunshine Coast as a viable destination for business events.

Buyer Engagement: Familiarisations and Tradeshows

Trade events:

- ConveneQ tradeshow, Brisbane.
- Australian Tourism Exchange, (ATE), Gold Coast.
- Asia Pacific Incentives and Meetings Expo (AIME), Melbourne.
- Pacific Area Incentives and Conference Expo (PAICE), Auckland.
- Dreamtime, Adelaide.
- Sunshine Soiree, Brisbane.

Familiarisations:

- ConveneQ 2015 Sunshine Safari.



ConveneQ tradeshow.

Successful bids and sponsored conferences

BESC working in partnership with SCC, has been successful in securing business for the region including:

- Social Media in Tourism Symposium 2015 #SoMeT15AU, The Events Centre Caloundra.
- Queensland Information Centres Association Conference 2015, Oaks Oasis Caloundra.
- Australian Smart Communities Summit 2016, The Events Centre Caloundra.
- The Australian Event Awards announced in May 2016 to be held on the Sunshine Coast from 2016-2018. Bid won by BESC in conjunction with SCC. The Awards will take place at Novotel Twin Waters in 2016 and 2018 and The Events Centre in Caloundra in 2017. The bid was also backed by additional support from Qantas and airport transfer service Con-X-ion.

Digital

An EventConnect digital campaign targeted over 11,000 event planners in Australia and New Zealand.

Trade media advertising

- Micenet (Feb 2016).
- MeetingNewz City to Coast supplement (March 2016).
- New Zealand Herald Venues insert (April 2016).

Industry development

During the past year, BESC attended the Australian Association of Convention Bureau (AACB) Annual Conference. In addition, they held workshops and events as per details below.

Member workshop program

- Held two Business Events Ready workshops.
- Held two business event product development workshops 'Identifying the Sunshine Coast's signature incentive experiences'. BESC identified the need to bring their members together to discuss and pinpoint the Sunshine Coast's top group incentive experiences - those that set the destination apart and meet buyer demand. This exercise was done in a collaborative manner with valuable input from members to outline what the Sunshine Coast can offer and who/how these experiences will be delivered.

'What's in your backyard?' networking and product development events

This thrice-yearly information-sharing and networking event continues to be a valuable event for BESC members and offers an opportunity for participants to showcase their venue, activity or service to other members and develop relationships with like-minded businesses in the region.

Business events lead management and dissemination

During 2015/2016, BESC distributed 62 leads to members valued at over \$15 million. Following consultation with members, BESC now operates a streamlined lead process collecting important event data and generating monthly lead status reports for all members and stakeholders.

Research, Reporting and Governance

- 2015/2016 Queensland Business Events Survey.
- Association of Australian Convention Bureaux (AACB) Market Intelligence Project.
- AACB Operations Survey.



#SoMeT15AU function, Happy Valley, Caloundra.



Dreamtime tradeshow.

Events and Cruise

Two of the most rapidly growing tourism sectors in the Sunshine Coast region are events and cruise. VSC leverage events that are sponsored by TEQ, SCC and also member events. VSC has also been instrumental in working with TEQ and SCC to establish the region as a port for cruise ships and supporting guest arrivals.

Events

During 2015/2016, VSC provided the marketing support services for the largest portfolio of events to date - over 90 events providing in excess of \$100 million in economic benefit. The event portfolio afforded VSC with the opportunity to deliver destination messages to audiences in domestic and international markets via a wide range of communication channels including live streaming, videography, direct marketing and social media.

- Two international events – World Tag Rugby and World Va'a Sprint Championships were held in addition to one of the most significant national events, the Australian Surf Life Saving Titles. Planning for two International events the World IRONMAN 70.3 Championships and the Australasian Police and Emergency Games was also undertaken during this period.
- VSC delivered the first New Zealand campaign featuring event packages via Air New Zealand and House of Travel.
- VSC provided VIC pop up services for seven events including the Open Cockpit Weekend, Qld Garden Expo, 7 Sunshine Coast Marathon, IRONMAN 70.3, Mooloolaba Triathlon, Australian Surf Life Saving Championships and World Va'a Sprint Championships.
- In conjunction with our BESC team, VSC won the Australian Event Awards symposium for next three years which provides the opportunity to showcase the region to event promoters across Australia.
- Working with Industry Development and Digital, VSC introduced Instameets in conjunction with events and Instaprinter activations to deliver user generated content for ongoing promotions.



Volunteer Ambassadors welcomed cruise ship passengers and event participants.



'The World is Coming to the Sunshine Coast' campaign

VSC developed and delivered the first dedicated events campaign for the region. 'The World is Coming' was launched in January 2016. The launch phase through to May featured TVCs, outdoor, bus backs, digital and social media with the second phase to be launched in August 2016. The size and scale of the portfolio provided VSC with the opportunity to leverage the schedule and largely target the drive market to increase overnight visitation from the traditional day tripper.



Cruise

VSC assisted to consolidate the region's position as one of the fastest growing port destinations in the country.

- Ten ships scheduled with seven arrivals in port estimated to generate \$1.2 million in expenditure*.
- The Visitor Centre Pop up welcome has set a new benchmark for Queensland in terms of port scores of satisfaction.
- Developed 'Working with Cruise Guide' for members to better understand how to benefit from this emerging market segment on the Sunshine Coast.
- Attended TEQ Cruise Conference in March to brief all major Australian ITO's on Mooloolaba as a port and what services and shore excursion are available on the Sunshine Coast.
- VSC also joined as a Gold Member of the Australian Cruise Association and subsequently BESC has won the bid to host the Cruise Association Conference in September 2017.

* Economic Impact Assessment of the Cruise Industry in Australia, 2015/2016, Australian Cruise Association.

Visitor Information Centres

2015/2016 has been a busy year for the Visitor Information Centres (VICs), supported by two VIC Ambassador Coordinators. Approximately 330 Volunteer Ambassadors contribute to the community across eight accredited VICs, which are open seven days a week throughout the year.

Operations

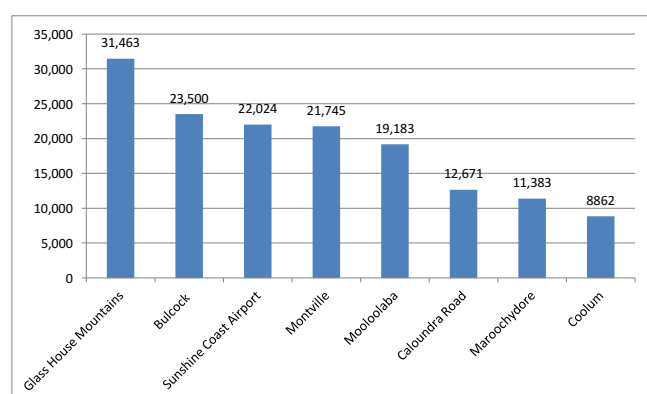
The volunteer base has remained stable at approximately 300 ambassadors over the past financial year which has allowed the centres to continue to deliver a consistent service across the region.

The Coordinators have delivered a comprehensive induction program including a popular familiarisation program for the Volunteer Ambassadors. This has not only connected member operators and businesses with the centres but increased the first-hand knowledge of the teams to impart information to visitors.

The VICs have also forged a strong relationship with local TAFE students to welcome cruise ship passengers and major events participants. This has been very successful and is advantageous for both the students to gain real-life experience and provides an opportunity for VSC to promote the area at these special occasions with the necessary man power required.

Retail will be an addition to more centres in 2016/2017. The Glass House Visitor and Interpretive Centre has been successful in its delivery of selected stock lines with the coming year to see more dedicated ranges implemented.

VIC Visitors by Centre



VIC Highlights

- The fourth annual VIC trade show was held at Aussie World. This was the largest staged to date with 60 plus tourism businesses on display and opportunity to meet with over 300 volunteers from across the region including VSC VICs and also attendees from the Noosa, Maleny, Gympie and Brisbane centres.
- The pop up VICs have been very active, with a presence at all cruise ship arrivals and major events. The team of Volunteer Ambassadors that assist with this mobile service have formed into a professional and knowledgeable group of people representing our region.
- The Glass House Visitor and Interpretive Centre installed new interactive screens and surrounds.
- VICs introduced morning presentations from tourism member businesses. Held four times over the past year, sessions provide members with a chance to present to a large group of Volunteer Ambassadors and has created positive engagement.



Member presentation for Volunteer Ambassadors.



Annual VIC tradeshow.



Thank you to our 2015/2016 Visitor Information Centre Volunteer Ambassadors

Julie	Anderson	Davis	Fraser	Judy	Maxwell	Graham	Sims
Robert	Anderson	Yvonne	Fullerton	Sandra	McAsey	Suzanne	Small
Jocelyn	Andrews	Helen	Gainey	Trish	McCormack	Tim	Smith
Sue	Armitage	Maureen	Gallagher	June	McDonald	Lois	Smith
Gillian	Asker	Melicent	Galloway	Carole	McGibbon	Barry	Smith
Mariette	Bailey	Joy	Gill	Janis	McGovern	Cynthia	Smith
Robyn	Baker	Steve	Gilmour	Wendy	McInnes	Joyce	Smythe
Wendy	Bartrim	Mal	Glover	Tim	McMahon	Julie	Somerton
Bev	Baverstock	Jan	Goedhart	Ann	McNeil	Beverley	Sorensen
Catherine	Beegling	Linda	Gold	Kris	Meyer	Anna	Steffens
Sharron	Benett	Darryl	Goschnich	Richard	Meyer	Nancy	Stewart
Ann	Bennett	Lianne	Gow	Nancy	Michel	Ian	Storr
Peter	Berbakov	Cheryl	Graham	Lorraine	Miller	Lyn	Sullivan
June	Billing	Anne	Green	Audra	Miniotas	Sue	Sutcliffe
Joan	Binks	Dianne	Greer	Debra	Moller	Andris	Svarups
Allan	Blackburn	Pauline	Griffiths	Glyness	Moore	Penny	Svarups
June	Blackburn	Pam	Gully	Rob	Morris	Sue	Thacker
Cheryl	Blacklaw	Jenny	Haddrell	Doreen	Morrison	Rodger	Thomson
Jeff	Bodley	Phyl	Halliwell	Jane	Mosely	Jim	Thorn
Robyn	Bogie	Wendy	Hardaker	Lauri	Mouton	Michael	Thorpe
Rod	Bottomer	Denis	Hare	Lesley	Muir	Laureen	Tkacik
Mary	Bottomer	Denise	Hattenfels	Denis	Munday	Margaret	Townsend
Louise	Boyden	Jeep	Hattenfels	Janine	Munday	Norelle	Tremain
Enrica	Brecciaroli	Trish	Hazzard	Liz	Murdoch	Ken	Turnbull
Ann	Breeze	Jill	Healey	Marion	Musgrave	Pam	Turner
Kate	Brennan	Rina	Hernandez	Verity	Newett	Paul	Van Gool
Andrew	Brenton	Gwenda	Hicks	Carol	Nicholson	Ilse	Varekamp
Ron	Briais	Janice	Higgs	Wanita	Norman	Keith	Varekamp
Barbara	Brough	Dennis	Hines	Ivon	Northage	Leisl	Vellnagel-Duan
Heather	Busch	Ann	Hocking	Gayle	O'Connor	Noelene	Vellor
Faye	Bushnell	Lyn	Hodgkins	Nerida	O'Keefe	Michele	Vermeulen
Gerry	Butler	Mary	Holder	Liz	Olive	Graham	Walker
Sue	Caines	Barbara	Holley	Leo	O'Mara	Elva	Walters
Robbie	Cambell	Helen	Hopkins	Christine	Osbourne	Gail	Ware
Carol	Cammack	Marg	Houk	Kay	Ottaway	Naida	Watkins
Reg	Campbell	Brenda	Howells	Pat	Paddick	Peter	Watson
Helen	Carandeanu	Eilileen	Hughes	Rita	Palmer	David	Weatherburn
Alan	Carey	Trudy	Hulst	John	Palte	Imelda	Webb
Pauline	Carlile	Nevile	Hume	Maureen	Palte	Fay	Webber
Rita	Carroll	Tabitha	Humphries	Isabel	Patonai	Carol	Weeks
Mike	Carter	Heather	Hunter	Dee	Payne	Deb	Welling
Janice	Chambers	Peter	Hyde	Maria	Pearce	Geoff	Weston
Wendy	Chandler	Viv	James	Chris	Pemberton	Karen	Whitaker
Maree	Chappell	Jan	James	Frank	Perkin	Lesley	White
Win	Chappell	Donovan	Jenny	Rowena	Phillips	Helen	Whitfield
Frank	Cockram	Bev	Johnson	Anne	Piesse	Anna	Whyte
Wendy	Coleman	Erwin	Juerschik	Loraine	Porter	Ngaere	Whyte
Jean	Connisbee	Jan	Jurczak	David	Potts	Dee	Williams
Margie	Connor	Fran	Kay	Laraine	Preston	Margaret	Williams
Peter	Cook	Michael	Keegan	Gavin	Price	Frances	Wilmot
Doris	Cooke	Valerie	Keenan	Ro	Promnitz	Vivien	Wilson
Merlin	Coughlan	Peter	Kluver	Margaret	Purcell	Kristine	Woodford
Ray	Cripps	Peter	Kruidenier	Carol	Rawlins	Desrae	Woolley
Patsy	Dale	Judy	Lai	Diana	Reeves	Margaret	Wright
Kim	Davis	Trish	Lambert	Narelle	Richards	Robyn	Wyville
Judy	Dawson	Linda	Lane	Barbara	Rilen		
Rhonda	Dawson	Ken	Lane	June	Ritter		
Pepi	Dimitrova-Gruber	Brenda	LaPorte	Phillipa	Robertson		
Susan	Diplock	Lynn	Laurie	Janet	Robins		
Warren	Doolan	Don	Lay	Otto	Robinson		
Ken	Dooley	Linda	Lay	Lorraine	Robinson		
Ingrid	Duane	Philip	Layton	Janet	Robinson		
Glenys	Duckwitz	Julia	LeMonde	Ray	Robinson		
Lorraine	Dwyer	Kaye	Lindsay	Marina	Roblin		
Judaline	East	Brian	Lloyd	Rob	Roblin		
Rita	Eaton	Pat	Lockyer	Carol	Robson		
Dianne	Ericksen	Doug	Loveday	Sue	Rogers		
Gwen	Evans	Trevor	Lowe	Lynne	Ross		
Fay	Fairbrother	Jenni	Lowe	Dorothy	Rule		
Julia	Falkingham	Katia	Lyon	Bev	Ruscoe		
Reuben	Fardell	Tina	Maas	Gloria	Ryan		
Denise	Fidler	Julianne	Maher	Lavinia	Ryan		
Graham	Fidler	Carol	Mahoney	Esther	Sanderson		
Bronwyn	Finnen	Ann	Main	Irani	Santos		
Jim	Fitzthum	Helen	Manley	Kevin	Schneider		
Christine	Fletcher	Vera	Mark	Rita	Scotney		
Diane	Forsyth	Jan	Martin	Beverley	Scott		
Chris	Foster	Meroli	Mawdsley	Chris	Shaw		
Beth	Francis	Bill	Maxwell	Roni	Sheather		

15 years service

June and Allan Blackburn,
Caloundra Road.

Don and Linda Lay,
Caloundra Road.

Wendy Hardaker,
Maroochydyore.

10 years service

Carol Nicolson
Caloundra Rd/Bulcock St.

Enrica Brecciaroli,
Caloundra Road.

Pamerla Turner,
Mooloolaba.

Michael Thorpe,
Maroochydyore.



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Directors' report

for year ended 30 June 2016

The Directors present their report together with the financial report of Sunshine Coast Destination Limited (SCDL) for the financial year ended 30 June 2016 and the Auditor's report thereon.

Directors

The Directors of the company at any time during or since the end of the financial year are:

	Name and qualifications	Experience and special responsibilities
	Mr Grant Hunt <i>Dip PE and H, B.Ed, M.Mgt</i> Type of Director Experience Special Responsibilities	Chairman Skill-Based Appointed Director in 2013. Member of Nomination and Remuneration Committee
	Mr Mark Skinner <i>MBA, MAICD</i> Type of Director Experience Special Responsibilities	Director and Deputy Chairman Skill-Based Appointed Director in 2012. Reappointed in 2015. Member of Digital Committee
	Mr Ian McNicol Type of Director Experience Special Responsibilities	Director Skill-Based Appointed Director in 2011. Chairman of the Audit and Risk Committee
	Mr John Hall <i>BCom, BEcon, MBA, AAUQ, FAICD</i> Type of Director Experience Special Responsibilities	Director and Company Secretary Skill-Based Appointed Director in 2010. Reappointed in 2014. Deputy Chair of the Audit and Risk Committee.
	Mr Rodger Powell <i>FAICD, FAIM</i> Type of Director Experience Special Responsibilities	Director Skill-Based Appointed Director in 2010. Reappointed in 2015. Chairman of Nomination and Remuneration Committee
	Ms Jane Fraser Type of Director Experience Special Responsibilities	Director Skill-Based Appointed Director in 2011. Resigned in 2015. Chair of Digital Committee
	Mr David Thompson Type of Director Experience Special Responsibilities	Director Skill-Based Appointed Director in 2011. Resigned in 2015. Member of Audit and Risk Committee Member of Nomination and Remuneration Committee
	Mr Fraser Green Type of Director Experience Special Responsibilities	Director Elected Appointed Director in 2012. Reappointed in 2014. Member of Digital Committee Member of Nomination and Remuneration Committee



Mr Denis French

Type of Director

Experience

Special Responsibilities

Director

Elected

Appointed Director in 2013. Resigned in 2015.

Member of Digital Committee



Mr David Ryan *AO, FAICD, FCPA, BBus*

Type of Director

Experience

Special Responsibilities

Director

Skill-Based

Appointed Director in 2015.

Member of Audit and Risk Committee



Mr Philip Hart

Type of Director

Experience

Special Responsibilities

Director

Elected

Appointed Director in 2015.

Member of Digital Committee



Ms Sarah Pye

Type of Director

Experience

Special Responsibilities

Director

Elected

Appointed Director in 2015.

Member of Digital Committee

Further details on the Directors' relevant experience, and business interests, can be found at: www.scdl.com.au/about-us/board

Company Secretary

Mr John Hall is the Company Secretary.

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the company during the financial year are:

Director	No. of full meetings of directors		No. of ARC meetings	
	A	B	A	B
Mr Grant Hunt	8	8	-	-
Mr Ian McNicol	8	8	9	10
Mr John Hall	8	8	10	10
Mr Rodger Powell	6	8	-	-
Ms Jane Fraser	3	3	-	-
Mr David Thompson	2	3	4	5
Mr Fraser Green	8	8	-	-
Mr Mark Skinner	8	8	5	5
Mr Denis French	2	3	-	-
Mr David Ryan	5	5	2	2
Mr Philip Hart	4	5	-	-
Ms Sarah Pye	5	5	-	-

A = Number of meetings attended

B = Number of meetings eligible to attend

Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee (ARC) comprises Ian McNicol as Chairman, John Hall as Deputy Chairman and David Ryan. The meetings are attended by the company's Chief Executive Officer (CEO) and Financial Controller. The purpose of the Committee is to assist the Board with its responsibilities as they relate to:

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

Digital Committee Meetings

The Digital Committee comprises Fraser Green as Chairman, Mark Skinner, Philip Hart and Sarah Pye. The meetings are attended by the company's CEO, Head of Marketing and Digital Marketing Manager. The committee's purpose is to assist the Board with its responsibilities as they relate to:

- Annual SCDL digital strategy review;
- Digital supplier management plan; and
- Business case development for funding approval.

Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee comprises Rodger Powell as Chairman, Grant Hunt and Fraser Green.

Principal Activities

The principal activity of the Company is to advance the promotion and development of tourism within the Sunshine Coast region, which encompasses the combined local government areas of the Sunshine Coast Council, Noosa Shire Council and Gympie Regional Council. There were no significant changes in the nature of the activities of the company during the year.

Strategic Objectives

The company's objective is to grow the contribution of tourism to the Sunshine Coast economy by:

1. Promoting the region and building destination awareness within Australia and international markets to drive demand and grow visitor nights and yield.
2. Expanding digital presence through innovative online and social media strategies.
3. Being regarded as the sought after partner by key tourism industry stakeholders.
4. Building an engaged and active membership base to ensure a sense of common purpose and direction between all stakeholders.
5. Strengthening existing and developing new strategic partnerships to grow funding and resources.
6. Assisting industry to improve service quality and supply, by developing new product offerings and refurbishing existing products.
7. Lobbying and influencing strategic partners to develop improved visitor access to the region.

Dividends

SCDL is a company limited by guarantee. Accordingly, no dividends were paid or declared by the company during the financial year.

Corporate Governance Statement

Responsibilities

The Board of Directors is responsible to the members for the performance of the company in both the short and the long term and seek to balance these sometimes competing objectives in the best interests of the company as a whole.

The functions of the Board include:

- Review and approval of corporate strategies, the annual budget and financial plans;
- Monitoring organisational performance and the achievement of the company's strategic goals and objectives;
- Monitoring financial performance including approval of the annual financial reports and liaison with the company's Auditors;
- Appointment and assessment of the performance of the CEO;
- Establishing effective management processes and approving major corporate initiatives;
- Enhancing and protecting the reputation of the company;
- Identifying significant risks facing the company and implementing adequate controls, monitoring and reporting mechanisms; and
- Reporting to members.

Board Members

Details of the members of the Board, their qualifications and independent status are set out in the Directors' report under the heading "Directors". The Board operates in accordance with the principles set out in the company's constitution, including:

- The Board can be a minimum of five and a maximum of eleven and currently comprises nine members.
- The Chairman of the Board is appointed by the Board.

Likely Developments

The company will continue to implement strategies to increase visitation to the Sunshine Coast and achieve its goals. This includes continued engagement with its members, key stakeholders and by targeting new strategic partnerships.

Lead Auditor's Independence Declaration

The lead Auditor's Independence Declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2016.

This report is made with a resolution of the Directors.



Grant Hunt Chairman

Dated at Marcoola this day 31st of October 2016.

Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF SUNSHINE COAST DESTINATION LIMITED

ABN 14 144 749 717

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

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

Poole Audit Group Pty Ltd
Level 1, 8 Innovation Parkway
BIRTINYA QLD 4575



Donald Glenn Poole
Registered Company Auditor No. 5951
31 October 2016

Statement of Financial Position

as at 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current Assets			
Cash and cash equivalents	4	773,149	338,356
Trade and other receivables	5	99,443	183,273
Prepayments	6	69,969	73,673
Total Current Assets		<u>942,561</u>	<u>595,302</u>
Non-current assets			
Property, plant and equipment	7	150,559	267,579
Intangible assets	8	116,520	80,913
Total Non-current Assets		<u>267,079</u>	<u>348,492</u>
Total Assets		<u>1,209,640</u>	<u>943,794</u>
Liabilities			
Current Liabilities			
Trade and other payables	9	436,915	351,406
Borrowings	10	22,587	38,084
Provisions	11	81,728	69,707
Total Current Liabilities		<u>541,230</u>	<u>459,197</u>
Non-Current Liabilities			
Borrowings	12(c)	51,405	111,643
Provisions	11	11,492	9,358
Total Non-current Liabilities		<u>62,897</u>	<u>121,001</u>
Total Liabilities		<u>604,127</u>	<u>580,198</u>
Net Assets		<u>605,513</u>	<u>363,596</u>
Equity			
Retained surplus		605,513	363,596
Total Equity		<u>605,513</u>	<u>363,596</u>

Statement of Profit or Loss and other Comprehensive Income

for year ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Revenue	14	5,077,682	5,613,305
Expenses			
Administration		962,095	1,191,299
Depreciation and amortisation expenses		183,760	377,889
Interest expense		9,996	13,619
Industry representation		174,009	173,676
Marketing and promotion		3,519,872	3,714,156
Research		7,355	7,815
Total Expenses		<u>4,857,087</u>	<u>5,478,454</u>
Finance income	17	21,322	23,526
Net Finance income		<u>21,322</u>	<u>23,526</u>
Net surplus/(deficit) before income tax		241,917	158,377
Income tax expense		-	-
Net surplus/(deficit) for the year		<u>241,917</u>	<u>158,377</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>241,917</u>	<u>158,377</u>

Statement of Cash Flows

as at 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Cash receipts from customers		5,304,842	5,657,520
Cash paid to suppliers and employees		(4,711,365)	(5,423,715)
Cash generated from operations		593,477	233,805
Interest received		21,322	23,526
Interest paid		(9,996)	(13,309)
Net cash generated from operating activities	18	604,803	244,022
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		34,545	5,975
Acquisition of property, plant and equipment		(12,300)	(50,002)
Acquisition of intangible assets		(116,520)	-
Net cash used in investing activities		(94,275)	(44,027)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(75,735)	(85,749)
Net cash used in financing activities		(75,735)	(85,749)
Net increase/(decrease) in cash and cash equivalents		434,793	114,246
Cash and cash equivalents at 1 July		338,356	224,110
Cash and cash equivalents as at 30 June	4	773,149	338,356

Statement of Changes in Equity

for the year ended 30 June 2016

	Retained Surplus \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2014	205,219	-	205,219
Comprehensive Income			
Profit attributable to the entity	158,377	-	158,377
Other comprehensive income for the year	-	-	-
Revaluation increment/(decrement)	-	-	-
Total Comprehensive Income	<u>158,377</u>	<u>-</u>	<u>158,377</u>
Balance as at 30 June 2015	<u>363,596</u>	<u>-</u>	<u>363,596</u>
Comprehensive Income			
Profit attributable to the entity	241,917	-	241,917
Other comprehensive income for the year	-	-	-
Revaluation increment/(decrement)	-	-	-
Total Comprehensive Income	<u>241,917</u>	<u>-</u>	<u>241,917</u>
Balance as at 30 June 2016	<u>605,513</u>	<u>-</u>	<u>605,513</u>

1. Reporting Entity Concept

Sunshine Coast Destination Limited (SCDL) or "the company" is a not-for-profit company domiciled in Australia. The address of the company's registered office is 10 Electra Lane, Marcoola Queensland 4564. The company primarily is involved in the promotion and development of tourism in the Sunshine Coast region in Queensland.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There has not been any change in the company's accounting policies in the past 12 months.

3. Basis of Preparation

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Because the company is a not-for-profit-entity and AASBs include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), the financial report of the company does not comply with all IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on the date shown on the Directors' Declaration.

b) Basis of measurement

The financial report has been prepared on the historical cost basis, modified, where applicable, by the measurement at fair value of selected non-current assets.

c) Functional and presentation currency

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

d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

e) Foreign currency

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

f) Financial instruments

i) *Non-derivative financial assets*

The company initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Basis of Preparation (continued)

f) Financial instruments (continued)

i) *Non-derivative financial assets (continued)*

The Company has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

ii) *Non-derivative financial liabilities*

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated.

All other financial liabilities are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company ceases to recognise a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial liabilities: trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

iii) *Compound financial instruments*

The company has not issued any compound financial instruments.

iv) *Derivative financial instruments, including hedge accounting*

The company holds no derivative financial instruments.

g) Property, plant and equipment

i) *Recognition and measurement*

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and capitalised borrowing costs (see below). Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as "other income" in the statement of comprehensive income.

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 July 2010, the company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

3. Basis of Preparation (continued)

g) Property, plant and equipment (continued)

ii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in expenses as incurred.

iii) *Depreciation*

Depreciation is recognised in expenses on a prime cost basis over the estimated useful lives of each motor vehicle and on a diminishing basis for office equipment. Depreciation is recognised on a prime cost basis over the term of lease for leasehold improvements. Diminishing value method is recognised for computer equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

<u>Classification of fixed asset</u>	<u>Depreciation rate</u>
• Office furniture	3-5 years
• Computer equipment	5 years
• Motor vehicles	5 years
• Leasehold improvements	4 years

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

h) Intangible assets

Depreciation is recognised in expenses on a prime cost basis over the estimated useful lives of intangible assets. The estimated useful lives for the current and comparative periods are as follows:

<u>Classification of fixed asset</u>	<u>Depreciation rate</u>
• Intangible Assets - Website	3 years

i) Leased assets

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payment are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other leases are operating leases and the leased assets are not recognised on the company's statement of financial position.

j) Impairment

i) *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in finance costs and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

3. Basis of Preparation (continued)

j) Impairment (continued)

ii) *Non-financial assets*

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. As the entity is a not-for-profit entity, value in use is the depreciated replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and as the entity would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in expenses. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits. Contributions are made by the entity to each employees designated superannuation fund and are charged as expenses when incurred.

l) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

m) Revenue

i) *Services*

Revenue from services rendered is recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

n) Government grants

i) *Grants received*

Grants in respect of operating expenses (operating or revenue grants) and grants for the purchase of property, plant and equipment (capital grants) are accounted for, based on the nature of any attached conditions to the grants, as either reciprocal or non-reciprocal grants.

Reciprocal grants received

Grants where the company is obliged to repay unutilised funds or has a return obligation that implies the existence of a reciprocal transfer are initially brought to account as revenue in the years in which they are received. A liability is recognised to the extent it is probable that the funds are likely to be returned and considering the percentage of completion achieved.

3. Basis of Preparation (continued)

n) Government grants (continued)

Non-reciprocal grants received

Grants where the company is not obliged to repay unutilised funds or does not have a return obligation that implies the existence of a reciprocal transfer are brought to account as revenue in the years in which they are received.

ii) Contributions

Contributions of assets, including the right to receive cash or other forms of assets without directly giving approximately equal value to the other party or parties to the transfer, are recognised as revenue at fair value when the company obtains control of the contribution or the right to receive the contribution. It is probable that the economic benefits comprising the contribution will flow to the company and the amount of the contribution can be measured reliably.

o) Lease payments

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

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset.

An arrangement conveys the right to use the asset if the arrangement conveys to the company the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the company's incremental borrowing rate.

p) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest method.

q) Income tax

The company is exempt from income tax under Division 50-40 (Primary and secondary resources, and tourism) of the Income Tax Assessment Act 1997.

r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

s) Presentation of financial statements

The company applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Notes to Financial Statements

for the year ended 30 June 2016

4. Cash and cash equivalents

	Note	2016	2015
		\$	\$
Cash at bank - unrestricted		176,726	88,761
Call Deposits		596,423	249,595
Cash and cash equivalents		773,149	338,356
Bank overdrafts repayable on demand		-	-
Cash and cash equivalents in the statement of cash flows		773,149	338,356

The company's bankers, the National Australia Bank, holds a bank guarantee of \$20,862 in respect to the lease for the company's office at Airport House, 10 Electra Lane Marcoola QLD 4564.

The company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 12.

5. Trade and other receivables

	Note	2016	2015
		\$	\$
Current			
Trade receivables		68,212	123,148
Provision for doubtful debts		(1,152)	(2,933)
GST receivable		30,504	20,863
Sundry debtors		1,879	42,195
		99,443	183,273

a) Provision for doubtful debts

Movement in the provision for doubtful debts is as follows:

Provision for doubtful debts as at 1 July 2014	29,403
Charge for year	2,933
Written off	29,403
Provision for doubtful debts as at 30 June 2015	2,933
Charge for year	1,152
Prior year doubtful debts recouped	(2,933)
Provision for doubtful debts as at 30 June 2016	1,152

The company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 12.

Notes to Financial Statements

for the year ended 30 June 2016

6. Prepayments

	2016 \$	2015 \$
Current		
Prepaid expenses	69,969	73,673
	<u>69,969</u>	<u>73,673</u>

7. Property, plant and equipment

	Office furniture \$	Motor vehicles \$	Office equipment \$	Leasehold improvements \$	Total \$
Cost					
Balance as at 1 July 2014	107,342	352,197	251,097	28,914	739,550
Additions	7,344	-	26,707	15,951	50,002
Disposals	-	42,927	-	-	42,927
Balance as at 30 June 2015	<u>114,686</u>	<u>309,270</u>	<u>277,804</u>	<u>44,865</u>	<u>746,625</u>
Balance as at 1 July 2015	114,686	309,270	277,804	44,865	746,625
Additions	-	-	12,300	-	12,300
Disposals	7,000	57,311	4,590	-	68,901
Balance as at 30 June 2016	<u>107,686</u>	<u>251,959</u>	<u>285,514</u>	<u>44,865</u>	<u>690,024</u>
Depreciation and Impairment					
Balance as at 1 July 2014	58,476	161,522	137,336	5,573	362,907
Depreciation	28,333	66,958	48,028	10,525	153,844
Disposals	-	37,705	-	-	37,705
Balance as at 30 June 2015	<u>86,809</u>	<u>190,775</u>	<u>185,364</u>	<u>16,098</u>	<u>479,046</u>
Balance as at 1 July 2015	86,809	190,775	185,364	16,098	479,046
Depreciation	18,039	38,121	35,666	11,021	102,847
Disposals	6,847	31,498	4,083	-	42,428
Balance as at 30 June 2016	<u>98,001</u>	<u>197,398</u>	<u>216,947</u>	<u>27,119</u>	<u>539,465</u>
Net book value					
At 30 June 2015	<u>27,877</u>	<u>118,495</u>	<u>92,440</u>	<u>28,767</u>	<u>267,579</u>
At 30 June 2016	<u>9,685</u>	<u>54,561</u>	<u>68,567</u>	<u>17,746</u>	<u>150,559</u>

Notes to Financial Statements

for the year ended 30 June 2016

8. Intangibles

	2016	2015
	\$	\$
Website at Cost	788,654	672,134
Accumulated amortisation	672,134	591,221
Accumulated impairment	-	-
Net carrying amount	116,520	80,913

Website

Balance at the beginning of the year	80,913	304,958
Additions	116,520	-
Disposals	-	-
Amortisation expense	80,913	224,045
Balance at the end of the year	116,520	80,913

9. Trade and other payables

	2016	2015
	\$	\$
Trade creditors	127,220	188,293
Sundry creditor accruals	39,611	70,342
Other payables owing	-	-
GST liability	-	-
Payroll liabilities	91,507	56,755
Deferred income	178,577	36,016
	436,915	351,406

The company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 12.

10. Borrowings

	2016	2015
	\$	\$
Motor vehicle lease(s)	22,587	38,084
	22,587	38,084

Notes to Financial Statements

for the year ended 30 June 2016

11. Provisions

	2016	2015
	\$	\$
Opening balance at the beginning of the year	79,065	90,885
Additional provisions raised during year	120,299	113,532
Amounts used	(106,144)	(125,352)
Balance at the end of the year	93,220	79,065

Analysis of Provisions	2016	2015
	\$	\$
Current:		
Annual leave entitlements	81,728	69,707
	81,728	69,707
Non-Current:		
Long service leave entitlements	11,492	9,358
	11,492	9,358
	93,220	79,065

Provisions represent the amounts accrued for employee annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlement that have been vested due to employees having completed the required period of service.

Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities as the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

12. Financial Instruments

a) Financial risk management

Overview

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

i) *Credit risk*

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

Trade and other receivables

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

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

The company has established a credit policy under which each new customer is analysed individually for credit worthiness. The company reviews external ratings, when available, and in some cases bank references.

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

ii) *Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient readily available funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

iii) *Market risk*

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

b) Credit risk

Exposure to credit risk

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

	2016	2015
	\$	\$
Cash and cash equivalents	773,149	338,356
Trade and other receivables	99,443	183,273
	<u>872,592</u>	<u>521,629</u>

Notes to Financial Statements

for the year ended 30 June 2016

12. Financial Instruments (continued)

b) Credit risk (continued)

The company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2016	2015
	\$	\$
Australia	99,443	183,273
Other regions	-	-
	<u>99,443</u>	<u>183,273</u>

The company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2016	2015
	\$	\$
Government entities	65,704	131,981
Non-Government entities	33,739	51,292
	<u>99,443</u>	<u>183,273</u>

Impairment losses

The ageing of the company's trade receivables at the reporting date was:

	2016		2015	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Current	95,105	-	121,522	-
31 to 60 days	28	-	2,237	-
61 to 90 days	1,682	-	57,924	-
91 days and over	3,780	(1,152)	4,523	(2,933)
	<u>100,595</u>	<u>(1,152)</u>	<u>186,206</u>	<u>(2,933)</u>

c) Liquidity risk

Finance leases on motor vehicles of which there are 3 (2015: 8), commencing 2014, are five year leases and all leases have an option to purchase at the end of the lease term. No debt covenants or other such arrangements are in place.

Notes to Financial Statements

for the year ended 30 June 2016

12. Financial Instruments (continued)

c) Liquidity risk (continued)

Payable minimum lease payments

	2016	2015
	\$	\$
- less than 12 months	22,587	38,084
- more than 12 months but not later than five years	51,405	111,643
- greater than five years	-	-
	<u>73,992</u>	<u>149,727</u>

Trade and other payables

	2016	2015
	\$	\$
- less than 12 months	436,915	351,406
- more than 12 months but not later than five years	-	-
- greater than five years	-	-
	<u>436,915</u>	<u>351,406</u>

Capital Commitments

	2016	2015
	\$	\$
- less than 12 months	71,880	-
- more than 12 months but not later than five years	-	-
- greater than five years	-	-
	<u>71,880</u>	<u>-</u>

d) Currency risk

The company has minor exposure to foreign currency risk on some sales and purchases.

e) Fair values

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

13. Capital and Reserves

Company limited by guarantee

The company is a company limited by guarantee. Accordingly, each member of the company undertakes to contribute to the assets of the company in the event of it being wound up while that person is a member or within one year after that person ceased to be a member for payment of the debts and liabilities of the company contracted before that person ceased to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors amongst themselves, such amount as may be required, not exceeding \$20.

Notes to Financial Statements

for the year ended 30 June 2016

14. Revenue

	2016	2015
	\$	\$
Government and institutional grants	4,407,216	4,982,293
Industry contributions	608,119	604,984
Sundry other	62,347	26,028
	<u>5,077,682</u>	<u>5,613,305</u>

15. Personnel expenses

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

	2016	2015
	\$	\$
Salaries and Wages	1,624,176	1,772,189
Superannuation contributions	149,152	154,998
Increase/(Decrease) in liability for annual leave	12,021	12,583
Increase/(Decrease) in liability for long services leave	2,135	(24,404)
	<u>1,787,484</u>	<u>1,915,366</u>

16. Director fees and related entity payments

	2016	2015
	\$	\$
Directors Fees	81,278	80,228
Related entity payments	35,045	37,248

Related entity payments include entities that are controlled, or jointly controlled by those Directors individually or collectively.

17. Finance Income

	2016	2015
	\$	\$
Interest income on bank deposits	21,322	23,526
Net finance income	<u>21,322</u>	<u>23,526</u>

Notes to Financial Statements

for the year ended 30 June 2016

18. Reconciliation of cash flows from operating activities

	2016	2015
	\$	\$
Cash flows from operating activities		
Net surplus (deficit) for the year	241,917	158,377
Adjustment for depreciation and amortisation	183,760	377,889
Profit on sale of asset	(8,073)	(752)
Operating surplus before changes in working capital and provisions	417,604	535,514
Change in trade and other receivables	92,673	27,942
Change in prepayments	3,704	(46,768)
Change in trade and other payables	76,667	(260,845)
Change in provisions and employee benefits	14,155	(11,821)
Net cash from operating activities	604,803	244,022

19. Expenses

	2016	2015
	\$	\$
Auditors Remuneration	16,775	14,450
Rental Expenses on operating leases	92,614	111,975

20. Capital and leasing commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

Payable - minimum lease payments:

	2016	2015
	\$	\$
Not later than 12 months	47,596	80,922
Later than 12 months but not later than five years	-	48,480
Later than five years	-	-
	47,596	129,402

The property lease commitment is a non-cancellable operating lease contracted for but not recognised in the financial statements with a four year term. Increase in lease commitments will occur in line with the consumer price index (CPI).

The photocopier lease commitment is a cancellable rental lease agreement contracted for but not recognised in the financial statements with a three year term. The lease cost is fixed and there are no price increases during the term of the agreement.

20. Capital and leasing commitments (continued)

At 30 June 2016, the Company had capital commitments of \$71,880 (2015: Nil) relating to the completion of new websites.

21. Fair Value Measurement

The company has measured and recognised certain plant and equipment items at fair value on a non-recurring basis (2012) under Level 2 of the fair value hierarchy.

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1: measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: measurements based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: measurements based on unobservable inputs for the asset or liability.

The fair value measurement of the plant and equipment took place as a result of the company's acquisition of the Visitor Information Centres from the Sunshine Coast Regional Council in July 2012. These assets are currently being depreciated in accordance with their useful life to the company.

22. Economic dependency and going concern

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

The ability of the company to continue its operations at current levels is dependent upon future ongoing funding being provided by the funding bodies. The company renewed its funding arrangement with the company's major funding body for a further 3 years (effective 1st July 2015, ending 30th June 2018) with no significant changes to the terms. The agreement includes the provision for the funding provider, on or about the commencement of each financial year following the anniversary of 1 July, to consider extending the period of any already approved funding for a further term of twelve months. In essence, creating the potential for a rolling 3 year funding deed.

Directors' Declaration

Directors' Declaration

In the opinion of the directors of Sunshine Coast Destination Limited (the company):

- a) the financial statements and notes, set out on pages 27 to 45 are in accordance with the Corporations Act 2001, including:
 - i) compliance with Australian Accounting Standards; and
 - ii) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the 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.

Signed in accordance with a resolution of the Directors:



Grant Hunt Chairman

Dated at Marcoola this day 31st of October 2016.

Independent Auditors' Report

TO THE MEMBERS OF SUNSHINE COAST DESTINATION LIMITED

ABN 14 144 749 717

Report on the Financial Report

We have audited the accompanying financial report for Sunshine Coast Destination Limited (the company) which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 the directors' declaration.

Director's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform audit 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 judgment, 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 company'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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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

Opinion

In our opinion, the financial report of Sunshine Coast Destination 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 30th June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Poole Audit Group Pty Ltd Level
1, 8 Innovation Parkway
BIRTINYA QLD 4575



Donald Glenn Poole
Registered Company Auditor No. 5951
31 October 2016



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