

Attachment Folder

Item 8.1, 8.2 & 8.9 Ordinary Meeting

Thursday, 17 November 2022

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DRAFT Sunshine Coast Council Annual report 2021/22



Acknowledgement of Traditional Custodians

Sunshine Coast Council acknowledges the Sunshine Coast Country, home of the Kabi Kabi peoples and the Jinibara peoples, the Traditional Custodians, whose lands and waters we all now share.

We recognise that these have always been places of cultural, spiritual, social and economic significance. The Traditional Custodians' unique values, and ancient and enduring cultures, deepen and enrich the life of our community.

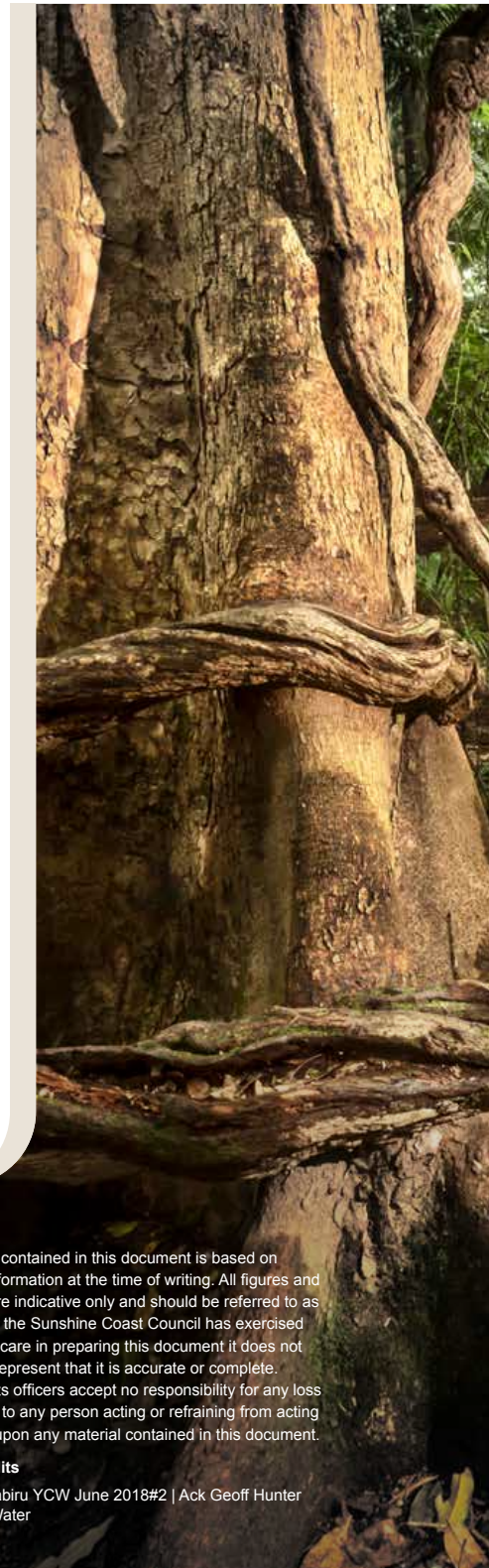
We commit to working in partnership with the Traditional Custodians and the broader First Nations (Aboriginal and Torres Strait Islander) communities to support self-determination through economic and community development.

Truth telling is a significant part of our journey. We are committed to better understanding the collective histories of the Sunshine Coast and the experiences of First Nations peoples. Legacy issues resulting from colonisation are still experienced by Traditional Custodians and First Nations people.

We recognise our shared history and will continue to work in partnership to provide a foundation for building a shared future with the Kabi Kabi and the Jinibara peoples.

We wish to pay respect to their Elders – past, present and emerging, and acknowledge the important role First Nations people continue to play within the Sunshine Coast community.

Together, we are all stronger.



Edition November 2022

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Acknowledgements


Council wishes to thank all contributors and stakeholders involved in the development of this document.

Disclaimer

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Welcome

Welcome to the Sunshine Coast Council Annual Report 2021/22. This report demonstrates how Sunshine Coast Council (Council) has progressed actions from the Corporate Plan 2021-2025 and provides service delivery highlights.

It is one of the many ways Council connects with our community to:

- Show Council's commitment to advancing our vision as Australia's most sustainable region. Healthy. Smart. Creative.
- Communicate key deliverables for our residents, and
- Demonstrate our effectiveness.





SECTION 1

INTRODUCTION

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Annual Report 2021/22 | Sunshine Coast Council

Message from the Mayor



Mark Jamieson
Mayor

It's no secret the Sunshine Coast is a strong and resilient community. Having spent the 2021/22 financial year living with and recovering from the impacts of the global COVID-19 pandemic combined with the impacts of several weather events, there's no doubt it has been a challenging time for all of us.

Without any question, the biggest contributor to the resilience of our region over the past year has been our community. I have seen the inspiring way our Sunshine Coast communities have continued to support each other and shown immense comradery during such an enduring and challenging time.

But with any challenges come opportunities.

Our Council has remained committed to working collaboratively with residents, business and other tiers of government to respond and adapt to these hurdles while planning to build on our competitive advantages and position our region for the future.

The announcement by the International Olympic Committee in July that Brisbane will host the 2032 Olympic and Paralympic Games is a once in a lifetime opportunity to showcase the Sunshine Coast across the globe. Not since Sydney 2000 has our country hosted the world's greatest sporting event and 2032 will put a spotlight on our region. The Maroochydore City Centre will be the home of this region's athlete's village, housing officials, and athletes competing in events being held on the Sunshine Coast.

Not only will the Games provide an outstanding opportunity to showcase the natural beauty and attractions of our coastline and hinterland to a global audience, it will also provide an economic stimulus for our region leading up to and beyond the Games and will be a catalyst to enhance social and environmental outcomes for our communities. The announcement sets in motion extensive detailed planning for the staging of the Games that will also support the liveability and connectivity of South East Queensland.

The ongoing implementation of our Community Strategy 2019-2041 continues to contribute to the social, cultural, and creative aspects of life on the Sunshine Coast. We know that together we



thrive and that diversity in all its form is an asset to communities, enriching the lives of residents and visitors alike. This year our multicultural programs continued to assist Sunshine Coast migrants to learn how to swim, build knowledge of surf conditions, prepare people for employment and support the development of small businesses.

The renewed online community engagement platform called 'Have Your Say' was launched in July 2021, making it as easy as possible for residents to be involved in Council projects. More than 10,000 people have already registered and I encourage all Sunshine Coast residents to join the "Have Your Say" site to receive updates on new engagement activities and provide highly valued input that is used to inform Council's planning and decision making.

Now one year on since its formation, the Sunshine Coast Youth Council has already made great progress and our collaboration with the group continues to engage and empower young people on the Sunshine Coast. This group of future leaders developed and implemented an engagement program to get to the heart of what matters most to young people. This ongoing engagement with young people in our region is important in delivering on our responsibility to plan for both current and future generations.

Our partnerships with the First Nations community continue to deepen with our Innovate Reconciliation Action Plan 2021-2022 achieving endorsement from Reconciliation Australia. It is testament to Council's commitment to build our capacity and sustain real action in how we partner with and support the First Nations community. When Council launched its first Reconciliation Action Plan in 2011, it was the first local government in Queensland to have developed its plan in partnership with Reconciliation Australia. Now we are in the 11th year of our reconciliation journey and headed in the right direction.

Implementing our Environment and Liveability Strategy 2017 continues to assist in preserving and enhancing our natural environment, enabling a good quality of life for all residents in an accessible and well-connected built environment. This strategy is a demonstration of Council's

forward thinking and commitment to real actions as we plan for our growing population and the impacts of a changing climate.

In November Council acknowledged the existence of a climate emergency, requiring urgent and sustained effort for our organisation to achieve zero-net emissions by 2041. This decision further supports our proactive approach to developing and implementing strong climate change policy that is evidence-based and aligned with the best available science.

Our Council has a well-regarded reputation for preserving and enhancing our natural assets. This commitment was strengthened once again in June, when the Sunshine Coast was officially recognised as a UNESCO Biosphere. This historic announcement was the result of more than six-years of hard work, dedication and collaboration with our residents and the Biosphere Community Reference Group. Together we developed a nomination that will now help guide our region as we grow – now and into the future.

Our outstanding lifestyle continues to attract people to the region and our population is expected to grow to more than 500,000 people by 2041. Coupled with the 2032 Olympic and Paralympic Games, it is critical the Australian and Queensland Governments support the essential infrastructure needed to meet the present and future needs of our growing community. Following extensive engagement with our community, Council endorsed the Sunshine Coast Mass Transit Options Analysis Report in October and submitted it to the Queensland Government. While Council is not responsible for the delivery and operation of public transport on the Sunshine Coast, we have an important role to work on behalf of our community to plan and advocate for a more sustainable, efficient and reliable public transport network.

A key component of this future planning is the development of Sunshine Coast Planning Scheme 2024 that will guide growth and development on the Sunshine Coast. Shaped by a Community Reference Group, Council conducted an extensive community engagement process between February and March 2022, receiving more than 6000 survey responses with 57,000 people

visiting Council's 'Have your Say' engagement site. Our community has a high level of interest in the future of our region and Council will closely consider feedback as we proceed to draft our new planning scheme.

Our Regional Economic Development Strategy 2013-2033 has provided the blueprint to create our resilient economy and underpins the significant growth and diversification that has contributed to the \$18.5 billion economy we have in our region today.

Investment in the Maroochydore City Centre continued as buildings are visibly seen emerging from the ground. Once complete, the city centre will be the epicenter of commerce, technology, innovation, entertainment and inner-city living and will provide an ideal offering to attract high value businesses to the region.

In December, data centre operator NEXTDC purchased the International Broadband Submarine Cable landing station from Council in an \$8 million deal that will create more jobs and stimulate more investment in our region. For a data centre operator, such as NEXTDC to establish a presence on the Sunshine Coast – outside of a capital city – demonstrates confidence in our region and will be a great stimulant to attract investment and local employment opportunities.

For a third time, the Sunshine Coast received recognition as a Top7 Intelligent Community by the New York based Intelligent Community Forum. The award recognised our region as a connected and smart community with a thriving innovation ecosystem. Underpinning this recognition has been the future focused and enabling investments which Council has made in infrastructure and nurturing the development and growth of talent and skills which will support the growing digital sophistication, ideas generation and connectivity that will make the Sunshine Coast truly nation leading.

Our region also received recognition as the #1 most loved destination on the planet according to the Tourism Sentiment Index, which analysed 1.6 billion online conversations about how people feel about a place. Our Sunshine Coast ranked in first place for striving to be our best for residents and for visitors, offering great travel experiences.

Of paramount importance in continuing to deliver for our community is the responsible management of our budget and resources. I am proud to announce that despite the challenges of the pandemic, our Council achieved its 14th consecutive year with an unmodified audit opinion. I would like to acknowledge and thank my fellow Councillors and council's senior executives for their commitment to prudent and disciplined management of the organisation's resources, while responding to and supporting the many facets of community life.

This is just a snapshot of many more services and initiatives that our Council has delivered over the past year on behalf of our community. Getting the community, environment and economic balance right remains a fundamental commitment of our Council as we seek to achieve our vision for the Sunshine Coast to be Australia's most sustainable region. Healthy. Smart. Creative.

Mayor Mark Jamieson



Annual Report 2021/22 | Sunshine Coast Council

PHOTOGRAPH BY

Message from the Chief Executive Officer



Emma Thomas
Chief Executive Officer



At its core, Sunshine Coast Council's purpose is to serve our community with excellence, respect our past and position our region for the future. This reflects our inclusive and collaborative approach to partnering with our community, business and across the organisation to progress Council's vision as Australia's most sustainable region. Healthy. Smart. Creative.

Council prides itself on delivering services and programs which enable our community to thrive and this is made possible by our 1800 plus employees who are passionate about our region and our community. From parks, roads and pathways, stormwater drainage and environmental conservation, to libraries, venues, sport and recreational facilities and much more, our organisation remains focussed on responding to the current and future needs of our communities.

This year, we achieved some exceptional results considering the challenges we have faced responding to the COVID-19 pandemic and the advent of three significant adverse weather events.

The delivery of our \$268 million capital works program was impacted by supply chain constraints that resulted in longer lead times on many goods and services, increased costs and reduced availability of labour and materials. Despite this we managed to deliver over 1480 projects, including the award-winning Northern Parkland at Mooloolaba Foreshore, the Hinterland Blues AFL and Palmwoods cricket clubhouse and our region's newest community facility – the Beerwah Community Meeting Place.

The La Niña weather pattern was another significant disrupter to our services. In late February and early March, our region was inundated with heavy rain from a weather system that caused flooding in areas across the Sunshine Coast, resulting in significant damage to many of our community assets.

The Council-led Local Disaster Management Group was activated and responded immediately,

with our Council crews working tirelessly to inspect potentially damaged community assets, make them safe and repair them as quickly as possible. Council's social media posts provided crucial information about the weather events and were viewed more than 739,000 times over just five days in February. The collaborative response of our emergency management partners in a time of need was a clear demonstration of why our relationships with community, local organisations and authorities, business owners and other tiers of government are so important.

I am really proud of the agility our organisation has shown to respond to challenges and to provide the invaluable leadership and support when our communities need it most.

Our unwavering focus on sustainability remains an important anchor in everything we do. Our sustainability commenced a new chapter in November when Council acknowledged the existence of a climate emergency and in doing so, committed to urgent and sustained action to achieve our strategic target of being a zero-net emissions organisation by 2041.

This built on the climate actions being implemented as part of the Environment and Liveability Strategy 2017 and strengthened our climate action policy position. In response, a governance structure and framework were established to support a whole-of-Council approach with outcomes that embed climate change adaptation more effectively into our everyday business.

There are many actions that exemplified our commitment to climate action over the past 12 months, including the:

- Roll-out of rooftop solar systems across many of our buildings
- Launch of the 'regional erosion and sediment education and trail' (RESET) site and program to improve construction management practices, and
- Distribution of more than 45,000 garden organics bins in May as part of the first phase

of the expanded waste collection services, diverting waste from landfill.

Council also awarded its new \$146 million waste collection contract to JJ's Waste & Recycling in August. This partnership will support the delivery of the Sunshine Coast Waste Strategy, support the development of our region's circular economy and help us to pursue our zero-net emissions targets.

There is no doubt that our region continues to offer one of the most attractive lifestyles in Australia, if not the world, and our population is continuing to grow. Managing this growth is a key priority for Council, given it impacts our services, our assets and our communities. Our Council is adopting a comprehensive planning process to manage growth, through our long-term strategies, our service and asset management plans and the development of a new planning scheme that will guide future development across the region.

As a Council we are committed to being a truly outstanding organisation that is marked by great people, good governance and regional leadership.

We understand that delivering on our strategic objectives, providing positive customer experiences and having strong and collaborative partnerships are dependent on one important ingredient—our people. This year we have commenced a CultureBoost program to engage our employees in designing a culture and values that will enable us to further advance our vision and goals for the region and build our reputation as an ideal place to work.

The safety of all our residents, visitors and employees is as always of paramount importance and this year we launched the Wellbeing, Health and Safety Policy Plan 2021-2025. This underpins Council's approach to enhancing our safety culture and has contributed to a 23 per cent decrease in the employee lost-time-injury frequency rate from the previous year.

Deepening our understanding of traditions, culture and strengthening connections with First

Nations communities is an important part of how we engage across our diverse communities. During the year, we launched a pilot program for 450 employees to participate in First Nations face-to-face cultural training and local on-country learning experiences. These sessions form part of a program designed to educate Council employees on cultural awareness and provide invaluable learning experiences that enrich our understanding about our region's past. It also enables us to further enhance our connection to the land and Traditional Owners, as a partnership in positioning the region for the future.

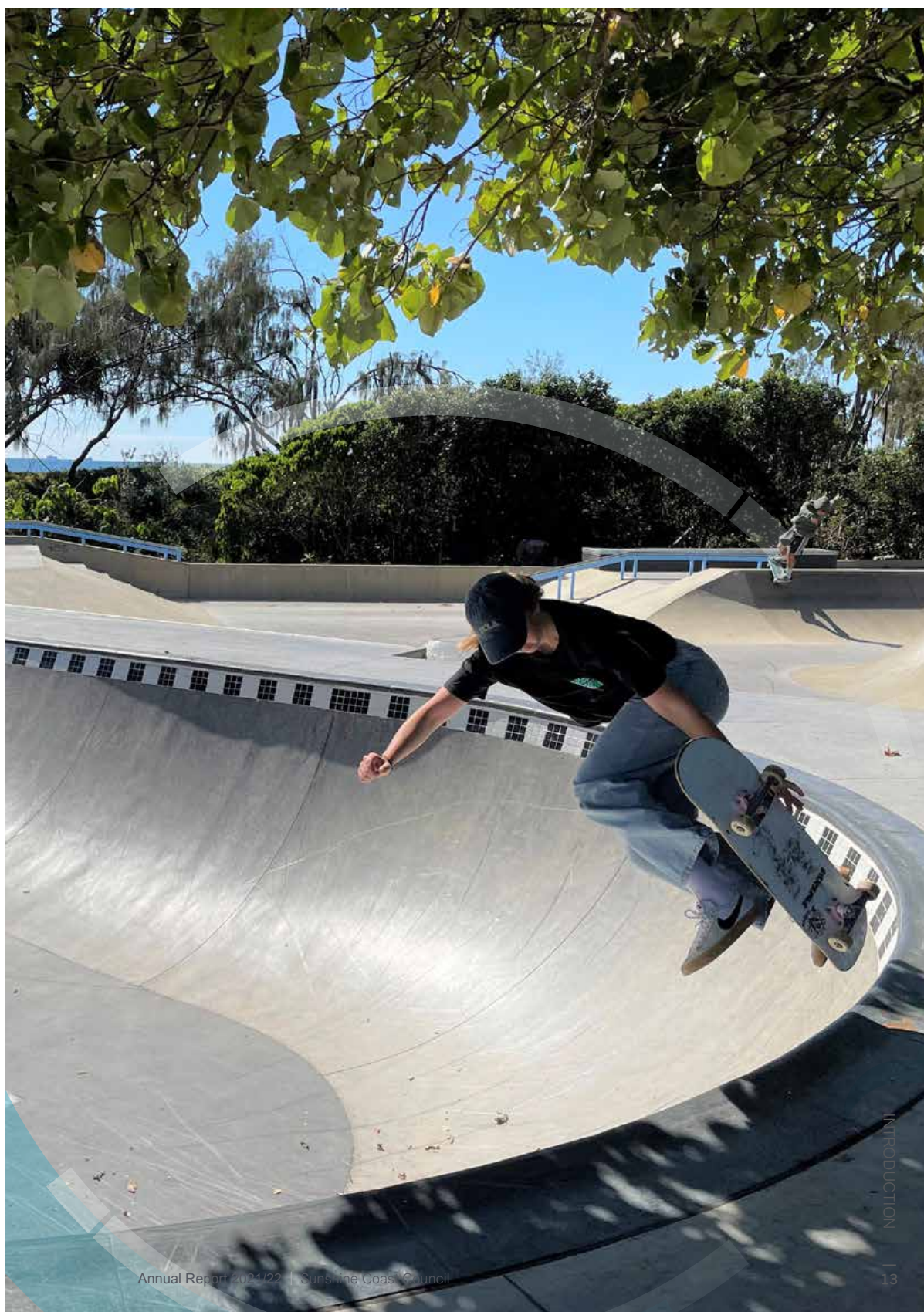
This has been another very rewarding year to be part of the Sunshine Coast Council, however as one financial year closes, another begins. In June, Council adopted its \$847 million 2022/23 budget which will continue to enable us to deliver a stronger, better and sustainable Sunshine Coast, with a focus on local first – local communities, our local environment and local business.

I would like to thank all of Council's employees for their efforts throughout the year – it has been a busy year that has included some incredibly difficult circumstances. Their contribution is what makes our organisation what it is and reflects our fundamental commitment to service on behalf of our community. When we work together, we truly make our region the sustainable, healthy, smart and creative place that it is.

Emma Thomas
Chief Executive Officer



Annual Report 2021/22 Sunshine Coast Council



Our Sunshine Coast

The Sunshine Coast is widely acknowledged as a highly desirable place to live, work and play, with abundant natural resources and a unique lifestyle.

Located in South East Queensland, just north of Greater Brisbane, the Sunshine Coast Council local government area covers an area of 2,291 square kilometres, is a major urban and economic centre and an emerging city-region.

The Sunshine Coast has a strong reputation as a lifestyle region defined by its subtropical climate, picturesque coastline and beaches, extensive waterways and wetlands, and the hinterland mountain ranges. The natural environment and distinct landscapes influence the Sunshine Coast way of life.

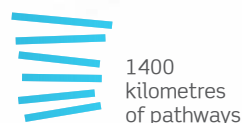
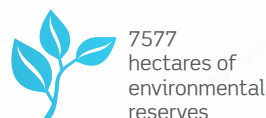
In June 2022, the Sunshine Coast was officially recognised internationally as a UNESCO Biosphere (only five exist within Australia) which will help our local government protect and enhance our environment, culture, lifestyle and economy for future generations.

Our local government serves an estimated population of 346,648¹ people (as at 30 June 2021) and includes 149,121 rateable properties.

The average annual population growth for our local government area is 2.9 per cent, adding almost 8000 people every year. Most residents live within established urban centres along the coast, and while all age groups are well represented within the Sunshine Coast's population, the most common age cohort is people aged between 45 to 54 years and their children.

The Sunshine Coast has one of the largest economies (A\$18.5 billion) of all local government regional areas in Australia and has maintained growth rates above the state average² for almost 10 years. The median weekly household income on the Sunshine Coast is \$1595 and the unemployment rate is 3.4 per cent³, which is the fifth lowest within Queensland. High-value industries include health and wellbeing, education and research, tourism, sport and leisure, food and agribusiness, clean technologies, aviation and aerospace, plus knowledge industries and professional services.

On behalf of our community the Sunshine Coast Council manages and protects:



¹ Australian Bureau of Statistics Regional population, 2021 (rebased)

² National Institute of Economic and Industry Research, 2021

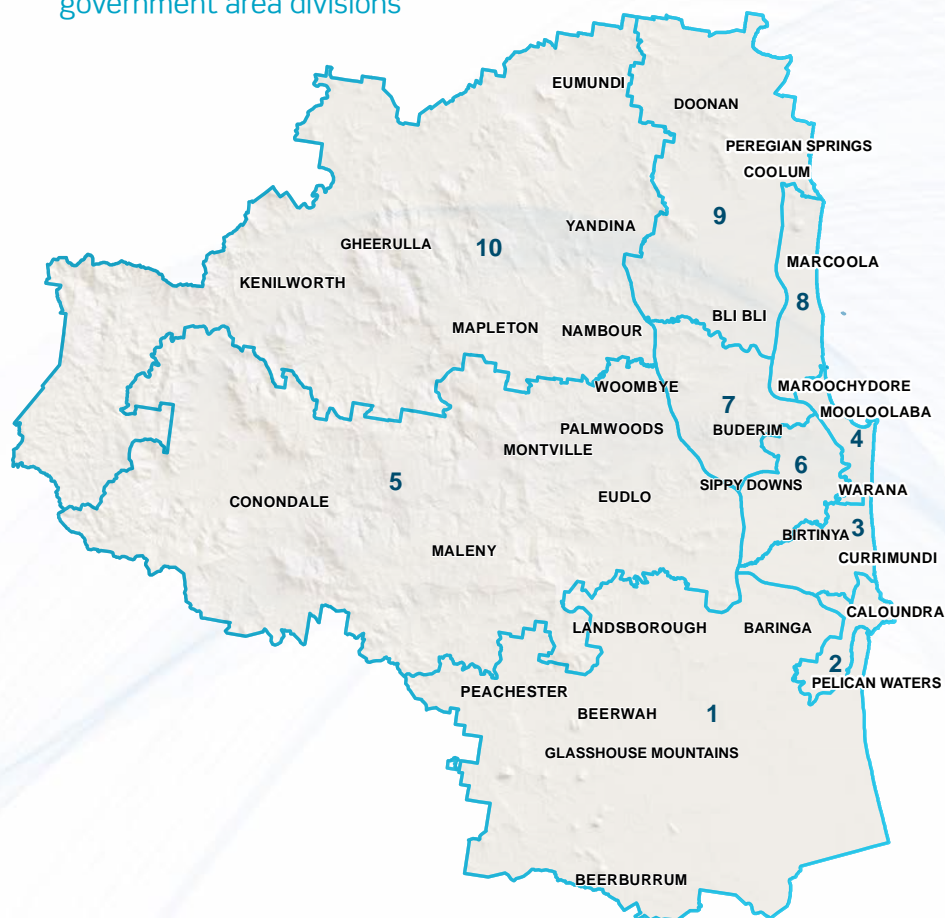
³ Queensland Government Statistician's Office: ABS 6291.0.55.001, released 21 July 2022

Our Council

Sunshine Coast Council is served by 11 elected representatives comprising the Mayor and 10 Councillors. Their primary role is to put in place the policies, programs, local laws and service arrangements that support the needs of our community, now and into the future.

The Sunshine Coast Council local government area is made up of 10 divisions.

Sunshine Coast local government area divisions



Councillors

Councillors represent the community and make decisions that consider the needs of both current and future residents in the best interest of the Sunshine Coast region.

Councillors are assigned a portfolio aligned to the strategic goals and priorities of Council.



A Mayor Mark Jamieson
Portfolio: Regional
Advocacy and
Intergovernmental Relations

**B Deputy Mayor
Rick Baberowski**
Division 1
Portfolio: Community

C Cr Terry Landsberg
Division 2
Portfolio: Economy

D Cr Peter Cox
Division 3
Portfolio: Environment
and Liveability

E Cr Joe Natoli
Division 4
Portfolio: Outstanding
Organisation

F Cr Winston Johnston
Division 5
Portfolio: Service
Excellence

G Cr Christian Dickson
Division 6
Portfolio: Service
Excellence

H Cr Ted Hungerford
Division 7
Portfolio: Outstanding
Organisation

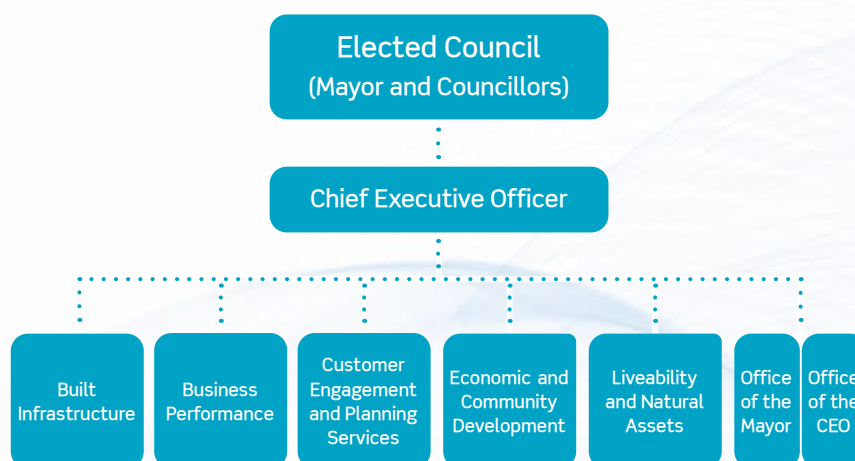
I Cr Jason O'Pray
Division 8
Portfolio: Economy

J Cr Maria Suarez
Division 9
Portfolio: Environment
and Liveability

K Cr David Law
Division 10
Portfolio: Community

Our corporate structure

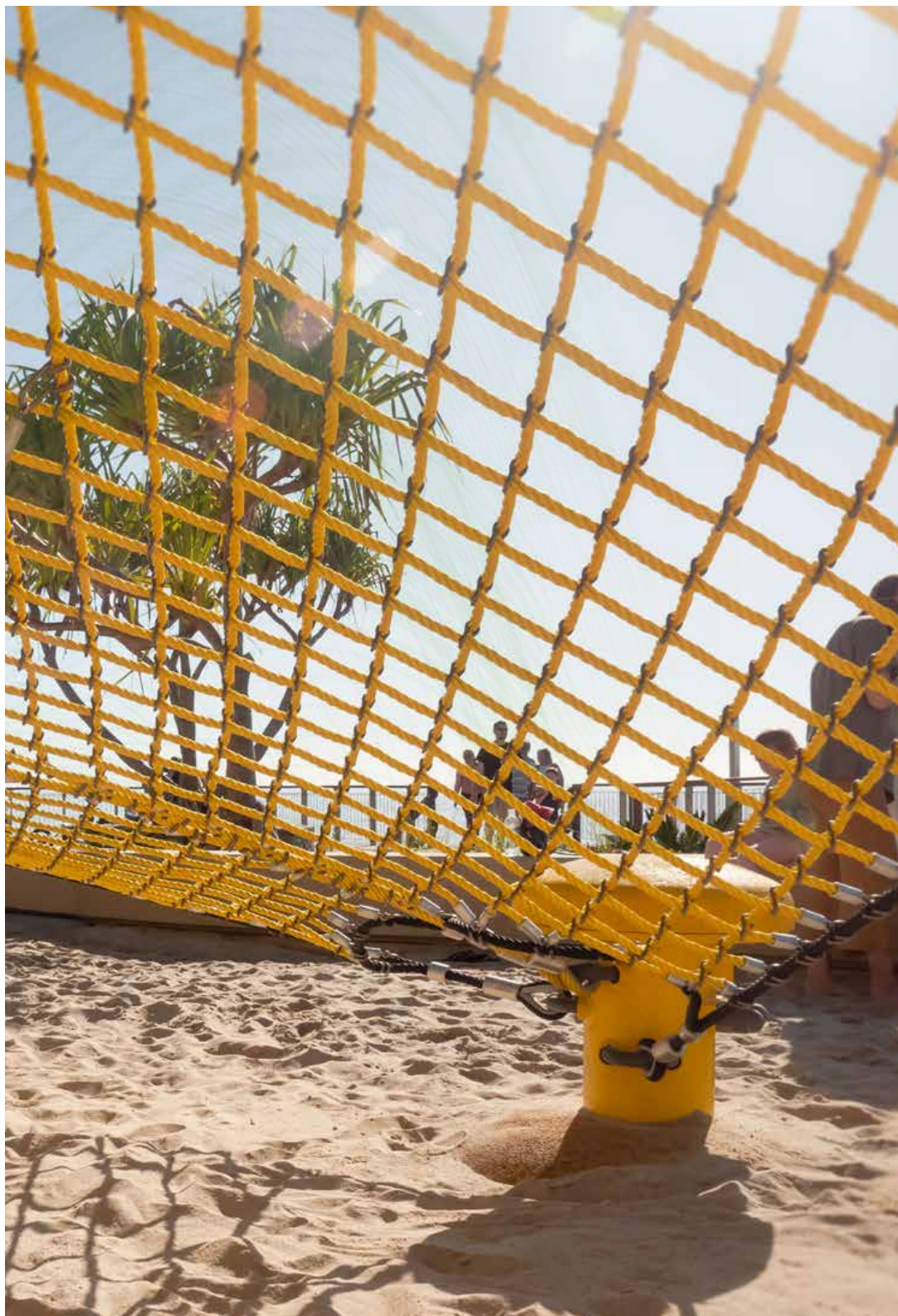
Our corporate structure facilitates a high performing, innovative and customer focused organisation marked by great people, good governance and strong leadership. Council's senior management, under the direction of the Chief Executive Officer, provides leadership and direction to progress the strategic outcomes determined by Council, as well as ensuring excellence in local government services.



As of 30 June 2022.

Performance against our Corporate and Operational Plans





SECTION 11

PERFORMANCE | 19

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Sunshine Coast Council Corporate Plan 2021-2025

OUR VISION

Australia's most sustainable region. Healthy. Smart. Creative.

OUR PURPOSE

To serve our community with excellence, respect our past, and position our region for the future.

OUR VALUES

Respect for each other

Being our best

Working as one team

High standards

Service excellence

OUR GOALS

OUR STRONG COMMUNITY



Our communities are connected and thriving places where people are included, treated with respect and opportunities are available for all.

Strategic pathways

- Healthy and active communities
- Vibrant community places and spaces that are inclusive, accessible and adaptable
- An inclusive community, with opportunities for everyone
- Connected, resilient communities, with the capacity to respond to local issues
- Creative and innovative approaches to building a strong community.

OUR SERVICE EXCELLENCE



Our services are consistent and accessible and provide positive experiences for our customers and value to our community.

OUR OUTSTANDING ORGANISATION



Our organisation is high performing, innovative and community focused, marked by great people, good governance and regional leadership.

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OUR ENVIRONMENT AND LIVEABILITY



Our natural assets, healthy environment and liveability credentials are maintained and enhanced.

Strategic pathways

- A resilient region shaped by clever planning and good design
- Protection and enhancement of our natural assets and distinctive landscapes
- Responsive, accessible and well managed assets and infrastructure
- Transitioning to a sustainable and affordable way of living
- A reputation for innovation and sustainability.

OUR RESILIENT ECONOMY



Our resilient, high-value economy of choice drives business performance, investment and enduring employment.

Strategic pathways

- Strong economic leadership, collaboration and identity
- New capital investment in the region
- Investment and growth in high value industries, innovation and entrepreneurship
- Strong local to global connections
- A natural, major and regional event destination
- Encourage investment in talent and skills.

Delivery pathways

- Engage with our community to inform asset management and service delivery
- Know and understand our customers
- Design accessible, flexible and innovative services that meet community needs
- Deliver consistent service levels that provide positive experiences for our community
- Assess service performance and sustainability to inform evidence-based business planning.

Delivery pathways

- Maintain a financially sustainable organisation that balances the needs of our growing region
- Provide quality information, systems and processes to deliver fit for purpose solutions
- Embrace a safe and collaborative workplace culture that attracts and retains high performing and engaged people
- Demonstrate accountable leadership, future planning, and good governance that provides confidence to our community
- Partner with community, business and government to represent and advocate the needs of our region.



Our Strong Community

Our communities are connected and thriving places where people are included, treated with respect and opportunities are available for all.

This goal is delivered through a focus on the following strategic pathways:

1. Healthy and active communities
2. Vibrant community places and spaces that are inclusive, accessible and adaptable
3. An inclusive community, with opportunities for all
4. Connected, resilient communities, with the capacity to respond to local issues
5. Creative and innovative approaches to building a strong community.

2021/22 Goal measures

Measure	Target	Result
Percentage of the community who report being in good health	82%	87%
Percentage of residents who are neutral, agree or strongly agree that Council's community infrastructure meets the needs of their community	Greater than or equal to 80%	70%*
Overall liveability index score	63.9 (by 2026)	61.6**
Percentage of residents who agree that they can get help from friends, family, neighbours or community organisations when they need it	Greater than or equal to 85%	86%
Growth in social enterprises operating in the Sunshine Coast local government area	Greater than or equal to 22 at 2025	6% growth (total 19)

* This is a baseline result and may have been impacted by reduced usage as a result of the COVID-19 pandemic. This will continue to be monitored to provide insights into the effectiveness of Council's investment in community infrastructure.

** This result is on track to achieve the target of 63.9 in 2026, with a positive increase on the 2020/21 result.

Key highlights 2021/22

Community Strategy 2019-2041

The Sunshine Coast Community Strategy 2019-2041 outlines a framework for Council and our community to work together to advance our shared goal for a strong community through to 2041. This report highlights several priorities that have been delivered over the financial year as this strategy is put into action.





1. Healthy and active communities

Delivery Partner of the Brisbane 2032 Olympic and Paralympic Games

Council welcomed the International Olympic Committee's announcement on 21 July 2021 that Brisbane, Queensland has secured the rights to host the 2032 Olympic and Paralympic Games.

The Sunshine Coast will play an integral role in the Games and be home to four key venues and several sporting events including football, basketball, marathon, mountain biking, cycling and kiteboarding. Detailed planning has commenced for the staging of the Games which will support the liveability and connectivity of South East Queensland (one of the fastest-growing regions in Australia).

In April 2022, the Sunshine Coast 2032 Legacy Plan Community Reference Group was officially formed and is chaired by two-time Paralympian and University of the Sunshine Coast Public Health Lecturer Doctor Bridie Kean. Joining Dr Kean are 16 Sunshine Coast residents who represent various sectors such as people with a disability, environment and sustainability, education and research, youth, business and tourism and events.

2. Vibrant community places and spaces that are inclusive, accessible and adaptable

World-class sporting and event facilities

Council's world-class sporting facilities - the Sunshine Coast Stadium, Kawana Sports

Precinct, Maroochydore Multi Sports Complex and Caloundra Indoor Stadium - attract national and international sporting teams and fixtures. During the year, these facilities held National Rugby League, Australian Football League Women's (AFLW), Super Rugby Union and Rugby World Cup Qualifier games, the Suncorp Super Netball and Thunder Netball Premiership, plus major events such as Nitro Circus and the Midnight Oil tour.

In an exciting first for the region, the Maroochydore Multi Sports Complex was named as the home base for the Brisbane Lions Women's team for the 2022 AFLW championship season. The facilities offered members, fans and players alike an exciting event experience, including AFL standard playing field and easy access parking onsite and in surrounding areas.

Transport Levy funded activities

The \$6.5 million Transport Levy helps Council support the future transport needs of the Sunshine Coast. The levy directed funding to five key areas that aim to improve connectivity across the Sunshine Coast:

- \$4.4 million was allocated to the Transport Futures Fund to support efforts to secure other government investment in strategic transport needs for the region
- \$1.2 million invested in research, monitoring, planning and forecasting to build our knowledge and progress strategic outcomes
- \$590,000 to improve public transport infrastructure across the Sunshine Coast
- \$493,000 to develop initiatives that educate, inform and assist the travel behaviour of users, and
- \$279,000 on investigating and trialling improved public transport services to assist community areas not currently serviced by public transport.

Wheelchair mapping tool pilot

A revolutionary pilot project focused on inclusivity and mobility has changed the way our community travels across some popular areas of the Sunshine Coast. Council partnered with Briometrix and Spinal Life Australia to undertake the project – both leading providers of technology solutions for people with disabilities.

Using modern mapping technology, wheelchairs were turned into mapping tools with specially trained “wheelchair pilots” (local residents) and devices installed to track routes from Maroochydore to Mooloolaba. This pilot program collects information about the condition of our footpaths, access to public transport, parking, amenities, boardwalks, beaches and more. The data was used to create an online mobility map published on Council’s website for residents and visitors to use when getting around the Sunshine Coast.

Beerwah Community Meeting Place

The \$1.6 million Beerwah Community Meeting Place - located next door to the Beerwah Library - opened to the public in September 2021.

The facility design was inspired by the natural environment that surrounds it and includes sustainability measures such as using recycled and locally sourced hardwood and other low-maintenance and durable building materials. It boasts flexible, multifunctional and adaptable indoor/outdoor meeting areas and social spaces suitable for all sorts of group sizes and ages.

The facility was constructed with funding from the Queensland Government’s Unite and Recover Community Stimulus Package with work done by local Sunshine Coast businesses.

ThinkChange

Launching in May 2022, ThinkChange is a Travel Behaviour Change program and a key action of the Integrated Transport Strategy. Over the past two years, Council has consulted and collaborated with the community to understand and recognise the need to achieve genuine, sustainable change.

At its core, ThinkChange is about helping everyone on the Sunshine Coast consider ways to reduce car usage and the distance travelled in cars, to consider taking public transport, or even replace short car trips with walking, scooting or cycling. This program will pilot initiatives with a focus on five categories: community, education, workplace, event and visitor-based initiatives.

3. An inclusive community, with opportunities for all

Community engagement

Council implements excellence in community engagement through our engagement framework and policy with the aim to embed genuine, inclusive, fit-for-purpose activities and outcomes as a key component of Council’s regular business practice.

A renewed online community engagement platform called ‘Have Your Say’ was launched by Council in July 2021 to provide a freshly designed engagement hub that is easy-to-navigate for Sunshine Coast residents. The upgrade also offers improved functionality and participation tools. More than 10,000 community members have registered to the site and since launching, a 27 per cent increase in subscribers was recorded.

Thriving multicultural communities

Recognising, respecting, and embracing diverse cultures is integral to Council’s commitment to strengthen the resilience and prosperity of our multicultural communities. Through the sharing of information, resources and educational programs, Council helps to prepare migrants for living in Australia. During the year:

- 24 people graduated from the eight-week Migrant Work Ready program preparing migrants for jobs and improving employment opportunities
- 8 people graduated from the first six-week Migrant Business Ready Scholarship to support the development of small businesses
- 90 people participated in the seven-week Migrant Learn to Swim and Beach Safe program that builds swimming skills, water safety and fosters connections between the participants, and
- Council coordinated a week-long program of community conversations, workshops and events in collaboration with the Sunshine Coast Multicultural Network and Nambour Community Centre for Harmony Week from 15 to 21 March 2022.

Did you know?

In 2021/22:

- **More than \$4.6 million** was awarded through **875 Council community grants** for projects, events and partnerships that provide direct benefit to our residents
- **2.8 million items** were borrowed from Council's libraries and mobile libraries
- **15,000 visitors** attended Caloundra Regional Gallery exhibitions
- More than **2.2 million people** attended community events at **28 Council venues**
- **\$5.7 million** was invested in lifeguard services for beach safety during the year
- **11,203 passengers** travelled a total of **53,924 kilometres** using the Council Link services funded through the Transport Levy, and
- **204,447 people** attended **40 major events** at Sunshine Coast Stadium and **7 major events** at Caloundra Indoor Stadium.

Sunshine Coast Youth Council

The Sunshine Coast Youth Council (Youth Council) has been running for a year as part of Council's commitment to engage and empower young people and foster youth leadership. In March 2022, the Youth Council developed and implemented a six-week engagement program to hear from young people aged 12-24 years old across the region and gain an understanding of what is important to them and their interests and priorities.

A total of 614 surveys and 16 stories were received which revealed the top three topics young people love most about the Sunshine Coast: relationships with friends and family, outdoor spaces (for example beaches) and the environment broadly. Furthermore, the survey revealed the top three areas of concern for young people were youth mental health, drug and/or alcohol issues and public safety. The results have informed the Youth Council's priorities in terms of advocacy and the development and implementation of youth-led initiatives.

The Youth Council also played a lead role in delivering the Sunshine Coast Youth Week event, held in April 2022 in collaboration with six youth support agencies.

Innovate Reconciliation Action Plan 2021-2022

A number of reconciliation actions were implemented throughout the year, including:

- The inaugural First Nations Supplier Day was held in November 2021, showcasing 40 First Nations suppliers (38 of which were local) to 200 attendees
- With support from Council and Visit Sunshine Coast, 1100 First Nations delegates attended Australia's biggest Indigenous conference, the Australian Institute of Aboriginal and Torres Strait Islander Studies Summit held at Novotel Sunshine Coast from 30 May to 3 June 2022
- Council partnered with Sunshine Coast Lightning to support the Suncorp Super Netball Indigenous Round, and
- Traditional Custodians participated in Council's fire management program including capacity building, knowledge sharing and training.

4. Connected, resilient communities, with the capacity to respond to local issues

Response to Domestic and Family Violence

As a strong advocate in spreading the important message of zero tolerance towards domestic and family violence in our community, Council supported a number of important initiatives throughout the year, including:

- Partnering with the Domestic and Family Violence Prevention Council to deliver a full day program on 19 November 2021, including meetings and activities with local domestic violence prevention community groups
- Partnering with the Make It Stop Committee to plant 300 native trees and shrubs along the Mooloolaba Foreshore Reserve on 30 November 2021 as part of the 16 Days of Activism against Gender Based Violence
- Hosting a candle-lighting vigil in partnership with Centacare held at Cotton Tree Park, Maroochydore in May 2022 to mark Domestic and Family Violence Prevention Month, with more than 250 people gathered to take a stand against abuse, and
- Donating the final 51 of a total 100 phones to DV Safe Phone to assist victims of domestic and family violence and announced Council's Caloundra and Nambour customer contact centres would be collection points for the Sunshine Coast community wishing to donate working mobile phones for those in need.

Sunshine Coast Public Transport project

The Sunshine Coast Mass Transit Options Analysis Report was endorsed by Council at a Special Meeting in October 2021. The report investigated ways to better connect our community between Maroochydore City Centre and Sunshine Coast University Hospital at Birtinya and, over time, Caloundra.

The report recommended five options to proceed to the Detailed Business Case stage and was provided to the Queensland Government for future investigation as they are responsible for public transport networks.

Disaster Management

On behalf of our community, Council is at all times vigilant and prepared for the possibility of a disaster emergency and is ready to assist the community prior to, during and in the recovery of a disaster event.

The significant flood and weather events in February and March 2022 (declared a natural disaster by the Queensland Government) resulted in significant damage of our roads and public assets. As the lead coordinator, Council activated the Sunshine Coast Local Disaster Management Group (LDMG) to provide a coordinated response and recovery effort for our region. Many residents also referred to Council's Facebook page for trusted information, and in the first week of the severe weather event in February 2022, Council's social media posts were viewed more than 740,000 times.

The COVID-19 testing clinic at the Nambour Showgrounds concluded on 23 February 2022 as the site was converted to an evacuation centre for six-days to support the community during this time. Council also worked with the University of the Sunshine Coast to establish a 'Place of Refuge' to accommodate stranded motorists heading south through the region when the Bruce Highway was closed.

Mooloolaba and Caloundra Transport Corridor Upgrade projects

Council is improving connectivity and travel choices across our region. In the heart of Mooloolaba, Brisbane Road and Walan Street are being expanded from two to four traffic lanes. Construction of stages two and three of the project (known as the Mooloolaba Transport Corridor Upgrade) continued during the year which included the widening of the western side of Brisbane Road and associated intersection upgrades, and extensive Unitywater infrastructure relocations at the intersection of Hancock Street. This project will enhance the southern entrance into Mooloolaba and create a corridor that is integrated and inviting for pedestrians, cyclists, motorists and public transport users.

In addition, our careful planning over the last eight years has enabled Council to progress the Caloundra Transport Corridor Upgrade. This project will be delivered in multiple stages over three years. The concept design was finalised in June 2022 following extensive community engagement (undertaken in 2021), as well as the preparation of tender documentation for detailed design.

5. Creative and innovative approaches to building a strong community

Heritage Levy funded activities

The \$1.9 million Heritage Levy supports the delivery of the Sunshine Coast Heritage Plan 2021-2031 and funds a range of programs aligned to Council's strategic priorities. During the year, key projects funded included:

- \$637,000 allocated to the Heritage Futures Fund to support a Regional Collections Store and Interpretive Facility
- \$210,000 for research and digitisation of significant regional collections
- \$162,000 provided through grants programs to support First Nations groups, community museums and historical societies
- \$135,000 invested in the conservation of the region's heritage assets
- \$115,000 to support the region's community museums and historical societies, and
- \$157,000 to support regional heritage programs and events, support First Nations collaborations and emerging heritage practitioners.

Sunshine Coast Arts

Through the delivery of the Sunshine Coast Arts Plan 2018-2038, Council plays a critical development role in the creative industries and the cultural identity of the Sunshine Coast by supporting artists through education programs, artist-in-residencies, and public art commissions.

This year, more than 15,000 people attended the Caloundra Regional Gallery (the gallery) to view national and international art exhibitions, including the annual flagship program, the Sunshine Coast Art Prize.

The gallery also manages the Sunshine Coast art collection and public art collection; important assets which provide an anchor point for cultural tourism and civic pride while enriching the community's cultural landscape. Through donations and the Sunshine Coast Art Prize, the collection grew by approximately nine per cent, with 86 works added to the 1076 individual items, taking the collection to a total value of \$4.28 million.



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Our Environment and Liveability

Our natural assets, healthy environment and liveability credentials are maintained and enhanced.

This goal is advanced through a focus on the following strategic pathways:

1. A resilient region shaped by clever planning and good design
2. Protection and enhancement of our natural assets and distinctive landscapes
3. Responsive, accessible and well managed assets and infrastructure
4. Transitioning to a sustainable and affordable way of living
5. A reputation for innovation and sustainability.

2021/22 Goal measures

Measure	Target	Result
Maintain the size of the Regional Inter-urban Break to its 2017 extent.	Equal to 32,034 hectares	32,034 hectares
Hectares of land per 1000 residents acquired through Environment Levy for conservation and preservation purposes maintained.	9.6 hectares per 1000 residents	11.25 per 1000 residents ^{^*}
Hectares of land per 1000 residents for sport and recreation purposes.	5 hectares per 1000 residents (by 2041) [^]	4.65 hectares per 1000 residents ^{**}
Region's renewable energy capacity	Greater than 318.60 Megawatts (MW)	388.10 MW
Council's greenhouse gas emissions (total / per resident) ⁺	180,863.71 tCO ₂ e / Less than 0.50 tCO ₂ e per resident	222,524 tCO ₂ e / 0.62 tCO ₂ e per resident ^{^***}

* Council acquired 165.5 hectares of land in the 2021/22 financial year through the Environment Levy Acquisition Program.

** This is a 2041 target. Council secured 230 hectares of land over the 2021/22 financial year.

*** Tracking behind target predominantly due to an update to the methane emissions calculations, continued population growth and impacts to waste volumes through the February 2022 flood event, resulting in a 9 per cent increase in waste tonnage to landfill

+ tCO₂e = tonnes of carbon dioxide equivalent.

[^] Population = 360,108 (30 June 2022). Source Queensland Treasury, Queensland Government population projections, 2018 edition, medium series.

Key highlights 2021/22

Environment and Liveability Strategy 2017

Now in its fifth year of implementation, our Environment and Liveability Strategy 2017 continues to guide actions to plan for our growing population and manage our response to climate change, while also delivering a healthy environment and liveable Sunshine Coast for our community. The highlights below demonstrate how Council is striking a balance between our natural and built environments while supporting a strong economy and our diverse communities into the future.



1. A resilient region shaped by clever planning and good design

Climate action

Council passed a resolution in November 2021, recognising that we are in a state of climate emergency that requires urgent and sustained effort to achieve net zero emissions by 2041.

A progress update on climate actions was presented to Council in March 2022, which recognised the next 10 years was the decade of climate action globally, nationally, and locally. Council's climate change response will focus on working towards the following outcomes:

- Being a zero-net emissions organisation by 2041
- Embedding climate change adaptation more effectively into organisational business
- Increasing the organisation's adaptive capacity and resilience of the services and functions that we are responsible for, and
- Ensuring our community is prepared and able to contribute.

In a partnership with Noosa Shire Council, Council received Local Government Association of Queensland funding to pilot the first phase of the Queensland Climate Resilient Councils Climate Risk Management Framework – an approach to assist local governments to address climate risk now and into the future.

Placemaking and design

Good placemaking and design is key to Council's long-term design strategy to help our community and Council manage the challenges of population growth, economic development and climate change so the liveability of the Sunshine Coast is maintained and enhanced into the future.

Placemaking covers a broad range of projects from streetscape beautification, improved pedestrian experiences and park and foreshore

redevelopments. The placemaking process allows our community to contribute in shaping local places to improve the place experience, safety, inclusivity, activation and character.

Some of the projects delivered during the year include the new streetscape for Rosebed Street, Eudlo which was completed in April 2022. The project has improved the main thoroughfare by providing a green injection to cool and beautify the urban environment, upgraded pedestrian crossings and a realignment of carparks. The Nambour Forecourt Revamp was a unique project that has activated a much loved civic space, resulting in a socially engaging, collaborative and fun place that has been embraced by the local community.

In addition, upgrades at Blackall Street, Woombye commenced and streetscape design has been developed for Memorial Drive Eumundi with community consultation concluding in March 2022.

Protecting our coastline

The Coastal Hazard Adaptation Strategy continues to be implemented by proactively managing, responding and adapting to the impacts of coastal hazards.

CoastSnap stations were implemented across several beaches in December 2021. People can place their phone in the cradle, take a picture of the beach and upload it to CoastSnap. This helps to create a time-lapse video that will track changes to the shoreline over time.

Investigations commenced in March 2022 to trial a method of sand nourishment at Maroochydore beach to protect the area from the effects of severe weather. The technique involves importing sand from outside the region and placing it in the water about 300 metres off the beach. Waves, currents and tides will then deposit the sand onto our beaches providing an additional buffer to future storms and coastal erosion.

Coastal protection works commenced on stage two of the Maroochy Groyne Field Renewal project in April 2022 to help shield the Cotton Tree foreshore from the current and future impacts of coastal erosion.



Stormwater Management Strategy

Council adopted the Stormwater Management Strategy in August 2021. The strategy provides more effective stormwater management for our community and addresses existing and future challenges and opportunities. It does this by ensuring our waterways are healthy, are protecting people and property from flooding and utilises stormwater and rainwater as a resource.

Meeting the stormwater management needs of our growing community in a changing climate is critical to delivering a healthy environment and liveable Sunshine Coast. The strategy builds on the work done in the Environment and Liveability Strategy 2017 and complements other major projects such as Blue Heart Sunshine Coast and the Coastal Hazard Adaptation Strategy.

In addition, a range of activities were undertaken to plan for the future and manage the potential impacts of climate change and severe weather events, including:

- A range of online flood mapping products were provided for our community to access via Council's website, and
- A stormwater culvert study, investigating and testing stormwater infrastructure progressed which will present findings on effective inlet modifications to improve culvert performance.

Recreation Parks Plan 2021-2031

The 10-year Sunshine Coast Recreation Parks Plan 2021-2031 was adopted by Council in December 2021. The development of the plan included extensive community engagement, held between February and April 2021, with feedback incorporated in the final plan.

This plan provides the framework for the delivery and management of functional and affordable recreation parks as well as delivering spaces for our community to enjoy and enhancing the natural character of the Sunshine Coast's environment.

Point Cartwright Reserve and La Balsa Park Master Plan

Council is progressing the Point Cartwright Reserve and La Balsa Park Master Plan which proposes to guide the future use and management of the area.

Between 29 November 2021 to 9 January 2022, the community were invited to share their values and future vision, which resulted in 2350 online survey responses, and 100 plus community members visiting three pop up sessions at La Balsa park.

Feedback will inform the development for the draft Master Plan and the community which have an opportunity to engage on the project to ensure their aspirations have been captured.

Did you know?

In 2021/22:

- **5960 metres** of the region's stormwater pipes were inspected for defects
- **19 tonnes** of litter was removed from Sunshine Coast waterways
- **22,080 hectares** of mowing and garden beds were maintained
- **450 hectares** of new land was secured for conservation and recreation purposes
- **1256 registered Land for Wildlife properties** maintained **38,368 hectares**
- **6630 MWh** of power was generated from Council's landfill Renewable Energy Facility in Caloundra
- Landfill gas capture systems at Caloundra and Nambour waste facilities reduced the regions greenhouse gas emissions by **67,201 tCO₂e**
- **3000 Sunshine Coast volunteers** removed more than **61,000 pieces of rubbish** for beach clean-up programs from **93 sites**, and
- **50 environmental sensors** were installed across the region to understand climate conditions such as heat in our urban areas.

2. Protection and enhancement of our natural assets and distinctive landscapes

Environment Levy funded activities

The Environment Levy supports the delivery of various transformational actions set out within the Environment and Liveability Strategy 2017. During the year, a total of \$13.16 million was allocated to a range of actions, including:

- \$5.67 million spent on the acquisition of four properties adding a further 165 hectares to Council's conservation estate
- \$1.1 million invested in coastal protection works and dune rehabilitation
- \$610,000 provided to 19 partnership community groups
- \$740,000 invested in invasive species research, action and community engagement
- \$325,000 for Landholder Environment Grants to 103 private landholders to undertake on-ground projects, and
- \$220,000 invested in erosion and sediment control and waterway protection.

3. Responsive, accessible and well managed assets and infrastructure

South East Queensland City Deal - Blue Heart

The Australian Government, Queensland Government and the Council of Mayors South East Queensland (CoMSEQ) signed the South East Queensland (SEQ) City Deal on 21 March 2022. Through the SEQ City Deal, Council will receive a commitment of \$35.3 million towards the Blue Heart Sunshine Coast, which will help ensure the Maroochy River catchment continues to play its important flood storage role and maintain its biodiversity, as we respond to the challenges of a changing climate.

In addition to this funding is \$2 million received from the Australian Government to deliver a Blue Carbon Wetland Restoration project, restoring publicly owned former farming land to coastal wetlands. Investigations are underway to understand how the site might be registered as a blue carbon project through the Australian government's Clean Energy Regulator to generate carbon credits.

Sunshine Coast Ecological Park

Council commenced the next phase of planning for the proposed Sunshine Coast ecological park – 65 hectares adjoining Mary Cairncross Scenic Reserve. Feedback was sought from the community in May 2022 testing the project's vision and values and determining community sentiment and desired outcomes for an ecological park.

In addition, an Excellence Advisory Panel and Community Reference Group was established to help inform the development of a draft master plan, which will be available for community input in early 2023.

This is an exciting and important project, aligning with Council's commitments to grow our green spaces for generations to come.

Progressing a new planning scheme

Council is preparing a new planning scheme to set the vision for the Sunshine Coast in 2041 and guide growth and development to help achieve that vision.

Ten Sunshine Coast residents joined the New Planning Scheme Community Reference Group (CRG) in August 2021 to shape the consultation program which ran for seven weeks during February and March 2022. More than 57,000 people visited Council's engagement website and more than 6000 surveys were submitted.

While views and opinions were diverse, analysis of feedback revealed that Council's proposed planning directions for the new planning scheme are guided by the right principles. The large volume of feedback has provided a great level of detail for Council to carefully consider as it progresses to the next phase of the new planning scheme project.

Mooloolaba Foreshore Revitalisation – stage one Northern Parkland

The \$16 million world-class Mooloolaba Northern Parkland was officially unveiled on 28 June 2022. The Northern Parkland is the first stage of the Mooloolaba Foreshore Revitalisation project, which, over the coming years, will increase beachfront parkland in Mooloolaba by 40 per cent. A key focus for the parkland is prioritising accessibility and inclusivity so all members of our community can enjoy and access the scenic boardwalk, playground and public amenities.

As part of stage one, more than 10,000 new plants and 120 trees were planted to provide shade and green areas so the area can be enjoyed year-round. In recognition of its design and the protection of the iconic Norfolk pines and vegetation during construction, the parkland received the Green Space Urban Award by the Australian Institute of Horticulture Inc in June 2022.

Stage one Northern Parkland was developed with the support of the Queensland Government's Unite and Recover Community Stimulus Package in association with Council.

4. Transitioning to a sustainable and affordable way of living

Sunshine Coast Biosphere

On 16 June 2022, the Sunshine Coast officially gained recognition as a UNESCO Biosphere, recognising our region as an international site of excellence and an area of natural beauty. The announcement follows a culmination of at least six years of work in partnership with residents and the Biosphere Community Reference Group.

This designation demonstrates we are a community that wants to live in harmony with our environment, recognises the need for responsible development to cater for the people choosing to live on the Sunshine Coast, while also recognising the importance of preserving our natural environment. It also has a range of benefits for our tourism and agriculture industries and has the potential to become a magnet for others from around the world who want to buy from and visit a region that focuses on sustainability.

5. A reputation for innovation and sustainability

How cool are urban green forests?

In a partnership with the University of the Sunshine Coast, a research project commenced in June 2022 to understand how to help reduce the heat impacts of climate change in our urban environment.

The research will use 3D maps to demonstrate how urban forests and green infrastructure can lower temperatures and reduce heat-related risks in the future. Green infrastructure refers to the trees, gardens and green open spaces in our natural and semi-natural areas that assist with stormwater management and urban cooling. Without green infrastructure, urban heat islands are created, and the impact of heatwave events is greater. Urban heat islands are created when there is a lack of natural vegetation, and man-made surfaces absorb the sun's energy, retaining the heat for hours after the sun goes down.

Once complete, the project will directly influence Council's urban development practices and will enhance green infrastructure in policy documents and decision-making processes.



Our Resilient Economy

Our resilient, high-value economy of choice drives business performance, investment and enduring employment.

This goal is advanced through a focus on the following strategic pathways:

1. Strong economic leadership, collaboration and identity
2. New capital investment in the region
3. Investment and growth in high-value industries, innovation and entrepreneurship
4. Strong local to global connections
5. A natural, major and regional event destination
6. Encourage investment in talent and skills.

2021/22 Goal measures

Measure	Target	Result
Percentage of Council's available procurement spend awarded to local business	Greater than or equal to 70%	71%
Gross Regional Product [^]	Greater than \$20.9 billion (2020/21 financial year)	\$21.46 billion
Percentage difference between the Sunshine Coast average and the Queensland average household income	Less than 9.33%	4.63% (Census 2021)
Percentage increase in international and domestic exports	Greater than 16.24% (2020/21 financial year)	15.21%*
Direct economic benefit from major events	Greater than \$61,000,000	\$72,600,000
Growth in jobs is equal to or greater than the growth in population	Greater than or equal to 0%	-0.72**

[^] In alignment with the 2013 Regional Economic Development Strategy, this figure includes the wider Sunshine Coast region, which includes Noosa.

* This result has been impacted by COVID-19 pandemic supply chain challenges and the closures of domestic and international borders.

** Population growth of 2.28% is higher than 1.56% increase in local jobs.

Key highlights 2021/22

Regional Economic Development Strategy 2013-2033

The Regional Economic Development Strategy 2013-2033 was developed to provide a 20-year vision and blueprint for sustainable economic growth in the region to 2033. The Sunshine Coast economy is worth more than \$21.46 billion[^] in Gross Regional Product (GRP) and the following achievements demonstrate Council's ongoing commitment to support the region's ongoing economic prosperity.



1. Strong economic leadership, collaboration and identity

Buy Local Sunshine Coast campaign

The Buy Local Sunshine Coast campaign aims to connect our community with our region's 33,000 local businesses – many of which are small businesses owned by local families.

Council ran four campaigns, two of which were 'Buy Local Win Local' competitions for residents who were provided an opportunity to win \$5000 per week to spend on products and services from the Sunshine Coast region. The competitions received 5594 entries which captured \$543,768 of spend locally.

A digital marketing campaign was also launched in June 2022 that highlights the relationship between consumers and businesses. The promotional video encourages consumers to support their favourite local business by sharing, tagging, or posting about them on social media and using the hashtag #buylocalsunshinecoast.

Council also partnered with the Food & Agribusiness Network to support the Meet the Maker trade event in May 2022, with more than 100 agribusinesses exhibiting their products to national and international buyers. The event was a great opportunity to showcase the incredible food and beverage products made on the Sunshine Coast and to support the region's economy.

Support for local suppliers

Council is one of the biggest contributors to the Sunshine Coast economy through its annual budget, spending more than \$422 million in contracting for goods and services. Council's

Procurement Policy outlines our commitment to supporting local businesses through evaluation weighting for local preference, social benefit, First Nations, innovation and market-led engagement and environment and sustainability.

During the year, \$300 million, or 71 per cent, of Council's total available purchasing spend was spent with local businesses. Council also encouraged Sunshine Coast businesses to subscribe to opportunities on Council's Tender Alert Service and the Queensland Government's QTenders website.

A Small Business Friendly organisation

Council has signed the Queensland Government's Small Business Friendly Charter, joining a growing number of like-minded councils who have committed to being a 'small business friendly' organisation. This means Council will commit to communicate and engage, raise small businesses profiles and capability, support resilience and recovery, simplify administration and regulation (including reducing red tape), ensuring fair procurement and prompt payment terms and promote place-based activities.

Thriving Through Change event

A 'Thriving Through Change' Business Resilience Expo was held on 28 October 2021 to help empower small businesses within our region. The exhibition provided business connections, practical information, tools and resources to more than 400 attendees. Businesses learnt about building resilience during disruptions such as the COVID-19 pandemic, weather events, environmental impacts, cyber-attacks, construction works and road upgrades.



2. New capital investment in the region

Maroochydhore City Centre

Progress on the emerging Maroochydhore City Centre continued throughout the year and once complete, will be the epicentre of commerce, technology, innovation, entertainment and inner-city living. Significant milestones achieved throughout the year include:

- The 10-storey Sunshine Coast City Hall building construction progressed and will be home to around 600 Council employees once completed
- Economic Development Queensland (EDQ) provided development approval to construct the city centre's first multi-deck car park in December 2021, which will feature 294 car spaces, including accessible parking and electric vehicle charging spaces, motorcycle and bicycle spaces, end-of-trip facilities, rooftop solar panels, and will be connected to Australia's first, high technology underground automated waste collection system
- The \$8 million purchase of the submarine cable landing station by NEXTDC was announced on 20 December 2021
- Walker Corporation received EDQ development approval in March 2022, to construct a 15-storey A-grade office tower called 50 First Avenue
- The \$100 million Maroochydhore Private Hospital was approved by EDQ in March 2022 to

accommodate medical and teaching facilities with high-end amenities and a rooftop relaxation area for staff

- The A1 commercial building by Evans Long, located at a key entry point into the development, is fully leased ahead of completion in November 2022 and has been designed to epitomise the modern inner-city office, and
- Community activation activities have continued throughout the year at the city centre's entertainment space 'The MET,' including one-off events, school holiday children's workshop activities and The Design Series program events.

NEXTDC – Cable Landing Station owner operator

The \$8 million purchase of the submarine cable landing station by ASX listed company, NEXTDC, was announced on 20 December 2021. NEXTDC own and operate the cable landing station, called SC1 Edge data centre.

The purchase delivers the Sunshine Coast unprecedented expertise and significant quality assurance for customers who store their data at the centre. Data centres are becoming an essential part of the business, economic and social landscape and a core element of the digital architecture that underpins connectivity, accessibility, security and an information storage house.

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Did you know?

In 2021/22:

- **144 businesses** were registered to the ASPIRE business to business circular economy platform with more than **\$82,000 in revenue**
- 19 of 25 projects progressed through the Sunshine Coast Investment Assistance Program with a combined estimated economic impact of **\$1.44 billion** and **4528 jobs**
- **613 businesses and organisations across** the region benefited from the Local Business Support Program, delivering tailored and specialist advice as well as **41 events** involving **3393 participants**
- **845 job seekers** attended two Jobs Fairs hosted by Council and the Australian Government, attracting more than **50 local employers** offering 900 jobs
- **More than 400** local, state and national buyers attended the Meet the Maker 2022 event showcasing Sunshine Coast and other regional councils' local products and produce, and
- **2753 jobs** were supported and/or created, demonstrating Council's strong engagement with local industries.

During the year, Council launched the Sunshine Coast International Broadband Network Cable Leverage Program to attract data-hungry companies to increase investment, drive take up in SC1 Edge data centre, expedite construction of a new data centre and support the Sunshine Coast Tech Industry Alliance.

Attracting investment in our region

Council plays a key role in assisting businesses either expand or relocate to the Sunshine Coast. This year, a total of \$64.5 million in direct capital and 754 new direct jobs was invested in our region.

The production of a micro-video series called Vitamin SC (Sunshine Coast) was launched by Council in July 2021 to encourage business leaders outside of the region to consider the Sunshine Coast as a potential business location for some or all of their operations.

In addition, the new-look Sunshine Coast Investment Prospectus 2022 was launched at the Sunshine Coast International Forum in February 2022 and is a tool to assist investment-ready (or investment-curious) businesses looking to establish, expand or relocate to the Sunshine Coast by providing a great overview of what the region has to offer.

3. Investment and growth in high value industries, innovation and entrepreneurship

Growing technology capabilities

The Sunshine Coast is home to a growing and diverse technology community that is instrumental to all seven of Council's identified high-value industries. Increasing the technology capability of our region will enable the Sunshine Coast's major industries to innovate and participate globally, at speed.

Throughout the year, Council has supported, funded and driven the successful growth of key industry groups and associated initiatives, including:

- A technology industry launch event at 'The MET' in the Maroochydore City Centre on 8 April 2022, hosted by Council in partnership with the Sunshine Coast Tech Industry Alliance, NEXTDC and RTI-C, and
- 'Our Tech Future' breakfast event on 18 May 2022 at Venue 114 with 120 local industry members, hosted by Council in partnership with the Sunshine Coast Tech Industry Alliance, Silicon Coast and the Sunshine Coast Screen Collective.

Such events inspire local industry collaboration and instigate a dynamic and vibrant technology ecosystem.

Sunshine Coast ranked most loved destination on the planet

The Sunshine Coast was announced as the #1 most loved destination on the planet in January 2022, according to the inaugural Tourism Sentiment Index (TSI).

Our region was ranked against 'leading destinations' that strive to be their best for residents and for visitors and make travel experiences rewarding and responsible in equal measure. These leading places are the 100 most loved destinations in 2021 according to what people really feel.

To be named a top 100, the TSI has analysed 1.6 billion online conversations and content pieces publicly available from 21,330 global destinations, using cutting-edge technology that applies artificial intelligence to decipher sentiment from human expression.

Sunshine Coast Holiday Parks

Council provides Sunshine Coast Holiday Parks in six prime tourist locations along our coastline, situated at Dicky Beach, Mooloolaba, Maroochydore, Cotton Tree, Mudjimba, and Coolum Beach. Approximately 80 per cent of holiday parks visitors are from outside the region and provide significant economic benefit to the tourism industry.

Holiday parks generate revenue for Council, providing a significant return on investment which is used to improve and update public facilities and services.

Throughout the year, Council invested more than \$2.5 million in upgrades across the Holiday Park network, with key projects including the:

- Commencement of delivery of new amenities at Mudjimba Beach and Coolum Beach Holiday Parks in February 2022
- Delivery of internal roads resealed at Cotton Tree Holiday Park, and
- Commencement of design processes for planned upgrades to powered camp site areas at Coolum Beach, Cotton Tree and Dicky Beach Holiday Parks.

4. Strong local to global connections

Top7 Intelligent Community Forum

The Sunshine Coast was named for the third time as a Top7 Intelligent Community by New York based Intelligent Community Forum (ICF) in June 2022. Council has worked in partnership with local business and industry to nurture an innovation ecosystem and develop the talent and skills to support connectivity and innovation within our community.

To be a Top7 Intelligent Community means modelling economic and social transformation in the 21st Century, best practices in broadband deployment and use, workforce development, innovation, digital inclusion and advocacy that combine to provide lessons to regions, cities, towns and villages around the world. This year's most intelligent community will be announced in October 2022.

2022 Sunshine Coast International Forum

In partnership with the Department of Foreign Affairs and Trade Queensland, Council hosted 45 delegates representing the diplomatic and consular corps of 35 nations at the Sunshine Coast International Forum in February 2022.

The program included site visits, briefings, meetings and networking events with industry and key business leaders, including Maroochydore City Centre, Walker Corporation, University of the Sunshine Coast, Sunshine Coast Health Institute, TAFE, Kilcoy Global Foods Innovation Hub, HeliMods, Food and Agribusiness Network, Belladotti and the Sunshine Coast Tech Industry Alliance.

5. A natural, major and regional event destination

Sunshine Coast major event sponsorship

Council facilitated 62 major events sponsorships during the year, generating an estimated direct economic return of \$72.6 million by attracting 114,451 visitors from outside the region.

This year more than 1500 athletes took part in the IRONMAN 70.3 event in September 2021, while the Mooloolaba Triathlon in March 2022 was sold out. The Yandina Five 'O' - running course through Mapleton National Park - was also held in March 2022 and yielded exceptional results for a first-time major event.

6. Encourage investment in talent and skills

Study Sunshine Coast program

The Sunshine Coast is home to an amazing and unforgettable study experience for both international and domestic students to live, learn and kick-start their future. In January 2022, Council welcomed the news that international students could return to the region following COVID-19 border closures and assisted the Queensland Government to facilitate the safe return of our international students.

Through the Study Sunshine Coast initiative, more than 1600 domestic and international students accessed employability and marketing workshops, industry engagement and support programs, awareness campaigns and online cultural competency accelerators to enhance student's cultural intelligence and employment opportunities.

Study Sunshine Coast is a Council initiative that is delivered in partnership with Trade and Investment Queensland through Study Queensland and is supported by industry partners, UniSC, TAFE Queensland, Demi International, Union Institute of Language, Mindroom Innovation and AusID.





Our Service Excellence

Our services are consistent and accessible and provide positive experiences for our customers and value to our community.

This goal is advanced through a focus on the following delivery pathways:

1. Engaging with our community to inform asset management and service delivery
2. Knowing and understanding our customers
3. Designing accessible, flexible and innovative services that meet community needs
4. Delivering consistent service levels that provide positive experiences for our community
5. Assessing service performance and sustainability to inform evidence-based business planning.

2021/22 Goal measures

Measure	Target	Result
Ease of business with Council	4.40	4.30*
Percentage of waste services collected on schedule	99%	99%
Percentage delivered of the adopted annual capital works budget	Between 90% and 95%	85%**
Percentage of development assessments undertaken within statutory timeframes	Greater than or equal to 90%	81%***
Asset sustainability ratio (the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives)	Greater than 90%	71.2%+

* Result is marginally below target due to lower ratings in quarter one - all other quarters met target.

** This result has been impacted by a combination of labour and supply challenges across the construction industry as well as three significant wet weather events.

*** This result has been impacted by an increase in development activity since 2019 partially due to the Australian Government's HomeBuilders Scheme and population growth.

+ Refer to Section 4 Financial Information for more detail.

Key highlights 2021/22

1. Engage with our community to inform asset management and service delivery

Management of our property assets

Environmental sustainability continues to be a critical element of Council's property portfolio. During the year, Council progressed the innovative upgrade of runway lights at the Caloundra Aerodrome from mains supply to an entirely solar powered solution (100 per cent off-grid), as well as the roll-out of rooftop solar systems (Solar PV) on Council's buildings.

The first prefabricated fully aluminium public amenity was installed in the region to accelerate the replacement of ageing infrastructure with a high-quality, lower-cost, modular solution.

In addition, a disposal guideline has been developed to ensure any surplus furniture or office equipment is reused, recycled or disposed of in an equitable and environmentally responsible way. The ASPIRE platform has been adopted to offer surplus furniture and equipment to the community for repair, reuse, repurpose or recycling to support broad circular economy initiatives.



Asset Management

A review of Council's asset management practices and plans was undertaken during the year to continue to build capacity and manage population growth, service delivery, and future opportunities of our infrastructure assets.

Council's motor vehicle fleet is a significant investment and a necessary operational asset which enables service delivery to meet the community's expectations. Our goal is to progressively transition our fleet to electric and hybrid/electric vehicles, where economically possible. During the year, a review of Council's Motor Vehicle Policy was undertaken to ensure it provides excellent service outcomes, reflects best practice standards and continues to align to our vision as Australia's most sustainable region.

Council procured its first fleet of electric mowers for use across our various open space areas of cemeteries, parks and gardens and the Sunshine Coast Stadium. These mowers will assist Council in achieving its goals to reduce carbon emissions as part of the Zero-Net Emissions Plan.

2. Know and understand our customers

Responsible pet ownership

The Management Plan for Domestic Animals (Cats and Dogs) 2021-2030 launched on 18 September 2021. The plan provides a framework for the delivery of animal management services and initiatives, with a goal to create harmonious co-existence between people, pets and places.

An educational book 'When Sammy Met Sunny' was launched by Council in June 2022 to teach children how to be responsible for their pets. The heart-warming book was written and illustrated by Council employees and helps to reach our youngest members of the community by helping them understand how to stay safe around dogs. In addition, Council delivered:

- 11 community education sessions at a dog-training facility or vet clinics were provided to 184 new owners
- 27 education pop-up booths which resulted in 3702 interactions with the community about pets and owner responsibilities
- 77 animal education events to 2922 children delivered to schools, daycare centres and public open spaces, and
- 2225 responsible pet ownership booklets distributed to vets, pet retail outlets and dog trainers.



3. Design accessible, flexible and innovative services that meet community needs

Regional Erosion and Sediment, Education and Trial (RESET)

The RESET Site and Program has been developed to improve construction management practices for erosion and sediment controls on the Sunshine Coast. The RESET site (located in Caloundra) will enable current industry best practice products, techniques and innovations to be showcased, with the ability to put applications under pressure from simulated rainfall events generated on the site.

These simulations will provide awareness and understanding of products and methodology selection to reduce wastage, project costs and failed applications, while improving environmental outcomes for our waterways, wetlands and ocean health.

During the year, five local companies assisted in the development of the site by providing products such as hydromulch, polymer spray, flocculants and coagulants and the International Erosion Control Association provided assistance in organising two industry field days.

Waste collection services

The garden organics bin collection service was expanded to all eligible Sunshine Coast residents in alignment with Council's commitment to reduce waste to landfill for a cleaner, greener environment and sustainable future.

More than 45,000 garden organics bins were distributed in May 2022 as part of the first phase of its expanded waste collection services which will provide an easy and convenient way to recycle garden waste and help the environment. Commencing in July 2022, lawn clippings, weeds, leaves and other organic garden materials placed in the new lime green-lidded bin will be collected by Council, diverted from landfill and mulched ready to be re-used.

A new waste collection contract was awarded to JJ's Waste & Recycling in June 2022, valued at \$146 million over eight years. Through the contract, Council and JJ's Waste & Recycling will explore even more carbon-saving initiatives through emerging technologies for low emission vehicles. Both the garden organics collection service and the new contract will deliver on priorities of the Sunshine Coast Waste Strategy and advance Council's vision as Australia's most sustainable region.

Did you know?

In 2021/22:

- **304,745 customers** were assisted through the development and customer contact centres
- **Free general and green waste disposal** was offered to residents impacted by flooding for 10 days between 3-13 March 2022
- **112,219 tonnes** of waste was diverted from landfill
- **4900 hectares** was treated through the aerial mosquito control program
- **115 educational events** were held across the Sunshine Coast to inform locals on responsible pet ownership
- **8485 individual visits** were recorded on Council's mobile dog application, and
- **\$2 million** Sugar Bag Road Mountain Bike Hub building works were completed.

Service excellence to our community

Council's customer contact centres continued to adapt to community needs, operating beyond official opening hours to assist customers through extreme events such as the COVID-19 pandemic and heavy rain and flooding events.

During the year, more than 284,000 enquiries were received through Council's contact channels, including the newly introduced SMS contact channel. On average, calls were answered in less than 50 seconds and more than 93 per cent of customers found contacting Council easy. Council's customer contact team proudly received a top seven result for the 2021 National Customer Service Team of the Year Award at the National Local Government Customer Service Conference and Awards in November 2021.

4. Deliver consistent service levels that provide positive experiences for our community

Upgrades to community parks

The number of community parks Council maintains continues to grow with our region. Currently, 2010 parks are managed and renewed for our community to enjoy and to preserve our landscape features and beautiful natural environment.

More than \$8.7 million was allocated in 2021/22 for new and upgraded facilities, including:

- \$740,000 for a new amenities building, barbecue shelters, boardwalks, playground, pathways, and landscaping at Forest Park, Sippy Downs
- \$141,000 for the removal and replacement of playground equipment, barbecue shelter, new site drainage, edging and shade tree planting at Cod Hole Park, Maroochydore
- \$130,000 for new playground equipment and shelter at Newell Park, Beerwah
- \$128,000 for the new sandstone block and boulder retaining walls, new swing set and softscape plantings at Moss Day Park, Nambour, and
- \$106,000 for the new basketball and netball courts, complete with handball and hopscotch line markings at Dick Caplick Park, Eumundi.

Coastal pathway investment

Council has continued to invest in the Sunshine Coast's longest and most popular shared pathway, extending from Bells Creek in the south to Coolool in the north. New works and upgrades to the coastal pathway include:

- \$1.6 million for the raised section of pathway between Palkana Drive, Warana and north towards Coonang Crescent, Warana, providing a continuation of the already highly used pedestrian and cycle community infrastructure
- \$644,000 for a new section of 500 metres in length between Cooroora Street to Dicky Beach Park at Beerburum Street allowing walkers and cyclists to take advantage of the coastal landscape, and
- \$142,000 for the design of the Caloundra Headland Coastal Pathway project, enabling an accessible movement corridor for all ages and abilities, while providing an improved transport and tourist link to Kings Beach.

Development Activity

The value of construction of building approvals increased by 16 per cent from the previous financial year to a record \$2.2 billion, reflecting the high volumes and demand across the industry as well as the increase in the cost of building materials. The top five growth suburbs for building activity were Baringa, Nirimba, Banya, Maroochydore, Palmview, Buderim and Pelican Waters.

During the year, a total of 7288 development related applications were lodged with Council for assessment, 939 lots were approved, and 2602 new lots were created and made available to the market through Council and Queensland Government approval processes. In addition, Council answered more than 54,000 development enquiries and approximately 343,000 site reports were generated through the Development.i platform. Council's Development.i platform provides the community with access to past and current development application details and basic property information for the Sunshine Coast local government area.

Roads rehabilitated and resurfaced

Council manages 2555 kilometres of sealed road network (and 488 kilometres of unsealed roads) and uses best practice asset management to improve the safety of these roads for our community.

During the year, 83.5 kilometres of roads were resurfaced and/or rehabilitated, costing a total of \$22.9 million. Significant works occurred on the following roads:

- Old Landsborough Road, Landsborough
- Beerburum Street, Aroona
- Page Street and Pike Street, Kunda Park
- Heathfield Street, Coolool Beach
- Verrierdale Road, Verrierdale.

Through this program, Council continues to seek out opportunities to become more efficient at inspecting the condition of our roads and extending the use of life in the most sustainable and affordable way. Trials were undertaken with asphalt that contained rubber from vehicle tyres, with preliminary modelling suggesting potential extended life benefits to these roads as well as minimising landfill waste.

Additionally, three specialist artificial intelligence software applications for road defect capture were trialled to consider whether they could provide a clearer picture of network performance and better inform future planning.

5. Assess service performance and sustainability to inform evidence-based business planning

Capital works delivery

Council achieved 85 per cent delivery of the \$268 million Capital Works Program, comprising 1484 individual projects.

The 10-year Capital Works Program is designed to plan and budget for the region's growth while renewing and upgrading community facilities to continue to effectively deliver services across our Sunshine Coast region.

Since the outbreak of the COVID-19 pandemic in March 2020, this program has been an essential economic stimulus for our community by ensuring construction projects continue to support employment for local trades and businesses.

Hinterland Blues AFL and Palmwoods cricket club

The \$1.46 million Hinterland Blues AFL and the Palmwoods cricket clubhouse and change rooms at Graham Rae Oval, Palmwoods officially opened to the community in September 2021.

The modern facility includes four female-friendly change rooms, umpire facilities, a new canteen, meeting room, storage area, first-aid room, and an improved spectator embankment. Importantly, the building has been raised above Q100 flood level to avoid flooding issues which have happened in the past.

The new clubhouse and change rooms were proudly funded by Council in association with the Queensland Government's COVID Works for Queensland program, the AFL Grand Final Facilities Fund, Queensland Cricket and Nambour and Hinterland AFL Club.

Nambour Aquatic Centre Splash Park

Council completed the installation of two new slides at the Nambour Aquatic Centre in June 2022, making it the region's most exciting community splash park.

The \$3.26 million splash park will open to the public following an official opening celebration in the warmer school holiday period in September 2022. The investment included the addition of 44 new car parking spaces, a zero-depth splash pad play area (which opened in January 2022) and two adventure slides 60 and 67 metres in length.

The Nambour Aquatic Splash Park was developed with the support of the Queensland Government's Works for Queensland program in association with Council and pool lessee Belgravia Leisure.

Dicky Beach Skatepark

Council completed the \$1.6 million major upgrade of the Dicky Beach Skate Park in September 2021. A plan for the area was developed following the partial removal of the historic SS Dicky wreck from the beach in 2015 and the propeller from the ship has been installed as a feature in the precinct.

The community-designed skate park boasts innovative and high-quality ramps, rails, grind ledges, quarter pipes, open spaces, as well as new and improved community facilities, connecting pathways and new public amenities.





Our Outstanding Organisation

Our organisation is high performing, innovative and community focused, marked by great people, good governance and regional leadership.

This goal is advanced through a focus on the following delivery pathways:

1. Maintaining a financially sustainable organisation that balances the needs of our growing region
2. Providing quality information, systems and processes to deliver fit for purpose solutions
3. Embracing a safe and collaborative workplace culture that attracts and retains high performing and engaged people
4. Demonstrating accountable leadership, future planning, and good governance that provides confidence to our community
5. Partnering with community, business and government to represent and advocate the needs of our region.

2021/22 Goal measures

Measure	Target	Result
Operating surplus ratio (extent to which operating revenues cover operating expenses)	Less than 10%	2% ⁺
Net financial liabilities ratio (extent to which Council relies on operating revenues to pay liabilities)	Less than 60%	64.2% ⁺
Number of notifiable data breaches	0	0
Council employee engagement score	Greater than 4.03 (out of 5)	3.65 [*]
Frequency rate of Lost Time Injuries of Sunshine Coast Council employees (excluding contractors)	Less than 10.64	8.64 ^{**}
Percentage of people who agree or strongly agree that they can trust Sunshine Coast Council as a local government	50%	42% [^]
Percentage of the community who believe there are opportunities to have a say on community issues that are important to them	Greater than or equal to 70%	51% ^{***}

⁺ Refer to Section 4 Financial Information for more detail.

^{*} A comprehensive culture and values project is underway that involves employees input to shape our culture to enable the achievement of our vision and goals.

^{**} There has been 23 per cent decrease from the previous year.

[^] 30 per cent neither agreed nor disagreed, 27 per cent disagree or strongly disagree, and 1 per cent don't know.

^{***} Council has implemented an Excellence in Engagement Framework and since launching the 'Have Your Say' engagement platform in 2021, more than 10,000 community members registered, representing a 27 per cent increase and opportunity to improve this result.

Key highlights 2021/22

1. Maintaining a financially sustainable organisation that balances the needs of our growing region

Palisade Investment Partners payment

Palisade Investment Partners finalised the \$314.4 million payment to Council on 30 June 2022 for the

Sunshine Coast Airport Expansion project. The payment forms part of the transaction announced in 2017 for a 99-year lease of the airport business.

This amount, which repaid all debt Council had incurred for the Sunshine Coast Airport Expansion project, is made up of a fixed payment for construction of the new runway, apron expansion and related infrastructure and various airport initiated upgrades to the runway, along with the second instalment of the long-term lease premium.



Budget delivers a stronger, better and sustainable Sunshine coast

Council adopted the \$847 million 2022/23 budget on 23 June 2022 to deliver a stronger, better, and sustainable Sunshine Coast. The budget is developed in accordance with Council's Financial Sustainability Plan 2015-2025. It focuses on local first – local communities, our local environment and local business. Through the development of a considered budget, Council has achieved:

- A budget with a positive operating result of \$31.8 million
- A \$273 million Capital Works Program that:
 - invests in job-creating local infrastructure projects
 - provides work for local trades and businesses, and
 - improves access to services and facilities for our communities across the Sunshine Coast
- A five per cent increase in the minimum general rate
- An increase of 3.5 per cent for pensioner rate concessions, and
- No increase to the Environment Levy.

2. Providing quality information, systems and processes to deliver fit for purpose solutions

Keeping our data safe

Council is committed to protecting our information on behalf of our community to enable continuity of our services and has a responsibility to ensure we are safe and secure when it comes to our online security.

Our mature cyber security program minimises cyber threats and proactively monitors access 24/7 and patches systems against vulnerabilities. During the year there were zero notifiable data breaches. All employees and contractors are required to complete mandatory cyber awareness training regularly, which provides the tools to know what to look out for and helps Council remain safe online.

Improved Wi-Fi in community assets

Council provides agile and transformative information and technology, which enables leading, innovative and sustainable services to our community. Council partnered with Vostronet to successfully rollout free public Wi-Fi across 33 locations across the region. This replaces the existing Sunshine Coast free public Wi-Fi with new hardware, which has improved performance and service levels.



3. Embracing a safe and collaborative workplace culture that attracts and retains high performing and engaged people

CultureBoost program

To be a truly outstanding organisation, Council is proactively engaging our employees to shape a shared organisational culture that positively influences our behaviours, the way we collaborate across the organisation and how we make decisions.

Through the CultureBoost program, Council has committed to implementing actions that enable a culture that supports sustainability, diversity and inclusions, wellbeing, health and safety. These activities are inherent to Council's success and are fundamental as we deliver on our vision and strategic objectives.

Sunshine Coast Council (SCC) Workplaces

The SCC Workplaces program is a holistic approach to the planning and management of Council's 38 workplace locations across the region. These cover the three administration centres of Caloundra, Maroochydore and Nambour, along with Council depots and satellite service locations such as libraries, showgrounds and venues.

There is an integrated approach being taken for these centres in terms of scheduling, construction, resourcing and sequencing of works. This is of particular importance in the context of Council serving a rapidly growing community and making investments that deliver the capacity to serve our community for many years to come. SCC Workplaces highlights include:

- Significant progress at the Sunshine Coast City Hall construction site across all levels of the building including the external façade and ground level streetscape
- Wilson Architects were appointed in May 2022 to lead preliminary design and feasibility for the Nambour Administration Precinct buildings, and
- Detailed design documentation is nearing completion for the Caloundra Administration Building.

Did you know?

In 2021/22:

- **83%** of Council employees **feel safe at work**
- **76%** of Council employees are proud to work for an organisation that has a **strong sustainability vision**
- **93%** of Council employees strongly support Council taking action to create a **diverse and inclusive workplace**
- **5100 plus Council suppliers** received payments within **7 days**, injecting money into our local economy sooner
- **26.6 GWh** of renewable electricity was generated from the Sunshine Coast Solar Farm, offsetting **95% of Council's total usage** and avoiding emissions of **21.511 tCO₂e**
- **2827 customer requests** were received via Councillors, and
- **239,000 visits** were made to the OurSC website, providing community news and information on activities occurring across the region.

First Nations Cultural Learning

Council continues to deepen First Nations cultural awareness and develop a culturally capable workplace that promotes respect and values the skills, experience and perspectives of First Nations employees and our community.

A pilot program commenced in March 2022 to provide an opportunity for 450 employees to participate in First Nations face-to-face cultural training and local On-Country learning experiences. Over the year 99 per cent of Council employees completed the online component of the Cultural Awareness Training and 20 per cent of all employees had completed face-to-face and On-Country training.

Three local First Nations providers, including both Jinibara and Kabi Kabi Traditional Custodians, were selected to deliver components of the pilot program, which also include Torres Strait Islander perspectives.

Wellbeing, health and safety

The wellbeing, health and safety of our people, contractors and our community is Council's most important responsibility and our highest priority.

A number of initiatives implemented during the year have positively impacted Council's safety culture and encouragingly resulted in a 23 per cent decrease in the employee lost time injury frequency rate. Key safety initiatives delivered include the:

- Mock Coronial Inquiry, held in October 2021
- Training in safety leadership, human and organisational performance contractor management, and risk management
- Events and competitions to celebrate safe behaviours
- A review of rehabilitation and return to work practices
- Promotional activities around the importance of mental health and wellbeing in employees
- Introduction of a critical risk program to identify Council's top critical risks, critical controls and verification processes, and
- Review and implementation of improvements to the contractor safety management framework.

4. Demonstrating accountable leadership, future planning, and good governance that provides confidence to our community

Corporate Plan 2022-2026

The Corporate Plan 2022-2026 was adopted in May 2022 to guide Council's direction and priorities over the next five years. The corporate plan reinforces Council's continuing commitment to our vision as Australia's most sustainable region. Healthy. Smart. Creative. It presents five strategic goals that provide a balanced approach to Council's performance:

- Our Strong Community
- Our Environment and Liveability
- Our Resilient Economy
- Our Service Excellence, and
- Our Outstanding Organisation.

The corporate plan directions have cascaded into the Operational Plan 2022/23 which was adopted by Council at the special budget meeting on 23 June 2022. These plans will become the basis of the quarterly progress reporting and annual report for the 2022/23 financial year.

Information management and classification

Recognising there is community interest in how Council manages the classification and accessibility of information, a project commenced which aims to enhance the availability of information to the community.

An independent external review is being undertaken which will include community engagement to inform best practice information management and will enable Council to:

- Demonstrate the integrity and transparency of its information classification and access regime
- Be responsive to the interests of the community in being able to access Council information to the greatest extent possible and permissible, and
- Satisfy its statutory and other legal and contractual obligations.

5. Partnering with community, business and government to represent and advocate the needs of our region

Regional Partnership with the University of the Sunshine Coast

The Council and the University of the Sunshine Coast Regional Partnership Agreement (RPA) was established in October 2021 with an intention to invest \$1 million in research and engagement activities over three years.

The objective of the RPA is that the community, environmental and economic development of the Sunshine Coast is supported by a robust and resilient university working in partnership with Council.

Three new projects were approved for funding during the 2021/22 financial year:

- Sunshine Coast Workforce Development and Skills Gap Analysis Study
- How Cool Are Our Green Urban Forests Project, and
- Place Co-Lab Pilot Project – Glass House Mountains Village Centre.

Advocacy for our region

The Sunshine Coast remains one of the fastest growing regions in the nation, with population expected to grow from 350,000 to well over 500,000 by 2041. With this significant growth, Council is focused on ensuring that our region is connected and has the essential infrastructure to meet the growing needs of our communities.

Funding partnerships across all tiers of government and private industry are critical to plan for this growth and progress our vision as Australia's most sustainable region. The criticality of this is compounded with the change in methodology reducing Council's funding allocation through the Australian Government's Financial Assistance Grant.

Council released a 2022 Federal Election advocacy priorities document that called for fairer funding for the Sunshine Coast community particularly in relation to public transport, roads, being climate ready and preparing for our role as a delivery partner in the Brisbane 2032 Olympic and Paralympic Games.

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Our award-winning organisation

Council and Council employees have been recognised both nationally and internationally for its world-class performance by receiving 23 awards throughout the year.

- **Caloundra Main Street Urban Revitalisation** project was awarded the National Landscape Architecture Award for Urban Design at the Australian Institute of Landscape Architects 2021 National Awards.
- Council's **Maroochy Groyne** project won the Excellence Award for best project between \$1-2 million and received a High Commendation for Coastal Engineering at 2021 Institute of Public Works Engineering Australasia Queensland.
- Stage one Northern Parkland (**Mooloolaba Foreshore Revitalisation** project) won the Green Space Urban Award at the Australian Institute of Horticulture Inc Annual Awards.
- The **Landsborough Placemaking** Activation Program was the winner of the Gold Urban Design award at the Driven x Design Gov Design Awards 2022.
- Council was the winner of three awards at the Australian Institute of Landscape Architects. (Queensland Chapter) awards for the:
 - **Sippy Downs Drive** - Boulevard and Gateway won the Landscape Architecture Award for Infrastructure.
 - **Nambour Forecourt Revamp** won the Landscape Architecture Award, Small Projects Category and the Regional Achievement Award.
- The **Sunshine Coast Design Book** (Yellow Book) was awarded a commendation in the Strategic Planning category at the Planning Institute of Australia 2021 Awards for Planning Excellence.
- Warren Bunker, Group Executive, Liveability and Natural Assets Group, Sunshine Coast Council was awarded a **Life Fellow of the Planning Institute of Australia**.
- Council's **Sunshine Coast Recreation Parks Plan** was awarded the 2022 Strategic and Master Planning Award by Parks and Leisure Australia (Queensland).
- **Cribb Street Landsborough Activation** Project was a finalist in the Community Contribution category of the 2022 Landscape Architecture Awards (Queensland).
- Council and Sunshine Coast Environment Council's **World Environment Day** event won the Partnerships for Landcare category at the 2021 Queensland Landcare Awards.
- Council's **Sunshine Coast Investment Assistance Program** was a Finalist in the Economic Development Recovery and Resilience category at the Economic Development Australia 2021 National Conference Awards.
- Council's **'Ground-up COVID Recovery Plan'** was a Finalist in the Excellence in Teamwork category at the 2022 Local Government Managers Australia Awards for Excellence.
- The Sunshine Coast was announced as a **Top7 and Smart21 Intelligent Community** of the Year by the international Intelligent Community Forum.
- Council's **Sunshine Coast Airport Expansion** project was the winner of the Civil Contractors Federation Queensland Award for a Queensland project valued above \$75 million.
- The **Sunshine Coast Airport Expansion** project won Best Public Works Project over \$5 million in Australasia at the International Public Works Conference hosted by the Institute of Public Works Engineering Australasia.
- Ross Ullman, Project Director Sunshine Coast Airport Expansion for Council received the prestigious Excellence Award for the **Engineer of the Year** at the 2021 Institute of Public Works Engineering Australasia (Queensland).
- Council employee, Gary Ehsman (recently retired), received the President's Award at the **2022 Caravan Parks Association of Queensland Awards**.

- The renewal of the **Amarina Culvert, Mooloolaba** won best project under \$1 million at the 2021 Institute of Public Works Engineering Australasia Queensland, a partnership between Council and Interflow.
- Council won the **Workplace Wellbeing** award at the Local Government Managers Australia (Queensland) Awards for Excellence 2022 for 16 consecutive months of 'Zero Lost Time Injuries in Civil Construction'.
- Council's 2021 **Horizon Festival** graphic design won Best Creative Campaign award at the Local Government Association of Queensland 2022 LGx Awards for Excellence in Local Government Communications.



Annual Disclosures





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SECTION III

DISCLOSURES
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Corporate governance

Council is committed to high standards of corporate governance practice, facilitated through a robust governance framework and organisational structure. We ensure our organisation has a strong financial outlook, effective controls and a safe, supportive working environment for our staff.

The Corporate Governance Framework in conjunction with education and awareness programs, focuses on:

- Building awareness of organisational responsibilities and accountabilities
- Maintaining strong financial stewardship and fiscal responsibility
- Maintaining compliance with legislation, policy, standards and controls
- Building integral practices, procedures and ethical decision making
- Applying continuous improvement activities and transparent reporting, and
- Engaging with the community through meaningful consultation to inform decision making and collaborative outcomes.

Council is continuing efforts to be an outstanding organisation, through a high performing, innovative and customer-focused organisation marked by great people, good governance and regional leadership. These capabilities will remain a hallmark of our performance as we deliver on the expectations of our community.

Public sector ethics

Council's administrative procedures and management practices have proper regard to the *Public Sector Ethics Act 1994*, as well as the Code of Conduct. Council's policies, procedures and delegations of authority are monitored and regularly reviewed.

Code of Conduct

Council has an Employee Code of Conduct (the code) based on the four ethical principles outlined in the *Public Sector Ethics Act 1994*. It is a public statement by Council of our commitment to leading the way in all that we do, supported by openness, transparency and accountability.

All employees have been provided with a copy of the code and are required to complete compulsory training on a regular basis. All Council employees are expected to be accountable and adhere to the Council's core values and comply with the behavioural standards outlined in the code.

Education and training

Council ensures employees are offered the most up-to-date and relevant training to undertake their roles and perform to the high standards expected. Delivery of Council's Governance Awareness Training Program (the program) remains an essential element in ensuring this. The program emphasises the importance of working together to build a culture of ethical practice, openness, transparency and integrity. Training and development elements include - Code of Conduct, Public Sector Ethics, Delegations, Human Rights, Good Decision Making, Fraud and Corruption Control, Information Privacy, Right to Information, Conflicts of Interest, and Authorised Persons. Sessions are developed and delivered from time to time based on specific areas of concerns either raised by operational managers, identified from audits or complaint investigations, environmental scans or key messages obtained from external sources generally impacting the local government sector.

Council's Conflicts of Interest and Other Personal Interest Policy and Guideline underwent a major review and an e-learning package was developed to communicate employee obligations. The online mandatory training was launched to all employees on the 8 April 2022 and by 30 June 2022, 1389 employees had completed the training.

The table below sets out the total number of employees who completed governance awareness training during the period 1 July 2021 to 30 June 2022.

Training Event	Number of employees that completed training
Code of Conduct	1421*
Authorised Persons	261**
Right to Information	1526
Information Privacy	1662
Conflicts of Interest	1389

* All employees have a requirement to undertake face to face Code of Conduct training every three years. In the 2021/22 financial year 73 per cent of employees completed training.

** Council has 452 Authorised Persons and formal training is required to be undertaken every two-three years.

The effective implementation and administration of Council's governance framework relies on the commitment, skills and professionalism of Council employees. Council will continue to deliver education and awareness sessions as part of its commitment to good governance practices.

Risk management

Council operates in a dynamic and ever-changing environment. With the region's rapid growth, rising complexities and costs of service and project delivery, growing community expectations, and a plethora of statutory obligations, it is paramount that Council manages risk with maturity and assurance.

Council continually researches, monitors, tests and applies control measures to mitigate exposure to risk. It regularly reviews and resets its risk tolerance levels to determine what is acceptable to operate efficiently and with confidence. Council systematically identifies, analyses and controls risk at all levels (strategic, operational and project) and functions across the organisation. This approach is supported by a risk management framework, policy, guideline and a risk culture that continues to mature and is proactive in its pursuit of good governance and the achievement of Council's vision. In building this framework, a review of Council's suite of fraud and corruption control documentation was completed, as well as the development of a risk maturity roadmap for continued growth and development.

Strategic, operational and project risks are reviewed, monitored and reported on a regular and ongoing basis to the Council, the Executive Leadership Team and the Audit Committee.

Council's risk-management approach also applies to Council controlled entities, ensuring that clear and comprehensive corporate governance frameworks and controls are in place with regular review periods that include independent, specialist input.

Councillor information

Councillor remuneration

The Mayor and Councillors were remunerated in accordance with section 247 of the Local Government Regulation 2012.

The table below sets out the remuneration paid to Sunshine Coast Councillors during the period 1 July 2021 to 30 June 2022.

Councillors	Salary	Superannuation
Mayor Mark Jamieson	\$233,091	\$27,970
Cr Rick Baberowski (Deputy Mayor)	\$161,499	\$19,380
Cr Terry Landsberg	\$141,520	\$16,982
Cr Peter Cox	\$141,520	\$16,982
Cr Joe Natoli	\$141,520	\$16,982
Cr Winston Johnston	\$141,520	\$16,982
Cr Christian Dickson	\$141,520	\$16,982
Cr Ted Hungerford	\$141,520	\$16,982
Cr Jason O'Pray	\$141,520	\$16,982
Cr Maria Suarez	\$141,520	\$16,982
Cr David Law	\$141,520	\$16,982

Councillor expenses and facilities

Pursuant to section 250 of the Local Government Regulation 2012, the Councillor Expenses Reimbursement and Provision of Facilities and Support Policy provides for the payment of reasonable expenses incurred, or to be incurred, by Councillors in undertaking Council business. A new policy was adopted on 10 November 2021 to improve transparency and remove mandatory contributions for personal use of mobile devices due to changes in Council's telecommunications contract and the administrative cost to recover personal contributions. The policy also outlines the facilities to be provided to Councillors to assist them in carrying out their duties, efficiently and effectively, and at a level that fulfils community expectation.

Council business is described as activities conducted on behalf of Council where a Councillor is required to undertake certain tasks to satisfy a legislative requirement, perform ceremonial activities or achieve the business objectives of Council. Council business should result in a benefit being achieved either for the local government and/or the local community.

The following table shows the total expenses incurred by Councillors under the policy in the 2021/22 financial year.

Councillors	Expenses
Mayor Mark Jamieson	\$719
Cr Rick Baberowski (Deputy Mayor)	\$4347
Cr Terry Landsberg	\$4496
Cr Peter Cox	\$362
Cr Joe Natoli*	\$2291
Cr Winston Johnston	\$2647
Cr Christian Dickson	\$3627
Cr Ted Hungerford	\$1163
Cr Jason O'Pray	\$3019
Cr Maria Suarez	\$2384
Cr David Law	\$2985

Councillors were provided with the following facilities and resources to enable them to perform their duties and undertake Council business:

- Administrative support
- Office accommodation at one of three Council owned or leased premises as well as access to meeting rooms
- Business and communication tools
- Mobile devices, subject to personal use contribution* and
- Vehicle, subject to personal use contribution or alternative arrangement.

It is recognised that community expectations and requests of the Mayor are such that all mobile phone and vehicle costs are deemed to be Council business.

Councillor meeting attendance

Council meetings comprised Ordinary Meetings and Special Meetings. Ordinary Meetings have a membership comprising all Councillors and the Mayor.

The table below shows meeting attendance for all Councillors and the Mayor.

Councillors	Ordinary Meetings	Special Meetings
Number of meetings held from 1 July 2021 to 30 June 2022:	12	3
Mayor Mark Jamieson	12	2
Cr Rick Baberowski (Deputy Mayor)	12	3
Cr Terry Landsberg	12	3
Cr Peter Cox	11	3
Cr Joe Natoli	11	3
Cr Winston Johnston	11	3
Cr Christian Dickson	12	3
Cr Ted Hungerford	12	3
Cr Jason O'Pray	12	3
Cr Maria Suarez	12	3
Cr David Law	12	3

Note: Councillors notify any absences and reasons for such. These may include competing diary commitments, medical leave, annual leave, professional development and personal commitments.

Conduct and performance of Councillors

The *Local Government Act 2009* (the Act) sets out the roles, responsibilities, and obligations of Councillors. In accordance with reporting requirements, the table below documents actions and outcomes relating to the conduct and performance of Councillors for the period of 1 July 2021 to 30 June 2022.

The following table discloses matters relating to the conduct of Councillors that were raised during the financial year.

Conduct and performance of Councillors	
Orders made under section 150I(2) of the Act	Nil
Orders made under section 150AH(1) of the Act	1
Decisions, orders and recommendations made under section 150AR(1) of the Act	1
The name of each Councillor for whom a decision, order or recommendation under sections 150I(2), 150AH(1) or 150AR(1) of the Act was made	Former Councillor Greg Rogerson Councillor Jason O'Pray

* Councillor Natoli has not accepted a Council mobile phone and has paid the full cost for the device and service personally. Councillors Landsberg, Suarez and Law each use a personal phone for private use and a Council phone for Council business. These Councillors are not required to make a personal-use contribution.

Conduct and performance of Councillors

A description of unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors

Former Councillor Greg Rogerson: that between 21 December 2018 and March 2019 the [then] Councillor breached Behavioural Standard 2 of the Code of Conduct namely by failing to treat Council employees in a reasonable, just, respectful and non-discriminatory way.

Councillor Jason O'Pray: that, on the balance of probabilities, on 21 May 2019, Councillor Jason O'Pray engaged in misconduct by breaching the trust placed in him as a Councillor, either knowingly or recklessly when, having a conflict of interest in relation to a matter, attempted to influence both another Councillor to vote on the matter in a particular way at a meeting of the local government, and a local government employee who was authorised to decide or otherwise deal with a matter to do so in a particular way.

A summary of the decision, order or recommendation made for each Councillor

Former Councillor Greg Rogerson: at the Ordinary Meeting on 14 October 2021 Council resolved (OM21/100) that former Councillor Greg Rogerson engaged in inappropriate conduct and that, in accordance with section 150AH(1)(b)(ii) of the *Local Government Act 2009*, an order be made reprimanding the former Councillor for the conduct.

Councillor Jason O'Pray: the Councillor Conduct Tribunal ordered that pursuant to section 150AR(1)(b)(iii) of the *Local Government Act 2009*, Councillor Jason O'Pray attend training to address the specific conduct which was the subject of the allegations and that such training to be undertaken at the Councillor's expense.

Complaints referred to the assessor under section 150P(2)(a) of the Act by the local government entities for the local government

3

Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission

Nil

Notices given under section 150R(2) of the Act

Nil

Notices given under section 150S(2)(a) of the Act

Nil

Decisions made under section 150W(1)(a), (b) and (e) of the Act

8

Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act

Nil

Occasions information was given under section 150AF(4)(a) of the Act

Nil

Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a Councillor

Nil

Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a Councillor engaged in misconduct or inappropriate conduct

Nil

Disclosures

Audit Committee

The Audit Committee is established in accordance with the Local Government Regulation 2012. As an advisory committee, its objectives are to assist the Council and the Chief Executive Officer to discharge their duties in particular:

- Corporate governance and responsibilities in relation to the organisation's financial reporting, internal control structure, risk management systems and the external and internal audit functions
- Maintain an independent and objective forum, promoting transparency, accountability and an ethical culture throughout Council
- Maintain by scheduling regular meetings, open lines of communications with Council, Management, Internal Audit and External Audit, to exchange information and views
- Oversee and appraise the quality and efficiency of audits conducted by both the Internal and External Audit functions, and
- Ensure both the Internal and External Audit functions are independent and effective.

Four formal Audit Committee meetings were held throughout the year. Members of the committee comprised the following Councillors and independent external representatives:

- Cr Ted Hungerford
- Cr Joe Natoli
- Mr Mitchell Petrie (Independent Chair)
- Mr Pat McCallum (Independent Member)

The Audit Committee also:

- Monitored the Financial Statements annual preparation, process and reviewed the draft Financial Statements prior to certification
- Oversaw governance reporting, including risk management and work health and safety
- Reviewed both external and internal audit plans, reports and recommendations, and
- Actively contributed to Council's culture of continuous improvement.

Audit and Assurance

Audit and Assurance activities were conducted in accordance with best practice principles, including guidance issued by the Institute of Internal Auditors. Activities for the period July 2021 to June 2022 included:

- Conflicts of Interests – Management of Staff Declarations
- Risk Management – Risk Maturity Assessment
- Traffic Management Contract
- Natural Disaster Relief and Recovery – Preparedness
- Payroll – Superannuation
- Rates Revenue – Special and Fire Levies, and
- Landfill Operations Compliance with Environmental Authority.

Council also participated in the Office of the Information Commissioner's Compliance Audit for the *Right to Information Act 2009* and the *Information Privacy Act 2009*. The report, which was tabled in the Queensland Parliament on 30 November 2021, identified 22 recommendations for business improvement opportunities across Council. An action plan to address these recommendations is being implemented.

Remuneration packages to senior management

During 2021/22 Council's senior executive management, comprising direct reports to the Chief Executive Officer and those with senior management responsibilities, consisted of:

- Chief Executive Officer
- Five Group Executives
- Executive Manager
- Director Major Projects and Strategic Property
- Chief Strategy Officer, and
- Chief of Staff.

Total remuneration for these positions (including all vehicles and periods of backfill due to incumbent being on leave) from 1 July 2021 to 30 June 2022 was \$3,103,763.55.

Senior Executive Management (number)	Total remuneration value range
4	\$200,000 to \$300,000
5	\$301,000 to \$400,000
1	\$401,000 to \$500,000

National competition policy

Council conducted the following business activities during the 2021/22 financial year:

- Aquatic centres
- Caloundra Indoor Stadium
- Caloundra Regional Gallery

- Cemeteries
- Festivals
- Multisports complexes and showgrounds
- Off-street parking
- Quarries
- Retail electricity and the Sunshine Coast Solar Farm
- Sunshine Coast Holiday Parks
- Sunshine Coast International Broadband Cable Network
- Sunshine Coast Stadium and Kawana Sports Precinct
- Venue 114 and community spaces, and
- Waste and resource management.

Waste and resources management was a significant business activity and applied the competitive neutrality principle. There were no new significant business activities.

Note: No investigation notices were issued in 2021/22 by the Queensland Competition Authority for competitive neutrality complaints.

Registers

Council keeps a number of registers. These include:

- Asbestos register
- Asset register (Confirm Asset Management Information System)
- Contract register
- Councillor conduct register
- Delegations register
- Development applications register (Development.i)
- Environmentally relevant activity licence register
- Gifts and disclosures register
- Registered cat register
- Registered dog register
- Register of business activities to which the competitive neutrality principle applies
- Register of general cost recovery fees and commercial charges 2021/22
- Register of local laws
- Registers of interests
- Registers of pre-qualified suppliers (RPQS), and
- Roads register.

Beneficial enterprises

Council participated in beneficial enterprises with four entities during the 2021/22 financial year.

Beneficial enterprises are entities that Council engages in or helps them to benefit the whole or part of the local government area. These entities were:

- SunCentral Maroochydore Pty Ltd
- Sunshine Coast Events Centre Pty Ltd
- Sunshine Coast Arts Foundation Ltd, and
- Visit Sunshine Coast Ltd.

Service, facility or activity

There are no details to report for the financial year under section 190(d) of the Local Government Regulation 2012, on action taken for, and expenditure on, a service, facility or activity:

- Supplied by another local government under an agreement for conducting a joint government activity, and
- For which the local government levied special rates or charges for the financial year.

Administrative action complaints

Council applies its Administrative Actions Complaint Management Policy to effectively manage complaints in a fair, prompt, confidential and respectful manner.

The management of unreasonable complainant conduct was a focus during 2021/22 with processes and tools developed to assist in the efficient use of resources to manage complaints and ensure a positive communication experience with all members of the community. In accordance with guidance from the Queensland Ombudsman, Council has developed a policy and supporting guidelines, a tool kit and education program to reinforce messaging in dealing with unreasonable conduct.

Council's Administrative Action Complaints Management process is available to staff via Council's intranet and the community can access the process via the Council website.

As required under section 187(2) of the Local Government Regulation 2012, the table below summarises the administrative action complaint outcomes for 2021/22.

Administrative action complaints

Number of complaints made in 2021/22	92
Number of complaints completed	83*
Number of complaints not resolved (outstanding) by 30 June 2022	21*
Number of administrative action complaints not resolved that were made in the previous financial year	1**

Ninety per cent of complaint matters were dealt within the required timeframes prescribed by legislation and policy.

Overseas travel

Under section 188 of the Local Government Regulation 2012, Council must provide information about any overseas travel made in a financial year by a Councillor or local government employee in an official capacity.

The below table shows overseas travel undertaken by a Councillor or Council employee during the financial year 2021/22.

Attendee	Destination	Purpose	Month	Cost
Andrew Eves-Brown Head of Economic Development	New Zealand	Travel targeting individual businesses and organisations with the purpose to: <ul style="list-style-type: none"> foster regional access to the closest international growth market for Australia establish networks of significant business and other contacts identify opportunities to increase inward investment for the region's region shaping projects, specifically the Maroochydore City Centre and digital trade/tech opportunities identify opportunities for increased government to government collaborations; and identify and promote outbound trade opportunities focused on this region's key high-value and emerging industries. 	May 2022	\$4909
Gabrielle Troon Head of International Relations, Trade and Future Industries	New Zealand	Gabrielle Troon travelled with Andrew Eves-Brown to New Zealand and the purpose of the travel is the same.	May 2022	\$4999

Summary of concessions for rates and charges

Council grants a range of rates and charges concessions. In accordance with section 190(g) of the Local Government Regulation 2012, a description of the concessions granted in 2021/22, along with how the concession is calculated, is detailed below.

* This includes complaints received in previous financial years.

** One complaint received in the 2020/21 financial year was not resolved in financial year 2021/22 due to the complexity of the matter and the prioritisation of workloads to undertake investigations and consideration of risk assessment and mitigations of all complaints raised.

Differential general rate concession

Council grants a general rates concession to land identified in section 120(1)(b) of the Local Government Regulation 2012 to the extent Council is satisfied the land is owned and directly used by an entity whose objectives do not include making a profit, or an entity that provides assistance or encouragement for arts or cultural development, and the entity meets the specific criteria detailed in the 2021/22 Revenue Statement.

Deferral of differential general rate

In accordance with sections 120 and 121 of the Local Government Regulation 2012, Council will allow deferment of up to 50 per cent of the differential general rate to assist eligible pensioner ratepayers residing in their principal place of residence. The deferment is subject to the ratepayer meeting the eligibility criteria detailed in the 2021/22 Revenue Statement.

Rates and charges debt concession

In accordance with sections 120 and 121 of the Local Government Regulation 2012, a concession by way of an agreement to defer payment, for a period of up to 12 months, for rates and charges, may be granted to property owners that satisfy Council that payment of rates and charges for their principal place of residence will cause them hardship. The concession is granted subject to the ratepayers meeting the eligibility criteria detailed in the 2021/22 Revenue Statement.

Pensioner rate concession

In accordance with section 120 of the Local Government Regulation 2012, Council grants a pensioner rate concession to property owners who are in receipt of either a part or full pension who meet the eligibility criteria detailed in the Queensland Government's Rate Subsidy Scheme and the additional criteria in the 2021/22 Revenue Statement. The concession is a maximum of 25 per cent of the differential general rate up to the maximum amounts detailed in the table below:

Pension rate	Sole title to the property	Joint title to the property
Maximum level of pension (full pension)	\$262 per annum maximum	\$205 per annum maximum
Not maximum level of pension (part pension)	\$131 per annum maximum	\$74 per annum maximum

Changes to tenders

Item No.	Contract No.	Contract title	Details of changes
1	ITT1928	Waste Collection Contract – Separable Portion A	Amendments made to clauses relating to the Organic Waste Collection Services to allow flexibility for Council
2	ITT2058	Design and Construct – Sunshine Coast City Hall Fitout	Changes to proposed design options including, partition wall schedule, internal glazing acoustic specification and booth finishes
3	ITT2061	Gravel Road Upgrade - Zgrajewski Road, Yandina Creek	Scope reduced prior to inviting repricing
4	Q2172	Landscape Construction Stage 2 Mountain Bike Trails, Sugar Bag Road Caloundra	Scope reduced prior to inviting repricing
5	ITT2123	Construction of Amenity Buildings and associated Landscaping - Forest Park West District Park, Sippy Downs	East Lot scope of works amended to remove street/pathway lighting poles, luminaires and lighting controls, associated electrical supply and reticulation
6	ITT2149	Furniture Supply and Installation - Sunshine Coast City Hall	Changes to specification for Separable Portion A (Task Chairs) and Separable Portion B (Workstations)

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Grants to community organisations and discretionary funds

The total allocation of grants funding for the financial year was \$4,664,844. This includes \$246,192 in Councillor discretionary funding.

Council's discretionary funding for 2021/22 was as follows:

- The prescribed amount \$252,318 (defined in section 201B(5) of the Local Government Regulations 2012 to mean 0.1 per cent of Council's revenue from general rates for the previous financial year)
- Budgeted amount \$252,318 (each financial year Council may determine a budget allocation for discretionary funds, not exceeding the prescribed amount, for use by the Mayor and Councillors for the purpose of allocating it for community purposes).

Each Councillor had a budget of \$22,938 to allocate to community organisations for community purposes as detailed in the tables over the following pages.

Mayor Jamieson: Total 2021/22 allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Yandina Community Gardens Inc	Part contribution towards purchase of a small tractor to support delivery of the 'Food Waste Loop' program	14 September 2021	\$2500
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	27 September 2021	\$200
Hinterland Market Trail	Design work for promotional brochure	11 October 2021	\$350
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	14 October 2021	\$1000
Sunshine Coast Riding for the Disabled (RDA) Inc	Purchase of 45 stackable chairs for volunteers use and community use at club fund raising events	26 May 2022	\$2000
Maroochy River Rowing Club Inc	Purchase of essential rowing equipment	31 May 2022	\$3470
Maroochydoore Cricket Club Incorporated	Contribution towards purchase of sight screens	31 May 2022	\$2000
Sunshine Coast Disc Golf Club Inc	Contribution towards Concrete Greens	6 June 2022	\$1000
Coolum Beach Junior Rugby League Club Inc	Contribution for chairs, marquees, cold room and laundry costs for QLD City Country Cultural Exchange event	6 June 2022	\$2000
Coast2Bay Housing Group Ltd	Furnishings and appliances to fit out newly constructed emergency accommodation units for temporary use by families impacted by domestic and family violence	8 June 2022	\$5892
Mudjimba Beach Boardriders Club Inc	Purchase of portable PA System and Siren for Surfing events	8 June 2022	\$1400

Division 1 Cr Baberowski: Total 2021/22 allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Landsborough School of Arts Memorial Hall Association Inc	Master plan project for the Landsborough School of Arts Memorial Hall	23 September 2021	\$3850
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	24 September 2021	\$100
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	15 October 2021	\$500
Visionary Ocean Warriors	Shirts to help identify volunteers at a free beach clean up event at Happy Valley, Caloundra	15 October 2021	\$506
Beerwah and District Sub-Branch (RSL)	Hire of chairs and tables for 2021 Remembrance Day Service	3 November 2021	\$724
Calvary Lutheran Congregation Glasshouse Country	Advertising and hall hire costs for Glasshouse Community Carols	8 December 2021	\$500
Sunshine Coast Punjabi Welfare Association Inc	Sporting equipment and chairs for cricket tournament and community event featuring during Harmony Week	15 March 2022	\$1000
QCWA Branch Beerwah	Funds for hire of venue for an event supporting community members affected by cancer and fundraising	29 April 2022	\$160
Rhythm Initiative Limited	Contribution towards cost for an activity at Nirimba community engagement day	23 May 2022	\$500
Sunshine Coast Disc Golf Club Inc	Contribution towards concrete greens	2 June 2022	\$1000
Queensland Air Museum	Items of audio-visual equipment to be used by volunteers to produce museum podcasts and displays	7 June 2022	\$1000
Coast2Bay Housing Group Ltd	Essential kitchen appliances to equip newly constructed emergency accommodation for families impacted by domestic and family violence	8 June 2022	\$898
Landsborough School of Arts Memorial Hall Association Inc	Contribution towards development assessment for accessibility project	10 June 2022	\$12,000



Division 2 Cr Landsberg: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Caloundra Committee of Service to the Ageing	Purchase of a mobile whiteboard for presentations at the CCSA Hall	17 August 2021	\$424
Skate Aid Australia (Under Trinity Youth and Community Services)	Skate park event including skate instructors, event insurance, advertising and MC to celebrate Dicky Beach skate park upgrades	10 September 2021	\$1000
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	27 September 2021	\$100
EndED Ltd	A contribution to promotion and marketing costs of the inaugural Nurture Festival scheduled for May 2022, which aims to be Australia's largest mental health festival	1 October 2021	\$3500
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	13 October 2021	\$1000
Inner Wheel Club of Sunshine Coast Incorporated	Contribution towards destination promotion and welcome catering	8 November 2021	\$300
Golden Beach and Pelican Waters Community Association Inc	Contribution towards hiring children's activities for community event	10 February 2022	\$2000
Night Eyes Water and Landcare Inc	Purchase of high visibility vests for the safety of volunteers	10 February 2022	\$300
Caloundra Camera Group Inc	Printing costs for promotional material to increase membership	3 March 2022	\$500
Caloundra Committee Of Service To The Ageing	Contribution to catering costs for event	8 March 2022	\$500
Island Swim - Mudjimba to Mooloolaba Inc	Cinema hire, finger food and social media marketing to support the movie night launch event for the Island Charity Swim, a fundraiser to support the special school community	8 March 2022	\$1750
Murri's on the Move Driving School Ltd	Funding for venue hire, catering and procuring a Welcome to Country to screen the "Incarceration Nation" film in the lead up to National Reconciliation Week 2022	21 March 2022	\$1150
Caloundra Community Kindergarten Association Inc	Purchase of shelving for storage of working bee items in shed	6 May 2022	\$350
Night Eyes Water and Landcare Inc	Purchase of protective equipment (vests & hats) for volunteers	16 May 2022	\$1550
Trinity Youth and Community Services	Contribution towards the costs of undertaking a free local community skate park event	18 May 2022	\$1500
Rosie's Youth Mission Inc	Purchase of sleeping bags & yoga mats for people sleeping rough	24 May 2022	\$1348
DV Safe Phone Ltd	Purchase 130 mobile top-up credit vouchers to provide to domestic violence and law enforcement agencies	3 June 2022	\$1950
Caloundra Mallet Sports Club Ltd	Funds for security upgrade at club premises	6 June 2022	\$1930
Queensland Air Museum	Items of audio-visual equipment to be used by volunteers to produce museum podcasts and displays	7 June 2022	\$1000
Alexandra Headland Malibu Club Inc	Contribution towards filming of a Sunshine Coast surfing icon's work for community record and sharing	9 June 2022	\$440

Division 3 Cr Cox: Total 2021/22 allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	28 September 2021	\$100
EndED Ltd	A contribution to promotion and marketing costs of the inaugural Nurture Festival scheduled for May 2022, which aims to be Australia's largest mental health festival	30 September 2021	\$3500
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	14 October 2021	\$1000
Kawana Boardriders Club Inc	Contribution towards purchase of three portable marquees	10 November 2021	\$1595
Inner Wheel Club of Sunshine Coast Incorporated	Contribution towards destination promotion and venue hire / catering	10 November 2021	\$500
Rotary Club of Mooloolaba Inc	Venue hire costs for charity event	1 December 2021	\$1100
Coast2Bay Housing Group	Venue hire for Christmas celebration	9 December 2021	\$400
Sunshine Coast Indoor Rowing Club Inc	Contribution towards marketing and venue and equipment hire for QLD rowing championships hosted by Sunshine Coast Indoor Rowing Club	29 March 2022	\$900
Buskers by the Creek Inc	A contribution towards venue hire of a Council facility for 2022 Buskers by the Lake festival, 19 – 21 August	5 April 2022	\$7500
Waste Action Maleny (WAM)	Funds for community organisation's website and website software upgrade	22 April 2022	\$700
Sunshine Coast PCYC (Queensland Police Citizens Youth Welfare Association)	Contribution towards artist costs to design and lead painting of an unattractive wall adjacent open space	29 April 2022	\$2000
Windansea Boardriders' Club Inc	Clearing of vegetation at clubhouse site	26 May 2022	\$3043



Division 4 Cr Natoli: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Yandina Community Gardens Inc	Part contribution towards purchase of a small tractor to support delivery of the 'Food Waste Loop' program	15 September 2021	\$2500
Buddina Community Garden Inc	Contribution towards solar power upgrade	24 September 2021	\$2990
Maroochydore Rugby Union Club Incorporated	Relocation of emergency ambulance access to playing fields	24 September 2021	\$1080
The Maroochydore Beach Bowls Club Incorporated	Purchase of new scoreboards	24 September 2021	\$2000
Arts And Culture Federation of Sunshine Coast Inc	Creative performing arts entertainment at Mooloolaba's Multicultural Moon Festival	1 October 2021	\$800
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	1 October 2021	\$100
EndED Ltd	A contribution to promotion and marketing costs of the inaugural Nurture Festival scheduled for May 2022, which aims to be Australia's largest mental health festival	7 October 2021	\$2000
STEPS Charity Ltd	Hire of rides for Steps Autism Treehouse 8th Annual Christmas Party	18 October 2021	\$400
Kawana Boardriders Club Inc	Contribution towards purchase of three portable marquees	11 November 2021	\$621
Rotary Club of Alexandra Headland Inc	Contribution towards fit out costs for transformation of shipping containers for youth centre	19 November 2021	\$2000
Sea Shepherd Australia Limited	Purchase of film license for community documentary film screening	1 February 2022	\$254
Rotary Club of Alexandra Headland	Funds to purchase fence webbing for safety of swimmers at the Winter Solstice Swim 2022	3 May 2022	\$2000
Buddina Community Garden Inc	Purchase and installation of nesting boxes at Buddina Community Garden and surrounds	31 May 2022	\$1287
DV Safe Phone Ltd	Purchase of 400 SIM cards for victims of domestic violence, along with the tested DV Safe Phones	2 June 2022	\$2000
Mooloolaba Surf Life Saving Club Inc	Replacement of surf rescue boards	2 June 2022	\$2900

Division 5 Cr Johnston: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Knitfest Inc	Funding towards marketing and advertising, workshop facilitator, event insurance, venue hire and bus hire for Knitfest 2021	10 August 2021	\$3000
Lions Club of Maleny-Blackall Range Inc	Purchase of signage for use at Maleny Country Fair	11 August 2021	\$726
Yandina Community Gardens Inc	Part contribution towards purchase of a small tractor to support delivery of the 'Food Waste Loop' program	10 September 2021	\$2500
Combined Probus Club of Maleny Inc	Purchase of two pull up banners for promotion	17 September 2021	\$580
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	27 September 2021	\$100
Friends of Pattermore House Inc	Purchase and install fabricated powder-coated aluminium framework to attach three historical panels to existing information shelter on Maleny Selectors Green	20 October 2021	\$940
Mooloolah Public Hall Association Inc	Contribution towards community Christmas Celebration	26 November 2021	\$250
Montville Village Association Inc	Purchase of awnings	8 December 2021	\$2506
Combined Probus Club of Maleny Inc	Purchase of AED Security Cabinet	10 February 2022	\$275
Nambour Amateur Swimming Club Inc	Contributions towards hire of pool for event	12 May 2022	\$500
Range of Life Pty Ltd	A contribution towards engaging topology to deliver a series of creative performance workshops for the community, which will culminate in a symphonic orchestral public performance at the Moonlight Symphony event as part of the inaugural Over the Rangebow Festival on 12 of August 2022	12 May 2022	\$2500
Friends of Pattermore House Inc	Contribution towards the preservation of the external Pattermore cow bails yards	12 May 2022	\$5606



Division 6 Cr Dickson: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Headland Buderim Croquet Club Inc	Purchase of croquet mallets and sets of croquet balls	3 August 2021	\$4167
Legacy Club of Brisbane Ltd	Purchase of cards and diaries to provide to legacy widows to celebrate the 2021 festive season and to mark milestones	12 August 2021	\$1500
Yandina Community Gardens Inc	Part contribution towards purchase of a small tractor to support delivery of the 'Food Waste Loop' program	14 September 2021	\$2500
One Step Alliance Inc	Purchase of office equipment	16 September 2021	\$2197
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	28 September 2021	\$100
EndED Ltd	A contribution to promotion and marketing costs of the inaugural Nurture Festival scheduled for May 2022, which aims to be Australia's largest mental health festival	6 October 2021	\$1000
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	19 October 2021	\$797
Maroochydore Cricket Club Incorporated	Repairs and maintenance of wicket, screens and nets	19 November 2021	\$5000
Brightwater Community Association Inc	Contribution for equipment hire costs and first aid kit for Movie Night in the Park	17 December 2021	\$1006
Sunshine Coast Reconciliation Group Inc	Contribution towards Dr Jackie Huggins speaker fee for National Reconciliation Week event at University of Sunshine Coast on Sunday 29th May	26 April 2022	\$2000
Response Mental Health Peer Support Inc	Funds towards guest speaker and catering costs for a mental health support event	5 May 2022	\$2000
Maroochydore Cricket Club Inc	To purchase three hessian covers to protect turf cricket wickets	7 June 2022	\$671

Division 7 Cr Hungerford: Total 2021/22 Allocation\$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Buderim Garden Club Incorporated	Contribution towards installation of arbour infrastructure in Buderim Village Park to celebrate the Buderim Garden Club 75th anniversary	29 July 2021	\$5000
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	13 October 2021	\$100
Zonta Club of Maroochy Inc	Printing of postcards for event to raise awareness and advocate against gender-based violence	11 November 2021	\$90
Maroochy Men's Shed Inc	Purchase of printer	21 December 2021	\$444
Maroochy Men's Shed Inc	Contribution to purchase of new equipment.	12 April 2022	\$600
Sunshine Coast Health Foundation (Wishlist)	Funds to purchase equipment for an event recognising the dedication of the group's volunteers and their families	5 May 2022	\$1110
Buderim Garden Club Inc	Contribution towards anniversary arbour infrastructure in Buderim Village Park	10 May 2022	\$5000
Sunshine Coast Square Dance Centre Inc	Trimming of tree branches for preventative maintenance	18 May 2022	\$1980
Vietnam Veterans Association of Australia, Sunshine Coast Sub-Branch	Funds for furniture and transport hire for commemorative Vietnam Veterans event	14 June 2022	\$2130
Buderim Scout Group	Purchase of 15 tents for local scout group	15 June 2022	6484



Division 8 Cr O'Pray: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Maroochy North Shore Lions Club Inc	Purchase of signage and tablet for cashless and contactless payment at monthly BBQs events raising funds for Mudjimba Surf Lifesaving	3 August 2021	\$432
Twin Waters Residents' Association Inc	Contribution towards entertainment and infrastructure for annual Twin Waters community event	22 September 2021	\$1000
EndED Ltd	A contribution to promotion and marketing costs of the inaugural Nurture Festival scheduled for May 2022, which aims to be Australia's largest mental health festival	7 October 2021	\$3500
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	7 October 2021	\$50
Sunshine Coast Rowing Club Inc	Purchase of oars	7 October 2021	\$2500
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	13 October 2021	\$2000
Sunshine Coast Sports Hall of Fame	AV equipment hire and set up to support the 2021 Sunshine Coast Sports Hall of Fame Induction Ceremony	24 November 2021	\$1500
EndED Ltd	Event management fee for the inaugural Nurture Festival scheduled for May 2022 which aims to be Australia's largest mental health festival.	1 December 2021	\$6500
Maroochy Canal Action Group Inc	Items for Christmas activity cruise on Maroochydhore canals	8 December 2021	\$431
Twin Waters Residents' Association Inc	Funding AV equipment hire to accommodate educational presentation to Twin Waters community	16 March 2022	\$220
Sunshine Coast Baseball Association Inc	Purchase of new baseballs and training equipment for junior members to replace old worn equipment	4 April 2022	\$500
North Shore Junior Australian Football Club Inc	Funding Jerseys and socks for annual PRIDE round AFL event	29 April 2022	\$3168
Twin Waters Residents' Association Inc	Contribution towards the costs of equipment and activities for an annual community event	23 May 2022	\$1000

Division 9 Cr Suarez: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Coolum Croquet Club	Purchase of essential croquet sporting equipment	6 August 2021	\$1849
Maroochy River Rowing Club Inc	Purchase and installation of boat safety lighting to meet compliance with new Marine Queensland regulation	17 August 2021	\$2000
Supporting People in Respite and Lifestyles Inc	A contribution towards venue hire for an accessible art show to celebrate Disability Action Week	20 August 2021	\$500
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	28 September 2021	\$50
Bli Bli Public Hall and Community Association Inc	Contribution towards costs of fireworks at Community Christmas Carols event	20 October 2021	\$2000
Eumundi School of Rock Incorporated	Contribution towards artist costs for Eumundi School of Rock event	23 November 2021	\$500
Coolum Wedge Inc	Contribution towards media costs for Coolum Wedge body surfing event	10 December 2021	\$2000
Coolum District Coast Care Group Inc	Funding equipment, PPE for volunteers and printing material to support turtle monitoring and bush regeneration	22 February 2022	\$2000
The Coolum Women's Shed Inc	Fund first aid and CPR training for 20 volunteer members	22 February 2022	\$2000
Valdora Community Hall Association Inc	Purchase of laptop and mobile phone for hall	29 March 2022	\$1635
Coolum Beach Walking Football	First Aid training and equipment for volunteers	29 April 2022	\$994
Coolum Beach Meals on Wheels Inc	Purchase of replacement office chairs and filing cabinets	29 April 2022	\$1377
Coolum Art Group known as Coolum Art Collective	Contribution towards hosting spring exhibition	17 May 2022	\$500
Coolum Peregrian RSL Subbranch	Contribution towards defibrillator costs	2 June 2022	\$2000
Bli Bli United Football Club Inc	Purchase of replacement fridge	8 June 2022	\$1310
Coolum Residents Association Inc	Contribution towards signage of Gully Lane	9 June 2022	\$1500
Eumundi School of Rock Incorporated	Contribution towards artist costs for a community concert celebrating the end of a youth music and stagecraft program	20 June 2022	\$500

Division 10 Cr Law: Total 2021/22 Allocation \$22,938

Applicant	Project/Purpose	Date allocated	Amount (\$)
Probus Club of North Blackall Range Inc	A contribution towards catering for members to celebrate Probus Day, which celebrates older people world-wide	3 September 2021	\$500
Supporting People in Respite and Lifestyles Inc	A contribution towards event costs for an accessible art show to celebrate Disability Action Week	3 September 2021	\$500
Mapleton Community Library	Upgrade to Mapleton Community Library website	15 September 2021	\$500
Nambour and District Historical Museum Association Inc	Replace main museum computer after unexpected failure	15 September 2021	\$1500
Yandina Community Gardens Inc	Part contribution towards purchase of a small tractor to support delivery of the 'Food Waste Loop' program	15 September 2021	\$5000
Naradell Inc	Morning tea event to recognise the contribution of carers during Carers Week and Mental Health Week 2021	1 October 2021	\$100
The Mapleton Community Choir Inc	Purchase of music for choir to learn and perform at Kureelipa Hall	1 October 2021	\$520
The Nambour Tramway Company Ltd	Production of promotional material in preparation of launch of Nambour Tram	1 October 2021	\$1000
STEPS Charity Ltd	Hire of rides for STEPS Autism Treehouse 8th Annual Christmas Party	22 October 2021	\$500
Sunshine Coast Bunyas Inc	Welcome to Country for Sunshine Coast Bunyas Knockout	22 October 2021	\$1485
Yandina School of Arts Incorporated	Replacement of windows	9 November 2021	\$1000
Eumundi School of Rock Incorporated	Sound and lighting hire and contribution to artist fee for Eumundi School of Rock event	19 November 2021	\$1500
Mapleton Hall & Sportsground Trust	Contribution to producer fees for Festival of Small Halls event at Mapleton Hall on 31 October 2021	19 November 2021	\$500
Nambour Chamber of Commerce Inc	Funds for entertainment costs and part contribution of catering for Nambour business community event	15 December 2021	\$500
Amrita Australia	Purchase of rice cooker and non-perishable food to cook and contribute to the Nambour Community Centre's freezer for vulnerable people	27 January 2022	\$500
Yandina Cricket Club Inc	Funds to purchase new training equipment for junior members of the Yandina Cricket Club	23 March 2022	\$500
Reimagine Nambour Inc	Funding for venue hire supporting delivery of Nambour Rodeo	7 April 2022	\$3000
Sunshine Coast Riding for the Disabled (RDA) Inc	Funds to purchase Econoboil urn for club house	10 May 2022	\$1000
Nambour Cricket Club Incorporated	Contribution towards the cost of a cricket bowling machine	31 May 2022	\$500
Reset Support Service Limited	Delivery of a five week program focused on changing the behaviour of perpetrators of Domestic and Family Violence.	2 June 2022	\$2300



Annual Disclosures







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Sunshine Coast Regional Council

FINANCIAL STATEMENTS

For the year ended 30 June 2022

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Statements of Comprehensive Income

For the year ended 30 June 2022

	Note	Consolidated		Council	
		2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Income					
Revenue					
Recurrent revenue					
Net rates, levies and utility charges	3(a)	343,568	319,052	343,878	319,349
Fees and charges	3(b)	72,432	66,449	70,804	65,233
Sales from contracts and recoverable works	3(c)	15,882	11,601	15,882	11,601
Grants, subsidies, contributions, donations and other	4(a)	21,278	18,681	21,212	16,643
		453,160	415,782	451,775	412,826
Share of tax equivalents of equity accounted investment	3(d)	16,883	17,054	16,883	17,054
Dividend income equity accounted investment	3(e)	-	-	15,155	13,200
Interest revenue	5(a)	20,411	24,700	20,389	24,672
Gain on early extinguishment of debt	5(b)	5,108	-	5,108	-
Rental income	20	3,997	3,323	3,827	3,155
Profit from equity accounted investment	14	57,440	49,040	-	-
		103,839	94,117	61,363	58,080
Total recurrent revenue		556,999	509,899	513,138	470,907
Non-recurrent revenue					
Grants, subsidies, contributions, donations and other	4(b)	146,993	189,877	146,993	189,877
Sales from contracts	4(c)	1,293	14,373	1,293	14,373
		148,286	204,250	148,286	204,250
Total income		705,285	714,149	661,424	675,157
Expenses					
Recurrent expenses					
Employee benefits	6	(160,000)	(151,229)	(157,079)	(149,238)
Materials and services	7	(229,522)	(214,654)	(226,815)	(212,123)
Finance costs	8(a)	(13,984)	(12,575)	(13,941)	(12,535)
Early repayment adjustment	8(b)	-	(34,346)	-	(34,346)
Contributions to controlled entities	9	-	-	(3,615)	(1,562)
Depreciation and amortisation					
Property, plant and equipment	17	(97,293)	(91,126)	(97,286)	(91,101)
Intangible assets	18	(677)	(1,217)	(677)	(1,217)
Right of use assets	20	(3,534)	(4,490)	(3,476)	(4,490)
		(505,010)	(509,636)	(502,889)	(506,610)
Non-recurrent expenses					
Loss on disposal property, plant and equipment and intangibles	10	(4,688)	(904)	(4,688)	(904)
Movements in landfill and quarry provisions	23	(10,824)	(3,013)	(10,824)	(3,013)
Assets transferred to third parties	10	(2,286)	(17)	(2,286)	(17)
		(17,798)	(3,934)	(17,798)	(3,934)
Total expenses		(522,808)	(513,570)	(520,687)	(510,544)
Net result/(deficiency)		182,477	200,579	140,737	164,613
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	17(a)	553,263	-	553,263	-
Total other comprehensive income		553,263	-	553,263	-
Total comprehensive income for the year		735,740	200,579	694,000	164,613

*Comparative figures have been restated. Refer to Note 35 for details.

The above statements should be read in conjunction with the accompanying notes and accounting policies.

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Statements of Financial Position

For the year ended 30 June 2022

		Consolidated		Council	
	Note	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Assets					
Current assets					
Cash and cash equivalents	11	334,682	208,320	332,292	206,199
Trade and other receivables	12	49,782	47,957	49,822	47,868
Contract receivables	12	-	296,772	-	296,772
Inventories	13	10,155	12,497	10,122	12,464
Other assets	15	22,165	26,944	22,137	26,917
Non-current assets held for sale	16	9,325	-	9,325	-
Total current assets		426,110	592,490	423,698	590,220
Non-current assets					
Loans to associates and shares held in controlled entities	12	434,393	434,393	434,893	434,893
Inventories	13	36,568	36,568	36,568	36,568
Equity accounted investment	14	880,264	837,979	538,213	538,213
Property, plant and equipment	17	5,543,465	4,775,180	5,544,270	4,775,168
Intangible assets	18	3,535	3,640	3,535	3,640
Right of use assets	20	6,166	7,711	6,166	7,616
Total non-current assets		6,904,390	6,095,472	6,563,645	5,796,098
Total assets		7,330,500	6,687,962	6,987,343	6,386,318
Liabilities					
Current liabilities					
Trade and other payables	19	85,381	39,883	85,153	39,401
Lease liabilities	20	2,672	3,263	2,672	3,192
Contract liabilities	21	14,861	10,251	14,861	10,251
Borrowings	22	27,537	21,674	27,537	21,674
Provisions	23	41,071	41,165	40,760	40,981
Other liabilities	24	25,899	13,284	25,851	13,228
Total current liabilities		197,421	129,520	196,834	128,726
Non-current liabilities					
Lease liabilities	20	3,725	4,741	3,725	4,717
Borrowings	22	455,693	657,290	455,693	657,290
Provisions	23	63,286	55,396	63,113	55,227
Other liabilities	24	33,621	-	33,621	-
Total non-current liabilities		556,325	717,427	556,152	717,234
Total liabilities		753,746	846,947	752,987	845,960
Net community assets		6,576,754	5,841,014	6,234,357	5,540,357
Community equity					
Asset revaluation surplus		1,211,487	658,224	1,211,487	658,224
Retained surplus		5,365,267	5,182,790	5,022,870	4,882,133
Total community equity		6,576,754	5,841,014	6,234,357	5,540,357

*Comparative figures have been restated. Refer to Note 35 for details.

The above statements should be read in conjunction with the accompanying notes and accounting policies.

3



Statements of Changes in Equity
For the year ended 30 June 2022

<u>Consolidated</u>	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
<u>For the year ended 30 June 2022</u>			
Balance as at 1 July 2021	658,224	5,182,790	5,841,014
Net result	553,263	182,477	735,740
Balance as at 30 June 2022	1,211,487	5,365,267	6,576,754

For the year ended 30 June 2021*

Balance as at 1 July 2020	658,224	4,975,972	5,634,196
Prior year adjustment	35	6,239	6,239
Net result	-	200,579	200,579
Balance as at 30 June 2021	658,224	5,182,790	5,841,014

<u>Council</u>	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
<u>For the year ended 30 June 2022</u>			
Balance as at 1 July 2021	658,224	4,882,133	5,540,357
Net result	553,263	140,737	694,000
Balance as at 30 June 2022	1,211,487	5,022,870	6,234,357

For the year ended 30 June 2021*

Balance as at 1 July 2020	658,224	4,711,281	5,369,506
Prior year adjustment	35	6,239	6,239
Net result	-	164,613	164,613
Balance as at 30 June 2021	658,224	4,882,133	5,540,357

*Comparative figures have been restated. Refer to Note 35 for details.

The above statements should be read in conjunction with the accompanying notes and accounting policies.

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Statements of Cash Flows
For the year ended 30 June 2022

	Note	Consolidated		Council	
		2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Cash flows from operating activities					
Receipts from customers		735,984	390,878	733,989	381,616
Payments to suppliers and employees		(295,474)	(369,218)	(292,980)	(360,013)
		440,510	21,660	441,008	21,603
Interest and dividends received	3(d),(e) & 5(a)	52,428	54,953	52,428	54,926
Recurrent grants, subsidies, contributions, donations and other	4(a)	21,212	16,643	21,212	16,643
Borrowing costs	8	(12,291)	(10,660)	(12,305)	(10,660)
Finance costs	8	(1,252)	(1,621)	(1,252)	(1,621)
Net cash inflow/(outflow) from operating activities	30	500,607	80,976	501,090	80,891
Cash flows from investing activities					
Payments for property, plant and equipment		(239,016)	(212,031)	(239,828)	(212,026)
Net movement in loans and advances		-	4,176	-	4,176
Proceeds from sale of property, plant and equipment		8,234	1,835	8,234	1,835
Contract receivable		-	(48,539)	-	(48,539)
Proceeds from sale of inventory		1,293	14,373	1,293	14,373
Grants, subsidies, contributions and donations		49,858	79,134	49,858	79,134
Net cash inflow/(outflow) from investing activities		(179,631)	(161,053)	(180,444)	(161,047)
Cash flows from financing activities					
Proceeds from borrowings	31	87,061	119,862	87,061	119,862
Repayment of borrowings		(277,923)	(26,549)	(277,923)	(26,549)
Repayments made on leases (principal only)		(3,751)	(4,589)	(3,692)	(4,589)
Net cash inflow/(outflow) from financing activities		(194,613)	88,724	(194,554)	88,724
Net increase/(decrease) in cash and cash equivalents held		126,362	8,646	126,093	8,567
Cash and cash equivalents at beginning of financial year		208,320	199,675	206,199	197,632
Cash and cash equivalents at end of the financial year	11	334,682	208,320	332,292	206,199

*Comparative figures have been restated. Refer to Note 35 for details.

The above statements should be read in conjunction with the accompanying notes and accounting policies.

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Notes to Financial Statements
For the year ended 30 June 2022

1 Information about these financial statements

1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

1.02 Recurrent/non-recurrent classification

Revenue and expenditure are presented as "recurrent" or "non-recurrent" in the Statements of Comprehensive Income on the following basis:

Non-recurrent revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

Costs incurred on assets that will be transferred to and controlled by third parties are included in "Non-recurrent expenses".

The following transactions are classified as either "Non-recurrent revenue" or "Non-recurrent expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- movements in landfill and quarry provisions
- revaluations of property, plant and equipment.
- financial impacts of the Sunshine Coast Airport Expansion Project and Maroochydore City Centre land sales

All other revenue and expenses have been classified as "recurrent".

1.03 Basis of consolidation

Council and its controlled entities together form the consolidated entity. The financial statements of controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Council had an interest in three (3) entities during the year being Sunshine Coast Events Centre Pty Ltd, SunCentral Maroochydore Pty Ltd and the Sunshine Coast Arts Foundation Ltd. Council wholly owns the issued shares of Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd, and is currently the main financial contributor to the Sunshine Coast Arts Foundation Ltd.



Notes to Financial Statements
For the year ended 30 June 2022

Transactions between Council and both Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd have been eliminated when preparing consolidated accounts. In addition, the accounting policies of these controlled entities have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity is prepared using accounting policies that are consistent with those of the Council. Sunshine Coast Arts Foundation Ltd is not consolidated into Council's financial statements because its transactions and balances are not material. Information on controlled entities is included in Note 28.

1.04 Constitution

The council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

1.05 New and revised accounting standards adopted during the year

Council adopted all standards which became mandatory effective for annual reporting periods beginning on 1 July 2021. None of the standards had a material impact on reported position, performance and cash flows.

1.06 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date if their application is material to Council.



Notes to Financial Statements
For the year ended 30 June 2022

1.07 Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Revenue - Note 3
Grants, subsidies, contributions, donations and other - Note 4(a) and 4(b)
Trade and other receivables - Note 12
Contract receivables - Note 12
Loan to associate - Note 12
Depreciation and amortisation - Note 17
Property, plant and equipment - Note 17
Provisions - Note 23
Contingencies - Note 26
Financial instruments and financial risk management - Note 32

1.08 Rounding and comparatives

Amounts included in the financial statements are in Australian dollars (AUD) and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Restated balances are detailed in Note 35 and indicated with an asterisk (*) throughout the financial statements.

1.09 Disclosure of other comprehensive income for equity accounting investments

Where Council has an equity accounted investment (associate or joint venture) with Other Comprehensive Income, Council's share of that other comprehensive income is reflected in the relevant section of the Statements of Other Comprehensive Income.

1.10 Volunteer services

Council works with a diverse range of Sunshine Coast community members and organisations to deliver services and programs to the community including community and major events, environment and wildlife protection, regional heritage, libraries and arts, and the Caloundra Music Festival. The volunteer services associated with the Caloundra Music Festival and Sunshine Coast Stadium are recognised in the Statement of Comprehensive Income with remaining volunteer services not recognised as they are either not material or would not have been purchased if not donated.



Notes to Financial Statements
For the year ended 30 June 2022

1.11 Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and payroll tax on certain activities. The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

1.12 COVID-19

Council's operations for the year ended 30 June 2022 have been impacted by the COVID-19 pandemic.

In addition, Council continued paying all suppliers within 7 days rather than their normal payment terms.

1.13 Changes in accounting policy - configuration or customisation costs in cloud computing arrangements

An accounting policy change has been implemented following the issuance of the International Financial Reporting Interpretations Committee's (IFRIC) agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in March 2021.

The new accounting policy considers where the software code resides, how economic benefits are obtained from the software and the ability to restrict access to others.

Where there is no control, configuration and customisation costs do not qualify as an intangible asset, the expense timing is further assessed using the following criteria.

- where the configuration or customisation is considered as a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation is received
- where the configuration or customisation is not a distinct service from the council's right of access to the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made up front.

As a result of the change in accounting policy, \$1.495M of capitalised software assets and \$2.260M in capital works in progress as at 1 July 2020 have been retrospectively adjusted through accumulated surplus (total \$3.755m).

Changes have been applied retrospectively with an adjustment to comparative opening balances as at 1 July 2020.

The net impacts are summarised in the table below.

	2021 \$'000
Statement of financial position	
Intangible assets	(3,755)
Total non-current assets	(3,755)
Community Equity	
Retained earnings	(3,755)
Total community equity	(3,755)



Notes to Financial Statements

For the year ended 30 June 2022

2 (a) Analysis of Results by Function Components of Council Functions

The activities relating to the Council's components reported on in Note 2(b) are as follows:

Offices of the CEO and the Mayor

The Offices of the CEO and the Mayor provide support and advice to the Mayor, Councillors, Chief Executive Officer (CEO), and Executive Leadership Team and deliver key functions for the organisation including:

- Audit & Assurance
- Communications
- Corporate Governance
- Legal Services
- Major Projects and Strategic Property
- Strategy and Coordination

Built Infrastructure Group

The Built Infrastructure Group is focussed on managing and maintaining the region's built infrastructure. Key functions include:

- Asset Management
- Civil Asset Management
- Parks and Gardens
- Transport and Infrastructure Planning
- Transport Infrastructure Management
- Disaster Management

Business Performance Group

The Business Performance Group is focussed on developing and managing the core capabilities that underpin the effective and efficient operation of the organisation. Key functions include:

- Business and Innovation
- Digital and Information Services
- Finance
- People and Culture
- Property Management



Notes to Financial Statements

For the year ended 30 June 2022

Customer Engagement and Planning Services Group

The Customer Engagement and Planning Services Group is focussed on delivering positive customer experiences to business and the community, particularly land use planning, development, waste and regulatory enforcement. Key functions include:

- Customer Response
- Development Services
- Strategic Planning
- Urban Growth Projects

Economic and Community Development Group

The Economic and Community Development Group aims to drive the identification of new economic opportunities for the region while ensuring a balanced focus on developing, supporting and/or delivering opportunities (social, cultural and economic) that each of the region's many communities expect to enjoy. Key functions include:

- Arts Heritage and Library
- Community Development
- Economic Development
- Sports and Community Venues

Liveability and Natural Assets Group

The Liveability and Natural Assets Group is focussed on taking a balanced approach to planning and delivery of sustainable environmental and infrastructure development to meet the needs of the growing population and maintain the liveability of the region. Key functions include:

- Design and Placemaking Services
- Environmental and Sustainability Policy
- Environmental Operations
- Project Delivery
- Waste and Resource Management

Region Shaping Projects

Region Shaping Projects includes Council's current major projects being Maroochydore City Centre, Sunshine Coast Airport Expansion Project and the Sunshine Coast International Broadband Network.



Notes to financial statements
For the year ended 30 June 2022
2 (b) Analysis of results by function

	Gross program income		Elimination of inter-function transactions	Total income	Gross program expense		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	2022 \$'000	2022 Non- recurrent \$'000			2022 \$'000	2022 Non- recurrent \$'000					
Built Infrastructure	33,902	36,838	(20,543)	50,196	(229,661)	(15,381)	37,467	(207,575)	(178,835)	(157,378)	4,115,487
Customer Engagement and Planning Services	48,651	-	(18,500)	30,152	(86,223)	-	29,228	(56,995)	(26,844)	(26,844)	15,462
Economic and Community Development	33,206	2,020	(1,099)	34,127	(104,871)	(838)	16,274	(89,436)	(56,491)	(55,310)	250,232
Livability and Natural Assets	112,518	9,513	(11,280)	110,750	(135,979)	-	22,798	(113,181)	(11,943)	(2,430)	480,746
Region Shaping Projects	5,338	1,404	-	6,742	(11,633)	(1,586)	189	(13,031)	(6,106)	(6,288)	176,959
Business Performance	392,117	98,510	(61,420)	429,207	(51,236)	8	17,361	(33,867)	296,821	395,339	1,875,471
Offices of the CEO and the Mayor	17,151	-	(16,900)	251	(12,904)	-	6,302	(6,602)	(6,351)	(6,351)	72,976
Total Council	642,882	148,286	(129,744)	661,424	(632,508)	(17,798)	129,620	(520,687)	10,249	140,737	6,987,343
Controlled entities net of eliminations	43,861	-	-	43,861	(2,121)	-	-	(2,121)	41,740	41,740	343,157
Total Consolidated	686,743	148,286	(129,744)	705,285	(634,629)	(17,798)	129,620	(522,808)	51,989	182,477	7,330,500

For the year ended 30 June 2021
2 (b) Analysis of results by function

	Gross program income		Elimination of inter-function transactions	Total income	Gross program expense		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	2021 \$'000	2021 Non- recurrent \$'000			2021 \$'000	2021 Non- recurrent \$'000					
Built Infrastructure	30,668	56,838	(19,106)	68,400	(227,311)	(3,806)	38,492	(192,624)	(177,257)	(124,224)	3,761,465
Customer Engagement and Planning Services	123,375	-	(15,100)	108,275	(131,967)	(6)	25,723	(106,250)	2,031	2,025	121,392
Economic and Community Development	29,424	3,261	(104)	32,581	(99,293)	-	14,141	(85,152)	(55,832)	(52,571)	219,002
Livability and Natural Assets	23,096	10,916	(10,363)	23,649	(60,914)	-	19,825	(41,089)	(28,355)	(17,440)	134,962
Region Shaping Projects	2,179	29,806	-	31,985	(6,921)	-	298	(6,622)	(6,443)	23,363	471,459
Business Performance	367,286	103,429	(60,601)	410,113	(84,920)	(123)	15,649	(69,364)	237,413	340,720	1,676,553
Offices of the CEO and the Mayor	15,232	-	(15,078)	153	(13,528)	-	6,115	(7,413)	(7,260)	(7,260)	1,464
Total Council	591,259	204,250	(120,352)	675,157	(628,852)	(3,934)	120,243	(510,544)	(35,703)	164,613	6,386,318
Controlled entities net of eliminations	38,993	-	-	38,993	(3,026)	-	-	(3,026)	35,967	35,967	301,643
Total Consolidated	630,252	204,250	(120,352)	714,149	(629,878)	(3,934)	120,243	(513,570)	263	200,579	6,687,962



Notes to the Financial Statements
For the year ended 30 June 2022

3 Revenue

(a) Net rates, levies and utility charges

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a liability until the beginning of the rating period.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
General rates	257,040	252,603	257,349	252,900
Waste management	69,696	65,399	69,696	65,399
Environment levy	11,905	11,075	11,905	11,075
Tourism and special levies	9,104	8,900	9,104	8,900
Rural fire levy	576	535	576	535
Valuation fees	82	73	82	73
	348,402	338,585	348,712	338,882
Total rates, levies and utility charges revenue				
Less: discounts *	-	(15,158)	-	(15,158)
Less: pensioner remissions	(3,770)	(3,358)	(3,770)	(3,358)
Less: rebates	(1,065)	(1,017)	(1,065)	(1,017)
	(4,835)	(19,533)	(4,835)	(19,533)
Net rates, levies and utility charges	343,568	319,052	343,878	319,349

* The discount on early payment of rates is no longer available.

(b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Holiday parks	20,321	19,361	20,321	19,361
Application fees (development)	10,968	10,486	10,968	10,486
Development services	9,989	9,978	9,989	9,978
Refuse tip fees	9,468	8,261	9,468	8,261
Fines and penalties	2,573	1,820	2,573	1,820
Search fees	1,988	2,166	1,988	2,166
Permits and licences	1,809	1,662	1,809	1,662
Registration fees	1,525	1,335	1,525	1,335
Parking fees	1,251	907	1,251	907
Change of ownership fees	1,115	1,198	1,115	1,198
Cemetery fees	1,091	1,161	1,091	1,161
Venue hire	1,180	972	1,180	972
Waste service charges	502	493	502	493
Other fees and charges	8,652	6,647	7,024	5,432
	72,432	66,449	70,804	65,233



Notes to the Financial Statements
For the year ended 30 June 2022

(c) Sales from contracts and recoverable works

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Recoverable works	1,358	1,258	1,358	1,258
Sale of recyclables	5,494	3,566	5,494	3,566
Solar Farm generation revenue	2,186	1,266	2,186	1,266
Other revenue	6,844	5,511	6,844	5,511
	15,882	11,601	15,882	11,601

(d) Share of tax equivalents of equity accounted investment

Unitywater Group is subject to the Local Government Tax Equivalents Regime (LGTER). Under the LGTER Unitywater Group is required to make income tax equivalent payments to the Participating Councils in accordance with the requirement of its Participation Agreement.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
	16,883	17,054	16,883	17,054

(e) Dividend income of equity accounted investment

Dividend income represents the participation return from Council's share in Unitywater as per the Participation Agreement. Dividends are recognised once they are formally declared by Unitywater, which is an associate of Council.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
	-	-	15,155	13,200

4 Grants, subsidies, contribution, donations and other

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include library projects, trainee funding and events. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital (non-recurrent) grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as construction progresses or when the purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.



Notes to the Financial Statements
For the year ended 30 June 2022

Contributions and donations

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.

Contributions and donations are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Physical assets contributed to Council by developers in the form of land, transport, stormwater and other infrastructure are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

(a) Recurrent grants, subsidies, contributions, donations and other	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Government grants and subsidies commonwealth	16,510	12,760	16,510	12,760
Government grants and subsidies state	4,353	3,705	4,353	3,705
Grants and subsidies other	45	-	45	-
Contributions and donations	370	2,216	304	179
	21,278	18,681	21,212	16,643
(b) Non-recurrent grants, subsidies, contributions, donations and other				
Non-recurrent revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investments in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.				
	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Government grants and subsidies commonwealth	9,175	7,174	9,175	7,174
Government grants and subsidies state	9,388	31,817	9,388	31,817
Developer contributions	31,606	40,892	31,606	40,892
Infrastructure from developers at fair value	97,135	110,743	97,135	110,743
	147,304	190,625	147,304	190,625
Less: discount allowed developer contributions	(311)	(748)	(311)	(748)
	146,993	189,877	146,993	189,877
(c) Sales from contracts				
	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Airport Expansion Project	463	10,578	463	10,578
Maroochydore City Centre land sales	830	3,795	830	3,795
	1,293	14,373	1,293	14,373

The Sunshine Coast Airport runway was complete, ready for use and handed over to Palisade Investment Partners Ltd on 14 June 2020. Full practical completion occurred on 29 January 2021. Final payment for the runway of \$297 million (including \$7 million Airport Manager variations) was received in June 2022. All contract receivables have now been cleared.



Notes to the Financial Statements
For the year ended 30 June 2022

Revenue recognition timing

Consolidated	Note	2022		2021*	
		\$'000	\$'000	\$'000	\$'000
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Net rates, levies and charges (excluding those related to services)	3(a)	343,568	-	319,052	-
Fees and charges (excluding infringements)	3(b)	69,859	-	64,629	-
Infringements	3(b)	2,573	-	1,820	-
Sales from contracts and recoverable works	3(c), 4(c)	16,712	463	15,396	10,578
Grants, subsidies, contributions, donations and other	4 (a, b)	150,027	18,244	159,610	48,948 *
		582,739	18,707	560,506	59,526

Council	Note	2022		2021*	
		\$'000	\$'000	\$'000	\$'000
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Net rates, levies and charges (excluding those related to services)	3(a)	343,878	-	319,349	-
Fees and charges (excluding infringements)	3(b)	68,231	-	63,413	-
Infringements	3(b)	2,573	-	1,820	-
Sales from contracts and recoverable works	3(c), 4(c)	16,712	463	15,396	10,578
Grants, subsidies, contributions, donations and other	4 (a, b)	149,961	18,244	157,572	48,948 *
		581,355	18,707	557,550	59,526

5 Interest revenue

(a) Interest revenue is calculated using the effective interest rate method

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Loan to associate	17,811	19,592	17,811	19,592
Cash and term deposits	2,034	2,431	2,012	2,403
Contract receivables	-	2,090	-	2,090
Overdue rates and utility charges	566	587	566	587
	20,411	24,700	20,389	24,672

(b) Gain on early extinguishment of debt	5,108	-	5,108	-
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During 2022 Council repaid all borrowings relating to the Sunshine Coast Airport amounting to \$266 million which resulted in an early repayment benefit of \$5.108 million.



Notes to the Financial Statements
For the year ended 30 June 2022

6 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

		Consolidated		Council	
		2022	2021*	2022	2021*
	Note	\$'000	\$'000	\$'000	\$'000
Total wages and salaries		137,791	129,971 *	135,077	128,193
**Councillors' remuneration		1,876	1,839	1,876	1,839
Annual, sick and long service leave entitlements		16,994	15,599	16,994	15,599
Superannuation	27	16,572	15,694 *	16,365	15,482
		173,233	163,103	170,312	161,112
Other employee related expenses		3,382	3,675	3,382	3,675
		176,615	166,778	173,694	164,787
Less: Capitalised employee expenses		(16,615)	(15,550)	(16,615)	(15,550)
		160,000	151,229	157,079	149,238

**Councillor remuneration represents salary, superannuation contributions and other allowances paid in respect of carrying out their duties.

	Consolidated		Council	
	2022	2021*	2022	2021*
<u>Total Council full time equivalent employees at the reporting date:</u>				
Elected Members	11	11	11	11
Staff	1,842	1,692	1,813	1,666
Total full time equivalent employees	1,853	1,703	1,824	1,677



Notes to the Financial Statements
For the year ended 30 June 2022

7 Materials and services

Expenses are recorded on an accrual basis as Council receives the goods or services.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Advertising	1,709	1,563	1,709	1,563
**External audit fees	263	253	234	250
Consultancy fees	5,704	5,004	5,704	5,004
Commissions paid	3,247	3,599	3,247	3,599
Contract services parks and gardens	18,944	16,961	18,944	16,961
Contract services waste collection	39,933	34,955	39,933	34,955
Contract services environmental operations	12,729	12,089	12,729	12,089
Contract services property management	8,513	7,400	8,513	7,400
Contract services sport and community venues	9,059	8,298	9,059	8,298
Contract services civil asset management	9,413	8,075	9,413	8,075
Contract services transport infrastructure management	2,944	2,751	2,944	2,751
Contract services art, heritage and libraries	3,185	2,570	3,185	2,570
Contract services other	16,142	17,974	15,993	17,819
Donations	5,623	5,616	5,623	5,616
Electricity	8,492	7,450	8,372	7,331
Entertainment and hospitality	550	268	550	268
Equipment < \$5,000	914	989	914	989
Fuel	2,911	2,053	2,911	2,053
Grants to community organisations	8,461	10,389	8,461	10,389
Insurance	3,211	2,583	3,211	2,583
Legal fees	2,714	3,044	2,714	3,044
Library resources	1,585	1,420	1,585	1,420
Materials road base	878	838	878	838
Operating leases - short-term and low value	5,382	4,183	5,382	4,183
Plant and equipment hire	7,812	6,129	7,812	6,129
Security services	1,940	1,632	1,940	1,632
Software and maintenance	11,489	8,688	11,489	8,688
Telecommunications	2,441	3,395	2,441	3,395
Water and sewerage charges	4,725	5,153	4,725	5,153
All other materials and services	30,896	29,351	28,488	27,097 *
	231,808	214,672	229,101	212,140
Less: Internal costs transferred to third parties i.e. internal expenditure on assets owned by third parties	(2,286)	(17)	(2,286)	(17)
	229,522	214,654	226,815	212,123

**Total consolidated audit fees quoted by the Queensland Audit Office relating to the 2021/22 financial statements are \$283,500 (2021: \$277,800).



Notes to the Financial Statements
For the year ended 30 June 2022

8 (a) Finance costs

Note	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
**Borrowing costs charged by the Queensland Treasury Corporation	12,305	10,660	12,305	10,660
Bank charges and credit card fees	1,258	1,133	1,216	1,093
Interest on leases	20 147	185	147	185
Unwinding of discount on provisions and borrowings	22,23 287	292	287	292
Impairment of receivables	(205)	192	(205)	192
Other finance costs	192	114	192	114
	13,984	12,575	13,941	12,535

**Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset.

No borrowing costs were capitalised during 2022 however the following amounts were capitalised in 2021: Maroochydhore City Centre project \$4.738 million and Brisbane Road Carpark development \$0.127 million.

8 (b) Finance costs

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Early repayment adjustment	-	34,346	-	34,346

During 2021 Council refinanced its existing loan portfolio and increased the principal amount which resulted in a one off early repayment cost of \$34,346 million.

9 Contributions to controlled entities

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Contributions to controlled entities	-	-	3,615	1,562

Council contributions include \$2,033 million to SunCentral Maroochydhore Pty Ltd and \$1,562 million to Sunshine Coast Events Centre Pty Ltd (2021: \$1,562 million Sunshine Coast Events Centre Pty Ltd). Contributions to SunCentral were previously recognised as project management overheads and formed part of Note 13; Land being developed for resale. (2021: \$1,850 million). Refer to Note 34 Related party disclosures for details.



Notes to the Financial Statements
For the year ended 30 June 2022

10 Non-recurrent expenses

Gain/(Loss) on disposal of non-current assets	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Proceeds from the sale of plant and equipment	342	396	342	396
Less carrying amount sold	(180)	(198)	(180)	(198)
Less carrying amount disposed and written-off	(21)	-	(21)	-
	141	198	141	198
Proceeds from the sale of property and land	7,891	1,439	7,891	1,439
Less carrying amount sold	(8,150)	(1,665)	(8,150)	(1,665)
Less carrying amount disposed and written-off	(182)	(104)	(182)	(104)
	(441)	(330)	(441)	(330)
Replacement of roads, stormwater and other infrastructure				
Less carrying amount:				
Replaced and renewed	(3,731)	(508)	(3,731)	(508)
Disposed and written-off	(658)	(211)	(658)	(211)
	(4,389)	(719)	(4,389)	(719)
Replacement of intangibles	0	(53)	0	(53)
Loss on disposal of property, plant and equipment, and intangibles	(4,688)	(904)	(4,688)	(904)
**Assets transferred to third parties				
Internal costs transferred to third parties	(2,286)	(17)	(2,286)	(17)
	(2,286)	(17)	(2,286)	(17)

**Included in 2022 is \$2.286 million (2021: \$0.017 million) related to work performed on public utility provider assets.

11 Cash and cash equivalents

For the purposes of the Statements of Financial Position and the Statements of Cash Flows, cash assets include cash on hand as well as deposits at call with financial institutions. It also includes other short term highly liquid investments with short periods to maturity that are readily convertible to cash at Council's option and that are subject to a low risk of changes in value.

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Balance as per Statements of Financial Position	334,682	208,320	332,292	206,199

Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Other investments are held with financial institutions, which are rated A-1+ to A-3 based on rating agency S&P Global Ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Cash and cash equivalents	334,682	208,320	332,292	206,199
Externally imposed expenditure restrictions	(75,662)	(84,395)	(75,662)	(84,395)
Unrestricted cash	259,020	123,925	256,630	121,804

Council's cash and cash equivalents are subject to a number of internal allocations and external restrictions that limit amounts available for discretionary or future use. These include:



Notes to the Financial Statements
For the year ended 30 June 2022

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Constrained works	42,011	55,508	42,011	55,508
General	3,686	3,441	3,686	3,441
Levy funded	28,414	24,485	28,414	24,485
Special purpose	1,552	961	1,552	961
Total externally imposed restrictions on cash assets	75,662	84,395	75,662	84,395

(ii) Internally imposed expenditure allocations at the reporting date:

	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Constrained works	61,385	68,817	61,385	68,817
General	41,141	21,109	41,141	21,109
Total internally allocated cash	102,526	89,926	102,526	89,926

Internal allocations of cash may be lifted by Council with a resolution.

12 Trade and other receivables

Receivables and loans are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is generally required within 30 days after invoice date. Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Interest is charged on outstanding rates at 8.03% per annum (2021: 8.53%). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Current				
Rates and utility charges	6,339	5,204	6,339	5,204
Infringements	2,574	2,214	2,574	2,214
Infrastructure charges	5,757	3,958	5,757	3,958
Trade debtors	35,142	36,484	35,182	36,395
Loans receivable	-	696	-	696
Other debtors	13	7	13	7
Less allowance for impairment	(43)	(607)	(43)	(607)
	49,782	47,957	49,822	47,868
Contract Receivables**	-	296,772	-	296,772

**Contract receivables for the Sunshine Coast Airport Expansion Project were paid in full June 2022.

Non-Current

	Note	2022	2021*	2022	2021*
		\$'000	\$'000	\$'000	\$'000
Loan to associate - subordinated debt	14	434,393	434,393	434,393	434,393
Shares in controlled entities		-	-	500	500
		434,393	434,393	434,893	434,893

The subordinated interest only loan terminates on 30 June 2033 with the interest rate to be set by QTC annually. Applicable interest rate for 2022 was 4.10% (2021: 4.51%).

Movement in accumulated impairment losses (other debtors) is as follows:

	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July	607	648	607	648
Impairment debts written off during the year	(391)	(232)	(391)	(232)
Reduction in impairments recognised *	(174)	191	(174)	191
Closing balance at 30 June	43	607	43	607

*The allowance for impairment has decreased due to the removal of the loan to associate - subordinated debt from impairment calculations. The credit risk on this loan is considered low.



Notes to the Financial Statements
For the year ended 30 June 2022

13 Inventories

Stores and raw materials are valued at the lower of cost and net realisable value and include, where applicable, expenditure incurred in acquiring inventories and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost except for land where the costs are allocated to the relevant parcel.

Land acquired with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. Inventory land being developed and held for resale within the next twelve months is classified as current inventory assets. Inventory land held for resale in future years is classified as non-current inventory assets. Such land is accounted for under AASB 102 *Inventories*.

Profit arising upon sale of land is recognised as revenue in the Statements of Comprehensive Income on settlement.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Current				
Equipment, stores and quarries *	1,044	1,633	1,011	1,600
Land being developed for resale **				
Finished Goods	9,111	10,864	9,111	10,864
Closing current inventories at 30 June	10,155	12,497	10,122	12,464

* Hand held equipment, stores and quarries are internal stocks verified by annual stocktake.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Non-current				
Land held for future development and resale				
Work in Progress	36,568	36,568	36,568	36,568
Closing non-current inventories at 30 June	36,568	36,568	36,568	36,568



Notes to the Financial Statements
For the year ended 30 June 2022

14 Equity accounted investment

Associates are entities that Council has significant influence over. Significant influence is the power to participate in the financial, operating and policy decisions. Investments in the consolidated financial statements are accounted for using the equity method and in the separate Council financial statements using the cost method. Under the equity method, the consolidated entity's share of post-acquisition profits and losses of associates is recognised in the Statements of Comprehensive Income and the interest in the equity of the associates is recognised in the Statements of Financial Position. The cumulative post acquisition movements are adjusted against the cost of the investment.

Council had an interest in one (1) associate during the year being Unitywater. Council has no other joint ventures, joint arrangements or interests in other entities.

Name of Associate	Northern SEQ Distributor-Retailer Authority (trading as Unitywater)
Principal Activity	Provision of Water and Wastewater Services
Principal Place of Business	Caboolture Qld
Proportion of Ownership Interest	37.51% (2021: 37.51%)

(1) Background

The *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (the Act)* established the Northern SEQ Distributor-Retailer Authority (Unitywater) trading as Unitywater on the 25th June 2010.

Unitywater was set up to deliver water and wastewater services to customers within the local government areas of the now three (3) participating Councils - Sunshine Coast Regional, Moreton Bay Regional and Noosa Shire Councils.

Under the Act, governance arrangements for Unitywater are established in a Participation Agreement. The agreement provides for participation rights to be held by the participating Councils, with Sunshine Coast Regional Council holding 37.51% of these rights.

Unitywater's Board is comprised of independent directors, with no individual Council having the ability to dominate the Unitywater's decision making to obtain greater benefits from its activities than any other of the participants.

(2) Contractual Agreements

Council provides some contracted services to Unitywater, mainly around the collection of infrastructure charges relating to the construction of water and wastewater assets, which are remitted to Unitywater.

(3) Returns to Council

Council provided two loans to Unitywater from 1 July 2010 under Participating Local Government Fixed rate Loan Agreements (Senior and Subordinated Debt) with monthly interest-only payments for three years to 30 June 2013.

Council agreed to extend the loans with a Participating Local Government (PLG) Loan Agreement between Council and Unitywater duly executed on 21 June 2013. This new loan was subject to an annual reset rate (to be determined by Queensland Treasury Corporation in accordance with the credit rating assigned for Unitywater) with quarterly interest-only payments for twenty years to 30 June 2033. The rate to 30 June 2022 is 4.10% (2021: 4.51%).

Any repayment of principal, or refinancing of the loan shall be subject to the prior written approval and on terms agreed by the Treasurer or Under Treasurer of Queensland.

Unitywater operates under a tax equivalent regime, with the equivalent tax being distributed pro-rata to the participating Councils based on their participation rights. Tax is payable monthly based on a percentage of the Unitywater's gross revenue.



Notes to the Financial Statements
For the year ended 30 June 2022

(4) Participation Rights

Participation rights in Unitywater are recognised at initial value plus share of undistributed profits.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Movement in carrying amount				
Investment	837,979	802,139	538,213	538,213
Share of profits after tax and before dividends	57,440	49,040 *	-	-
Dividends received/receivable	(15,155)	(13,200)	-	-
Carrying amount at the end of the financial year	880,264	837,979 *	538,213	538,213

Unitywater is not a publicly listed entity and consequently does not have published price quotations.

Summary financial information for Unitywater, not adjusted for the percentage ownership held by Council, as reflected in their 30 June 2022 financial statements is detailed below.

Extract from Unitywater's Statement of Comprehensive Income	2022	2021*
	\$'000	\$'000
Total revenues	758,325	723,665 *
Ordinary expenses	(539,627)	(536,946) *
Profit before income tax equivalent	218,698	186,719 *
Income tax equivalent expense	(65,566)	(55,979) *
Total profit (after tax)	153,132	130,740 *
Share of Profit of equity accounted investment	57,440	49,040 *
Total assets	4,321,415	4,169,270 *
Total liabilities	(1,965,185)	(1,925,769) *
Net assets	2,356,230	2,243,501 *

Unitywater measures its property, plant and equipment assets under the cost model. Council uses the revaluation model. Fair value under the revaluation model is measured using the current replacement cost principles.

To ensure consistency of financial reporting, Unitywater has provided Council with an audited assessment of the carrying amount and fair value of its assets delivering assurance that the current carrying amount of the assets is reflective of their fair value.

15 Other assets

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Prepayments	6,121	4,507	6,092	4,481
GST recoverable **	-	2,338	-	2,338
Accrued revenue	16,044	20,099	16,044	20,099
	22,165	26,944	22,137	26,917

**GST is recognised as a payable for this financial year, refer note 19.

16 Non-current assets held for sale

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Land held for sale	9,325	-	9,325	-
	9,325	-	9,325	-

Council has decided to sell excess land no longer required. The fair value of the land was determined using the sales comparison approach. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation are price per square metre. The land is categorised as a level 2 valuation. Disposal costs were estimated based on commission rates charged by the real estate agents that have been engaged and legal costs by councils solicitors.

17 (a) Property, plant and equipment

Council	Note	Land	Buildings	Plant and Equipment	Transportation Network	Stormwater	Other Infrastructure	Capital Works in Progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2022	Gross value / cost	972,501	425,437	56,351	2,946,738	1,538,303	719,747	491,323	7,150,400
	Less accumulated depreciation	-	(160,090)	(34,888)	(838,579)	(317,505)	(255,068)	-	(1,606,130)
	Book value as at 30 June	972,501	265,347	21,463	2,108,159	1,220,798	464,679	491,323	5,544,270
For the year ended 30 June 2021	Gross value / cost	650,941	345,891	57,427	2,614,376	1,381,424	620,953	485,041	6,156,052
	Less accumulated depreciation	-	(132,454)	(33,169)	(731,742)	(279,859)	(203,661)	-	(1,380,885)
	Book value as at 30 June	650,941	213,438	24,258	1,882,634	1,101,564	417,292	485,041	4,775,168
		Land	Buildings	Plant and Equipment	Transportation Network	Stormwater	Other Infrastructure	Capital Works in Progress	Restated 2021 Total
		Fair Value Level 2 & 3	Fair Value Levels 2 & 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2022	Opening net value as at 1 July	650,941	213,438	24,258	1,882,634	1,101,564	417,292	485,041	4,548,921
	Adjustment to opening balance	-	-	-	-	-	-	-	-
	Reclassification from/(to) operating expense	-	-	-	-	-	-	-	-
	Plus capital expenses	-	-	-	-	-	-	-	-
	Less transfers from capital works in progress	54,788	40,449	865	108,154	15,200	13,538	239,390	209,317
	Plus transfers from inventory	1,253	-	-	-	-	-	-	1,253
	Plus contributed assets	25,613	(7,677)	(201)	39,472	30,223	1,828	97,135	110,743
	Less disposals	(2,928)	(2,928)	(3,053)	(53,156)	(12,794)	(18,338)	(15,194)	(2,886)
	Less depreciation expense	(9,944)	(9,944)	(3,053)	(53,156)	(12,794)	(18,338)	(15,194)	(97,286)
	Revaluation adjustments to asset revaluation surplus	252,179	28,573	-	133,569	87,102	51,840	553,263	(91,101)
For the year ended 30 June 2021	Transfer (to)/from intangibles	-	-	-	-	-	-	(135)	(26)
	Transfer to held for sale	(9,325)	-	-	-	-	-	(9,325)	-
	Transfer from classes	-	508	(406)	(308)	13	193	-	-
For the year ended 30 June 2022	Book value as at 30 June	972,501	265,347	21,463	2,108,159	1,220,798	464,679	491,323	5,544,270
	Range of estimated useful lives in years	unlimited	2-100	2-60	5-unlimited	5-135	5-unlimited	-	4,775,168



Notes to Financial Statements
For the Year Ended 30 June 2022

17 Property, plant and equipment

(b) Recognition

Purchases of property, plant and equipment are recognised as assets unless the items are below the asset recognition threshold of the asset class in which they belong, or the expenditure relates to maintenance.

Replacement and purchases of separately identifiable components of an asset to renew or increase its service potential, or extend its useful life, are capitalised and recognised as an individual asset. Routine operating maintenance, repairs and minor renewals costs to maintain the operational capacity and useful life of the assets are expensed as incurred.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements 2018 on assets is analysed to determine whether the expenditure is capital in nature. Expenditure that extends the useful life or increases the service potential of the asset is capitalised.

Land under the road network that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is controlled by Queensland State Government and not recognised in these financial statements.

(c) Measurement

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of consideration plus costs directly related to the acquisition and incurred in preparing the asset for use as intended by Council. Subsequent to initial measurement, each asset class is stated at fair value or cost less, where applicable, any accumulated depreciation or accumulated impairment loss, as shown in Note 17(a).

The cost of property, plant and equipment being constructed by Council includes the cost of materials and direct labour, an appropriate portion of overheads incurred, and any other costs directly attributable to bringing the assets to a working condition for their intended use. These costs are treated as capital expenditure.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenue at fair value by Council valuation where the value exceeds the recognition thresholds.

(d) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use by Council.

Land, work in progress, and formation/earthworks associated with roads, constructed waterbodies, and stormwater basins are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis, less its estimated residual value if appropriate, progressively over the asset's estimated useful life to Council. Management believe that the straight line basis appropriately reflects the even consumption of service potential of all Council assets.

Where assets have separately identifiable components that are subject to renewal, these components have separately assigned useful lives. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the new estimated useful life.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical obsolescence, technical or commercial obsolescence, or management intentions. Condition assessments are performed as part of standard asset management practices as well as annual revaluation processes which are used to estimate the useful and remaining lives of assessed assets. Details of the range of estimated useful lives for each class of asset are shown in Note 17(a).



**Notes to Financial Statements
For the Year Ended 30 June 2022**

(e) Impairment

Property, plant and equipment held at cost is assessed annually for indicators of impairment. If an indicator of impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(f) Valuation and fair value measurement

Land, buildings, transportation, stormwater and other infrastructure asset classes are measured at fair value, and are revalued in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. All other non-current assets, and capital works in progress are measured at cost.

Council assesses the carrying amount of its property plant and equipment on an annual basis compared to fair value and makes adjustment where these materially differ. Council performs full comprehensive revaluations internally by suitably qualified officers, engaging external professionally qualified valuation firms, or other consultants. The asset classes are comprehensively revalued on a rolling basis every three to five years or when material movement in a class has been identified.

In the interim years to a comprehensive valuation, Council engages suitably qualified external consultants to provide cost movement indices for infrastructure assets, relevant for the local region and specific asset types, as well as internal engineers and asset managers' assessment of asset conditions and cost assumptions. For the land and buildings, Council engages external valuers to analyse the local area cost movements and external market forces and determines suitable indices to be applied against updated asset information which includes additions, disposals, changes to useful lives and condition assessments.

Any revaluation increments arising from the revaluation of an asset class are recognised in other comprehensive income and presented in the asset revaluation surplus in equity. A decrease in the carrying amount on revaluation is charged as an expense to the extent that it exceeds the balance of previously recognised revaluation increments for that asset class. Where there isn't sufficient amount available in the asset revaluation surplus, the decrease is recognised in the statement of comprehensive income. Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

On revaluation, accumulated depreciation is restated proportionately with the change in carrying amount of the asset and any change in the estimated remaining useful life.

Current replacement cost is measured by reference to the lowest cost at which the gross future economic benefits of the asset could be obtained in the normal operations of Council. Where existing assets were over designed, had excess capacity, or were redundant, an adjustment has been made so that the resulting valuation reflects the cost of replacing the existing function based on efficient modern equivalent assets to achieve the required level of service output within Council's planning horizon.

In accordance with AASB 13 *Fair Value Measurement*, fair value measurements are categorised into three levels as follows:

Level 1 – fair value is based on quoted prices (unadjusted) in active markets for identical assets

Level 2 – fair value is estimated using inputs that are directly or indirectly observable for the asset, such as prices for similar assets

Level 3 – fair value is estimated using unobservable inputs for the asset

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. Fair values of all of Council's assets are calculated and valued based on their "highest and best use".

There were no transfers between levels during the reporting period.

The table below represents Council's assets measured and recognised at fair value at 30 June 2022. All fair value measurements are recurrent and categorised as either level 2 or level 3 in the fair value hierarchy.

Property, plant and equipment fair value hierarchy

	Level 2		Level 3		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Land	134,621	104,773	837,879	546,167	972,501	650,941
Buildings	3,793	4,793	261,554	208,644	265,347	213,438
Transportation	-	-	2,108,159	1,882,634	2,108,159	1,882,634
Stormwater	-	-	1,220,798	1,101,564	1,220,798	1,101,564
Other Infrastructure	-	-	464,679	417,292	464,679	417,292
	138,414	109,566	4,893,070	4,156,302	5,031,484	4,265,868



Notes to Financial Statements
For the Year Ended 30 June 2022

Council holds assets from the land and buildings classes at level 2 where assets are identified as non-specialised in nature and exist within an active market and could be made available for sale. All other assets are considered to be level 3 as there is no active market for sale and key assumptions and inputs into the values derived are not openly visible as the assets are specialised to predominantly government owners.

While Council's policy is to comprehensively revalue each asset class every 3-5 years, the scheduled comprehensive revaluation of the other infrastructure asset class was unable to be completed due to COVID illness to key staff. Council plans to comprehensively revalue other infrastructure assets in 2022/23.

By their nature there are many items in financial statements that cannot be measured with precision and can only be estimated. Estimation involves judgements based on the latest available, reliable information and managements' property, plant and equipment fair value estimates have been based on the latest available information as at the end of the reporting period. There has been observable significant volatility in construction costs in the 2021/22 financial year and cost escalations are expected to continue into the 2022/23 financial year, noting that the costs associated with the construction of substitute assets of comparable utility is a key principle and input in the current replacement cost valuation technique adopted by management.



Notes to Financial Statements
For the Year Ended 30 June 2022

17 (g) Fair values derived from valuation

Asset class and fair value hierarchy	Valuation approach	Comprehensive valuation date	Valuer engaged	Key assumptions and estimates as at the comprehensive evaluation date	Index range applied	Interim valuation adjustment
Land (Level 2)	Market approach	30 June 2020	Australis Asset Advisory Group Pty Ltd	Current zoning and sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as land size	17.38% - 45.45%	Cost movement analysis Index changes in regional market evidence and construction costs, published indices and cost movements as assessed by the valuer
Land (Level 3)	Market approach	30 June 2020	Australis Asset Advisory Group Pty Ltd	Sunshine Coast Planning Scheme 2014, current zoning, use or significant restriction, case law, sales analysis, and professional opinion Sales price per square metre (database of recent sales) adjusted for restrictions and key attributes such as land size		
Buildings (Level 2)	Market approach	30 June 2020	Australis Asset Advisory Group Pty Ltd	Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition and gross building area	25.00% - 45.15%	Cost movement analysis Index changes in regional market evidence and construction costs, published indices and cost movements as assessed by the valuer
Buildings (Level 3)	Current replacement cost	30 June 2020	Australis Asset Advisory Group Pty Ltd	Gross replacement cost Unit rates per square metre for construction derived from industry standard cost guides, project costs from recently completed buildings and other data available Accumulated depreciation Useful life estimates based on construction standards, engineering advice Remaining useful lives based on planned demolition and renewals, condition assessments, completed valuations and age	9.40% - 15.70%	
Transportation network (Level 3)	Current replacement cost	30 June 2019	Stanlec Australia Pty Ltd (formerly Cardno (Old) Pty Ltd)	Gross replacement cost Unit rates for construction derived from industry standard cost guides, Council supplier arrangement contract rates for materials and services, internal labour rates, recently completed projects and other data available Accumulated depreciation Useful life estimates based on construction standards, engineering advice, average lives of disposed assets, road traffic volumes and review of lives applied by neighbouring Councils Remaining useful lives based on age, condition assessments, planned renewals and physical obsolescence	5.75% - 7.31%	Cost movement analysis Estimated changes in costs of construction and market rates for material and labour, as reflected in relevant indices issued by the Australian Bureau of Statistics (ABS) and the Queensland Government Statisticians Office, which have been assessed by valuer and reviewed by asset managers.
Stormwater network (Level 3)	Current replacement cost	30 June 2018	Stanlec Australia Pty Ltd (formerly Cardno (Old) Pty Ltd)	Gross replacement cost Unit rates for construction per linear metre, square metre or per item derived from industry standard cost guides, Council supplier arrangement contract rates for materials and services, internal labour rates, recently completed projects and other available data, along with development, depth and soil factors Accumulated depreciation Useful life estimates based on construction standards, engineering advice, soil factors, review of lives applied by neighbouring councils Remaining useful lives based on age, condition assessments, relining program and physical obsolescence	1.14% - 10.77%	Review of condition assessments Cost movement analysis Estimated changes in costs of construction and market rates for material and labour, as reflected in relevant indices issued by the Australian Bureau of Statistics (ABS) and the Queensland Government Statisticians Office, which have been assessed by valuer and reviewed by asset managers.
Other infrastructure (Level 3)	Current replacement cost	30 June 2015 30 June 2017 (Waste Landfill Assets)	Australis Asset Advisory Group Pty Ltd Stanlec Australia Pty Ltd (formerly Cardno (Old) Pty Ltd)	Gross replacement cost Unit rates per item, linear metre for construction derived from industry standard cost guides, costs from recently completed projects, manufacturers supply costs and other available data Accumulated depreciation Useful life estimates based on manufacturers and construction standards, engineering advice, average lives of disposed assets, review of lives applied by neighbouring councils Remaining useful lives based on age, park and precinct hierarchy factors, condition assessments, planned renewals, physical obsolescence and remaining air space	5.34% - 23.26%	Cost movement analysis Index changes in construction costs as assessed by valuer Review of condition assessments



Notes to the Financial Statements
For the year ended 30 June 2022

18 Intangible assets

Intangible assets are recognised at cost, and subsequent to initial recognition are held at historical cost. The financial recognition threshold for items of intangible assets is \$5,000, with items with a lesser value being expensed.

Costs associated with intangible assets are capitalised and then amortised on a straight-line basis over the period of expected benefit to Council. Intangible assets are assessed for indicators of impairment annually.

Consolidated and Council	Note	Intangible	Capital Works in Progress	2022 Total	2021 Total
		\$'000	\$'000	\$'000	\$'000
Opening net value as at 1 July		3,586	54	3,640	4,521 *
Plus capital expenses		-	438	438	362 *
Transfers from capital works in progress		30	(30)	-	-
Less disposals		-	-	-	(53) *
Less amortisation provided in period		(677)	-	(677)	(1,217) *
Transfer (to)/from property, plant and equipment	17(a)	-	135	135	26 *
Book value as at 30 June		2,939	597	3,535	3,640 *
Range of estimated useful lives in years		2-25			

Refer to Note 1 for details of the change in accounting policy to configuration or customisation costs in cloud computing arrangements and restated balances.

19 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and were generally settled on 7 day terms in 2022 as part of Council's COVID-19 response to the community.

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
<u>Current</u>				
Creditors and accruals	56,716	37,112	56,488	36,826
Accrued salaries and wages	3,377	1,993	3,377	1,853
Other employee entitlements	772	778	772	722
** GST payable	24,516	-	24,516	-
	85,381	39,883	85,153	39,401

** GST payable relates to the New Airport Runway Construction payment. GST was recognised in other assets in 2021, refer Note 15.



Notes to the Financial Statements
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20 Leases

Council as a lessee

Council has leases in place over buildings, vehicles and equipment.

Where Council assesses that an agreement contains a lease, a right-of-use asset and lease liability is recognised on inception of the lease. Council separates non-lease components for buildings.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured where there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right-of-use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Terms and conditions of leases

Buildings

Council has the following leases:

Two office buildings due to expire in late 2022 along with two long term leases from the Department of Natural Resources for Sunshine Coast Holiday Parks.

Vehicles

Council leases vehicles and trucks which are used for operational purposes, they generally have a lease term of between 3 and 8 years. The lease payments are generally fixed for the term of the lease.

Equipment

Council leases a number of items of equipment, a number of the assets are considered low value and are therefore not subject to lease accounting.



Notes to the Financial Statements
For the year ended 30 June 2022

Right-of-use assets

	Vehicles	Buildings	Equipment	Total
Consolidated and Council	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Opening balance 1 July 2021	6,594	1,118	-	7,711
Additions to right-of-use assets	2,026	-	-	2,026
Adjustments to right-of-use assets due to re-measurement of lease liability	(38)	-	-	(38)
Amortisation	(3,057)	(477)	-	(3,534)
Closing balance at 30 June 2022	5,525	641	-	6,166

Consolidated and Council

	2021* \$'000	2021* \$'000	2021* \$'000	2021* \$'000
Adoption of AASB 16 at 1 July 2020	7,892	2,103	92	10,087
Additions to right-of-use assets	2,092	-	-	2,092
Adjustments to right-of-use assets due to re-measurement of lease liability	(4)	(32)	(10)	(46)
Amortisation	(3,387)	(954)	(82)	(4,422)
Closing balance at 30 June 2021	6,594	1,118	-	7,711

Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cash flows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

Consolidated and Council	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$'000	\$'000	\$'000	\$'000	\$'000
2022	2,780	3,809	-	6,589	6,397
2021	3,370	4,823	57	8,250	8,004

Liabilities not recognised - extension options

For building leases, Council includes extension options which can be exercised at Council's discretion. At each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

Consolidated and Council	2022 \$'000	2021* \$'000
Interest on lease liabilities	147	185
Amortisation of right-of-use assets	3,534	4,490
Expenses relating to short-term and low value leases	5,382	4,183
	9,063	8,857
Total cash outflows for leases	9,074	8,772



Notes to the Financial Statements
For the year ended 30 June 2022

Leases at significantly below market value - concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land and buildings which are used for community halls and sporting grounds.

The leases are generally between 2 and 50 years and require payments between \$1 and \$10,000 per annum. The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide. These services are detailed in the leases.

Council does not believe that any of the leases in place are individually material.

Council as a lessor

Operating leases

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term. Rent payable as per the terms of the 99 year lease of the airport is based on 5% of gross airport revenue \$0.970 million (2021:\$0.655 million).

	Council	
	2022	2021*
	\$'000	\$'000
Rental income (excluding variable lease payments not dependent on an index or rate)	3,827	3,155
Direct operating expenses from property that generated rental income	(4,306)	(3,635)

The minimum lease receipts arising from operating leases are as follows:

	Council	
	2022	2021*
	\$'000	\$'000
Not later than one year	2,922	2,002
One to five years	5,102	4,104
Later than five years	5,118	5,541
	13,142	11,647

21 Contract liabilities

	Council	
	2022	2021*
	\$'000	\$'000
Development assessment fees paid in advance	2,744	2,305
Deposits received in advance for performance obligations in grants	7,726	4,432
Deposits received in advance of services provided (e.g. holiday park fees, events)	4,390	3,514
	14,861	10,251

All Council's contract liabilities are current liabilities

Revenue recognised that was included in the contract liability balance at the beginning of the year

	Council	Council
	2022	2021*
	\$'000	\$'000
Deposits received in advance of services provided (e.g. holiday park fees, events, performance obligations in grants)	7,007	5,865



Notes to the Financial Statements
For the year ended 30 June 2022

22 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. For loans from Queensland Treasury Corporation (QTC), principal and interest repayments are made semi annually in arrears with interest being expensed as it accrues. For other loans, principal and interest (if applicable) payments are made as per the relevant loan agreements.

For Sunshine Coast Airport Expansion Project borrowings from QTC, full repayment was due on or before 1 July 2023, however these borrowings were repaid in full in June 2022 on receipt of the New (Airport) Runway Construction Payment of \$297 million (including Airport Manager Variations of \$7 million) from Palisade Investment Partners Limited.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensures that sustainability indicators remain within acceptable levels at all times.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Loans Queensland Treasury Corporation (QTC)	26,697	20,834	26,697	20,834
Loans other	840	840	840	840
	27,537	21,674	27,537	21,674
<u>Non-current</u>				
Loans Queensland Treasury Corporation (QTC)	449,387	650,380	449,387	650,380
Loans other	6,306	6,910	6,306	6,910
	455,693	657,290	455,693	657,290

The market value of QTC borrowings represents the value of the debt if Council repaid the debt as at 30 June 2022. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. The weighted average borrowing rate for the year was 2.622% (2021 1.797%).

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Balance at the end of the year (Market Value)	415,877	680,360	415,877	680,360

Loans Other

In June 2017, Council received a \$12.6 million interest free loan from the Department of State Development, Infrastructure, Local Government and Planning (Economic Development Queensland) as part of the Catalyst Infrastructure Program. The loan is to assist with the cost of infrastructure to promote and progress development in the Maroochydore City Centre Priority Development Area, specifically roadworks and three priority intersections to access Stages 1 and 2 of the city centre. The loan is unsecured and is repayable over time with full repayment to be made by June 2032.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland State Government. There have been no defaults or breaches of the loan agreement during the 2021/22 or 2020/2021 financial years.



Notes to the Financial Statements
For the year ended 30 June 2022

23 Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

(i) Annual leave and leave in lieu represents the amount which Council has a present obligation to pay resulting from employees' services provided up to the reporting date. The accrual is based on the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

There has been some delay in employees taking annual leave during COVID-19 restrictions which has resulted in an increase in the annual leave balance. Council does not expect this to have a material impact.

As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

(ii) Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates as at the calculation date with a term matching as closely as possible to the term of the long service leave liabilities.

(iii) Landfill and quarry rehabilitation

Where it is probable that Council has either a legal or constructive obligation, provision is made for the cost of rehabilitation of landfill and quarry sites when the use of the facilities is complete.

The landfill rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the landfill sites, decontamination and monitoring of historical residues and leaching on these sites.

The quarry rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites.

The calculation of these provisions requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provisions recognised are reviewed at least annually and updated based on the facts and circumstances available at the time, and discounted to present value.



Notes to the Financial Statements
For the year ended 30 June 2022

Provisions	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
<u>Current</u>				
(i) Annual Leave	14,808	14,865	14,808	14,865
(ii) Long service leave	23,409	22,871	23,098	22,687
(iii) Landfill and quarry rehabilitation	2,854	3,429	2,854	3,429
	41,071	41,165	40,760	40,981
<u>Non-current</u>				
(ii) Long service leave	4,025	4,213	3,852	4,044
(iii) Landfill and quarry rehabilitation	59,261	47,863	59,261	47,863
(iv) Land resumption	-	3,320	-	3,320
	63,286	55,396	63,113	55,227

Movements in non-employee benefit provisions:

Landfill and Quarry rehabilitation

	Note	Consolidated		Council	
		2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Balance at beginning of financial year		51,292	48,241	51,292	48,241
Increase/(decrease) in provision due to effect of interest rate movement		(54,491)	(4,243)	(54,491)	(4,243)
Increase/(decrease) in provision due to unwinding of discount	8	50	38	50	38
Increase/(decrease) in provision due to change in estimate **		70,415	9,108	70,415	9,108
Increase/(decrease) in provision as a result of actual expenditure incurred during the year		(5,150)	(1,852)	(5,150)	(1,852)
Balance at end of financial year		62,116	51,292	62,116	51,292

** Current inflation pressures in 2021/22 have resulted in an increase in the estimates for the rehabilitation of Council's landfill sites and quarries. This has been off-set by an increase in interest rate movements to 3.66% (2021: 1.49%), resulting in an increase in the provision of \$10.823 million (2021 \$3.051 million).

Landfill site	Post closure monitoring cost completion
Buderim	2040
Coolum	2040
Pierce Avenue	2061
Nambour Landfill	2071

At 30 June 2022 the net present value of the projected costs over the next 30 years has been assessed as \$38,361 million for landfill (2021: \$36.994 million) and \$2.380 million for the quarry rehabilitation (2021: \$2.6 million).

Capital Market Yields - Government 10 year bond rate for 2022 was 3.66% (2021: 1.49%).



Notes to the Financial Statements
For the year ended 30 June 2022

24 Other liabilities

Non policy developer contributions reflect cash contributions for which related service obligations have yet to be fulfilled by Council.

Revenue is classified as unearned if it relates to an obligation to supply specific goods and services in future periods. Unearned revenue includes cemetery and rent prepayments.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Current				
Unearned revenue **	13,632	1,823	13,584	1,767
Prepaid rates	12,267	11,461	12,267	11,461
	25,899	13,284	25,851	13,228
Non-current				
Unearned revenue **	33,621	-	33,621	-
	33,621	-	33,621	-

** Unearned revenue includes an advanced payment of \$46 million for the state governments waste levy. The 4 year payment covering the years 2022/23 to 2025/26, was made in advance to assist Council in making investment decisions to help reduce waste generation and increase resource recovery.

25 Commitments for expenditure

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Contractual commitments				
Contractual commitments at balance date but not recognised in the financial statements are as follows:				
Within one year	50,345	41,313	50,345	40,931
One to five years	56,567	45,578	56,567	45,578
Greater than five years	12,288	12,046	12,288	12,046
	119,200	98,937	119,200 **	98,555 *

* Contract commitments were restated for 2020/21 to reflect changes in assumptions and calculations.

** Council renewed the waste contract in 2021/22 for a further 8 years with an estimated commitment value \$20 million.

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:				
Aerodromes	5	31	5	31
Buildings and facilities	4,706	2,729	4,706	2,729
Coast and canals	2,883	184	2,883	184
Corporate major projects	30,065	48,101	30,065	48,101
Minor works program	2,141	669	2,141	669
Environmental assets	507	506	507	506
Fleet	2,617	123	2,617	123
Holiday parks	2,148	73	2,148	73
Information technology	1,382	748	1,382	748
Parks, gardens and reserves	9,112	5,837	9,112	5,837
Quarries	278	19	278	19
Stormwater	3,036	2,624	3,036	2,624
Strategic land and planning	515	270	515	270
Sunshine Coast Airport Expansion Project	2,432	856	2,432	856
Transportation	32,706	55,714	32,706	55,714
Waste	25,854	1,707	25,854	1,707
These expenditures are payable within one year	120,386	120,191	120,386	120,191



Notes to the Financial Statements
For the year ended 30 June 2022

26 Contingencies

Contingent assets

On 9 February 2017 Council entered into an agreement with Palisade Investment Partners to effect, among other things, a 99 year lease of Sunshine Coast Airport land and building assets to Palisade, and for Council to construct a new runway. Under the 99 year lease, which commenced on 1 December 2017, Council is entitled to 5% of gross airport revenue per annum. It is not possible to reliably estimate the amount of gross revenue from the airport, as it's significantly impacted by the uncertainty of flight schedules and therefore the amount to be received is a contingent asset at 30 June 2022.

Council received \$0.970 million (2021: \$0.655 million) from the Sunshine Coast Airport, being \$0.211 million lower than original forecast. Future revenue payments of \$1.215 million are included in Council's 2022/23 Adopted Original Budget. The future payments may exceed or be less than these estimates, depending on future airport activities and the impacts of COVID-19 on the airline industry.

Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Consolidated		Council	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
At 30 June 2022 there are 80 insurance claims with Council's public liability insurer, LGM (2021: 60). The amount required assuming the claims proceed to settlement is:	544	536	544	536
At 30 June 2022 there are 18 compulsory land acquisition claims (2021: 14) pending and are not expected to exceed:	11,220	11,425	11,220	11,425
As at 30 June 2022 Council may be required by the Department of Environment and Science (DES) to undertake regular monitoring of groundwater in the vicinity of three mounds of surplus soil, concrete and asphalt waste which have been treated for per- and poly-fluoroalkyl substances (PFAS). The amount required in the event of a legal requirement is estimated at \$600,000 spread over 10 years.	600	20,000	600	20,000
Total Contingent liabilities	12,364	31,961	12,364	31,961

Based on advice from Council's solicitors, there are 6 claims that may result in future settlements being made by Council. The total of these claims, liability for which is not admitted, is not expected to exceed \$933,744.

Local Government Workcare

Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities.

Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$3,458,956 (2021: \$3,194,045), which includes \$16,720 from SunCentral (2021: \$17,990) and \$28,346 for the Sunshine Coast Events Centre (2021: \$25,426). The latest audited financial statements for Local Government Workcare are as at 30 June 2021 and show accumulated member funds (equity) of \$32.894 million.



Notes to the Financial Statements
For the year ended 30 June 2022

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

The latest audited financial statements for LGM Queensland are as at 30 June 2021 and show accumulated member funds (equity) of \$79,618 million, and it is not anticipated any liability will arise.

27 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

The amount of superannuation contributions paid by Council to the superannuation scheme in this period for the benefit of employees

	Note	Consolidated		Council	
		2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		1,335	1,490	1,335	1,490
Other superannuation contributions for employees		15,237	14,204	15,030	13,991
Total superannuation contributions paid by Council for employees:	6	16,572	15,694	16,365	15,482



Notes to the Financial Statements
For the year ended 30 June 2022

28 Controlled entities

Consolidated controlled entities

Council has 100% controlling interests in Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd.

The Sunshine Coast Events Centre at Caloundra specialises in staging corporate events and has a range of performance and function spaces available for hire.

SunCentral Maroochydore Pty Ltd is responsible for providing development management services for the Maroochydore City Centre project.

The following table shows revenue and expenses before consolidating eliminations.

Controlled entity	SunCentral Maroochydore Pty Ltd		Sunshine Coast Events Centre Pty Ltd	
	2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Revenue	2,910	5,491	3,497	3,222 *
Expense	(2,672)	(5,473)	(3,468)	(3,115) *
Surplus/deficit	<u>239</u>	<u>18</u>	<u>29</u>	<u>107</u>

Controlled entities that have not been consolidated

Council has 100% controlling interest in Sunshine Coast Arts Foundation Ltd, however because of its size and nature it is not material to Council's operations and has not been consolidated into Council's accounts.

The principal objects of the foundation are for the public charitable purposes of promoting and advancing arts, craft, design, visual arts, movable cultural heritage, Aboriginal arts, and community arts. The net profit for the foundation in 2022 was \$73,291 (2021: \$23,597)

29 Trust funds

Consolidated		Council	
2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
12,705	12,720	11,634	11,642

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties.

Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.



Notes to the Financial Statements
For the year ended 30 June 2022

30 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	Note	Consolidated		Council	
		2022 \$'000	2021* \$'000	2022 \$'000	2021* \$'000
Net result		182,477	200,579 *	140,737	164,613 *
Non-cash items					
Depreciation and amortisation	17, 18	101,504	96,833 *	101,439	96,807 *
Share of net profit of equity accounted investment		(42,285)	(35,840) *	-	- *
Unwinding discount on provisions and below market borrowings		383	254	383	254
Infrastructure from developers at fair value		(97,135)	(110,743)	(97,135)	(110,743)
		<u>(37,532)</u>	<u>(49,496) *</u>	<u>4,687</u>	<u>(13,681) *</u>
Investing activities					
Net loss on disposal of property, plant and equipment		4,688	904	4,688	904
Non-recurrent sale from contracts		(1,293)	(14,373)	(1,293)	(14,373)
Non-recurrent grants and contributions		(49,858)	(79,134)	(49,858)	(79,134)
Early repayment adjustment	8, 5	(5,108)	34,346	(5,108)	34,346
		<u>(51,571)</u>	<u>(58,258)</u>	<u>(51,571)</u>	<u>(58,258)</u>
Changes in operating assets and liabilities					
(Increase)/decrease in receivables		294,881	(12,900)	294,818	(13,587)
(Increase)/decrease other assets		4,786	(4,127)	4,780	(4,135)
(Increase)/decrease in inventory		3,596	2,633	3,596	3,455
Increase/(decrease) in payables		45,434	558	45,524	526
Increase/(decrease) contract liabilities		4,610	(1,006)	4,610	(1,006)
Increase/(decrease) other liabilities		46,262	2,136	46,245	2,104
Increase/(decrease) in other provisions		7,664	858	7,665	860
		<u>407,233</u>	<u>(11,849)</u>	<u>407,237</u>	<u>(11,783)</u>
Net cash inflow from operating activities		500,607	80,976	501,090	80,891



Notes to the Financial Statements
For the year ended 30 June 2022

31 Reconciliation of liabilities arising from financing activities

For the year ended June 2022		As at 30 June 2021	Cash flows	Non-cash changes	Non-cash changes (Fair Value)	As at 30 June 2022
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Borrowings **	22	678,963	(190,862)	(5,108)	237	483,230
Lease Liabilities	20	8,004	(3,751)	1,997	147	6,397
		686,967	(194,613)	(3,111)	383	489,627
Council						
Borrowings	22	678,963	(190,862)	(5,108)	237	483,230
Lease Liabilities	20	7,909	(3,692)	2,033	147	6,397
		686,872	(194,554)	(3,075)	383	489,627

** During 2022 Council repaid all borrowings relating to the Sunshine Coast Airport amounting to \$266 million.

For the year ended June 2021		As at 30 June 2020	Cash flows	Non-cash changes	Non-cash changes (Fair Value)	As at 30 June 2021
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Borrowings	22	551,051	93,313	34,346	254	678,963
Lease Liabilities	20	10,482	(4,882)	2,219	185	8,004
		561,533	88,431	36,565	439	686,967
Council						
Borrowings	22	551,051	93,313	34,346	254	678,963
Lease Liabilities	20	10,416	(4,774)	2,082	185	7,909
		561,467	88,539	36,428	439	686,872

32 Financial instruments and financial risk management

Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk Management Framework

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council's Audit Committee oversees how management monitors compliance with Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.



Notes to the Financial Statements
For the year ended 30 June 2022

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by the Council.

The exposure to credit risk for trade receivables by type of counterparty was as follows:

	Consolidated		Council	
	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000
Rates, utility and other statutory charges	14,670	11,376	14,670	11,376
Trade and other debtors	35,112	35,884	35,152	35,795
Contract receivable - Sunshine Coast Airport Expansion Project	-	296,772	-	296,772
Loans to associate	434,393	434,393	434,893	434,893
Loans receivable	-	696	-	696
Total	484,175	779,122	484,715	779,533

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council. Refer Note 12.

Expected credit loss assessment

Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

After reviewing macro economic conditions, Council reached the conclusion that forward looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.



Notes to the Financial Statements
For the year ended 30 June 2022

Write offs throughout the year

Consolidated and Council - 2022

	Gross carrying amount \$'000	Historical probability of default %	Loss given default \$'000	Lifetime expected credit loss \$'000
Statutory Charges				
Current				
Not past due	11,374	< .01%	100%	(10)
Past due 31-60 days	231	< .01%	100%	(-)
Past due 61-90 days	67	< .01%	100%	(-)
More than 90 days	2,987	< .01%	100%	(3)
Total	14,659			(13)
	Gross carrying amount \$'000	Historical probability of default %	Loss given default \$'000	Lifetime expected credit loss \$'000
Other Debtors				
Current				
Not past due	32,504	< .01%	100%	(28)
Past due 31-60 days	670	< .01%	100%	(1)
Past due 61-90 days	1,218	< .01%	100%	(1)
More than 90 days	731	< .01%	100%	(1)
Total	35,123		-	(30)

Council has removed the non-current receivable of \$434,373 million from the 2021/22 analysis which represents the fixed rate of 4.10% on loans to Unitywater. The credit risk on this loan is considered low.

Consolidated and Council - 2021

	Gross carrying amount \$'000	Historical probability of default %	Loss given default \$'000	Lifetime expected credit loss \$'000
Statutory Charges				
Current				
Not past due	8,419	< .01%	100%	(7)
Past due 31-60 days	147	< .01%	100%	(-)
Past due 61-90 days	270	< .01%	100%	(-)
More than 90 days	2,532	< .01%	100%	(2)
Total	11,370			(9)
	Gross carrying amount \$'000	Historical probability of default %	Loss given default \$'000	Lifetime expected credit loss \$'000
Other Debtors				
Current				
Not past due	765,839	< .01%	100%	(597)
Past due 31-60 days	579	< .01%	100%	(-)
Past due 61-90 days	258	< .01%	100%	(-)
More than 90 days	1,079	< .01%	100%	(1)
Total	767,753			(598)

All amounts that were written off during the reporting period and are no longer subject to enforcement activity.

Interest is charged on outstanding rates. No interest is charged on other debtors.



Notes to the Financial Statements
For the year ended 30 June 2022

Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Council is exposed to liquidity risk through its normal course of business and through its borrowings from QTC and other institutions.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

Council is also exposed to liquidity risk through the Participating Local Government Fixed Rate Loan Agreement (Subordinated Debt) between Council and Northern SEQ Distributor-Retailer Authority (trading as Unitywater). Under the Agreement the borrower may request the lender to capitalise all or part of the interest payable, thereby representing a risk to securing cash flow anticipated by Council.

The policies introduced by Council to support customers through COVID-19, as well as the pandemic itself have impacted expected timing of cash flows for Council. This has led to a slight increase in liquidity risk resulting in higher debtors and a lower cash flow position, however at this time the effect on Council is minimal.

The following sets out the liquidity risk of financial liabilities (excluding lease liabilities for 2022, refer Note 20) held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

Consolidated			0 to 1 year	1 to 5 years	Over 5 years	Total
	Note		\$'000	\$'000	\$'000	\$'000
2022						
Trade and other payables	19		81,232	-	-	81,232
Loans - Queensland Treasury Corporation (QTC)	22		34,765	141,586	416,652	593,003
Loan - Economic Development Queensland	22		840	3,360	4,200	8,400
			116,837	144,946	420,852	682,635
2021*						
Trade and other payables	19		37,112	-	-	37,112
Loans - Queensland Treasury Corporation (QTC)	22		28,700	378,900	363,466	771,067
Loan - Economic Development Queensland	22		840	3,360	5,040	9,240
			66,652	382,260	368,506	817,418
Council			0 to 1 year	1 to 5 years	Over 5 years	Total
			\$'000	\$'000	\$'000	\$'000
2022						
Trade and other payables **	19		81,004	-	-	81,004
Loans - Queensland Treasury Corporation (QTC)	22		34,765	141,586	416,652	593,003
Loan - Economic Development Queensland	22		840	3,360	4,200	8,400
			116,609	144,946	420,852	682,407
2021*						
Trade and other payables	19		36,826	-	-	36,826
Loans - Queensland Treasury Corporation (QTC)	22		28,700	378,900	363,466	771,067
Loan - Economic Development Queensland	22		840	3,360	5,040	9,240
			66,366	382,260	368,506	817,132

** Other payables includes \$29 million in GST outstanding to the Australian Tax Office as part of the final \$290 million New (Airport) Runway Construction Payment.



Notes to the Financial Statements
For the year ended 30 June 2022

The outflows in the above tables are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation, investments held with other financial institutions and shareholder loans with the Northern SEQ Distributor Retailer Authority (Unitywater).

Council also has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Council's loan from Economic Development Queensland is interest free and therefore not subject to interest rate risk.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

Council accounts for the interest free loan from Economic Development Queensland at Fair Value through Profit or Loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

Consolidated and Council	Net carrying amount		Effect on Net Result 1% increase/(decrease)		Effect on Equity 1% increase/(decrease)	
	2022	2021*	2022	2021*	2022	2021*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	334,682	208,320	3,347	2,083	3,347	2,083
QTC Loans	(476,084)	(671,214)	-	-	-	-
Other Loans	(8,400)	(9,240)	-	-	-	-
Net total	(149,802)	(472,135)	3,347	2,083	3,347	2,083

The risk in borrowing is effectively managed by borrowing from the Queensland Treasury Corporation, and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be minimised. Interest rate risk in other areas is minimal.

In its management of interest rate risk associated with Unitywater shareholder loans, Council has a number of options available to mitigate risk from market interest rate movements including:

- Principal reduction for corresponding external loan liabilities
- Conversion of current external loan liabilities from principal and interest repayments to payment of interest only with terms negotiated to match the review periods with Unitywater shareholder loans; or
- Undertake interest rate hedging through QTC to protect against market fluctuations in interest rates payable by Unitywater.



Notes to the Financial Statements
For the year ended 30 June 2022

The fair value of interest bearing loans and borrowings is calculated based on the discounted expected future cash flows. The fair values of the loans and borrowings, together with their carrying amounts, are as follows:

	Carrying Amount		Fair Value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Queensland Treasury Corporation (QTC) borrowings	476,084	671,214	415,877	680,360
Economic Development Queensland borrowings	8,400	9,240	7,146	7,750
	484,484	680,454	423,023	688,110

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market rate is provided by QTC and is disclosed in Note 22.

QTC applies a book rate approach in the management of debt and interest rate risk to limit the impact of market value movements to Council's cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

33 National competition policy

The competitive neutrality principle provides that a government entity conducting a business activity in competition with the private sector should not enjoy a net advantage over its competitors only because it is in the public sector.

Competition reforms must be applied to significant business activities and may be applied to prescribed business activities.

(a) Significant business activities

The expenditure threshold for identifying a "significant business activity" for the 2021/22 financial year is \$9.70 million.

Council has resolved to apply the competitive neutrality principle to the Waste and Resources Management significant business activity through full cost pricing.

This requires charging for goods or services at the full cost of providing the goods or service in accordance with the pricing provisions and identifying the cost of community service obligations (CSO).

Full cost pricing in simple terms means that, on average, prices should fully recover all the relevant costs of supplying a product or service and total revenue received by the business should equal the sum of:

- a) operational costs;
- b) administrative and overhead costs;
- c) cost of resources;
- d) depreciation expense;
- e) equivalents for Commonwealth or State taxes;
- f) equivalents for the cost of funds advantage Council obtains because of State guarantees on borrowings;
- g) return on capital (i.e. cost of debt plus return on equity invested in the business).

The CSO value is determined by Council, and represents an activity's costs(s) which would not be incurred if the primary objective of the activity was to make a profit.

Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be a CSO.

Full cost pricing is successfully applied if the total expected revenue from providing all of the activity's goods and services, including any CSO, is enough to meet expected total costs as defined above.



Notes to the Financial Statements
For the year ended 30 June 2022

(b) Activities to which the code of competitive conduct is applied

The expenditure threshold for identifying a "prescribed business activity" for the 2021/22 financial year is \$340,000. Council has resolved to apply the Code of Competitive Conduct to the following business activities:

- a) Sunshine Coast Holiday Parks
- b) Quarries

This requires the application of the competitive neutrality principle, the pricing provisions and identifying any CSO.

(c) Business activity statements

The following activity statements are for activities subject to the competitive neutrality principle:

	Sunshine Coast Holiday Parks 2022 \$'000	Quarry Business Activity 2022 \$'000	Waste and Resource Management 2022 \$'000
Revenue for services provided to Council	776	2,479	1,111
Revenue for services provided to external clients	20,499	2,026	87,124
Community Service Obligations (CSOs)	-	255	1,199
	21,275	4,759	89,434
Less : Expenditure	13,777	12,302	78,635
Surplus / (deficit)	7,498	(7,543)	10,799

Description of CSO's provided to business activities:

	Net cost 2022 \$'000	Net cost 2022 \$'000
Margin applied to internal sales	255	
Waste collection and disposal charges for charitable organisations		1,199



Notes to the Financial Statements

For the year ended 30 June 2022

34 Related party disclosures

The group consists of Sunshine Coast Regional Council, its wholly owned entities and one associate. Details of subsidiaries and associates are disclosed in Note 1.03.

(a) Transactions with Subsidiaries

<u>SunCentral Maroochy Pty Ltd (controlled entity)</u>	2022 \$'000	2021 \$'000
Revenue		
Receipt of contributions and sponsorship from subsidiary	-	10
Expenditure		
Purchase of materials and services from subsidiary	(1)	-
Annual development management fee paid to subsidiary	(2,033)	(1,850)
Maroochy City Centre development costs paid to the subsidiary in accordance with established Development Service Contracts	(904)	(3,557)
	<u>(2,938)</u>	<u>(5,397)</u>

SunCentral Maroochy Pty Ltd is dependant on funding provided by Council. Funding support has been agreed to by Council for the 2022/23 financial year. No SunCentral employees are related parties of Council.

<u>Sunshine Coast Events Centre Pty Ltd (controlled entity)</u>	2022 \$'000	2021 \$'000
Revenue		
Recoupment of operating costs paid on behalf of the subsidiary	187	194
Recoupment of internal service costs from the subsidiary	89	89
Expenditure		
Operational funding paid to subsidiary	(1,582)	(1,562)
Purchase of materials and services from subsidiary	(47)	(38)
Maintenance and equipment provided to subsidiary	(350)	(238)
Payment of operating costs on behalf of the subsidiary	(216)	(204)
Provision of internal services to the subsidiary	(615)	(383)
Capital expenditure incurred on the property	(171)	(251)
	<u>(2,705)</u>	<u>(2,393)</u>

Sunshine Coast Events Centre Pty Ltd is dependant on funding provided by Council. Funding support has been agreed to by Council for the 2022/23 financial year. No Events Centre employees are related parties of Council.

<u>Sunshine Coast Arts Foundation Ltd (controlled entity)</u>	2022 \$'000	2021 \$'000
Revenue		
Receipt of venue hire revenue from subsidiary	-	2
Expenditure		
Operational funding paid to subsidiary	(106)	(106)
	<u>(106)</u>	<u>(104)</u>

The Sunshine Coast Arts Foundation Ltd is currently dependent on funding provided by Council as part of a three year funding agreement expiring in 2021/22, with further funding in 2022/23 proposed as part of the Arts & Heritage Levy. Cr Baberowski, a member of Council's Key Management Personnel, was appointed as a director of the foundation by a resolution of the Sunshine Coast Council in August 2018, and does not receive any additional remuneration for this purpose.



Notes to the Financial Statements

For the year ended 30 June 2022

(b) Transactions with associates

Unitywater (associate)

	2022 \$'000	2021 \$'000
Revenue		
Interest paid to Council	17,811	19,592
Recoupment Unitywater expenses incurred by Council	379	451
Participation returns (dividends) paid to Council	15,155	13,200
Tax equivalent paid to Council	16,883	17,054
Expenditure		
Water and sewerage charges for Council properties	(4,534)	(4,454)
Purchase of materials and services	(240)	(946)
	45,454	44,897

Further detail regarding Unitywater is contained in Note 14 Equity accounted investment.

(c) Transactions with Key Management Personnel

Key Management Personnel include the Mayor and Councillors, Chief Executive Officer and members of the Executive Leadership Team. Compensation paid to Key Management Personnel comprises:-

	2022 \$'000	2021 \$'000
Short term employee benefits	(4,738)	(4,540) *
Post employment benefits	(463)	(472)
Long term employee benefits	(103)	(61) *
Termination benefits	(190)	-
	(5,495)	(5,073)

Detailed remuneration disclosures for Councillors are provided in the annual report.

The amounts disclosed in the above table are amounts related to Key Management Personnel recognised as an expense during the reporting period. The current year amount is \$422,140 higher than the prior year due to vacancies in 2021 and one termination payment in 2022.

(d) Transactions with other related parties

Other related parties include the close family members of Key Management Personnel and any entities controlled or jointly controlled by Key Management Personnel or their close family members. Close family members include a spouse, child and dependent of a member of Key Management Personnel or their spouse.

Details of transactions between Council and other related parties are disclosed below.

	2022 \$'000	2021 \$'000
(i) Employee expenses for close family members of key management personnel	(48)	(135)
(ii) Development applications submitted by related parties of Council	3	1
	(45)	(134)



Notes to the Financial Statements

For the year ended 30 June 2022

- (i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement and relevant awards.
- (ii) All development applications are assessed in accordance with relevant legislative requirements and paid for by applicants as per Council's adopted Fees & Charges. Council received 19,050 (2021: 20,270) development applications during the year, 8 (2021: 8) of which were from related parties.

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with other parties.

Receivables		2022 \$'000	2021 \$'000
(i)	Not past due	-	10
	Past due	-	2
	Past due more than 90 days	11	9
		<u>11</u>	<u>21</u>

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(f) Loans and guarantees to/from related parties

Details	2022 \$'000	2021 \$'000
Loan to associate (Unitywater) - subordinated debt	434,393	434,393

Refer to Note 32 Financial instruments and financial risk management.

(g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Sunshine Coast region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of Council swimming pools
- Payment of animal registration
- Attendance at a Council event

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.



Notes to the Financial Statements

For the year ended 30 June 2022

35 Restated balances

30 June 2022

- (a) During 2021/22, Council identified a prior period error that related to contributed assets that had acquisition dates prior to 1 July 2021. As a result, for 2020/21 Council had understated its contributed revenue and property, plant and equipment by \$8.218 million and applicable depreciation by \$0.087 million. To correct the impact of the prior period error, Council has adjusted the 2020/21 comparative amounts in the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and notes where indicated.
- (b) During 2021/22, Council identified a prior period error that relates to assets not previously recognised due to incomplete or inaccurate asset records being maintained, and operating expenditure held in works in progress that relates to dates prior to 1 July 2020. As a result, for 2020/21 Council had understated its plant and equipment by \$13.785 million. To correct the impact of the prior period error, Council has adjusted the 2020/21 comparative amounts in the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and notes where indicated.
- (c) During 2021/22, Council's Equity Accounted Investment - Unitywater, revised its accounting policy in relation to configuration and customisation costs incurred in implementing cloud computing arrangements, which resulted in restatement of its 2021 financial accounts. As a result, Council's Consolidated accounts for 2021 had overstatements of \$2.940 million in both profit from equity accounted investment and total equity accounted investments. To correct the impact of the prior period adjustment, Council has adjusted the 2020/21 comparative amounts in the Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, and Consolidated Statements of Changes in Equity and notes where indicated.
- (d) During 2021/22, Council identified a prior period error that relates to asset records that are associated with cloud computing or no longer in use, that have been removed from the financial register along with operating expenditure held in works in progress that relates to dates prior to 1 July 2020. As a result, for 2020/21 Council has retrospectively adjusted the opening balances for \$3.755 million in cloud computing arrangements and \$3.513 million impairment review. Council has adjusted the 2020/21 comparative amounts in the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and notes where indicated.



Notes to the Financial Statements

For the year ended 30 June 2022

Consolidated	Note	Actual 2021 \$'000	Adjustments 2021 \$'000	Restated Actual 2021 \$'000
Statement of Comprehensive Income (Extract)				
Recurrent revenue				
(c) Profit from equity accounted investment	14	51,981	(2,940)	49,040
Total recurrent revenue		512,839	(2,940)	509,899
Non-recurrent revenue				
(a) Grants, subsidies, contributions, donations and other	4(b)	181,658	8,218	189,877
Total non-recurrent revenue		196,032	8,218	204,250
Total income		708,871	5,278	714,149
Recurrent expenses				
(a) & (d) Materials and services	7	205,418	9,236	214,654
(a) & (d) Depreciation and amortisation	17 & 18	93,691	(1,349)	92,343
Total recurrent expenses		501,748	7,888	509,636
Non-recurrent expenses				
Loss on disposal property, plant and equipment and	10	851	53	904
Total non-recurrent expenses		3,881	53	3,934
Net result (deficiency)		203,241	(2,662)	200,579
Total comprehensive income for the year		203,241	(2,662)	200,579
Statement of Financial Position (Extract)				
Non current assets				
(c) Equity accounted investments	14	840,920	(2,940)	837,979
(b) Property, plant and equipment	17	4,761,395	13,785	4,775,180
(d) Intangibles	18	10,908	(7,268)	3,640
Total non-current assets		6,091,895	3,576	6,095,472
Total assets		6,684,385	3,576	6,687,962
Community equity				
Retained surplus/(deficiency)		5,179,213	3,576	5,182,790
Total community equity		5,837,437	3,576	5,841,014
36 Events after the reporting date				
On 28 July 2022 a revised organisation structure was endorsed by Council resulting in the establishment of a new and sixth service group, Civic Governance, as well as the realignment of a number of branches. It is proposed the Civic Governance group will be operational by the end of September 2022.				



Management Certificate
For the year ended 30 June 2022

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.

A handwritten signature in black ink, appearing to be "Mark Jamieson", written over a horizontal dotted line.

Cr Mark Jamieson
Mayor
Sunshine Coast Regional Council

Dated: 7 October 2022

A handwritten signature in black ink, appearing to be "Emma Thomas", written over a horizontal dotted line.

Emma Thomas
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 7 October 2022



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Sunshine Coast Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Regional Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2022, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements. I addressed these matters in the context of the audit of the financial report as a whole and in forming my opinion. I do not provide a separate opinion on these matters.



Infrastructure assets valued using current replacement cost (\$3.8 billion)

Refer to Note 17 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Council's infrastructure assets (Transportation Network, Stormwater Network and Other Infrastructure) are measured at fair value at balance date using the Cost Approach (Current Replacement Cost) method.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> gross replacement cost, less accumulated depreciation. <p>Council estimates the gross replacement cost of its infrastructure assets with reference to the cost at which it could acquire or construct a substitute asset of comparable utility in the normal course of business.</p> <p>Council has engaged independent experts and valuers to provide appropriate indices which in their professional judgement are representative of the movements in the estimated costs of the relevant asset's construction since the date of the last revaluation.</p> <p>Council have assessed the reasonableness of these indices and then applied them to the gross carrying amounts, accumulated depreciation and carrying amounts of items of property, plant and equipment at the date of revaluation so to restate carrying amounts to their estimated fair value as at the end of the reporting period.</p> <p>In measuring accumulated depreciation, council's engineers and asset managers use significant judgement for estimating how long asset components will last. Asset lives are dependent on a range of factors including construction materials and construction methods, obsolescence, environmental factors, degradation through use, management intentions, and fiscal availability.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the adequacy of management's review of the valuation process obtaining an understanding of the valuation techniques and methodology used and assessing its design, integrity, and appropriateness with reference to common industry practice assessing the competence, capability and objectivity of the experts used by council evaluating the relevance and reliability of the indices provided by the engaged independent expert/valuer by comparing to other relevant observable external indices where available reviewing the appropriate application of these indices to the infrastructure assets reviewing management's annual assessment of useful lives comparing council's infrastructure useful life assumptions between similar assets held by council, and with to other local councils.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Sunshine Coast Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's and group's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink, appearing to read 'D Adams'.

David Adams
as delegate of the Auditor-General

10 October 2022

Queensland Audit Office
Brisbane



Current Year Financial Sustainability Statement
Sunshine Coast Regional Council
For the year ended 30 June 2022

Measures of Financial Sustainability

Council's performance at 30 June 2022 against key financial ratios and targets:

		Consolidated 2022	Council 2022	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	9.3%	2.0%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	71.2%	71.2%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	58.8%	64.2%	Not greater than 60%

Note 1 - Basis of Preparation

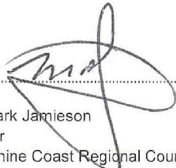
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

Certificate of Accuracy


For the year ended 30 June 2022

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Cr Mark Jamieson
Mayor
Sunshine Coast Regional Council

Dated: 7 October 2022


Emma Thomas
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 7 October 2022



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Sunshine Coast Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Sunshine Coast Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Sunshine Coast Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Sunshine Coast Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.



However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read "D Adams".

10 October 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



Unaudited Long-Term Financial Sustainability Statement
Sunshine Coast Regional Council
For the year ended 30 June 2022

				Forward Estimates									
Measures of Council	Measure	Target	Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	2.0%	5.9%	6.9%	7.2%	9.3%	9.3%	9.7%	10.0%	9.9%	9.6%	
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	71.2%	88.4%	83.9%	78.7%	81.3%	73.2%	71.4%	79.7%	73.5%	78.4%	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	64.2%	76.2%	88.1%	87.0%	77.1%	67.1%	59.0%	50.4%	45.9%	39.0%	

Sunshine Coast Regional Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The above forward estimates are aligned with Council's Long Term Financial Forecast, Financial Plan, Corporate Plan, Operational Plan and the Department of Infrastructure, Local Government and Planning financial sustainability measures.

The Operating Surplus Ratio, indicating the extent to which revenues cover operational expenses only, remains within the target range in Council's forward estimates.

The Asset Sustainability Ratio (reflecting the ongoing development of Council's asset management plans) is a strong result considering Council's relatively young asset base and reflects Council's ongoing commitment to the renewal of its assets.

The Sunshine Coast region has experienced exponential growth in recent periods, leading to an increase in new and contributed assets. The influx of new assets is reducing the collective age of Council's assets, lowering the requirement of renewals expenditure and the Asset Sustainability Ratio forecast. Sunshine Coast Council's renewal program is based on asset management plans and is completed in conjunction with a stringent scheduled maintenance program.

The Net Financial Liabilities Ratio (reflecting the extent to which the net financial liabilities of Council can be repaid from operating revenue) exceeds the target range up to year 2028. The ratio reflects Council's refinanced debt portfolio, which provides inter-generational equity for the funding of long term infrastructure projects.

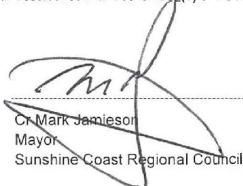
The Financial Management (Sustainability) Guideline 2013 states "high average Net Financial Liabilities ratio projections over the long-term are typically indicative of a local government that is undertaking/has undertaken significant infrastructure projects. Whilst some local governments may not achieve the recommended target for Net Financial Liabilities Ratio on average over the long-term, this does not necessarily indicate that a local government is likely to be unsustainable over the long-term. In such cases, well-managed local governments with robust financial management systems and the ability to service current and projected debt levels, can maintain long-term sustainability and average Net Financial Liabilities ratio projections over the long-term that exceed the recommended target."

Certificate of Accuracy

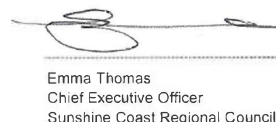
For the year ended 30 June 2022

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Cr Mark Jameson
Mayor
Sunshine Coast Regional Council

Dated: 7 October 2022


Emma Thomas
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 7 October 2022



Sunshine Coast Regional Council

20 October 2022



Your ref:
Our ref: 2022-4139
David Adams 3149 6211

SENSITIVE

20 October 2022

M Jamieson
Mayor
Sunshine Coast Regional Council
Locked Bag 72
SUNSHINE COAST MAIL CENTRE QLD 4560

Dear Mayor

Final management report for Sunshine Coast Regional Council

We have completed our 2022 financial audit for Sunshine Coast Regional Council. The Auditor-General issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to provide the council with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

We intend to include the results of our audit of Sunshine Coast Regional Council in our report to parliament *Local Government 2022*. We will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including major transactions and events. We will discuss the proposed content of our report with your Chief Financial Officer and continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report, and for these comments to be included in the final version tabled in parliament.

Audit fee

The final audit fee for this year is \$282,000 exclusive of GST (2021: \$245,000). Due to additional effort required from matters identified on the audit, the fee is \$32,000 higher than our external audit plan. We have discussed the variation with your Chief Finance Officer.

We would like to thank you and your staff for their engagement in the audit this year and look forward to working with your team again next year. If you have any questions about this letter or would like to discuss any matters regarding our services and engagement, please do not hesitate to contact me on 3149 6211.

Yours sincerely

David Adams
Senior Director

Enc.

cc. Ms E Thomas, Chief Executive Officer
Mr M Petrie, Chair of the Audit Committee

Queensland Audit Office
Level 13, 53 Albert Street, Brisbane Qld 4000
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2022 Final management letter

Appendix A – Matters previously reported

The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but are not yet resolved. The listing includes issues from our reports this year and those issues raised in prior years.





Ref.	Rating	Issue	Status
22FR-1		Formal review of remaining useful lives for assets is required While some informal reviews and stocktake processes were performed, there was no consistent approach or changes to the useful of assets.	Work in progress Action date: 30 Jun 2023 Responsible officer: Chief Financial Officer
22IR-1		Weaknesses in security settings, user access privileges, and checking of a key control report 1. EC system privileges currently allow for changes to be made to pay rate tables without detection. There is no pre and /post check of changes by an independent officer.	Resolved
		2. HR maintenance access is enabled together with payroll processing access for the senior payroll officers. Access also includes the ability to change employee details, such as basic pay, recurring payments and deductions, except for bank account details. While acknowledging that payroll team members require privileges to input superannuation and tax information in ECP, other privileges as described above are not required and should be disabled	Resolved pending audit clearance Action date: 12 Apr 2022 Responsible officer: Head of People and Culture QAO to assess early in the FY23.
		3. SAP security configurations weaknesses on SAP Application security control and new privileged generic account	Resolved pending audit clearance Action date: 8 Apr 2022 Responsible officer: Head of People and Culture QAO to assess early in the FY23.
		4. Manual control on master data changes made by the senior payroll officers was not enforced timely	Work in progress An additional sample tested indicated the review was performed 10 working days after the payrun processing. This was deemed untimely for payroll related processes. Initial action date: 8 Apr 2022 Revised action date: 30 Nov 2022 Responsible officer: Head of People and Culture
		5. Council was not able to demonstrate appropriate and adequate supporting documentation on users access review (including privileged users) in SAP Success Factor (HR) and ECP (payroll).	Resolved pending audit clearance Action date: 8 Apr 2022 Responsible officer: Head of People and Culture QAO to assess early in the FY23.

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2022 Final management letter

Ref.	Rating	Issue	Status
22IR-2		Weaknesses in security over EFT payment data, user access privileges, and checking of key control reports <ol style="list-style-type: none"> The payroll EFT file is not in a secure drive or format before it is processed into CommBiz. The EFT file can be generated into any Council's network drive which is accessed by other users in the Council. 	Work in progress Initial action date: 30 Apr 2022 Revised action date: 30 Sep 2022 Responsible officer: Head of People and Culture
		<ol style="list-style-type: none"> The TechOne generated vendor EFT file is not stored in a secure TechOne drive, and it is in an editable format. The vendor EFT file is moved to a secure Council's network drive before it is processing into CommBiz. 	Resolved Action Item (a) Limited access to the account payable EFT file in the secure TechOne folder to the three account payable officers QAO to assess early in the FY23. Work in progress Action Item (b) Implement account payable bank file transfer automation that includes file encryption Initial action date: 30 Apr 2022 Revised action date: 30 Jun 2023 Responsible officer: Chief Financial Officer
		<ol style="list-style-type: none"> Incompatible segregation of duties between CommBiz authorisers and the processors of the vendor and payroll EFT payment files – where the processor is also one of the authorisers in CommBiz for payments. 	Resolved
		<ol style="list-style-type: none"> Lack of review of the account payable exception reports prior to pay run by an independent officer –who does not have access to process transactions or master data changes in TechOne. 	Resolved
		<ol style="list-style-type: none"> Account payable officers have access in TechOne to modify payment amount and payee after corporate direct invoices were approved by the financial delegate. 	Work in progress Action date: 30 Nov 2022 Responsible officer: Chief Financial Officer
		<ol style="list-style-type: none"> Account payable officers have access to modify the amount and payee for suspended purchase order invoices. 	Resolved
21-IR-8		Other infrastructure asset class – comprehensive revaluation {re-raised} Comprehensive revaluation not performed for other infrastructure asset class at the 5 years interval.	Work in progress Responsible officer: Chief Financial Officer Initial action date: 30 June 2022 Revised action date: 30 Jun 2023

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PO Box 15396, City East Qld 4002



Community Financial Report 2021/22

This report provides a representation of Sunshine Coast Council's recent financial performance.

Financial Statements

The financial statements consist of four reports, with accompanying notes. The notes disclose Council's accounting policies and provide additional information and greater detail on the values contained in the statements. When read in conjunction with each other, the documents provide an overall understanding of Council's financial position.

Statement of Comprehensive Income

The statement of comprehensive income provides information about revenues and expenses and shows if a surplus or deficit has been achieved in delivering Council services.

Statement of Financial Position

The statement of financial position provides information about assets and liabilities. Together they provide the net worth of Council, which has been built up over many years. This net worth is also called the Community Equity.

Statement of Changes in Equity

The statement of changes in equity summarises the increase (or decrease) in Council's net worth for the year.

Statement of Cash Flows

The statement of cash flows shows changes to cash balances and how they occurred. It differs from the statement of comprehensive income in that it excludes non-cash expenses such as depreciation, accruals and revaluation of assets such as land and buildings.

Measures of Financial Sustainability (Ratios)

Financial sustainability ratios examine the relationships between different financial categories. These ratios are also used for comparison purposes when benchmarking with other organisations.

There are various financial sustainability measures available however Council is required to calculate its ratios in accordance with the Financial Management (Sustainability) Guideline issued by the Department of State Development, Infrastructure, Local Government and Planning. The Current Year Financial Sustainability ratios are also audited by the Auditor-General of Queensland.

Business Activities – Full Cost Recovery Performance

Council conducts a number of business activities. The full cost recovery performance reports on the value of Council's investment in these activities.

Statement of Comprehensive Income

The following figures relate to Council only for the year ended 30 June 2022, and the numbers have been rounded.

The figures do not include Council's controlled entities as per the Consolidated columns in the financial statements.

Revenue

Where did the money come from?

Council received \$513 million in recurrent operating revenue during the 2021/22 year with the major source of this revenue generated from the rates and utility charges. Total recurrent revenue increased by \$42 million (9%) on the previous year.

Revenue	%	\$'000
Rates & Utilities	67.0	343,878
Fees & Charges	13.8	70,804
Interest Received	4.0	20,389
Grants & Other	9.0	46,029
Unitywater	6.2	32,039
Total		513,138

Expenses

Where was the money spent?

Council returns the majority of revenues to the community in the form of services and community projects. Total recurrent expenses during the 2021/22 year were \$503 million which was a decrease of \$4 million (1%) on the previous year.

Expenses	%	\$'000
Employee Benefits	31.2	157,079
Materials & Services	45.1	226,815
Finance Costs	2.8	13,941
Depreciation & Amortisation	20.2	101,439
Contributions to Controlled Entities	0.7	3,615
Total		502,889

Operating Result

The Operating Result is derived from the Statement of Comprehensive Income by deducting Total Recurrent Expenses from Total Recurrent Revenue, with Council's result for 2021/22 being a surplus of \$10 million.

Statement of Financial Position

Assets - Liabilities = Community Equity

Assets

What do we own?

The value of all assets we controlled as at 30 June 2022 totalled \$7.0 billion. This figure is further broken down into current assets \$424 million (6%) and non-current assets \$6.6 billion (94%). Current assets are those that are readily available to meet expenses and mainly include cash and amounts owed by customers. Non-current assets include property plant and equipment and investment in associates (Unitywater).

Assets	%	\$'000
Cash & Cash Equivalents	4.7	332,292
Trade & Other Receivables	6.9	484,716
Inventories & Other	1.2	84,318
Property, Plant & Equipment and Intangibles	79.4	5,547,805
Investments in Associates	7.7	538,213
Total		6,987,343

Liabilities

What do we owe?

The value of all liabilities as at 30 June 2022 was \$753 million. This figure consists of current liabilities \$197 million (26%) and non-current liabilities of \$556 million (74%). The largest single debt owed by Council is to the Queensland Treasury Corporation (QTC) which is the state government-owned lending agency. This money is borrowed for infrastructure and large-scale region shaping projects.

Liabilities	%	\$'000
Trade & Other Payables	11.3	85,153
Borrowings	64.2	483,230
Provisions	13.8	103,873
Other Liabilities	10.7	80,731
Total		752,987

Community Equity Result

The community equity result for 2021/22 as at 30 June 2022, is \$6.2 billion.

Capital Expenditure (Property, Plant & Equipment Assets)

Additions to Assets for the financial year

Category	\$'000
Aerodromes	35
Buildings and Facilities	8,435
Coast and Canals	3,525
Environmental Assets	1,586
Minor Capital Works	3,460
Fleet	571
Holiday Parks	2,888
Information Technology	759
Parks and Gardens	14,063
Quarries	613
Stormwater	6,628
Transportation	79,971
Waste	18,012
Total SCC Core Capital Program	140,546
Corporate Major Projects	58,703
Strategic Land and Commercial Properties	40,579
Total Other Capital Program	99,282
Total	239,828

Capital Expenditure sits outside the normal operating costs of Council and is included in the **Property Plant and Equipment** balance on the [Statement of Financial Position](#).

Capital expenditure includes infrastructure costs such as construction of the new City Hall in Maroochydore City Centre, the Caloundra Centre Activation and the Sunshine Coast Stadium expansion. It also includes work on core Council assets such as buildings, roads, landfill and waste facilities, stormwater etc. Capital costs appear in the operating statement as a **depreciation expense** over the life of the asset.

The amounts in the table include capital expenditure only and exclude project costs of an operating nature.

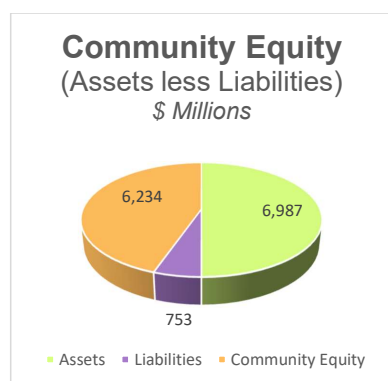
Community Equity

What is our net worth?

Assets (what we own) less liabilities (what we owe) equal Council's net worth (Community Equity). **As at 30 June 2022, the Community Equity for Council was \$6.2 billion, an increase of \$694 million compared to the prior year.**

Statement of Changes in Equity

The increase in Community Equity is due to an increase to Council's Retained Surplus of \$141 million, along with an increase in the value of Council's assets of \$553 million.



Council's total Community Equity (\$6.2 billion) is made up of:

- **Retained Surplus** being the initial and ongoing investment of the Community along with the profit or loss results of all financial years (\$5.0 billion).
- **Asset Revaluation Surplus** which is the accumulated value of the assets in excess of what we have paid for them (\$1.2 billion).

Statement of Cash Flows

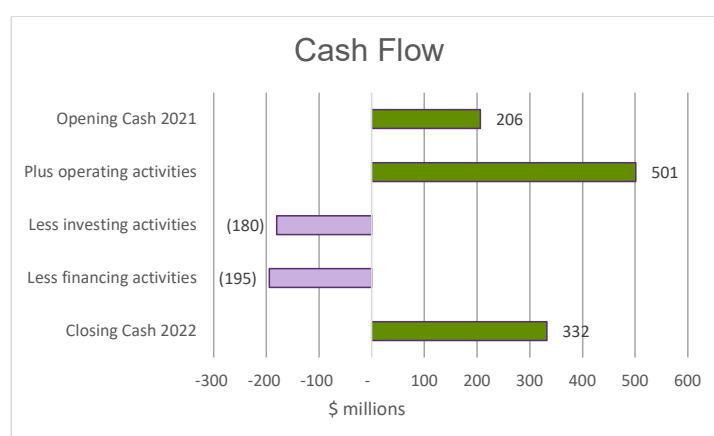
Cash Flow

Cash in, cash out.

Council's total cash as at 30 June 2022 was \$332 million.

There are three types of activities that have an impact on cash balances.

1. **Operating activities** including receipts from customers and payments to suppliers, interest and dividends, grants, and the cost of borrowings.
2. **Investing activities** include investments made in property, plant and equipment, proceeds from sale of assets, and contributions.
3. **Financing activities** include the cash movement from borrowings proceeds received, less repayment commitments.



Overall cash balances for Council increased by \$126 million (61%) for the financial year.

Business Activities – Full Cost Recovery Performance

Council's Financial Sustainability Plan requires the performance of Council's business activities be published annually in the Community Financial Report.

2021/22 Financial Data	Waste and Resource Management	Sunshine Coast Holiday Parks	Quarries Business Unit
	\$'000	\$'000	\$'000
Operating revenue	88,235	21,275	4,504
Community service obligations	1,199	0	255
Total operating revenue	89,434	21,275	4,759
Operating expenditure excluding interest	66,974	9,294	11,766
Depreciation	4,264	977	232
Competitive neutrality costs excluding income tax equivalent	492	553	38
Total operating expenditure	71,731	10,825	12,036
Earnings before interest and tax (EBIT)	17,703	10,451	(7,277)
Return (pre-tax nominal) %	16.5%	20.9%	(134.0%)
Target return	9,002	4,911	427
Weighted average cost of capital %	7.3%	11.1%	9.1%
Surplus/(Shortfall) EBIT to target return	8,701	5,539	(7,704)
Value of Council's investment in the Business Activity	72,090	58,889	5,915

Note: Weighted average cost of capital and return on capital are calculated on a pre-tax nominal basis.
Value of Council's investment in the Business Activity is made up of property, plant and equipment assets excluding strategic land holdings.

Measures of Financial Sustainability (Ratios)

Ratios – Long-Term Sustainability Statement (Council)

		Actuals		Forward Estimates							
Ratio	Target	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio*	Between 0% and 10%	2.0%	5.9%	6.9%	7.2%	9.3%	9.3%	9.7%	10.0%	9.9%	9.6%
Asset sustainability ratio	Greater than 90%	71.2%	88.4%	83.9%	78.7%	81.3%	73.2%	71.4%	79.7%	73.5%	78.4%
Net financial liabilities ratio	Not greater than 60%	64.2%	76.2%	88.1%	87.0%	77.1%	67.1%	59.0%	50.4%	45.9%	39.0%

Operating Surplus Ratio - Measures the extent to which operating revenues raised cover operational expenses.

Asset Sustainability Ratio - Measures the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.

Net Financial Liabilities Ratio - Measures the extent to which the net financial liabilities of Council can be repaid from operating revenue.

Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The above forward estimates are aligned with Council's Long-Term Financial Forecast, Financial Plan, Corporate Plan, Operational Plan and the Department of State Development, Infrastructure, Local Government and Planning financial sustainability measures.

The Operating Surplus Ratio, indicating the extent to which revenues cover operational expenses only, remains within the target range in Council's forward estimates.

The Asset Sustainability Ratio (reflecting the ongoing development of Council's asset management plans) is a strong result considering Council's relatively young asset base and reflects Council's ongoing commitment to the renewal of its assets.

The Sunshine Coast region has experienced exponential growth in recent periods, leading to an increase in new and contributed assets. The influx of new assets is reducing the collective age of Council's assets, lowering the requirement of renewals expenditure and the Asset Sustainability Ratio forecast. Sunshine Coast Council's renewal program is based on asset management plans and is completed in conjunction with a stringent scheduled maintenance program.

The Net Financial Liabilities Ratio (reflecting the extent to which the net financial liabilities of Council can be repaid from operating revenue) exceeds the target range up to year 2028. The ratio reflects Council's refinanced debt portfolio, which provides inter-generational equity for the funding of long term infrastructure projects.

The *Financial Management (Sustainability) Guideline 2013* states "high average Net Financial Liabilities ratio projections over the long-term are typically indicative of a local government that is undertaking/has undertaken significant infrastructure projects. Whilst some local governments may not achieve the recommended target for Net Financial Liabilities Ratio on average over the long-term, this does not necessarily indicate that a local government is likely to be unsustainable over the long-term. In such cases, well-managed local governments with robust financial management systems and the ability to service current and projected debt levels, can maintain long-term sustainability and average Net Financial Liabilities ratio projections over the long-term that exceed the recommended target."

SunCentral Maroochydore Pty Ltd

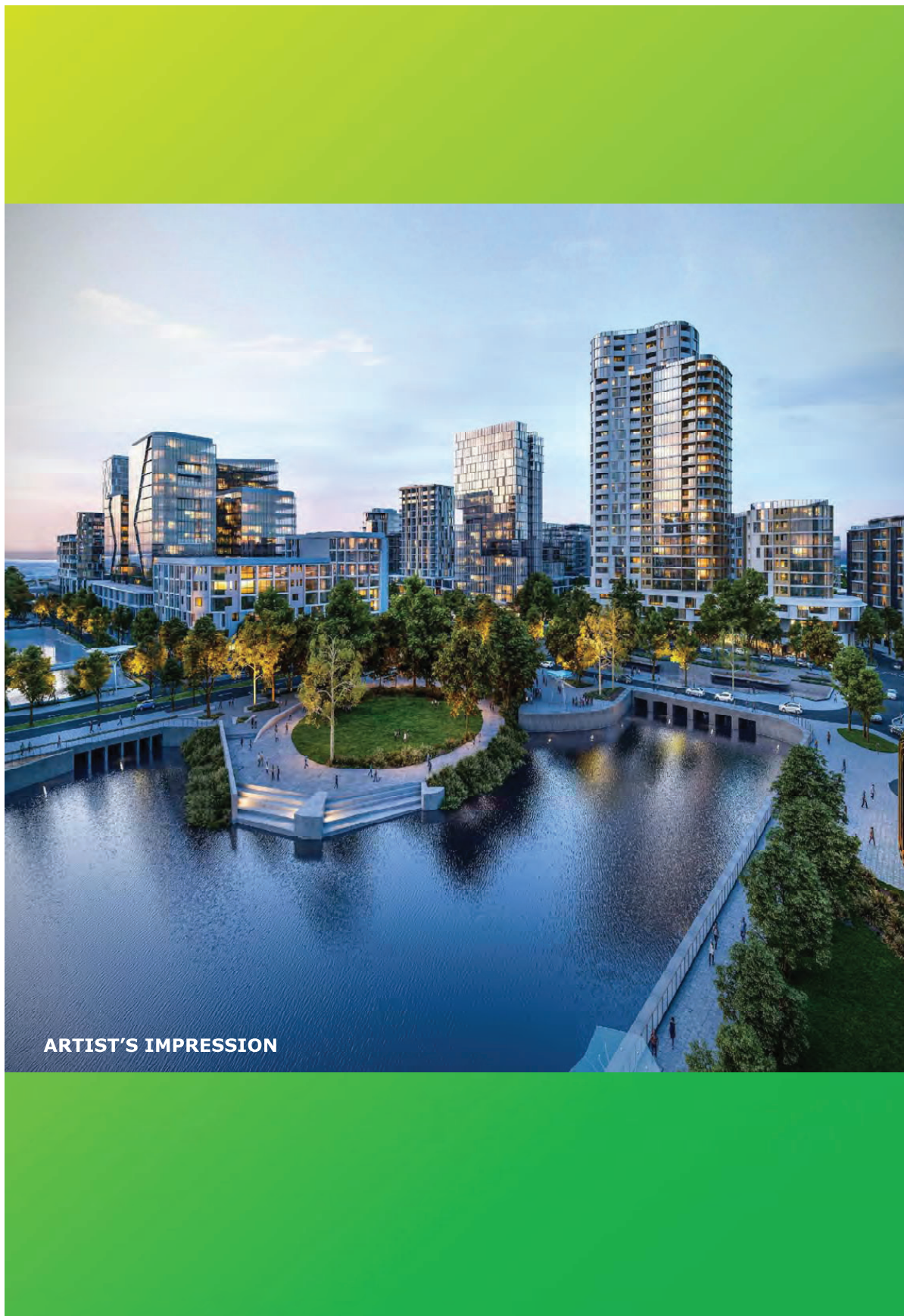
ANNUAL REPORT

2022



SunCentral

SunCentral Maroochydore Pty Ltd | A.B.N. 92 603 652 231 | 30 June 2022



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Chair's Foreword

As with 2021, this past year has been an historic period in the development of the Maroochydore City Centre.

After many years of planning, civil design and construction, and the earlier opening of our very first office building (Foundation Place), we witnessed the emergence of the authentic mixed-use urban fabric with the completion and opening of the Holiday Inn Express by Proinvest and the Market Lane Residences by the Habitat Development Group. Habitat also commenced construction of its Corso Residences project on Sunshine Coast Parade.

The 'City Hall' by Sunshine Coast Council and 'A-One Maroochydore' the second commercial building by Evans Long, are well-advanced in their construction on First Avenue. Both major buildings are scheduled to open in 2022 and just like Foundation Place, these early-mover projects will help shape the core business precinct, stimulate economic activity and add significantly to the enlivenment of the city centre.

It is notable that the 'A-One' building has attracted the global software company Maropost with the prospect of 200 jobs, in recognition of the dynamic digital connectivity presence at the Maroochydore City Centre by virtue of the sub-sea cable landing station.

With momentum well established, SunCentral and its partners are progressing numerous, exciting 'first-for-region' proposals within the city centre. Such opportunities will not only fulfil the aspirations envisaged when the city centre was first imagined but will deliver tangible and enduring competitive advantage for the Sunshine Coast. Included in these, are two very significant buildings announced for the city centre during the year and has now received development approval – the \$100m Maroochy Private Hospital by Barwon Investment Partners and the first building by Walker Corporation known as 50 First Avenue, an outstanding 11,000m² A-grade commercial office building. Also announced during the year was NextDC's investment in the Sunshine Coast sub-sea cable landing station and its data centre commitment to service the city centre and the region.

Inclusive of the Walker Corporation commitments, SunCentral has facilitated over \$3B of current and forward investment commitment to date and this has positioned the city centre as one of the leading urban regeneration projects in Australia.

These are all great outcomes for the Sunshine Coast, and we have reason to be optimistic about both the strong foundations being laid and the long-term benefits of these investments for the future.

Finally, I would like to thank the SunCentral Board, the Chief Executive Officer and his team, and our supportive member (Sunshine Coast Council), for their hard work, perseverance, and collaborative spirit throughout the year.



Morgan Parker

Chair
SunCentral Maroochydore

Directors' Report for the Year Ended 30 June 2022

The Directors present their report together with the financial report of SunCentral Maroochydore Pty Ltd (the Company) for the reporting period from 1 July 2021 to 30 June 2022.

Directors

The Directors of the Company at any time during, or since the end of, the reporting period are:

Name, qualifications and independence status	Experience and other directorships
Mr Morgan Parker LLB Chair Independent Non-Executive Director	Morgan has more than 27 years' experience as a global real estate investor, developer and banker, completing 60 projects in nine countries worth \$20 billion. He is currently a non-executive director of ASX-listed Garda Property Group, Newcastle Airport, Saudi Entertainment Ventures and an Advisory Board member of UbiPark. Morgan was a founding board member of the Asia Pacific Real Assets Association and served on the Asia board of the International Council of Shopping Centres for a decade. A former Chief Executive Officer, he previously worked for Morgan Stanley, Lendlease, Macquarie Group and Dubai Holding. Appointed as a Director on the SunCentral Maroochydore Board in March 2015 and appointed as Chair in May 2021.
Ms Alison Quinn B.Com Independent Non-Executive Director	Extensive experience as a senior executive in a range of industries across the corporate and public sectors including banking, finance and property development and has worked in Real Estate since 1994. Current directorships include Uniting Care Qld and BWP Trust (ASX:BWP). Alison is an Advisory Board member for ADCO Constructions, Chair of Investor Advisory Committees for the QIC Property Fund and Shopping Centre Fund and is an Advisory Panel member of Economic Development Queensland. Previous roles include Chief Executive Officer of Retire Australia and past board roles include the Property Council of Australia, Retirement Living Council and Urban Development Institute of Australia. Appointed Director in April 2019.
Mr Paul McLean Independent Non-Executive Director Director	Extensive experience in the property and real estate industry through the past 30 years, and formerly, the long-term Chief Executive Officer of Savills Australia. Currently, Chair of the Major Projects and Infrastructure Committee for Mater Group, Advisory Board member for CJC Private, a member of the Brisbane Archdiocese Building and Property committee, and Chair of Youngcare. Appointed Director in April 2019.
Mr Peter Sherrie Independent Non-Executive Director Director	Extensive experience in strategic business development and leading professionals to drive high performing teams and profitability. Currently General Manager of Urbex, a wholly-owned subsidiary of the long-standing national property and construction company, the BMD Group. Current directorships include Andiworth Pty Ltd, Beveridge Land Pty Ltd, Beveridge Property Developers Pty Ltd and Club Mandalay Pty Ltd. Appointed Director in October 2019. Retired in October 2021.

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

Chief Executive Officer

Following his appointment by the Member, Mr John Knaggs took up the position of Chief Executive Officer of SunCentral Maroochydore Pty Ltd, in May 2015. John vacated this position in July 2022.

Ms Amanda Yeates has been appointed Chief Executive Officer and took up the position on 25 July 2022. Amanda is an experienced executive leader and was previously the Deputy Director-General of the Queensland Government's Department of Transport and Main Roads.

Company Secretary

Mr John Gallagher was appointed to the position of Company Secretary on 19 July 2021.

Directors' Report for the Year Ended 30 June 2022

Directors' Meetings

The number of meetings attended by each of the Directors of the Company during the reported period are:

Director	No of full meetings of Directors		No of Committee Meetings	
	A	B	A	B
Mr M B Parker	9	9	2	2
Ms A J Quinn	8	9	2	2
Mr P E McLean	9	9	0	0
Mr P Sherrie	2	2	0	0

A = Number of meetings attended

B = Number of meetings eligible to attend

Audit, Risk & Remuneration Committee Meetings

The Audit, Risk & Remuneration Committee comprises Ms Quinn and Mr Parker (as Chair).

The meeting is attended by the Company's Chief Executive Officer, Company Secretary and Company Accountant. The purpose of the committee is to provide advice and assistance to the Board in relation to efficient governance and risk management. The Committee achieves its objective by reviewing, advising and making recommendations to the Board on:

- the integrity of internal financial management, control and reporting systems;
- annual project and operating budget reporting;
- annual remuneration of the Chairman, Directors and Chief Executive Officer;
- compliance with statutory reporting obligations;
- the appointment and performance of the external auditor;
- the appointment of an internal auditor;
- the adequacy of internal control systems; and
- the quality of internal and external reporting of financial and non-financial information.

Corporate Governance Statement

Responsibilities

The Directors are responsible to the Member for the performance of the Company in both the short and the long term and seek to balance the sometimes competing objectives in the best interests of the Company as a whole. The Directors draw on relevant corporate governance best practice principles to assist them to contribute to the performance of the Company.

The functions of the Board include:

- To deliver on the aspirations of the Sunshine Coast Regional Council in establishing an identifiable city heart for the wider Sunshine Coast – a contemporary central business district characterised as a high density, transit orientated city centre with a high quality public realm and embedded smart city technology;
- 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, as outlined in the Company's Statement of Corporate Intent;
- Monitoring financial performance including approval of the annual financial report and liaison with the Company's auditors;
- Appointment, and assessment of the performance, of the Chief Executive Officer;
- Ensuring there are effective management processes in place and approving major development initiatives;
- Enhancing and protecting the reputation of the Company and the Member;
- Ensuring the significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- Reporting to the Member.

Directors' Report for the Year Ended 30 June 2022

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 one (1) and a maximum of ten (10) and currently comprises five (5) Members.
- Subject to the approval of the Member, the Directors may elect a Chair and may determine the period for which the Chair will hold office.

Objectives

The Company's objectives are to:

1. Promote, facilitate, carry out and control the development, disposal and management of land and other property within the Maroochydore City Centre Project Development Area (MCC PDA);
2. Achieve an appropriate balance between commercial and non-commercial functions and outcomes;
3. Ensure the MCC becomes a high density city centre and identifiable city heart for the wider Sunshine Coast;
4. Accommodate public facilities and entertainment that benefit the general community; and
5. Achieve excellence and innovation in the management of integrated private/public open space and park areas.

Review of Operations

During the reporting period the company generated income of \$2,910,155 of which \$2,845,122 was provided by the parent entity, Sunshine Coast Regional Council. Development costs incurred in the pursuit of the company's objectives totalled \$862,559. The profit for the Company for the reporting period amounted to \$238,557 (2021: \$18,223).

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the reported period.

Principal Activities

The Company is a special purpose entity established by the Sunshine Coast Regional Council to be responsible for delivering and managing the Maroochydore City Centre (MCC) Priority Development Area (PDA) as part of a 'beneficial enterprise' as defined under the *Local Government Act 2009 (Qld)*. No significant change to the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

There are no significant events subsequent to the end of the reporting period.

Events After the Reporting Period

The Directors are not aware of any significant events after the reporting period.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future reported periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

The Company is an Australian Proprietary Company that is limited by shares. No dividends were paid or declared by the Company during the reported period.

Directors' Report for the Year Ended 30 June 2022

Options

No options over issued shares or interests in the company were granted during or since the end of the reported period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the reported period, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 9.

This report is made with a resolution of the Directors:



Mr. Morgan Parker
Chairman

Dated at Maroochydhore this day 19th September 2022

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of SunCentral Maroochydore Pty Ltd

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

Independence declaration

As lead auditor for the audit of SunCentral Maroochydore Pty Ltd for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



14 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

SunCentral Maroochydore Pty Ltd
Statement of Profit or Loss and other Comprehensive Income
for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Revenue	4	2,895,861	5,474,236
Investment income	5	14,294	16,843
Total income		2,910,155	5,491,079
Expenses			
Development costs	6a	862,559	3,620,783
Operating expenses	6b	1,743,876	1,725,019
Depreciation and amortisation	10 & 11	65,162	127,054
Total expenses		2,671,598	5,472,856
Net profit before income tax		238,558	18,223
Net profit for the year		238,558	18,223
Total comprehensive income for the year		238,558	18,223
Profit attributable to:			
Parent Entity		238,558	18,223

SunCentral Maroochydore Pty Ltd
Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash and cash equivalents	7	1,362,065	1,144,099
Trade and other receivables	8	65,672	127,618
Other assets	9	13,153	18,978
Total Current Assets		1,440,890	1,290,694
Non-Current Assets			
Property, plant and equipment	10	7,045	12,391
Right of use leased assets	11a	-	95,483
Total Non-Current Assets		7,045	107,874
Total Assets		1,447,935	1,398,568
Liabilities			
Current Liabilities			
Trade and other payables	12	157,303	273,985
Employee benefit provisions	13	310,850	287,875
Lease liability	11b	-	71,328
Total Current Liabilities		468,153	633,189
Non-Current Liabilities			
Lease liability	11b	-	24,155
Total Non-Current Liabilities		-	24,155
Total Liabilities		468,153	657,344
Net Assets		979,782	741,226
Equity			
Equity attributable to Parent Entity:			
Share capital	16	500,000	500,000
Retained earnings		479,782	241,226
Total Equity		979,782	741,226

SunCentral Maroochydore Pty Ltd
Statement of Changes in Equity for the Year Ended 30 June 2022

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2021	500,000	241,225	741,225
Comprehensive income			
Net profit for the year	-	238,558	238,558
Total comprehensive income for the year attributable to members of the parent entity	-	238,558	238,558
Transactions with parent entity, in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Total transactions with parent entity and other transfers	-	-	-
Balance at 30 June 2022	500,000	479,783	979,783

	Share Capital (Ordinary)	Retained Earnings	Total
	\$	\$	\$
Balance as at 1 July 2020	500,000	223,002	723,002
Comprehensive income			
Net profit for the year	-	18,223	18,223
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the parent entity	-	18,223	18,223
Transactions with parent entity, in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Total transactions with parent entity and other transfers	-	-	-
Balance at 30 June 2021	500,000	241,225	741,225

SunCentral Maroochy Pty Ltd
Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from customers		2,988,049	6,154,763
Cash paid to suppliers and employees		(2,724,561)	(6,161,183)
Interest received		14,294	16,843
Finance costs		-	(153)
Net cash generated from operating activities	18	<u>277,782</u>	<u>10,270</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Acquisition of property, plant and equipment		(1,907)	(6,910)
Net cash used in investing activities		<u>(1,907)</u>	<u>(6,910)</u>
Cash flows from financing activities			
Finance Lease payments		(57,909)	(101,717)
Proceeds from issue of share capital		-	-
Net cash provided by financing activities		<u>(57,909)</u>	<u>(101,717)</u>
Cash and cash equivalents at the beginning of the financial year		1,144,099	1,242,456
Net increase/(decrease) in cash and cash equivalents		<u>217,966</u>	<u>(98,357)</u>
Cash and cash equivalents at the end of the financial year	7	<u>1,362,065</u>	<u>1,144,099</u>

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

1. Reporting entity concept

SunCentral Maroochydore Pty Ltd (the Company) is a private company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is 9 Nicklin Way, Minyama Queensland 4575 and the principal place of business is 9 Golf Street, Maroochydore Queensland 4558. The Company's prime purpose is the promotion and development management of the Maroochydore City Centre project on the Sunshine Coast in Queensland. The Company's parent entity is the Sunshine Coast Regional Council.

SunCentral Maroochydore Pty Ltd is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

2. New and revised standards effective in the current and future reporting periods

There are no new standards to adopt in the current year.

3. Basis of preparation

a) General Information and statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements were approved by the Board of Directors on the date shown on the Directors' declaration.

b) Reporting period and Comparatives

The financial statements as presented are for the reporting period from 1 July 2021 through to 30 June 2022. The comparative period represents the reporting period from 1 July 2020 to the 30 June 2021.

c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except where otherwise stated.

d) Functional and presentation currency

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

e) 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.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with the banks.

g) Trade and Other Receivables

Trade and other receivables include amounts due from 'customers' for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when recognised at fair value. Trade receivables are held to collect the contractual cash flows and subsequently measured at amortised cost using the effective interest method.

Impairment of trade receivables

The simplified approach is used to measure the lifetime expected credit losses for trade receivables. For 2021-22, no impairment has been recognised as the expected credit losses are immaterial.

h) Trade and Other Payables

Trade payables are amounts due to customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and are all classified as current.

i) Financial instruments

1) Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated.

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.

The Company has the following non-derivative financial assets: cash and cash equivalents (refer to Note 7) and receivables (refer to Note 8).

2) Non-derivative financial liabilities

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 (refer to Note 12). Such financial liabilities are recognised at fair value plus any directly attributable transaction costs.

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

3. Basis of preparation (continued)

3) Compound financial instruments

The Company has not issued any compound financial instruments.

4) Derivative financial instruments, including hedge accounting

The Company holds no derivative financial instruments.

j) Property, plant and equipment

1) 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.

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.

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.

2) Depreciation

Depreciation is recognised in expenses on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Depreciation is recognised on a straight-line basis over the term of the lease for leasehold improvements over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement.

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

Classification of Asset

- | | |
|--------------------------|---------|
| • Office equipment | 2 years |
| • Leasehold improvements | 2 years |
| • Office furniture | 3 years |

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

3) Impairment

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 assets recoverable amount is estimated.

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.

k) Leases

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

l) 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 are presented as current liabilities where the entity does not have any unconditional right to defer settlement beyond 12 months, regardless of when the actual settlement is expected to occur. 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.

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

3. Basis of preparation (continued)

1) Salaries and wages

A liability for salaries and wages is reported in Note 12 within payroll liabilities.

2) Annual leave

A liability for annual leave is reported in Note 13.

3) Long service leave

A liability for long service leave is reported in Note 13.

4) Superannuation

Contributions are made by the entity to each employee's designated superannuation fund and are charged as expenses when incurred.

m) Provisions

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

n) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

o) Interest Received

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

p) Income tax

The Company is exempt from income tax under section 24AM of the *Income Tax Assessment Act 1936 (ITAA 1936)* on the basis that the Company is a State/Territory Body (STB), by virtue of the fact that the Company's sole shareholder is the Sunshine Coast Regional Council.

q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of 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 gross 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.

r) Changes in accounting policies

The comparative has been restated for changes to the classification of annual leave entitlements from trade payables to employee benefit provision and for amortisation expense on right-of-use assets from operating expenses to depreciation and amortisation.

There is no net impact on the statement of profit or loss and other comprehensive income and the statement of financial position as a result of retrospective application.

SunCentral Maroochyore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

4. Revenue	2022	2021
	\$	\$
Development Revenue		
Construction	460,926	2,601,767
Project & Site Management	81,021	496,764
Marketing, Engagement & Partner Attraction	320,612	522,253
Total Development Revenue	862,559	3,620,783
Development Management Fee	2,033,000	1,850,000
Other Income		
Sundry income	302	3,454
	<u>2,895,861</u>	<u>5,474,236</u>

The majority of revenue is provided by the parent entity as reported at Note 19(d).

5. Investment income

Investment income for the reporting period consists of the following:

Interest income on bank deposits	14,294	16,843
	<u>14,294</u>	<u>16,843</u>

6. Expenses

a) Development Costs

Construction	457,442	2,083,877
Marketing, Engagement & Partner Attraction	320,612	522,253
Project & Site Management	81,021	496,764
Master Planning	3,484	484,296
Detailed Design	-	33,594
	<u>862,559</u>	<u>3,620,783</u>

b) Operating Expenses

Staff costs	699,103	1,143,718
Contractor / Consultant costs	495,830	22,150
Board & Governance costs	368,381	431,435
Site Monitoring and Maintenance	94,677	-
Premises costs	30,808	41,594
Information Technology & Communication costs	35,136	64,418
General costs	19,771	21,270
Finance costs	170	434
	<u>1,743,876</u>	<u>1,725,019</u>

7. Cash and cash equivalents

Cash at bank - unrestricted	1,362,065	1,144,099
Cash and cash equivalents in the statement of cash flows	<u>1,362,065</u>	<u>1,144,099</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 14.

An indemnity amount over cash and cash equivalents has been provided in relation to the Local Government Workcare Bank Guarantee. Refer to Note 21 for further details.

8. Trade and other receivables

Trade debtors	112	1,320
GST receivable	30,243	-
Accrued development revenue	33,808	125,675
Interest receivable	1,510	623
	<u>65,672</u>	<u>127,618</u>

The Company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in Note 14. No collateral is held over trade and other receivables.

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

9. Other assets	2022	2021
	\$	\$
Prepayments	13,153	18,978
	13,153	18,978

10. Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

Measurement at cost	Office Furniture	Office Equipment	Leasehold Improvements	Total
Asset Values	\$	\$	\$	\$
Opening gross value as at 1 July 2021	58,271	37,821	55,795	151,886
Additions at cost	-	1,907	-	1,907
Disposals	-	-	-	-
Closing gross value as at 30 June 2022	58,271	39,728	55,795	153,793
Accumulated Depreciation & Impairment				
Opening accumulated depreciation balance as at 1 July 2021	48,024	35,677	55,795	139,495
Depreciation expense	4,473	2,780	-	7,253
Depreciation on disposals	-	-	-	-
Closing accumulated depreciation and impairment as at 30 June 2022	52,497	38,457	55,795	146,749
Total book value as at 30 June 2022	5,773	1,271	0	7,045
Measurement at cost				
Asset Values	\$	\$	\$	\$
Opening gross value as at 1 July 2020	52,859	45,287	57,113	155,258
Additions at cost	7,340	-	-	7,340
Disposals	(1,928)	(7,466)	(1,318)	(10,712)
Closing gross value as at 30 June 2021	58,271	37,821	55,795	151,886
Accumulated Depreciation & Impairment				
Opening accumulated depreciation balance as at 1 July 2020	35,190	33,440	55,771	124,400
Depreciation expense	14,292	9,703	1,342	25,337
Depreciation on disposals	(1,457)	(7,466)	(1,318)	(10,241)
Closing accumulated depreciation and impairment as at 30 June 2021	48,024	35,677	55,795	139,496
Total book value as at 30 June 2021	10,246	2,144	0	12,391

11. Right of use of leased assets

	Buildings	Plant & Equipment	Total
	\$	\$	\$
(a) Right-of-use assets			
Opening balance as at 1 July 2021	55,225	40,259	95,483
Additions	-	-	-
Amortisation	55,225	2,684	57,909
Disposals / derecognition	-	37,575	37,575
Closing balance at 30 June 2022	-	-	-
Opening balance as at 1 July 2020	52,000	14,053	66,053
Additions	82,837	48,310	131,148
Amortisation	79,612	22,105	101,717
Disposals / derecognition	-	-	-
Closing balance at 30 June 2021	55,225	40,259	95,483

SunCentral Maroochy Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

11. Right of use of leased assets (continued)	2022	2021
	\$	\$
(b) Lease liabilities		
Current	-	71,328
Non-current	-	24,155

From July 2022 the Golf Street lease term is on a month by month basis and therefore no recognition of the lease required.

12. Trade and other payables

Unsecured liabilities:

Trade creditors	102,403	132,780
Accrued expenditure	18,971	38,910
GST liability	-	21,719
Payroll liabilities	35,929	76,576
Amounts payable to parent entity	-	4,000
	157,303	273,985

Financial liabilities at amortised cost classified as trade and other payables:

Trade and other payables:		
- total current	157,303	273,985
Financial liabilities as trade and other payables:	157,303	273,985

The average credit period on trade and other payables (excluding GST payable) is 30 days. No interest is payable on outstanding payables during this period. The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 14.

13. Employee Benefits Provisions

Provision for Annual Leave	116,185	103,595
Provision for Long Service Leave	194,665	184,280
	310,850	287,875

14. Financial instruments

a) Financial risk management

1) Overview

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

- Credit risk
- Liquidity risk
- Market risk
- Currency 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.

2) Credit risk

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

Trade and other receivables

At the reporting date, there were no significant concerns of credit risk. The Company does not require collateral in respect of trade and other receivables.

Exposure to credit risk

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

	Note		
Cash and cash equivalents	7	1,362,065	1,144,099
Trade and other receivables	8	65,672	127,618
		1,427,737	1,271,716
The Company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:			
Australia		65,672	127,618
		65,672	127,618
The Company's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:			
Parent Entity		33,808	125,675
Other		31,864	1,943
		65,672	127,618

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors. Surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

14. Financial instruments (continued)

Impairment losses

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

	Gross 2022	Impairment 2022	Gross 2021	Impairment 2021
	\$	\$	\$	\$
Not past due	65,672	-	127,618	-
Past due 31 days	-	-	-	-

3) 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.

Trade and other Payables	2022	2021
	\$	\$
- less than 12 months	157,303	273,986
	<u>157,303</u>	<u>273,986</u>

4) Currency risk

The Company has no current exposure to foreign currency risk.

15. Fair Value Measurements

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis. The fair value of trade and other receivables is assumed to approximate the value of the original transaction, less any allowance for impairment.

16. Share capital

Ordinary Shares in issue as at commencement of reporting period	500,000	500,000
On issue at 30 June 2022 - fully paid	<u>500,000</u>	<u>500,000</u>

a) Ordinary shares

The sole holder of these shares is entitled to dividends as declared from time to time and are entitled to one vote at general meetings of the Company.

b) Issue of ordinary shares

In April 2015, the Company approved the issue of 500,000 \$1 ordinary shares to the Sunshine Coast Regional Council.

17. Construction contract commitments

Commitments for construction contracts at the reporting date but not recognised in the financial statements.

Payable - minimum payments:		
Not later than 12 months	109,086	381,743
	<u>109,086</u>	<u>381,743</u>

18. Reconciliation of cash flow from operating activities

Cash flows from operating activities		
Net profit / (loss) for the year	238,558	18,223
Adjustments for:		
Depreciation and amortisation	65,162	127,054
Operating surplus before changes in working capital and provisions	<u>303,720</u>	<u>145,277</u>
Change in trade and other receivables	62,831	680,143
Change in prepayments	5,825	332
Change in trade and other payables	(116,683)	(820,109)
Change in provisions and employee benefits	22,975	4,143
Change in accrued interest	(887)	485
Net cash generated from operating activities	<u>277,782</u>	<u>10,271</u>

SunCentral Maroochydore Pty Ltd
Notes to the Financial Statements for the Year Ended 30 June 2022

19. Key management personnel and Related party transactions

Related Parties

The Company's main related parties are as follows:

a) Parent Entity

The company is 100% owned by the Sunshine Coast Regional Council (Council) which is the ultimate Parent Entity. The Council and its controlled entities including Unitywater are related parties.

b) Key management personnel

The directors and Chief Operating Officer are key management personnel and have the authority and responsibility for planning, directing and controlling the activities of the Company.

Details of key management personnel for the period have been detailed in the Director's Report.

Key management personnel includes the remuneration for all Non-Executive Directors and the Chief Executive Officer, as follows:

Key management personnel compensation (or remuneration)	2022	2021
	\$	\$
Short term employee benefits	707,088	764,546
Post employment benefits	75,188	74,687
Other long term employee benefits	10,385	4,144
	<u>792,661</u>	<u>843,377</u>

Total remuneration for all Non-Executive Directors and the Chief Executive Officer was agreed by the Company's Member in March 2015. The base fee for the Chairperson is \$109,589 per annum. Base fees for other directors are \$63,927 per annum. Directors' base fee cover all Board activities. Directors are entitled to superannuation contributions of 10% of the base fee.

c) Other related parties

Other related parties include close family members of key management personnel and entities controlled or jointly controlled by those key management personnel, individually or collectively with their close family members. No transactions with other related parties have occurred in the period.

d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Revenue		
Parent entity - Sales of goods and services	2,845,122	5,433,741
Expenditure		
Parent entity - Purchase of goods and services	-	4,000
Accounts Receivable		
Parent entity - Amount outstanding	33,808	125,675

20. Auditor remuneration

Audit of the financial statements by the Auditor-General of Queensland	22,500	25,000
	<u>22,500</u>	<u>25,000</u>

21. Contingent liabilities

Details and estimate of maximum amounts of contingent liabilities are as follows:

Indemnity amount provided to the Local Government Workcare Bank Guarantee	16,720	17,990
	<u>16,720</u>	<u>17,990</u>

The Company is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Company has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority cover authority may call on any part of the guarantee should the above circumstances arise.

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. Currently, the ability of the Company to continue its operations at current levels is dependant upon future ongoing funding being provided by its parent entity the Sunshine Coast Regional Council. The Directors believe that necessary funding will be forthcoming, and that there are no current indications that the funding arrangements will change.

23. Events after the reporting period

No other matters or circumstances have arisen since the end of the reported period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future reporting periods.

Directors' Declaration for the year ended 30 June 2022

In the opinion of the Directors of SunCentral Maroochydhore Pty Ltd (the Company):

- a) the financial statements and notes, set out on pages 3 to 21 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulation 2001* ;
 - ii) giving a true and fair view of the Company's financial position as at 30 June 2022 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 :



Mr. Morgan Parker
Chairman

Dated at Maroochydhore 19 September 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of SunCentral Maroochydore Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of SunCentral Maroochydore Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Other information comprises the information included in the company's annual report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.



In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

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

The company's directors is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.



- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read "D Adams".

21 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Contact us

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Wilding, The Sunshine Coat Project
(Ketakii Jewson Brown image)

Chair’s report

The third year of operation for the Sunshine Coast Arts Foundation witnessed the reconnection of artists and audiences following the easing of Covid restrictions. Research in the March 2022 edition of the *Audience Outlook Monitor* by Patternmakers, shows that some audiences were still concerned about the risks of attendance at arts events, but importantly, “many audience members see a role for the sector to facilitate trust and mutual respect between organisations, artists and attendees, and the broader community”. Audiences understood the hardships suffered by arts and culture during the pandemic, but deemed the arts as “essential to our lives” and “encouraged artists and organisations to invite more community support, as they recuperate from the economic impact of cancellations and lockdowns”.

In this context, the Foundation turned again to building the relationship between donors and the Sunshine Coast arts community, espousing our values of community, prosperity, trust, independence and quality. We were rewarded with two notable achievements: significantly increased awareness of the Foundation, and a new funding agreement with Council.

SCAF’s Strategic Plan includes actions to promote the value of the arts in society generally and the Sunshine Coast region in particular, and to act as a philanthropic role model, stimulating and motivating other supporters to become involved in the Foundation’s philanthropic programs. To this end, we have adopted an ‘advocacy’ role, which has resulted in measurable increased awareness through invitations to attend and speak at arts events and meetings, arts industry interest in partnerships, and positive feedback from Gifted artists, all sharing our vision for the Sunshine Coast. Our recipient artists gave the following words of thanks:

I really enjoyed the awards event. It was a really warm and enthusiastic atmosphere. I look forward to seeing everyone’s Gifted projects progress, and also getting to know some new artistic friends more intimately.

I am very excited and honored to be a recipient of the Gifted program.

We are so thrilled.

A huge thankyou to SCAF for the support enabling this creative team.

The number of productive partnerships has increased – University of the Sunshine Coast, Bentleys Accountants, the Wearable Art Festival, Jan Manton Gallery, the Maleny Arts Council, Arts Connect and Sculpture on the Edge. We have been offered new venues for our events and meetings. We have increased the number of donors and individual gifts. Our new board directors have brought new ideas and cultivation strategies, and there is promising interest from businesses to engage with the arts in this region.

Jarrold Bleijie, Member for Kawana, Jennifer Radbourne, Victoria Murray, Brendon Murray (Bentleys Partner), Karen Neuendorf, SCAF Director and Keith Neuendorf (Chloe Horder image).



The second achievement at the end of this financial year, was Council’s support and confidence in awarding another three-year funding agreement. This funding covers our administration costs and ensures all donations are transferred to artists. The commitment by Council’s Economic and Community Development Group, through the Manager and the Co-ordinator in Arts, Heritage and Libraries, is exceptional. While we operate at arms-length from Council, we share the same vision of increasing the value of, and support for, the arts across our region. Their support enables the Foundation to access office space and marketing, venue and data resources.

The Board utilises its diverse skills and experience to work cohesively and with a real sense of purpose and the future. Our Executive Officer, Celestine Doyle, who displays limitless energy and a deep understanding of fundraising and philanthropy principles and opportunities, manages our operations between meetings. Reports indicate that philanthropy is increasing in the arts across Australia, particularly by donors for arts companies they know and love. SCAF is learning how to capture this in a ‘regional’ context. We seek a mix of individual donors along with corporate and development stakeholders, who are part of the region’s ambition.

2021 was a year of reflection and awareness-raising for future action. It was also a time of maturity – of knowing our place, our plan, our value and importantly, our mission. I think we have done just that. We have created awareness and purpose in the minds of artists, community, business, politicians, the media and prospective donors. So much so, that we can now strengthen relationships and engagement to fulfil our mission.

I thank the Board, our donors, our partners and the Council – together they have ensured we can deliver on our Strategic Plan and our Budget

Emeritus Professor Jennifer Radbourne
Chair

Finance committee report



The 2021/22 year saw the Foundation continue to build on its financial resources and enter into a number of exciting activities. We are most fortunate to live and work in South East Queensland where we see both strong population and economic growth but also the prospect of the 2032 Olympics.

In October 2020 the Foundation was accepted as a Deductible Gift Recipient with the benefit of being able to offer donors tax deductibility for their donations. In the year under review the Foundation received over \$ 37,000 in donations including donations for our fundraising partners, Australian Wearable Art Festival Inc. and Maleny Arts Council Inc. Operational funding was again received from Sunshine Coast Council for which the Foundation is highly appreciative. Funding was, in addition, received by way of a grant from the Gambling Community Benefit Fund for the development of a Customer Relationship Management system. This CRM is being specifically tailored for the donor management and information needs of the Foundation with its implementation anticipated early in the 2022/23 year.

As a Company Limited by Guarantee the Foundation has no share capital and is dependent on annual surpluses and retained earnings to provide working capital. A surplus was generated for the 2021/22 year which will allow the Foundation to undertake future activities knowing that there are sufficient cash reserves. In terms of corporate governance, there are meetings of directors held each two months. Directors attend such meetings either in person or through Zoom. Financial statements, including account reconciliations, are tabled at those meetings for discussion with actual balances compared to an approved financial budget. The 2021 AGM of the Foundation was held in November 2021 with a representative of the external auditors, Queensland Audit Office, attending that meeting. The audited financial statements that are included in this Annual Report may appear to be lengthy but are a reporting requirement of corporate legislation in Australia.

I thank fellow directors and the Executive Officer of the Foundation for their support during the financial year just ended.

Robert Forbes
Finance and Governance Committee



Image left: Gifted recipient Louise King and donor Jocelyn Walker at the function celebrating the arts, community and philanthropy at Bentley's Accountants (Chloe Horder image).

Image center: Sunshine Coast artist Joseph Daws speaking at the Foundation event at Jan Manton Gallery announcing 2022 Gifted recipients, and viewing of his exhibition, (Renae Droop image).

Our supporters

Sunshine Coast Arts Foundation gratefully acknowledges Sunshine Coast Council's support.



Supported by Sunshine Coast Council

We have also been extremely grateful for the support of the Caloundra Regional Gallery and University of the Sunshine Coast for hosting SCAF Board meetings.

We acknowledge the generous contribution of event co-hosts: Bentleys and Jan Manton Gallery, Brisbane.

We thank all donors who are acknowledged on the Foundation's website [scartsfoundation/supporters]

Benefactors

Ralph Devlin QC AM
Roy and Nola Thompson

Karen & Robert Forbes
Rafaela Giebler
Wendy Harper

Fellows

Susan & Colin Billett
Edith Blanck
Jan and Jeff Cornfoot
Ferre de Deyne
Hon Justice Hugh Fraser
& Margie Fraser
Hollindale Mainwaring
Architecture Pty Ltd
Jan Manton
Ron Scott
Eva-Marie Seeto
Helen Walker
Jocelyn Walker

Marilyn Holiness
Barbara Jones
Paul & Chloe Keightley
Ernie & Sandy Kruck
Jacqueline & Peter Lavery
Walter Marek
Lisa Mitcherson
Musical Theatre Australia
Keith & Karen Neuendorf
Keith & Jennifer Radbourne
Judith Ross-Smith
Barb Ryan
Helen Sethna
Liddie Shaw

Donors

Val Anderson & Geoff Bridger
Claire Booth
Alan Boyle
Leigh Cleave
Geraldine Dent
Celestine Doyle
Herb Fenn

Ken & Elizabeth Smith
Patrick Smith
Tony Sowden
Heather Spring
Neil & Ros Thompson
Gemma Tonkin
Kenneth Watkins
Peter Willadsen
Toni Wills

Gifted recipients

Tricia Taylor (Pastel Society of Australia) Libby Derham, Priscila Da Cunha, (D.I.V.E. Theatre Collective), Prof Jennifer Radbourne, SCAF Chair, Joseph Daws, Jan Manton, Shaye Hardisty, Ketakii Jewson Brown and Bianca Tainsh (Renae Droop image).



Seven Gifted recipients and their projects were announced at a special event and private viewing of Sunshine Coast artist Joseph Daws' exhibition at Jan Manton Gallery, Brisbane on Saturday 13 November.

D.I.V.E. Theatre Collective: *Caprichos*, inspired by Francisco de Goya's etchings, at the Old Ambulance Station, Nambour in May 2022.

Louise King, (cello) and Monika Koerner (flute); *REINVENTIONS*, a music video production of the work by leading Australian composer, Elena Kats-Chernin.

Pastel Society of Australia Inc: The second Australian Pastel Expo at the Events Centre Caloundra in August-September 2022.

Vibrant visual art space, Stevens Street Gallery, Yandina: The Exposure Project, to provide local artists with much needed exposure and connect them with audiences.

Award-winning contemporary watercolour painter Libby Derham: A new ground-breaking body of work, *Birdsong Cymatics* (Visualising Birdsong through Cymatics and Watercolour).

Local visual artist Bianca Tainsh: An art film and body of works (sculpture, painting, digital media and texts) for an exhibition tour to extend the *A Topography for Reflection* collaborative project.

Local sewing artist Shaye Hardisty and photographer Ketakii Jewson Brown: *The Sunshine Coat Project*, which will see the design and construction of coats that share visual stories of our unique experiences in this region.



Caprichos, D.I.V.E. Theatre Collective, The Old Ambulance Station. (Vlad Da Cunha Image).



A Topography for Reflection performance by Bianca Tainsh and Katie Harris-MacLeod during Floating Land Festival 2021. (Jennifer Dean image).

FINANCIAL STATEMENTS

Sunshine Coast Arts Foundation Ltd
ACN 634 410 950

2021/2022 Financial Report

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Report of the Directors

The directors of Sunshine Coast Arts Foundation Ltd (‘the Foundation’) present their report together with the financial report of the Foundation for the year from 1 July 2021 to 30 June 2022.

In accordance with section 300B of the *Corporations Act 2001*, the directors set out below certain information in respect of the objectives, strategies, principal activities and performance of the Foundation.

Short and long-term objectives

The short and long-term objectives of the Foundation are encapsulated in the Mission and Vision of the entity. The Mission is to promote the development and prosperity of the arts on the Sunshine Coast through fundraising and philanthropic investment. The Vision is to achieve an enlightened and enriched local community transformed by philanthropic investment in the arts.

The strategy for achieving these objectives

1. Build the profile of the Foundation as the regional organisation supporting creative expression through philanthropic investment.
2. Develop, diversify and consolidate income streams.
3. Establish collaborative partnerships with key stakeholders.
4. Establish effective governance processes and procedures and recruit and develop a succession plan.

Principal activities during the year

Principal activities in four strategic priority areas noted above were as follows:

1. PROFILE OF THE FOUNDATION

- Profile was enhanced by numerous marketing and communication activities including eNews, invitations, announcements, Facebook posts, website and media materials.
- Chair, Board Directors and Executive Officer held meetings with prospective donors, supporters and arts sector representatives.
- A special function celebrating the arts, community and philanthropy was held in the board room of Bentleys accounting practice on the Sunshine Coast on 22 September 2021.

2. INCOME STREAMS

- Gifted Patrons Group established with inaugural gifts.
- 25% increase in number of donors on previous financial year.
- Income received through partnerships with arts organisations to accept and manage donations for a fee.
- Gambling Community Benefit Fund grant received for CRM development.

3. PARTNERSHIPS WITH STAKEHOLDERS

- Council approved further three-year funding for SCAF.
- Seven artists and organisations were recipients of Gifted contributions for projects in 2022.
- New partnerships were established with Maleny Arts Council and Oriana Choir to manage their donations.
- Events were held in collaboration with Bentleys, Jan Manton Gallery and Australian Wearable Art Festival.
- Partners who provided in-kind support were: The Tamarind Restaurant, Caloundra Regional Galley, University of Sunshine Coast and Sunshine Coast Regional Council.
- Mentoring and support was provided to various organisations.

4. GOVERNANCE

- Bi-monthly Board meetings and AGM held.
- Board conducts an annual self-assessment.
- Reports annually to Sunshine Coast Regional Council and ACNC.
- Customer Relationship Management developed.

How those activities achieved the objectives of the Foundation

The activities raised awareness of the Foundation and of the benefits of philanthropy, identifying and cultivating donors, facilitating and attracting donations, consolidating and creating new partnerships and distributing funds to support artists to make new work.

Means by which performance is measured

The measures of success 2021-22 have been developed in line with the four Strategic Priorities in the SCAF Strategic Plan for the initial three-year establishment phase being:

- Increase in awareness of the Foundation, its objectives, projects and ways to donate.
- Increase in revenue and cash reserves.
- Increase in partner delivery of Foundation objectives.
- Increase in donors to giving programs and projects.
- Satisfaction levels of donors and partners.
- Foundation registered and performed as a charity with tax deductible status.
- Succession Plan and working subcommittees/task forces in place.

SCAF Board: Cr Rick Baberowski, Robert Forbes, Emeritus Professor Jennifer Radbourne, Chair, Karen Neuendorf, John Mainwaring, Ferre De Deyne and Sue Sara, Deputy Chair (absent Tony Sowden, Company Secretary).



Information on Directors

Section 300B of the Corporations Act also requires certain information on each of the Foundation's Directors. The Directors during or since the end of the reporting period are:

Emeritus Professor Jennifer Radbourne - Chair

Retired academic with experience in arts management, governance and philanthropy. Published author. Member of Sunshine Coast Arts Advisory Board. Graduate and Member of the Australian Institute of Company Directors.

Sue Sara - Deputy Chair

Experience in senior executive roles. Australian Institute of Company Directors Graduate and Member. Directorships in not-for-profit organisations.

Cr Rick Baberowski

Sunshine Coast Regional Council Division 1 Councillor. Deputy Mayor and joint holder of the Arts and Heritage portfolios. Member of Sunshine Coast Arts Advisory Board.

Ferre De Deyne

Tourist attraction owner and operator. Philanthropist with experience as board director of Sunshine Coast charities and foundations.

Tony Sowden - Company Secretary

Registered legal practitioner in Queensland with a commercial legal practice.

Robert Forbes

Retired chartered accountant. Experience with not-for-profit organisations as a director and external auditor. Director of Sunshine Coast Events Centre Pty Ltd.

Karen Neuendorf

Business woman. Experience in corporate and non-profit governance with school, medical and women's business boards.

John Mainwaring

Award winning architect. Chair of the University of the Sunshine Coast Art Advisory Committee. Member of the Sunshine Coast Urban Design Advisory Panel.

Directors have been in office since the start of the reporting period and to the date of this report unless otherwise stated.

Meetings of Directors

The number of meetings of the Directors during the reporting period and each Director's attendance at those meetings are as follows.

	No. attended	No. eligible to attend
Professor Jennifer Radbourne	6	6
Sue Sara	5	6
Cr Rick Baberowski	5	6
Ferre De Deyne	4	6
Tony Sowden	5	6
Robert Forbes	6	6
Karen Neuendorf	6	6
John Mainwaring	5	6

Additional Information

If the Foundation is wound up while a person is a Member, or within one year after that person ceases to be a Member, the person must contribute the guarantee amount of \$10 to the assets of the Foundation. The total amount that Members of the Foundation are liable to contribute if the Foundation is wound up is \$10.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act, follows the Report of the Directors.

This report is made and signed in accordance with a resolution of the Directors:

Jennifer Radbourne

19 September 2022

Robert Forbes

19 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Sunshine Coast Arts Foundation Ltd

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

Independence declaration

As lead auditor for the audit of Sunshine Coast Arts Foundation Ltd for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



16 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Sunshine Coast Arts Foundation Ltd ACN 634 410 950

Statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	2022	2021
NOTE	\$	\$
OPERATING INCOME		
Annual operational funding from Sunshine Coast Council	106,343	106,343
Gambling Community Benefit Fund grant	14,400	-
Total operating income	120,743	106,343
OTHER INCOME		
Donations - specified purpose	17,733	119,100
Donations - general	20,000	1,478
Donations - administration fees	457	5,000
Bank interest	15	19
Total other income	38,205	125,597
Total income	158,948	231,940
OPERATING EXPENSES		
Advertising and website	7,428	6,109
Auditor's remuneration 4	3,000	2,500
Donations specified purpose and grants paid	15,933	127,000
Executive officer remuneration 5	50,390	47,537
Fundraising expenses	3,615	8,688
Insurance	2,665	2,599
Research projects	-	10,499
Other expenses	2,607	3,362
Total operating expenses	85,638	208,294
Profit for the year	\$73,310	\$23,646

The accompanying notes form part of these financial statements.

Sunshine Coast Arts Foundation Ltd ACN 634 410 950

Statement of financial position as at 30 June 2022

		2022	2021
	NOTE	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	148,091	84,273
GST receivable		2,642	2,335
Total current assets		150,733	86,608
NON-CURRENT ASSETS			
Intangible assets	3	4,000	-
Total non-current assets		4,000	-
Total assets		154,733	86,608
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		-	5,185
Total current liabilities		-	5,185
Total liabilities		-	5,185
Net assets		\$154,733	\$81,423
EQUITY			
Retained earnings		154,733	81,423
Total equity		\$154,733	\$81,423

The accompanying notes form part of these financial statements.

Sunshine Coast Arts Foundation Ltd ACN 634 410 950

Statement of changes in equity for the year ended 30 June 2022

	RETAINED EARNINGS	TOTAL
	\$	\$
Balance at 1 July 2021	81,423	81,423
Profit for the year	73,310	73,310
Balance at 30 June 2022	\$154,733	\$154,733
Balance at 1 July 2020	57,777	57,777
Profit for the year	23,646	23,646
Balance at 30 June 2021	\$81,423	\$81,423

During the accounting periods specified above, the Foundation had neither transactions with owners in their capacity as owners nor other transfers nor other comprehensive income.

Sunshine Coast Arts Foundation Ltd ACN 634 410 950

Statement of cash flows for the year ended 30 June 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
INFLOWS		
Grants and other contributions	106,343	106,343
Receipts from donors and other income	52,590	153,677
Interest receipts	15	19
OUTFLOWS		
Suppliers and services	-74,890	-84,989
Donations and grants	-15,933	-127,000
GST paid to suppliers	-307	-2,335
Net cash provided by operating activities	67,818	45,715
CASH FLOWS FROM INVESTING ACTIVITIES		
OUTFLOWS		
Payments for intangibles	-4,000	-
Net cash used in investing activities	-4,000	-
Net increase in cash and cash equivalents	63,818	45,715
Cash and cash equivalents at 1 July	84,273	38,558
Cash and cash equivalents at 30 June	\$148,091	\$84,273

During the accounting periods specified above, the Foundation had no transactions relating to financing activities.

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents include cash on hand as well as bank balances on call or on deposit with financial institutions.

Notes to Financial Statements for the Year Ended 30 June 2022

Note 1

Summary of significant accounting policies

a) Basis of preparation

These financial statements, in respect of Sunshine Coast Arts Foundation Ltd (the Foundation), are general purpose statements prepared for the year from 1 July 2021 to 30 June 2022. The statements comply with Australian Accounting Standards – reduced disclosures as issued by the Australian Accounting Standards Board and the requirements of the *Corporations Act 2001*. The Foundation is a not-for-profit entity for financial reporting purposes and complies with such Australian Accounting Standards as applicable to not-for-profit entities. In particular the Foundation has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*, first issued in March 2020 and as amended, which allows Simplified Disclosures for certain types of entities referred to as Tier 2 entities. Entities applying AASB 1060 are required to in turn apply all recognition and measurement requirements in Australian Accounting Standards and apply AASB 1060 in relation to disclosure requirements only.

For a previous financial reporting period ended 30 June 2020 the Foundation was classified as a non-reporting entity and produced a special purpose financial report. Due however to the Foundation applying all applicable recognition and measurement principles in that previous 2020 financial report, there were no retrospective adjustments required to the 2020-21 financial report balances nor any changes in accounting policies.

Comparative information in these financial statements reflects the audited 2020-21 financial statements.

The financial statements have been prepared under the historical cost convention and except for cash flow information, on an accruals basis. The financial statements relate to the individual entity. The level of rounding used in these financial statements is to the nearest dollar. The presentation currency of the Foundation is the Australian dollar.

No accounting pronouncements were early adopted in the 2021-22 financial statements nor were any new accounting standards applied for the first time in 2021-22. No voluntary changes in accounting policies occurred during the 2021-22 financial year.

The financial statements were authorised by the Directors on the date shown in the Declaration by Directors.

b) Nature of Foundation

The Foundation is a public company limited by guarantee and is incorporated under the *Corporations Act 2001* with its domicile in Australia. The address of its registered office is 22 Omrah Ave Caloundra QLD 4551. The parent entity of the Foundation for financial reporting purposes is Sunshine Coast Regional Council. A description of the nature of the operations and objectives of the Foundation and its principal activities is included in the accompanying Report of the Directors.

The Foundation is registered federally as a charity with the Australian Charities and Not for Profits Commission and in Queensland under the *Queensland Collections Act 1966*. The registration with the ACNC requires the Foundation to comply with ACNC Regulation 2013 to the extent that this regulation is not inconsistent with Australian Accounting Standards.

As a company limited by guarantee, the Foundation has no share capital and cannot pay dividends. The liabilities of Members in any winding up is limited to \$10 per Member.

c) Taxation

The Foundation is exempt from income tax but is subject to Fringe Benefits Tax where applicable. From 1 October 2020 the Foundation was registered for GST with the net amount of GST recoverable or payable shown as an asset or liability in the balance sheet. On 29 October 2020 the Public Fund of the Foundation became registered as a Deductible Gift Recipient.

d) Estimation uncertainty and judgements

There are no material areas of estimation uncertainty and judgements exercised by the Directors in the preparation of these financial statements.

e) Volunteer services

The Foundation has the benefit of volunteer services in the matters of legal, accounting and philanthropic advice. Board directors were purposefully recruited with these skills and experience. The value of these volunteer services provided to the Foundation cannot be reliably estimated.

f) Donations and grants

Donations are recognised when received. Donations that are provided for a specified purpose are recorded in a restricted cash account (refer Note 2 Cash and Cash Equivalents). Unless a grant contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third party on the grantor's behalf, grant revenue is recognised upon receipt of the grant funding.

g) Financial instruments

The financial assets of the Foundation consisting of GST receivable are recognised in these financial statements at amortised cost. Similarly, liabilities being trade and other payables are at amortised cost. These assets and liabilities are short term in their realisation and are based in and denominated in Australian dollars. The receivables carry no undue credit risk.

The Foundation also has assets in the form of cash and cash equivalents which are held by a major Australian regional bank. Given the low current interest rates, there is no interest rate risk.

The Foundation ensures that it has sufficient cash to meet expected operational expenses. In this way liquidity risk is managed.

During the reporting periods covered by these financial statements the Foundation has not issued any compound financial instruments, entered into hedge accounting or held derivative financial instruments.

Note 2

Cash and cash equivalents

	2022	2021
	\$	\$
Cash and cash equivalents	129,191	67,173
Restricted cash – donations for specific purpose	18,900	17,100
Total cash and cash equivalents	148,091	84,273

Restricted cash is subject to external restrictions that limit amounts available for discretionary or future use.

Note 3

Intangible assets

	2022	2021
	\$	\$
Software – work in progress – Customer Relationship Management	4,000	–
Total	4,000	–

The software relates to a progress payment for the development of a tailored CRM system for the Foundation. Amortisation of the software will commence when the asset is available for use and will be on a straight line basis over an estimated useful life of five years. Residual values, expected to be nil, and the useful life of the software will be reviewed at each reporting date.

Note 4

Auditor's remuneration

Amounts paid or accrued in relation to the audit of the financial statements by the Auditor-General of Queensland

	2022	2021
	\$	\$
2020/21	3,000	–
2019/20 - paid in 2020/21 financial year	–	2,500
Total	3,000	2,500

Total audit fees for the Queensland Audit Office relating to the 2022 financial statements are \$5,000.

No other services were provided by the auditors

Note 5

Key management personnel and related parties

Directors serve in an honorary capacity, refer Note 1e), and receive therefore no director fees. Out of pocket expenses are however reimbursed. The remuneration of the Executive Officer of the Foundation is paid under a contract and not employment arrangement and includes no post-employment or other long term employee benefits.

The only related parties of the Foundation relate to operational funding and other amounts paid by Sunshine Coast Regional Council. These amounts are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

The Foundation does from time to time use the facilities of Sunshine Coast Events Centre Pty Ltd, a controlled entity of Sunshine Coast Regional Council. These facilities are provided to the Foundation on an arm's length commercial basis with this basis being no more favourable than those available to other parties. In the 2021-22 financial year an amount of \$Nil (2020-21 \$285) was paid or payable by the Foundation to Sunshine Coast Events Centre Pty Ltd.

Note 6

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 the settlement of liabilities in the ordinary course of business. Currently the ability of the Foundation to continue its operations at current levels is dependent upon the ongoing financial support of Sunshine Coast Regional Council - refer note 7.

Note 7

Contingent liabilities and capital commitments

In respect of contingent liabilities, the Foundation had a three-year funding agreement with Sunshine Coast Regional Council up to 28 June 2022. Clause 2.2 f. of the agreement required the Foundation to reimburse unused funds within 60 days after the end of the Term. Sunshine Coast Regional Council has advised the Foundation that this clause will not be enforced and no reimbursement of unused funds is required.

Further in relation to contingent liabilities, in August 2022 the Foundation entered into another three-year funding agreement with Sunshine Coast Regional Council and for the financial years ending 2024/25. This new agreement again requires the Foundation to reimburse unused funds at the end of the Term.

The Foundation had no capital commitments at the reporting date except for the CRM software, referred to in note 3, where a further \$12,000 is payable not later than one year (2021 \$Nil).

Note 8

Events after the reporting date

There were no such events that arose after the reporting date except for the 2024/25 funding agreement referred to in note 7.

Note 9

COVID-19 pandemic

The restrictions on arts events and changes in donor behaviour amidst increasing fundraising by charities and not-for-profit organisations have resulted in reduced donor contributions to the Foundation as a result of the COVID-19 pandemic.

Sunshine Coast Arts Foundation Ltd

**Declaration by Directors of Company
for the year ended 30 June 2022**

In the opinion of the Directors of the Company the accompanying financial statements and notes comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to Financial Statements are in accordance with the *Corporations Act 2001* including:

- compliance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulations 2001*
- giving a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance for the year ended on that date and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when those debts become due and payable.

This declaration is made and signed in accordance with a resolution of the Directors:

Jennifer Radbourne



19 September 2022

Robert Forbes



19 September 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Coast Arts Foundation Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Arts Foundation Ltd.

In my opinion, the financial report:

- gives a true and fair view of the company's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, 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 to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises the information included in the company's annual report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

20 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



2 Caloundra Aerodrome Master Plan 2042

IMPORTANT NOTICE

This report is provided solely for the purposes of master planning. This report is provided pursuant to a Consultancy Agreement between SMEC Australia Pty Limited ("SMEC") and Sunshine Coast Council, under which SMEC undertook to perform a specific and limited task for Sunshine Coast Council. This report is strictly limited to the matters stated in it and subject to the various assumptions, qualifications and limitations in it and does not apply by implication to other matters. SMEC makes no representation that the scope, assumptions, qualifications and exclusions set out in this report will be suitable or sufficient for other purposes nor that the content of the report covers all matters which you may regard as material for your purposes.

This report must be read as a whole. The executive summary is not a substitute for this. Any subsequent report must be read in conjunction with this report.

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Caloundra Aerodrome was established in 1931, when it was first reserved as a landing ground. It is currently owned and operated by Sunshine Coast Council and is a key asset to the South East Queensland aviation network contributing to the industry's development in the region.

1.1 Master Plan Review and Changes

Generally, aviation facility master plans are required to be reviewed and updated as necessary in order to keep pace with changing market conditions and relevant legislation. As these matters change there are potential changes that need to be adopted and accommodated with the strategic directions and future development options of the master planned area. The Caloundra Aerodrome Master Plan 2042 seeks to satisfy these requirements.

Comparing the previous master plan to the Caloundra Aerodrome Master Plan 2042 the most notable change is to the master footprint boundary. This change has been a result of detailed ecological investigations into the area identified for potential expansion to the west of the aerodrome footprint into the Isabel Jordan Bushland Reserve. As a result of the finding of the ecological studies this area is no longer identified for future potential expansion and has been removed for the Caloundra Aerodrome Master Plan 2042 area.

1.2 The Caloundra Aerodrome Master Plan 2042

The vision for the Caloundra Aerodrome Master Plan 2042 is:

Caloundra Aerodrome will become a precinct of choice for advanced aerospace and associated manufacturing activities delivering cutting edge, sophisticated and sustainable opportunities of significance to the South East Queensland aviation and aerospace industry.

1.3 Strategic Directions

This Master Plan will achieve the vision through the following strategic directions:

Innovation and Enterprise: Provide a platform for the emergence of an innovative, high value advanced manufacturing and research and development cluster that contributes to a sustainable and diverse economic base with job opportunities and connections to the domestic market and supply chains.

Connections and Movement: Leverage opportunities from local and regional transport infrastructure, providing strong connections to the Caloundra City Center and the broader Sunshine Coast region and beyond.

Support and Education: The Aerodrome provides significant capacity to enable future employment and training opportunities in high value advanced manufacturing industries. The existing facilities will seek to provide ongoing support for current educational and aviation focused activities while also branching into other or ancillary aviation related industries such as Research and Development, High Value Manufacturing, Low Impact Last Mile Logistics and Defence.

Impact Management: Seek to ensure no material degradation of the current impacts associated with flying operations. Explore implementation of suitable mechanism to manage and mitigate operational risks and seek to attract investment that has minimal impact on surrounding receptors.

Environmentally Conscious: Continue to apply the existing management approaches to reduce and mitigate the impacts arising from aviation activities while also seeking to sustainably manage and maintain the aerodrome's landside supporting and ancillary infrastructure.

Community Contribution: Sustainably accommodate aviation focused community activities that provide an offering that is considered significant to Caloundra and the greater Sunshine Coast region.

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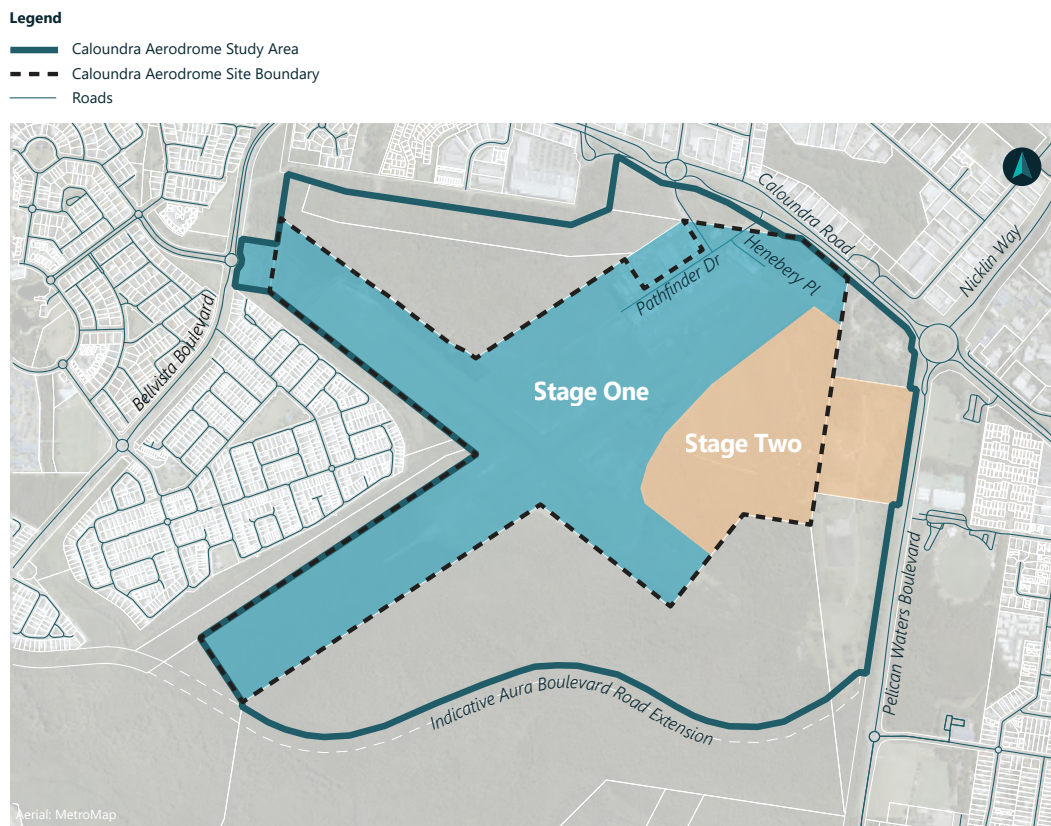


Figure 1: Staging Plan

1.4 Proposed Staging

This master plan presents a two stage approach that seeks to sustainably support economic investment in the Caloundra Aerodrome. The Master Plan seeks to firstly optimise and secondly unlock the aerodrome's airside and landside

resources. This two stage approach seeks to ensure that this significant and unique asset continues to positively contribute to the Caloundra community while also servicing the current demand and future growth of Caloundra's aviation-related advanced manufacturing and research within the South East Queensland regional aerospace industry.

Stage 1

Outlines the strategic planning framework to support the existing use while also facilitating the potential growth and diversification of a broad range of aviation-related business investment in the northern portion of the site; provides measures to manage aircraft movement and limit adverse noise amenity impacts, and identify actions for Sunshine Coast Council to expand the returns to the regional economy and the local community.

Stage 2

Identifies a future investigation precinct for the purpose of supporting the growth of aviation businesses and other potential compatible uses. Stage 2 seeks to enable the aerodrome to adequately respond to and facilitate a range of innovative and appropriate economic growth opportunities as they arise. Indicative land use options are to be considered and proposed, taking into consideration the existing physical and environmental characteristics of the precinct and the applicable regulatory mechanisms local and state, as well as the identified future investment in transport infrastructure and localised transit services.

The following table provides a summary of the Master Plan components.

Land Release	
Stage 1 – Optimise and Develop	<ul style="list-style-type: none"> Stage 1 identifies 6.3ha of net leaseable area of aviation oriented commercial land to be made available with flexible lot sizes. This land release seeks to support and facilitate the growth aspirations of the existing aviation related tourism, manufacturing and technology development industries. Accommodate the attraction of new cutting-edge aerospace businesses and services to the aerodrome. Facilitate the optimisation of finite landside resource available to maximise the economic benefit to the Caloundra and broader Sunshine Coast community. Movement of existing airside infrastructure to facilitate the optimisation of finite airside land resources, maximising benefits to both existing and new aviation-related businesses. This includes a mix of active business land and sheltered aircraft storage.
Stage 2 – Identification of New Investigation Areas	<ul style="list-style-type: none"> Stage 2 is focusing on the identification of growth and potential land use options; taking into consideration environmental constraints, future transit connections and compatible land uses with a view to realize up to 37ha of land that can potentially be developed in a way that is compatible with the existing Aerodrome uses and generates high value employment activities.
Landside Infrastructure Investment	
Access and Utilities	<ul style="list-style-type: none"> Extension of Pathfinder Drive to the south west to service new lease areas. As and when appropriate, review the location and investigate the functionality of the public amenities and site office. Addition of new Bus Setdown and car parking spaces. Site office will be relocated to accommodate these new features.
Airside Infrastructure Investment	
Additional Aircraft Parking	<ul style="list-style-type: none"> Provision for three new aprons to increase general aviation parking capacity by an additional 32 (fee for occupancy) spaces. Movement of the existing windsock will allow for the provision of new airside leasable aircraft hangars to allow owners to safely store and service aircraft.
Additional Helicopter Parking	<ul style="list-style-type: none"> Provision for an additional three helicopter parking spaces.
New Higher Capacity Helipad Facility	<ul style="list-style-type: none"> Provision for an all-weather hard stand helipad to accommodate a broad range of helicopters.
Airside Investment – New Taxiways	<ul style="list-style-type: none"> The investment in the construction of new taxiways will seek to improve aircraft manoeuvring and flow during peak periods, reducing congestion and increasing safety. The improvements in efficiency and flow of aircraft will seek to manage and reduce on ground idling time and queuing time for landing approaches.

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1.5 Contribution to the Sunshine Coast – Social and Economic

1.5.1 Community Contribution

The Caloundra Aerodrome supports a diverse range of community-based aviation activities and benefits that are considered as being locally, regionally and nationally significant. These include:

- Queensland Air Museum,
- Westpac Lifesaver Rescue Helicopter, and
- Australian Air Cadets.

1.5.2 Economic Contribution

Currently the Caloundra Aerodrome is estimated to have contributed the following to the Sunshine Coast LGA economy in 2019-2020:

- \$64.6 million in output for local businesses (0.3% of the total for the Sunshine Coast LGA).
- \$27.6 million in Gross Regional Product (0.4% of the total for the Sunshine Coast LGA).
- 502 FTE jobs paying \$18.1 million in wages, salaries, and other employee compensation (0.4% of FTE jobs and 0.4% of total wages and salaries for the Sunshine Coast LGA).

The strongest contributing sector of the Aerodrome is the helicopter and aircraft maintenance and repair, generating over 86% of the Aerodrome's contribution to Gross Regional Product (GRP), with 58% of the Aerodrome's direct employment. Conversely, flight training, despite contributing 13% of direct employment, generated only 4% of the GRP. Additionally, the QAM attracts approximately 20,000 guests per annum as a tourist destination and community hub (Brady, T., 2020) making many who visit likely to contribute to other sectors of the Sunshine Coast economy.

Once Stage 1 is tenanted and industries are operational, Caloundra Aerodrome is projected to increase its potential contributions to the Sunshine Coast economy. This contribution is summarised in the table below. Including direct and flow-on activity, Caloundra Aerodrome is estimated to contribute the following to the Sunshine Coast LGA economy once Master Plan Phase 1 is complete and operational:

- \$178 million in output for local businesses.
- \$75.3 million in Gross Regional Product.
- 1,120 FTE jobs paying \$49.2 million in wages, salaries, and other employee compensation.

The following table provides a summary of the projected economic contribution that would be potentially realised on completion of full occupancy of Stage 1.

Caloundra Aerodrome Economic Impact Potential	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus in Local Economy	\$89.2	\$31.4	\$22.6	281
Production Induced (Type I Flow-On) Impacts	\$33.7	\$15.0	\$10.7	298
Household Consumption (Type II Flow-On) Impacts	\$55.1	\$28.9	\$15.9	541
Total Impacts in Local Economy	\$178	\$75.3	\$49.2	1,120





2 Introduction

Caloundra Aerodrome was established in 1931, when it was first reserved as a landing ground. It is currently owned and operated by Sunshine Coast Council and is a key asset to the local and South East Queensland aviation network contributing to the industry's development in the region.

Caloundra Aerodrome has two sealed runways, which are predominantly used for flight training for both light fixed wing aircraft and helicopters. The site also contains aviation related business in the areas to the north-east of the runways.

This Master Plan presents a two staged approach that seeks to sustainably support economic investment in the Caloundra Aerodrome. The Master Plan seeks to firstly optimise and secondly

expand on the aerodrome's airside and landside resources. This two stage approach seeks to ensure that this significant and unique community asset continues to positively contribute to the Caloundra community while also serving and servicing the current demand and future growth in the aviation sector within the Sunshine Coast Council local government area and South East Queensland regional aviation industry context.

Stage 1

Outlines the strategic planning framework to support the existing use while also facilitating the potential growth and diversification of a broad range of aviation-related business investment in the northern portion of the site; provides measures to manage aircraft movement and limit adverse noise amenity impacts, and identify actions for Sunshine Coast Council to expand the returns to the regional economy and the local community.

Stage 2

Identifies a future investigation precinct for the purpose of supporting the growth of aviation businesses and other potential compatible uses. Stage 2 seeks to enable the aerodrome to adequately respond to and facilitate a range of innovative and appropriate economic growth opportunities as they arise. Indicative land use options are to be considered and proposed, taking into consideration the existing physical and environmental characteristics of the precinct and the applicable regulatory mechanisms local and state, as well as the identified future investment in transport infrastructure and localised transit services.

This Masterplan comprises of the following:

- Section 3: Masterplan Overview
- Section 4: Caloundra Aerodrome
- Section 5: Employment and Economic Contribution
- Section 6: Planning and Regulatory Context

Section 7: Caloundra Aerodrome Site and Physical Characteristics

Section 8: Aircraft Flight Activity

Section 9: Masterplan

Section 10: Masterplan Implementation



Figure 2: Caloundra Aerodrome Study Area

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3

Master Plan Overview

3.1 Vision

The vision for the Caloundra Aerodrome Master Plan 2042 is:

Caloundra Aerodrome will become a precinct of choice for advanced aerospace and associated manufacturing activities delivering cutting edge, sophisticated and sustainable opportunities of significance to the South East Queensland aviation and aerospace industry.

This Master Plan will achieve the vision through the following strategic directions:

Innovation and Enterprise: Provide a platform for the emergence of an innovative, high value advanced manufacturing and research and development cluster that contributes to a sustainable and diverse economic base with job opportunities and connections to the domestic market and supply chains.

Connections and Movement: Leverage opportunities from local and regional transport infrastructure, providing strong connections to the Caloundra City Center and the broader Sunshine Coast region and beyond.

Support and Education: The Aerodrome provides significant capacity to enable future employment and training opportunities in high value advanced manufacturing industries. The existing facilities will seek to provide ongoing support for current educational and aviation focused activities while also branching into other or ancillary aviation related industries such as Research and Development, High Value Manufacturing, Low Impact Last Mile Logistics and Defence.

Impact Management: Seek to ensure no material degradation of the current impacts associated with flying operations. Explore implementation of suitable mechanism to manage and mitigate operational risks and seek to attract investment that has minimal impact on surrounding receptors.

Environmentally Conscious: Continue to apply the existing management approaches to reduce and mitigate the impacts arising from aviation activities while also seeking to sustainably manage and maintain the aerodrome's landside supporting and ancillary infrastructure.

Community Contribution: Sustainably accommodate aviation focused community activities that provide an offering that is considered significant to Caloundra and the greater Sunshine Coast region.

3.2 Master Plan Snapshot

Land Release

- | | |
|--|---|
| Stage 1 – Optimise and Develop | <ul style="list-style-type: none"> • Stage 1 identifies 6.3ha of net leaseable area of aviation oriented commercial land to be made available with flexible lot sizes. • This land release seeks to support and facilitate the growth aspirations of the existing aviation related tourism, manufacturing and technology development industries. • Accommodate the attraction of new cutting-edge aerospace businesses and services to the aerodrome. • Facilitate the optimisation of finite landside resource available to maximise the economic benefit to the Caloundra and broader Sunshine Coast community. • Movement of existing airside infrastructure to facilitate the optimisation of finite airside land resources, maximising benefits to both existing and new aviation-related businesses. This includes a mix of active business land and sheltered aircraft storage. |
| Stage 2 – Identification of New Investigation Areas | <ul style="list-style-type: none"> • Stage 2 is focusing on the identification of growth and potential land use options; taking into consideration environmental constraints, future transit connections and compatible land uses with a view to realize up to 37ha of land that can potentially be developed, generating high value employment activities. |

Landside Infrastructure Investment

- | | |
|-----------------------------|--|
| Access and Utilities | <ul style="list-style-type: none"> • Extension of Pathfinder Drive to the south west to service new lease areas. • As and when appropriate, review the location and investigate the functionality of the public amenities and site office. • Addition of new Bus Setdown and car parking spaces. Site office will be relocated to accommodate these new features. |
|-----------------------------|--|

Airside Infrastructure Investment

- | | |
|---|---|
| Additional Aircraft Parking | <ul style="list-style-type: none"> • Provision for three new aprons to increase general aviation parking capacity by an additional 32 (fee for occupancy) space. • Movement of the existing windsock will allow for the provision of new airside leasable aircraft hangars to allow owners to safely store and service aircraft. |
| Additional Helicopter Parking | <ul style="list-style-type: none"> • Provision for an additional three helicopter parking spaces. |
| New Higher Capacity Helipad Facility | <ul style="list-style-type: none"> • Provision for an all-weather hard stand helipad to accommodate a broad range of helicopters. |
| Airside Investment – New Taxiways | <ul style="list-style-type: none"> • The investment in the construction of new taxiways will seek to improve aircraft manoeuvring and flow during peak periods, reducing congestion and increasing safety. The improvements in efficiency and flow of aircraft will seek to manage and reduce on ground idling time and queuing time for landing approaches. |

3.3 Updating the Caloundra Aerodrome Master Plan

The Caloundra Aerodrome Master Plan 2042 seeks to investigate, challenge and advance the approaches and initiatives established by the previous Caloundra Aerodrome Master Plan.

The purpose of updating the Caloundra Aerodrome Master Plan is to:

- Ensure that the activities and operations of the aerodrome are undertaken in a way that is aligned with contemporary aviation industry practice.
- Explore and understand the ever-evolving technological advancements in the aviation industry to enable the operators of the infrastructure to proactively respond when and as appropriate.
- Strategically manage the future development and operations of the asset in accordance with the expectations of Council and the community they represent.
- Facilitate the evolving aspirations of the aviation industry and seek to leverage sustainable and viable economic development opportunities that support the growth and development of the aviation and aerospace industries in the region and in south east Queensland more broadly.
- Ensure current applicable legislative requirements are understood and considered, and the implications are acknowledged and applied.

3.3.1 Changes to the Plan

A key difference in the approach to area boundaries when comparing the previous Master Plan to the Caloundra Aerodrome Master Plan 2042, is the consideration of the nearby ecological reserve. This change has been a result of detailed ecological investigations into the area identified for potential expansion of the aerodrome footprint into the Isabel Jordan Bushland Reserve. As a result of the ecological studies this area is no longer identified for future potential expansion of the aerodrome related activities.

3.4 Master Plan Process

Sets out the vision over the next stages of the Aerodrome's development:

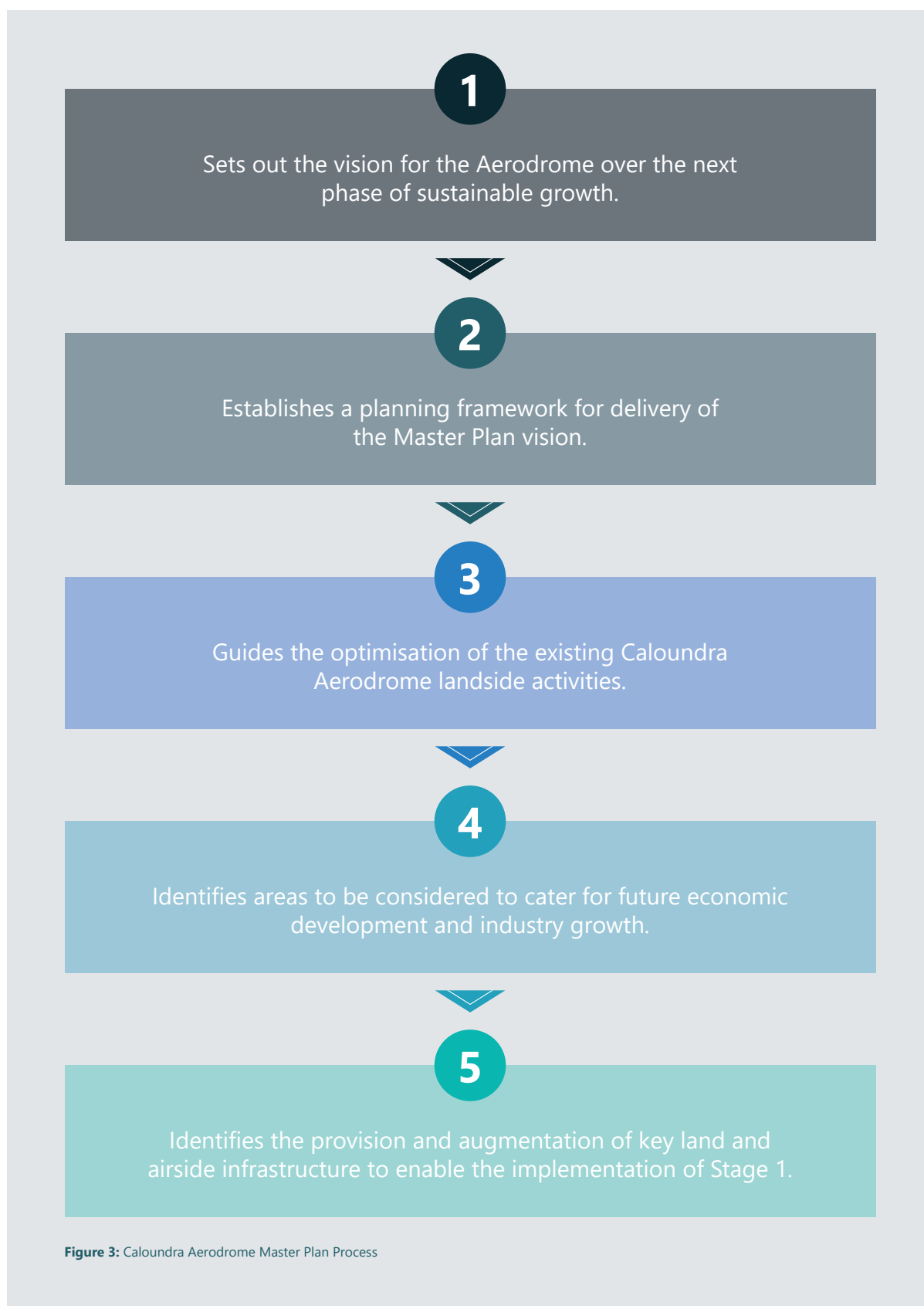
1. Sets out the vision for the Aerodrome over the next phase of sustainable growth.
2. Establishes a planning framework for delivery of the Master Plan vision.
3. Guides the optimisation of the existing Caloundra Aerodrome landside activities.
4. Identifies areas to be considered to cater for future economic development and industry growth.
5. Identifies the provision and augmentation of key land and airside infrastructure to enable the implementation of Stage 1.

The Master Plan has been developed in consultation with existing Caloundra Aerodrome tenants, community-based associations and aviation industry and businesses. These groups each offered unique perspectives into how they wanted the future of Caloundra Aerodrome to be shaped and identified several matters for consideration within the Master Plan.

Generally, stakeholders support the Caloundra Aerodrome and the economic and social service contribution that it makes to the community and the broader Sunshine Coast local government area. There is a recognised economic benefit gain through increasing business development opportunities and the quantum of leasable land. Most stakeholders agree that Caloundra Aerodrome has the potential to become a regional transport hub through leveraging of the future Bus Setdown site, General Aviation commuting, and the proposed Beerwah to Maroochydore (B2M) Station. Connections to the regional aviation network and a proximity to the Caloundra city center make the Site valuable as an interchange and destination.

With a current clientele of established, growing businesses, the potential gain from developing within the existing aerodrome footprint is strong. Caloundra Aerodrome is also in a desirable location, with good road access and proximity to a future public transport infrastructure node.

The impact of aviation activities on surrounding sensitive receptors has been a matter raised as an ongoing concern, with stakeholders identifying that an intensification of education and circuit training could perceivably increase both the volume and duration of the aviation associated noise impacts. Concern was also raised in regard to any optimisation of Caloundra Aerodrome resulting in land being cleared from the neighbouring conservation reserve. Stakeholders have also expressed concern around the potential expansion of activities into the Isabel Jordan Bushland Reserve that has intrinsic community value and is comprised of locally significant environmental conservation values.



Legend

- Study Area 228.3 ha
- Caloundra Aerodrome site boundary
- Existing lot boundaries
- Existing easements
- Existing road network
- Indicative Beerwah to Maroochy Rail Extension corridor
- Public safety area
- Dedication for the public transport corridor and buffer
- Commercial redevelopment opportunity
- Proposed leaseable areas (subject to further investigation)
- Indicative helipad location
- Proposed leaseable areas - airside (subject to further investigation)
- Indicative taxiway access
- Indicative road access
- Henebery Place extension to Pelican Waters Boulevard (alignment to be considered and coordinated in the ultimate Beerwah to Maroochy Rail Extension design)
- Proposed Airside extension
- Proposed Airside adhoc aircraft activities
- Proposed Bus setdown and car parking
- Taxiway (based on future demand)
- Undercover open T Hangar parking
- Future windsock location
- Navigational aid buffer/restricted building height
- Indicative Stage 2 (30 ha approx)

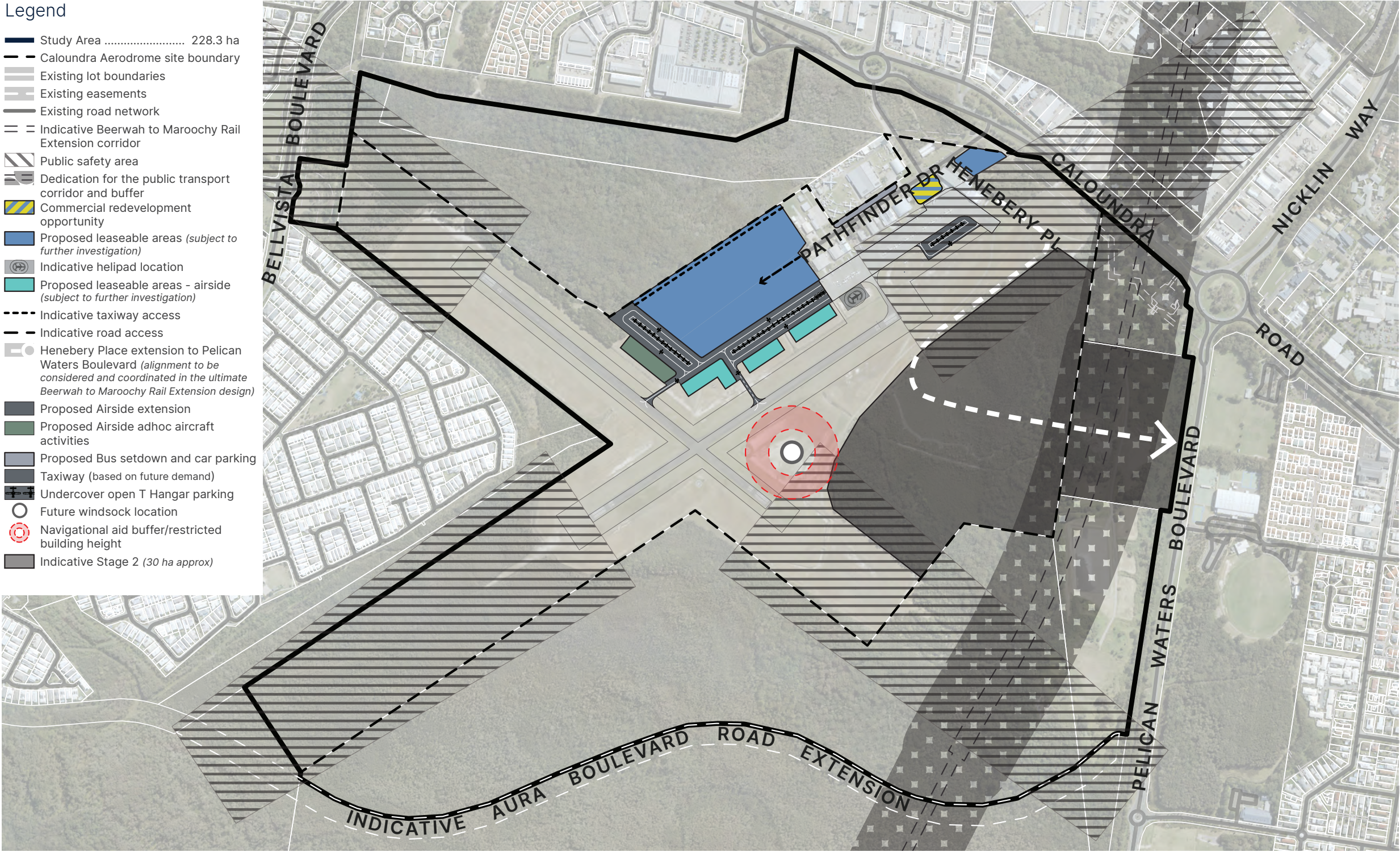


Figure 4: Master Plan Overall

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4

Caloundra Aerodrome

Caloundra Aerodrome is located at 14 Caloundra Drive, Caloundra West, and is legally known as Lot 1 on SP312324. It is 3.5km west of the Caloundra city centre and has a total study site area of approximately 145ha. The site is generally flat sloping down towards the south. It has an elevation of 38ft above mean sea level and is located at a latitude of 26.48° South and a longitude of 153.15° East.

The land tenure for the Caloundra Aerodrome is freehold land owned by Sunshine Coast Council. This provides Council with the opportunity to explore and facilitate economic development opportunities for the Aerodrome that seek to advance Council's commitment to the delivery of the Regional Economic Development Strategy (REDS) and manage the future development of the aerodrome in a commercial manner while balancing the expectations and commitments of the broader community.

Legend

- Caloundra Aerodrome Site Boundary
- Major Roads

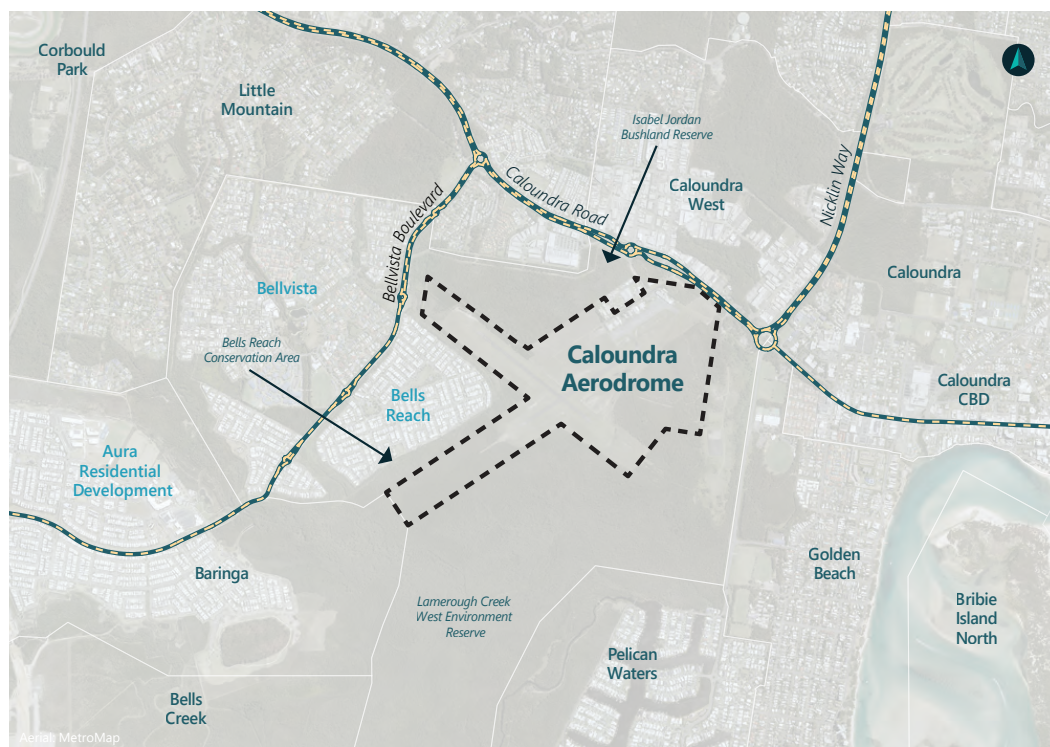


Figure 5: Locality Map

4.1 Surrounding Land Uses

The land uses surrounding Caloundra Aerodrome are a mix of industrial to the north, a portion of conservation land then residential to the east, an ecological land reserve to the south, and residential to the west. Given that both the east and west sides of the lot contain sensitive uses, and the south is an ecological reserve, additional development will need to mitigate against or minimize the impacts from noise pollution or to amenity in the surrounding area.

4.2 Industry Composition

The Caloundra Aerodrome currently supports a number of businesses, each of which occupy one or multiple lots at the aerodrome site. Businesses currently operating at Caloundra Aerodrome are

primarily aviation-related, and include advanced helicopter modifications and fit outs, aircraft flight training, aircraft repairs and maintenance, aviation equipment sales and skydiving training.

In addition to formal lease holdings, private aircraft are parked at Caloundra Aerodrome both at secure tie down points on the apron and on adjoining grassed areas. At present Sunshine Coast Council does not charge for runway use or aircraft parking. However, this is an area that Council should look to transition to.

There is some interaction between the Aerodrome-based businesses and the industrial land adjacent to the site, with several Aerospace part manufacturers relocating to the industrial land and continuing to work with airside businesses intermittently.

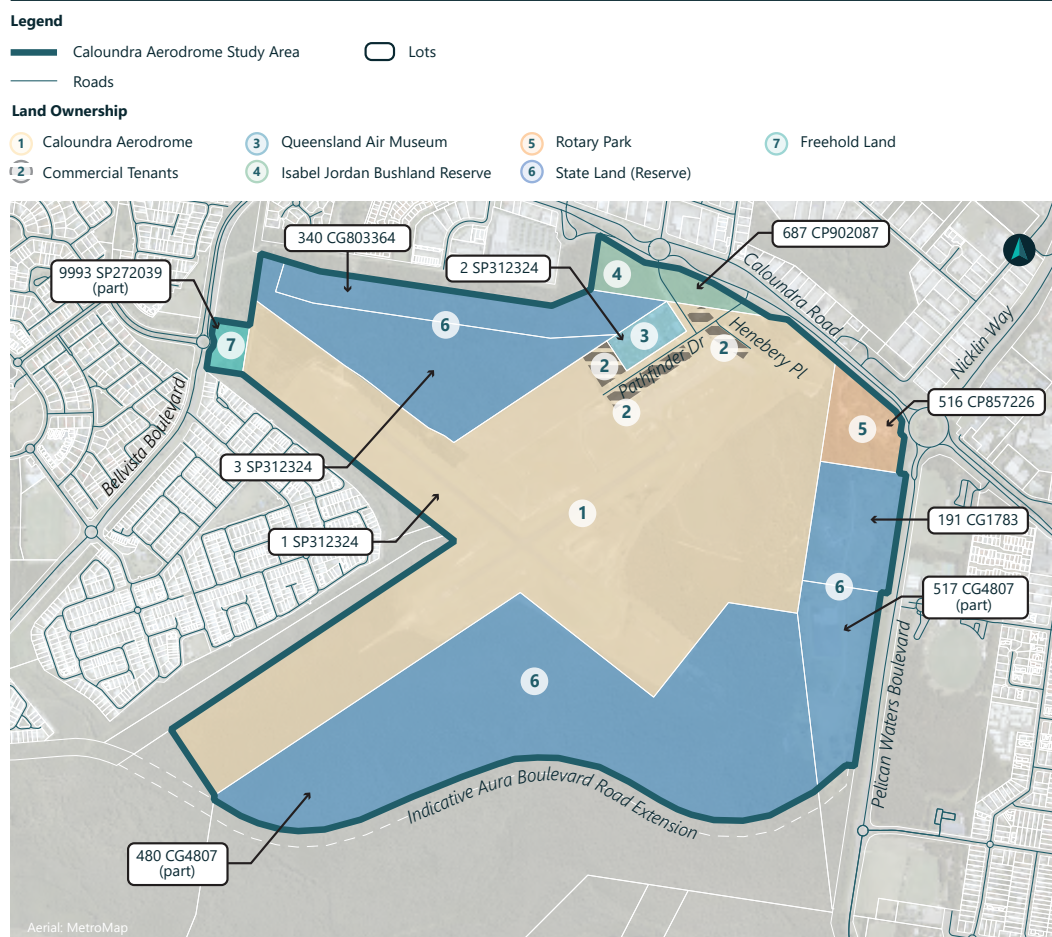


Figure 6: Land Ownership

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4.3 Community Activities and Benefits

The Caloundra Aerodrome supports a diverse range of community-based activities and benefits that are considered as being locally, regionally and nationally significant. These include:

- Queensland Air Museum,
- Westpac Lifesaver Rescue Helicopter, and
- Australian Air Cadets.

4.3.1 Queensland Air Museum

The Queensland Air Museum (QAM) is located on the northern side of the Caloundra Aerodrome, on reserve land that is adjacent to several freehold lots. The 2ha QAM site was first established at the Caloundra Aerodrome in 1986. It now incorporates two hangars, a library and storage facilities as well as hard stand display areas.

In 2020 the QAM engaged Dr Tony J Brady to undertake an Assessment of Significance of the QAM Collection. The assessment identified that QAM is the largest and most diverse aviation museum in Australia. It is operated by volunteers and currently has 358 registered members. QAM's mission is to collect and preserve all aspects of aviation heritage with special emphasis on Australia and Queensland and to exhibit the collection for the educational and cultural enrichment of the community.

The Queensland Air Museum Inc was formed as a not-for-profit society in June 1974 and was reincorporated under the Queensland Associations Incorporation Act on 2 April 1998.

The museum is run entirely on a volunteer basis and the entire collection of the museum is deemed to be held in trust for the community. The QAM team is well organised, with a defined structure that is coordinated by an elected executive committee supported by an elected general committee and volunteers in assigned roles.

QAM also plays a key role in contributing to the social capital and connectedness of the Caloundra community. QAM connects over 100 volunteers with their passion in aviation and hosts events that are significant for the local and regional aviation communities. These events are a place for connecting, sharing interests, socialising and historical preservation. The site also offers several educational sessions and events that are used to attract and engage the broader Caloundra community. Recently, the site has pivoted to become a hosting venue for corporate and social events.

4.3.2 Westpac Rescue

In addition to the QAM, the Westpac Rescue Helicopter and Air Cadets are users that bring a host of benefits to the community. The Westpac Rescue Helicopter operates in the local Sunshine Coast area to perform and assist with a variety of sea and land based rescues. This service is a mix of paid workers and volunteers and works with local Lifeguards and Emergency Services to educate the public, rescue people in danger, and provide a great public service.

4.3.3 Air Cadets

The Australian Air Cadets are an extension of the Royal Australian Air Force and serve to introduce people under 18 to an environment working with Aircrafts. The Cadets operate a variety of courses and camps to promote teamwork and other life skills. The Air Cadets host several educational and practical events to provide the youth with a variety of life skills and learned experiences.



5

Employment and Economic Contribution



5.1 Current Economic Conditions

The Caloundra Aerodrome facility currently supports a range of aviation businesses. The businesses currently operating are primarily aviation-focused, and include advanced Helicopter modification and fit-outs, Aircraft maintenance, repair and part manufacturing, flight training, charter flights, and skydiving.

Including direct and flow-on activity, the Aerodrome is estimated to have contributed the following to the Sunshine Coast LGA economy in 2019-2020:

- \$64.6 million in output for local businesses (0.3% of the total for the Sunshine Coast LGA).
- \$27.6 million in Gross Regional Product (0.4% of the total for the Sunshine Coast LGA).
- 502 FTE jobs paying \$18.1 million in wages, salaries, and other employee compensation (0.4% of FTE jobs and 0.4% of total wages and salaries for the Sunshine Coast LGA).

The strongest sector for the 2019/20 Fiscal Year was Helicopters and Aircraft Repairs and Maintenance due to its large number of on-site staff, and high industry costs. This sector generated 86% of the Aerodrome's contribution to Gross Regional Product (GRP) and 58% of the direct employment. Conversely, flight training despite providing 13% of direct employment, generated only 4% of the GRP contribution. It should be noted that these figures are based off of 2019/20 data only and do not show long term movements. These figures are to be revised and reviewed periodically to identify new trends.

5.1.1 Relations with other Regional Aviation Facilities

The South East Queensland aviation facility network is serviced by a combination of Airports and smaller Aerodromes and Airfields. Generally, the differences between Airports and Aerodromes come from the scale of their operations. Airports offer general aviation and aviation related services at a national and international level, while aerodromes and airfields offer the same services but at a regional scale.

Historically, the Sunshine Coast Airport has operated largely independently of the Caloundra Aerodrome, with both facilities not mentioning collaboration in their respective master plans. Similarly, many of the regional Aviation facilities do not collaborate in a consistent manner. This historic disconnect provides the opportunity for the creation of an integrated plan between the South East Queensland aviation facilities, reinforcing the notion of the Caloundra Aerodrome and Sunshine Coast Airport becoming complementary assets.

This has already begun, with the *Sunshine Coast Regional Development Strategy 2013 - 2033* establishing a Sunshine Coast Enterprise Corridor from the Sunshine Coast Airport to the Caloundra Aerodrome. This corridor will run parallel to the Caloundra South PDA.

5.2 Economic and Aviation Trends

5.2.1 General Economic Themes

Macroeconomic change has been occurring in Australia for some time, but the emergence of the COVID-19 pandemic has been catalytic in accelerating change in the manner in which Australian (and global businesses) operate.

5.2.2 De-Globalisation of Supply Chains

Trade restrictions imposed (on a temporary basis) in the early stage of the COVID-19 pandemic resulted in supply chain breakdowns across the world (Harvard Business Review, 2020). In response, corporations are moving to mitigate future risk through adapting their supply chains:

- Use of technology to reduce risk exposure as well as other process innovations to improve access to the supply chain (such as bringing some components of the manufacture process in house).
- Diversifying the supply base (geographically).
- Micro supply chains by establishing multiple, smaller, smarter supply chains in market or close to market.
- Decentralisation of supply chains by moving supply chains to more regional areas, closer to primary products and away from some of the risks and costs of operating in the cities.

At the same time, consumers are still demanding lower costs, and this balance between localised production and supply chains and costs of production will be key in improving local economic outcomes. For the Sunshine Coast, this theme offers an opportunity to leverage the region's relatively low cost of industrial land, proximity to Brisbane (and export markets) and strong lifestyle amenity to attract and retain key businesses in the region.

5.2.3 Increased Digitalisation of Work and E-Commerce

The COVID-19 pandemic has resulted in a surge in e-commerce and other components of digitisation (UNCTAD, 2021). The policy response to COVID-19 domestically resulted in many Australians working from home. In late April and early May 2020, approximately 46% of working Australians said they were working from home (ABS, 2020). During this period, the use of digital technology became a replacement for many activities previously primarily done through face-to-face interactions, including business meetings, education, health and shopping. Globally, e-commerce's share of total retail trade lifted from 14% to 17% between 2019 and 2020. Domestically, Australian e-commerce expanded by 57.0% in the 2020 year (Australia Post, 2021).

In a mid-2021 survey of Australians, approximately 32.8% indicated they expected working from home to be an aspect of COVID-19 restrictions which would continue in their life after COVID (ABS, 2021).

The implications of this trend for the Sunshine Coast are the potential for increased residential attraction as working from home and access to e-commerce platforms for shopping and other activities facilitates greater choice of residential location for Australian workers.

In terms of aviation activity in the Sunshine Coast, there is potential for logistics, warehousing and other activities to locate to aviation precincts such as Caloundra Aerodrome to realise efficiencies in the transport of time-sensitive goods requiring air freight. This could potentially include the use of drones for delivery purposes within the region.

5.2.4 Advanced Manufacturing

Advanced manufacturing has significant opportunity in Australia, resulting in higher value add outcomes for the industry. It is expected the sector will be more focused on bespoke production of goods, expansion of manufacturers' role in the value chain, incorporation of smart technologies in the process, a focus on environmental and social sustainability and greater collaboration and integration of supply chains (CSIRO, 2016).

Attraction of advanced manufacturing businesses is a potential opportunity for the Sunshine Coast, with local industrial land prices significantly lower than those in Brisbane and Sydney, lower labour costs, strong access to infrastructure and access to available land for development (Sunshine Coast Council, 2020). There is potential for this activity to be attracted elsewhere within the Sunshine Coast LGA where clustering may already be occurring.

The advanced manufacturing sector already has a presence in the Caloundra Aerodrome facility, with the presence of HeliMods located onsite. The exploration into electric aircraft manufacturing presents a unique opportunity to transform how current flight movements are managed and shift into the software, robotics, and innovation sectors. Additionally, this leans into the research and development of new and experimental technology-based solutions for the aerospace industry. The attraction of further high value-added manufacturing activity to the Caloundra Aerodrome space is a key opportunity to be leveraged by the Master Plan.

5.2.5 Regional Migration

The Sunshine Coast's population growth has been bolstered from 2020 onward, stemming from COVID-related interstate migration. Key age groups that have experienced significant reductions in departure rates between December 2019 and December 2021 include all age cohorts under 45 years. The Sunshine Coast benefits from significant lifestyle amenity including a large number of natural assets as well as close geographical proximity to Brisbane City. The Sunshine Coast LGA has consistently recorded population growth above the rate for Queensland since 2011, with average annual growth of approximately 2.3% over this time frame (compared to 1.6% for Queensland).

This trend, should it be continued into the future, has the potential to improve local business access to skilled labour who might have otherwise relocated for study and work purposes. Increased access to skilled labour has benefits for the advanced manufacturing sector.

5.3 General Themes in Aviation

There is significant structural change impacting the aviation sector. Due to the lack of passenger transport or freight uses of the Caloundra Aerodrome, this section focuses primarily on the trends in aviation that impact on aircraft manufacturing, air freight and general aviation.

5.3.1 Aviation Manufacturing

Recent technological developments in the aviation sector in terms of drones, high-powered aircraft and vertical take-off and landing vehicles (eVTOL) present opportunities to the aviation sector as a whole (DITRDC, 2020). Potential uses for Advanced Aerial Mobility (AAM) and eVTOL in Australia include commuting, emergency services, works and logistics and recreation (Deakin University, 2020).

Drones offer a cost-effective, time-efficient, emissions-minimising solution to a broad range of business challenges, and have been adopted for use in many industries, including insurance, infrastructure, agriculture, and media and telecommunications. Drone use has become increasingly user friendly and accessible over recent years, particularly in Australasia, with the Asia-Pacific region accounting for 34.5% of the global drones market value in 2018 (Drone Insure 2020).

Manufacture of such aviation technologies would be considered high value-add technologies and could be considered as opportunities for location/co-location at Caloundra Aerodrome.

5.3.2 Air Freight

Since the mid-1980s, levels of international freight volumes have lifted significantly, with air freight levels reaching a high of 582,000 (inbound) and 568,600 by 2017-18 (BITRE, 2021). Since the onset of the global pandemic and implementation of (short term) trade restrictions, international air freight volumes have eased. In addition, in international freight volumes, domestic freight volumes on scheduled flights reduced by 16% in the year to June 2020 (Freight Australia, 2020). Trends in air freight, domestic and international, are in contrast to other methods of freight logistics, with maritime and road freight volumes comparatively stable over the period (Freight Australia, 2021).

Recovery in the air freight sector will be dependent on the opening of international borders and the general recovery in the national economy. There is some potential for the Sunshine Coast to play a role in increased access to international markets through air freight; however, it is unlikely this activity will be located at the Caloundra Aerodrome due to the operational limitations associated with associated with the existing facility and the intention for the Sunshine Coast Airport to remain the primary air freight gateway for the Sunshine Coast.

5.3.3 General Aviation and Fixed Base Operations (FBO)/ Charter Operations

General Aviation and the FBO sector have reportedly enjoyed strong growth through COVID-19 as essential business travel sought a safer, and more reliable, mode of travel than commercial passenger flights. Flying operations support a number of industries. From agricultural flying, through to aerial surveying work, border patrol, scientific flying, fly-in fly-out transfers, remote area logistics, flying veterinarians, photographers, tourism etc, there is a vast array of operators which carry out diverse business operations in general aviation and rotary wing aircraft. These Flying Operations present an opportunity for future industry within the Aerodrome, as they all require minimal modification to the existing airside infrastructure. Additionally, General Aviation at Caloundra Aerodrome does not have to compete with the interstate and commercial passenger aircraft traffic seen at the nearby Sunshine Coast Airport, making it a much more efficient option for businesses that run multiple flights. These operating conditions are considered to be significant enablers for the growth of General Aviation activities within the Caloundra Aerodrome.

5.4 Future Industry Development Opportunities

To identify potential future industry development opportunities for the Caloundra Aerodrome, a Benchmark Assessment comparing several other similar regional publicly-owned Aviation Facilities was undertaken, with many of these also in close proximity to a larger Airport.

All the sites operate under similar circumstances to Caloundra Aerodrome and with similar surrounding land uses. The primary uses of the sites were found to be the same as Caloundra, with aircraft maintenance and repair, flight training, and aviation manufacturing. Some larger sites were able to integrate some logistic and freight work; however, these sites were located in areas with low population density and were surrounded by industrial zoned land. If an increase in flights and noise impacts were successfully mitigated, there could be an opportunity for Caloundra Aerodrome to accommodate last mile freight capacity functions. This would be especially useful for freight class that are aviation related or require rapid transit, such as medical supplies.

Stakeholder engagement and economic industry trend analysis identifies additional opportunities for Caloundra include:

- The expansion of existing advanced aerospace related manufacturing alongside general aviation businesses. This would grow the economic activity of the site, leading to more jobs and a higher GRP. Many existing businesses have expressed a desire to expand so doing so is a key development opportunity.

- Transforming the Aerodrome into a regional tourism and community destination through investment and expansion of the QAM to provide more community events and with a great array of aircrafts.

5.5 Future Economic Contributions

5.5.1 Stage 1: Optimisation and Development

Stage 1 expects to expand the land available for rent by approximately 6.3ha of net leaseable area across four locations across the Master Plan Study Area. The existing aerospace engineering and development businesses have expressed a desire to expand, with much of the land released in Stage 1 potentially being taken up. In addition to releasing land, Stage 1 also includes improvements to the aviation infrastructure, making for more efficient operations. An assessment was conducted on the potential economic contribution of Stage 1, using a model that assumes the expansion of current businesses with an estimated workforce of 145 employees. Including direct and flow-on activity, Caloundra Aerodrome is estimated to contribute the following to the Sunshine Coast LGA economy once Master Plan Stage 1 is complete and operational. Much like the assessment of the current situation, the QAM is entirely volunteer run, however an expansion to the QAM would be highly likely to increase visitors to the area. However, at this time limitations of the data prevent an estimation of the contribution being projected on this visitor number.

Table 1: Caloundra Aerodrome Projected Economic Contribution for Stage 1

Caloundra Aerodrome Economic Impact Potential	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTEs)
Initial Stimulus in Local Economy	\$89.2	\$31.4	\$22.6	281
Production Induced (Type I Flow-On) Impacts	\$33.7	\$15.0	\$10.7	298
Household Consumption (Type II Flow-On) Impacts	\$55.1	\$28.9	\$15.9	541
Total Impacts in Local Economy	\$178.1	\$75.3	\$49.2	1,119

Note: Conservative estimates according to AEC

5.5.2 Stage 2: Future Investigation Area Development

Stage 2 intends to leverage off the proposed future B2M corridor to create a precinct that connects public transport with the Aerodrome. Stage 2 currently in the preliminary stage, it could be transformed into several different land use types. These include but are not limited to:

- **Aerospace Engineering:** Expansion of low-rise manufacturing, repair, and manufacturing facilities to capitalise on current uses.
- **Research and Development:** Creation of Aerospace Centre for the development of new aviation technologies, flight simulation, drone research.
- **Entertainment Hub:** Capitalise on proposed B2M corridor by increasing tourism potential. Creation of themed entertainment to provide additional attraction to the precinct.
- **Integration of Renewables:** Incorporate Renewable energy production means into new buildings to assist in offsetting emissions. Construction of research facility into renewable energy-powered aircrafts.

The potential economic contributions from Stage 2 are yet to be modelled and quantified therefore the value that can be potentially created from development will only be defined once further investigations are completed. All development options have the potential to result in high value employment generating activities, increasing local aviation and ancillary service jobs and therefore economic activity. However, until the additional investigations are completed quantifying the developable land area; identifying the infrastructure servicing and the associated site access arrangements; a robust economic cost benefit analysis and economic contribution breakdown cannot be calculated with a high level of certainty.

5.6 Aviation Regional Context

Twelve aerodromes were identified in the South East Queensland (SEQ) Region (including Brisbane metropolitan area) which are sufficiently close to Caloundra to potentially pose either a commercial threat or provide additional aeronautical capacity to support Caloundra's General Aviation Activities.

Under the requirements of CASR part 139, only Sunshine Coast and Archerfield are certified (certified aerodromes are generally labelled as airports), while the remainder are categorised as Aircraft Landing Areas and certain other aerodromes such as Caloundra Aerodrome are unregulated facilities and are used in accordance with the aircraft operators certificate and/or pilot's responsibility to determine suitability of the facility. Ownership of these is either private or Council (with various management structures in place).

The aerodromes are shown in Figure 7. Brisbane Airport is included as it is the primary aviation facility in the south east Queensland region.

Aerodromes that provide a similar level of service and standard of facility to Caloundra include Redcliffe, Caboolture, Kilcoy and Watts Bridge Memorial. All however have operational requirements and or constraints which limit their ability to support the existing General Aviation Industry and associated activities at Caloundra Aerodrome (Appendix B). Smaller aerodromes such as Noosa, Teewah (Model Beach Only), Tangalooma, Koorlingal, and Greenfield currently have no known plans for expansion or closure, and would require significant upgrades before they could be considered a relevant competitor to the Aerodrome.

5.6.1 Relationship with Sunshine Coast Airport

A key factor in establishing the Caloundra Aerodrome vision is the relationship context with the Sunshine Coast Airport and the respective aeronautical and non-aeronautical markets each service.

Caloundra Aerodrome's commercial offering seeks to diversify and accommodate the region's aviation-related advanced manufacturing capability. It is envisaged that the Aerodrome's relationship with the Sunshine Coast Airport will be complimentary and will seek to provide a commercial offering that does not directly compete.

The Sunshine Coast Airport's runway length and 24-hour operation enables it to accommodate a host of Regular Passenger Transport (passenger aircraft), and General Aviation activities. Additionally, Sunshine Coast Airport also has flight training (fixed wing and rotary), aircraft maintenance, and aeromedical facilities.

By comparison, Caloundra Aerodrome's short runways and limited taxiway network will continue to limit its market to light aircraft, primarily used for general aviation and for ab-initio (beginner) flying training.

Both airports are located near trunk roadways and may have land available for aviation related commercial development. The potential development area available at Sunshine Coast

Airport and the number of potential environment constraints at Caloundra Aerodrome make Sunshine Coast Airport more attractive for larger developments, particularly freight hubs (in line with its Master Plan objectives).

With the presence of the Queensland Air Museum, Caloundra Aerodrome is also a tourism destination. Both aerodromes do and will continue to provide scenic flights for the tourism market.



Figure 7: Surrounding Aerodromes and Associated Aviation Facilities



6

Planning and Regulatory Context

6.1 Commonwealth Legislation

6.1.1 Environment Protection and Biodiversity Conservation Act 1999

The *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is the Australian Government's central piece of environmental legislation. It provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places — defined in the EPBC Act as matters of national environmental significance.

Using the Protected Matters Search Tool returned several threatened ecological communities, threatened flora and fauna and migratory species that have potential to occur within 2km of the Caloundra Aerodrome. Previous ecological survey (North Coast Environmental Services, 2018) did not identify any threatened ecological communities, flora and fauna or migratory species. If Matters of National Environmental Significance are identified during additional survey, a Significant Impact Assessment should be undertaken to determine if a referral to the Minister is required.

6.2 State Planning Legislation

6.2.1 Shaping SEQ – South East Queensland Regional Plan 2017

The Caloundra Aerodrome is identified within the Northern sub-region in the *South East Queensland Regional Plan 2017* (SEQRP). The Northern sub-region is characterised by:

- A strong focus on consolidation around major urban centres and along a planned coastal passenger transport corridor, complemented by major expansion areas on its southern and south-western edges where public transport can be easily extended.
- Its role as the northern gateway, connecting SEQ to coastal and regional cities, and central and northern Queensland towns.

- An emerging national and global-oriented economy that embraces innovation and renewable energy, creativity and entrepreneurial activity, and which leverages major 'future city' investments in health and education infrastructure.
- Its role as a domestic and international tourism destination.
- A growing domestic airport, which supports tourism and broader economic activities.
- A developing integrated transport network that is accelerating access within the sub-region, and contributing to strong social and economic connections with the Metro sub-region.
- Nationally and internationally recognised natural assets and environmental values, including world-class hinterland areas and an identifiable inter-urban break that helps frame and differentiate it from the Metro sub-region.

The Caloundra Aerodrome though not specifically identified within the SEQRP, has the characteristics of regionally significant infrastructure as it does have a role in advancing the characteristics for the region by supporting economic diversity, tourism and activity clustered around planned public transport nodes.

6.2.2 State Planning Policy

The State Planning Policy (SPP) identifies the interests the State has across a range of planning matters. Relevant to the Caloundra Aerodrome is the State's position on the protection and facilitation of aviation facilities, the encouragement and growth of the State's aviation industry, and the Aerodrome's potential as a tourism destination. The SPP acknowledges the contribution that the aviation industry makes to the broader Queensland economy on the areas of tourism, logistics, business. Air transport infrastructure such as aerodromes also provide important community infrastructure and enable the efficient delivery of vital emergency services. The SPP provides direction relating to managing and mitigating development to ensure that the operation of strategic airport infrastructure is not impacted.

The SPP identifies that development and associated activities:

- (1) *Do not create incompatible intrusions, or compromise aircraft safety, in operational airspace.*
- (2) *Avoid increasing risk to public safety in a public safety area.*
- (3) *Are compatible with forecast levels of aircraft noise within the 20 ANEF contour or greater [as defined by Australian Standard 2021–2015: Acoustics—Aircraft noise intrusion—Building siting and construction (AS 2021), adopted 12 February 2015] and mitigate adverse impacts of aircraft noise.*
- (4) *Development complements the role of a strategic airport as an economic, freight and logistics hub, and enhances the economic opportunities that are available in proximity to a strategic airport.*
- (5) *Aviation facilities are protected by avoiding development and associated activities within building restricted areas that may affect the functioning of the aviation facilities.*
- (6) *Key transport corridors (passenger and freight) linking strategic airports to the broader transport network are identified and protected.*

Additionally, the delivery of sustainable tourism development is facilitated where it:

- (1) *Is complementary to and compatible with other land uses including sensitive land uses.*
- (2) *Promotes the protection or enhancement of the character, landscape and visual amenity, and the economic, social, cultural, and environmental values of the natural and built assets associated with the tourism development.*

The SPP specifically lists strategic airports of state significance, of which the Caloundra Aerodrome is not one. However, the SPP intent, guidance and direction is relevant to the Caloundra Aerodrome viewed through a regional significance lens and could generally be applied within a local context through the Sunshine Coast Council regulatory land use planning mechanisms.

6.3 State Environmental Legislation

The Caloundra Aerodrome Study Area contains several lots that are impacted across a variety of State Environmental Legislation. These lots include:

- 340 CG803364
- 687 CP902087
- 516 CP857226
- 191 CG1783
- 517 CG4807
- 480 CG4807
- 3 SP312324

As part of the investigation and development process into land release and future development, several ecological requirements may be activated. These include:

- Flora Survey to be completed prior to vegetation clearing under the *Nature Conservation Act 1992*.
- Survey into the Wallum Froglet – if discovered, management plan will be required under the *Natural Conservation Act 1992*.
- Any Development in Koala Habitat will be considered Assessable under the *Planning Act 2016* and require the applicable Development Application.
- If activities (land clearing) prescribed under Schedule 1 of the *Environmental Offsets Regulation 2014* is required and has an impact on MSES Vegetation, an Environmental Offset Plan will be required.
- Remnant Vegetation that is cleared across the above impacted lots is exempt provided it is done for an airport-related purpose and does not require development approval under the *Vegetation Management Act 1999*.

-

Figure 8: Koala Habitat Mapping (Source: DAMS Mapping)

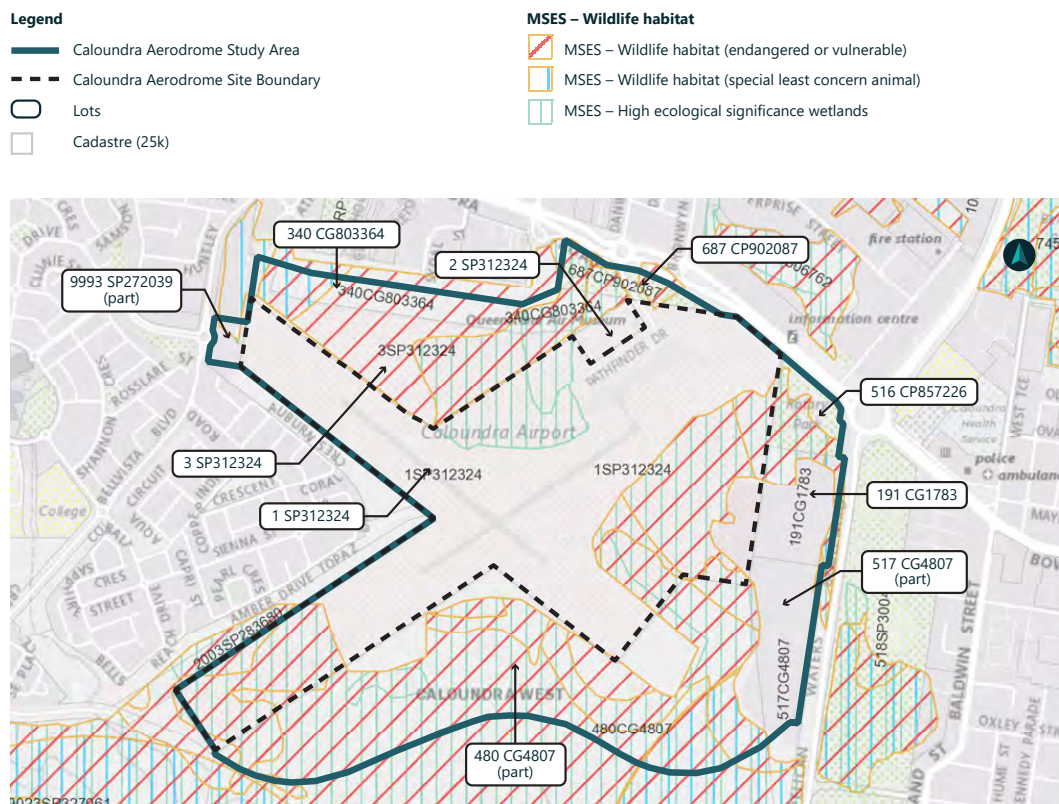


Figure 9: MSES Mapping (Source: SPPIMS)

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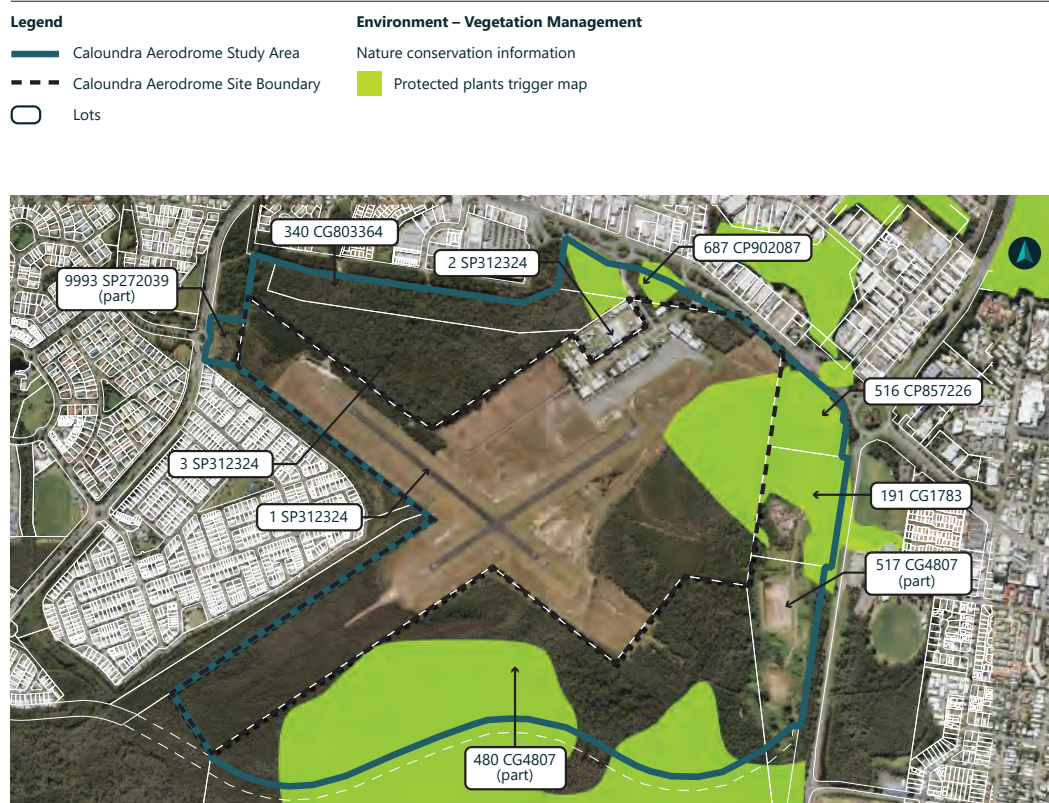


Figure 10: Protected Plants Mapping (Source, Queensland Globe, 2021)

6.4 Sunshine Coast Planning Scheme 2014

The *Sunshine Coast Planning Scheme 2014* (the Planning Scheme) sets out Council's framework to manage growth and development until 2031. The strategic intent for the region is for the Sunshine Coast to be renowned for its vibrant economy, ecological values, unique character and strong sense of community. The majority of new growth will be located in the Sunshine Coast Enterprise Corridor, with 'game changer' projects and associated priority investment areas including the Maroochydore City Centre Priority Development Area, Sunshine Coast University Hospital and adjacent health precinct, the Sunshine Coast Airport and the University of the Sunshine Coast.

The Planning Scheme indicates that while the Sunshine Coast Airport provides regional, national and international aviation and related services, the Caloundra Aerodrome is intended to provide general aviation and related services for the Sunshine Coast.

The Caloundra Aerodrome Master Plan seeks to facilitate and accommodate the preferred land uses permitted within the current zoning. These uses are targeted toward specific operational, functional and locational needs to support air services, while being of a scale, appearance and intensity that is compatible with existing and intended development in adjacent zones.

At the Ordinary Meeting held in January 2021, the Sunshine Coast Council resolved to prepare a new Planning Scheme. It is intended that the outcomes of the Caloundra Aerodrome Master Plan will seek to inform the preparation of the new Planning Scheme.

6.4.1 Zoning and Overlays

The Caloundra Aerodrome is zoned 'Community Facilities', specifically identified for Air Services in the Caloundra Local Plan Area. The Aerodrome is surrounded by Environmental Management and Conservation Zoned lands, Medium Impact Industry zoned land, Open Space and Sport and Recreation zoned land. Refer to Figure 11: Zoning Plan (*Sunshine Coast Planning Scheme 2014* extract).

The Aerodrome is mapped as containing land subject to the Airport environs overlay due to the existing land use over the site. The Airport environs overlay, Airport environs overlay code and Planning Scheme Policy (PSP) for the airport environs overlay code intend to maintain and enhance the safety and operational efficiency of Caloundra Aerodrome and aviation facilities and avoid land use conflicts.

The Airport environs overlay code includes a number of assessment benchmarks relating to Caloundra Aerodrome including the consideration of obstruction and hazards, aircraft noise and public safety areas. The PSP for airport environs overlay code provides guidance to achieve the obstruction and hazards outcomes in the Airport environs overlay code e.g. cranes, bodies of water, lighting.

The Airport environs overlay, Airport environs overlay code and Planning Scheme Policy (PSP) for the airport environs overlay code intend to maintain and enhance the safety and operational efficiency of Caloundra Aerodrome and aviation facilities and avoid land use conflicts.

The Airport environs overlay code includes a number of assessment benchmarks relating to Caloundra Aerodrome including the consideration of obstruction and hazards, aircraft noise and public safety areas. The PSP for airport environs overlay code provides guidance to achieve the obstruction and hazards outcomes in the Airport environs overlay code e.g. cranes, bodies of water, lighting.

The Master Plan area is identified as being subject to additional overlays in the Planning Scheme including:

- Biodiversity, Waterways and Wetlands
- Flood Hazard
- Bushfire Hazard
- Height of Buildings and Structures

Impacts of these overlays on the future Caloundra Aerodrome Master Plan are discussed in the subsequent applicable sections of this report.

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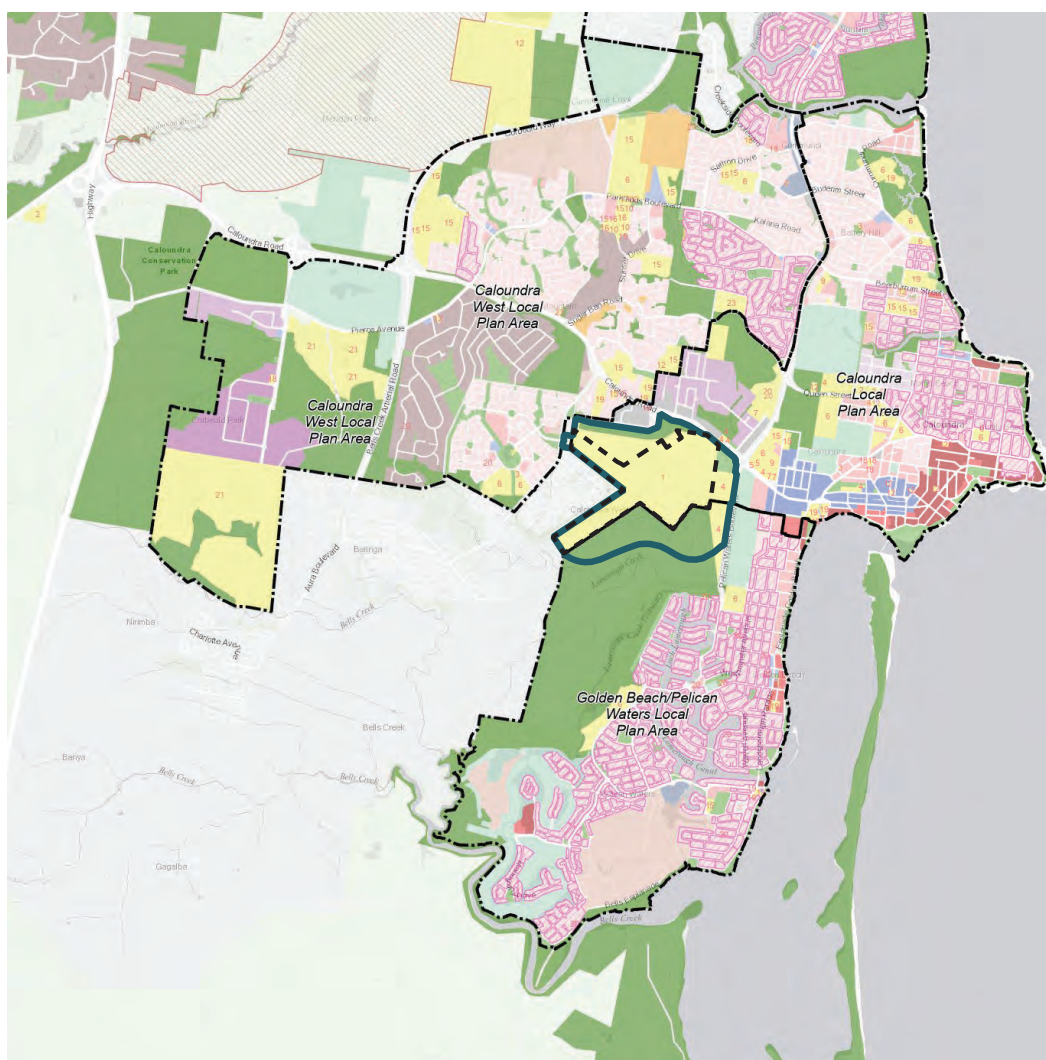
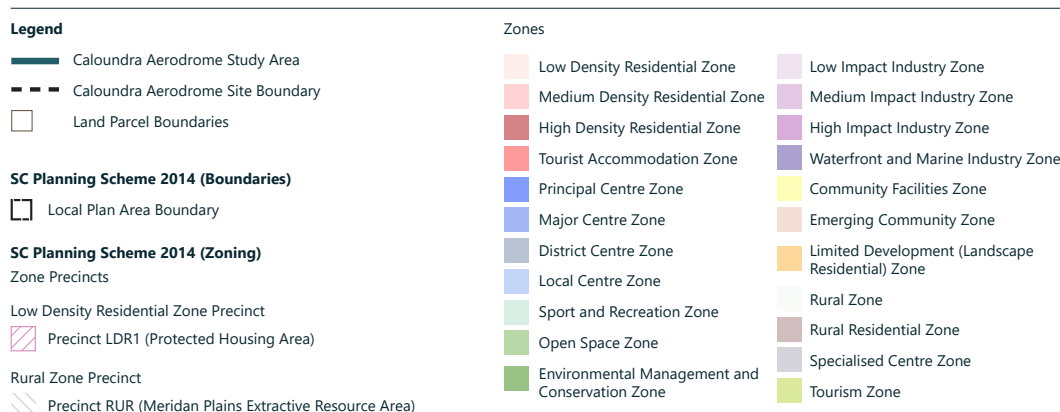


Figure 11: Zoning Plan (Sunshine Coast Planning Scheme 2014 extract)

6.4.2 Biodiversity, Waterways, Wetlands

Overlay Mapping identifies Native Vegetation Areas and Wetlands across Lot 3 SP312324, 340 CG803364, 687 CP902087, 516 CP857226, 191 CG1783, 517 CG4807 and 480 CG4807 (Refer to Figure 12). Any future developments will require assessment against Code 8.2.3 for Biodiversity, Waterways and Wetlands Overlay Code under the *Sunshine Coast Planning Scheme 2014*.

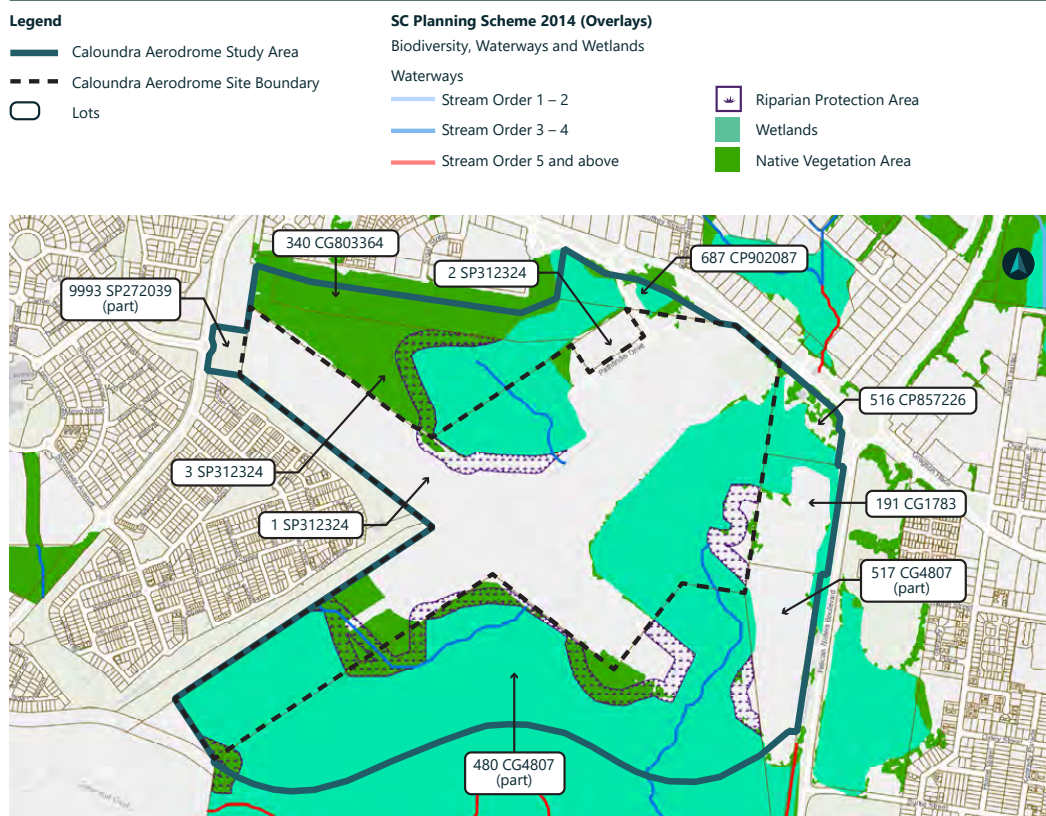


Figure 12: Biodiversity, Waterways and Wetlands (*Sunshine Coast Planning Scheme 2014 extract*)

6.4.3 Caloundra Local Plan Code

Under Part 7: Local Plans of the Sunshine Coast Planning Scheme 2014, the Caloundra Local Plan Code was created to provide locally relevant planning provisions for assessable development in the Caloundra area. These provisions guide urban development in such a way as to preserve and improve the amenity and character of the area. Regarding the Caloundra Aerodrome, the Caloundra Local Area Plan Code specifies that:

'Development within Precinct CAL LPP-3 (Caloundra Aerodrome) provides for the establishment of a range of uses and activities that are compatible with the primary function of the aerodrome including aviation related business, tourism and industrial uses. The scale of development and operations recognises the location of the aerodrome within the urban fabric and the need to take into consideration impacts on nearby existing or proposed residential areas. Development at the Caloundra Aerodrome does not compromise the Sunshine Coast Activity Centre Network.'

This Overall Outcome in addition to Performance Outcome PO21 of Table 7.2.6.4.2 provide the Planning Scheme guidance for the Aerodrome Facility. Air services can be supported at Caloundra Aerodrome subject to compliance with the Caloundra local plan code, zone codes and relevant overlay codes.

6.4.4 Regional Economic Development Strategy

Sunshine Coast: The Natural Advantage, Region Economic Development Strategy (REDS) is a high-level blueprint for the sustainable economic growth of the Sunshine Coast Local Government Area (LGA) from 2013 to 2033. The REDS seeks to develop the Sunshine Coast economy to realise its fullest potential and turn the Region into an active participant in the domestic and global economy. This will be achieved through investment into seven key regional industries:

1. Health and Wellbeing
2. Education and Research
3. Tourism, Sport and Leisure
4. Knowledge Industries and Professional Services
5. Agribusiness
6. Clean Technologies
7. Aviation and Aerospace

A facility such as the Caloundra Aerodrome offers great potential to pivot from a general aviation facility into an aerospace innovation hub, as it overlaps with many of the key regional industries – being a traditional aviation facility, with the ability to incorporate education, research and development, tourism, and clean technologies through future expansion. The addition of a station for the Beerwah to Maroochydore Rail Extension also links the Aerodrome to the broader Enterprise Corridor.





7

Caloundra Aerodrome Site and Physical Characteristics

7.1 Urban Operating Context

The Caloundra Aerodrome is located within the urban setting of Caloundra, close to the Central Activity Centre. This predominantly commercial and residential precinct is bounded by Currimundi Creek and Currimundi Lake in the north, the Coral Sea in the east, Landsborough Parade, Kennedy Parade, North Street and the Caloundra Aerodrome in the south, and Latcham Drive, Mark Road, the industrial area, the transmission line, Sugar Bag Road, Nicklin Way, Gannawarra Street and Gamban Esplanade in the west. The Caloundra Central Activity Centre has an estimated residential population of approximately 17,366 people as identified by the 2021 ABS data.

The *Caloundra Centre Master Plan 2017* focuses on the downtown City Centre precinct east to the Aerodrome, and the *Caloundra South Urban Development Area Development Scheme 2011* sharing a property boundary with the Aerodrome.

Both of these documents identify the Caloundra Aerodrome as a site to be considered to acknowledge and preserve the Aerodrome's existing use rights, operational safety and efficiency. The replacement of the *Caloundra Aerodrome Master Plan 2013* provides the opportunity for the outcomes endorsed through all of the previously mentioned strategic documents and policies to be integrated into the new planning scheme.

Regardless, the Aerodrome's location along the arterial Caloundra Road, sandwiched between two master-planned areas ensures its integration into Caloundra's urban fabric. The Caloundra Aerodrome is located among a mix of uses with the Baringa and Bells Reach residential developments to the west, a business park to the North, the coastal residential suburb of Golden Beach to the east, and Isabel Jordan Bushland Reserve to the north. With such a variety of uses in its surroundings, the Caloundra Aerodrome is well positioned to integrate complementary services into these existing uses.

7.2 Cultural Heritage

Caloundra Aerodrome is situated on the traditional lands of the Gubbi Gubbi people (also referred to as the Kabi Kabi People). The lands of the Gubbi Gubbi People extend from approximately 18km north of Brisbane, to approximately 45km south of Bundaberg, encompassing almost 10,000km² of land.

Rotary Park, located on the eastern side of the study area (north of Stage 2), is nominated Native Title land. Duck Holes Creek – the waterway which dissects Rotary Park, previously provided Indigenous people with shelter and a stable food source. The group that inhabited the area and surrounding spaces were known as the Undumbi family, and many of their descendants live within Caloundra today.

While the Aboriginal cultural heritage database and register did not identify any cultural heritage sites within the site itself, fourteen cultural heritage sites were identified within the 1km buffer surrounds. Any future development should have regard to the potential and known presence of cultural heritage artefacts found on the Site and avoid any impact to cultural heritage sites in the surrounding locations.

The *Aboriginal Cultural Heritage Act 2003* ("the Act") commenced on 16 April 2004. The Act binds all persons, including the State, and is intended to provide effective recognition, protection and conservation of Aboriginal cultural heritage. The *Cultural Heritage Act 2003* establishes a duty of care and places legal responsibility on Landowners to act in a way that seeks to protect and conserve aboriginal cultural heritage. On this basis it is recommended that prior to any disruptive earthworks commencing within the Caloundra Aerodrome Master Plan area, a thorough survey of the site should be undertaken to ensure that the legislated duty of care is met.

7.3 Ecological

Reserve land surrounding the Caloundra Aerodrome and the eastern portion of the freehold land parcel contains high value natural assets which are important within the regional and local area. These vegetated areas provide a safe and non-intrusive buffer between aviation land uses and residential communities. It is appropriate to ensure continued protection of these values on reserve land.

Ecological survey investigations of the Master Plan area identified that Wallum froglets were present at both the Isabel Jordan Bushland Reserve and the wetland area in the eastern portion of the Aerodrome. Wallum sedge frogs were also identified in the wetland area in the eastern portion of the Master Plan area. Wallum rocket frogs were not identified in either site during the surveys.

Habitat assessments undertaken at each transect identified similar attributes. The topography of most transects was flat with ground depressions, which in many cases held standing water. The vegetation was mostly comprised of a canopy consisting of *Melaleuca* sp., and a relatively open mid-story of *Banksia* sp. A thick understory of *Xanthorrhoea* sp. and sedges was present. Where standing water was present there was also emergent vegetation. The majority of transects were assessed as being suitable habitat for acid frogs.

While no EPBC-listed migratory birds were recorded in the bird surveys, these surveys were conducted in late March 2021 and it is possible that they would have commenced their migration and thus were not present for detection (although note that the non-listed migratory species, the leaden flycatcher (*Myiagra rubecula*) was recorded). It is possible that a number of migratory forest birds and aerial insectivores may use the study area for occasional foraging and/or during migration. The ground parrot was not recorded during targeted surveys, including acoustic sampling spread over a three-month period. For several reasons, it is likely that this is a true absence.

ISABEL JORDAN RESERVE COMMUNITY CONTEXT

The Caloundra Aerodrome adjoins the Isabel Jordan Bushland Reserve, a 4ha area of environment reserve formally described as Lot 687 on CP 902087. The reserve straddles either side of Pathfinder Drive at the entrance to the Caloundra Airport and the Queensland Air Museum. The reserve is administered by Sunshine Coast Council for State Government. The preservation of Isabel Jordan Bushland Reserve is advocated for by Wildlife Preservation Society of Queensland (Sunshine Coast & Hinterland Branch). The Reserve is named in honour of Isabel Jordan, a past president of the group.

On 28 February 2008, four years after the death of Isabel Jordan, an area of bushland reserve was named in her honour for her contribution to the local community and to conservation. The environmental characteristics of the reserve are considered to make a significant contribution and provide ecological and natural benefit to the Caloundra and Sunshine Coast Council communities.

7.4 Bushfire

Caloundra Aerodrome is located within areas at risk for Bushfire. Future Stage 1 development and built form will be required to comply with medium bushfire risk. This will require development to be constructed in compliance with Code 8.2.4 of the Bushfire Hazard Overlay Code (as updated from time to time).

The Bushfire Hazard Overlay maps the potential expansion areas as a medium bushfire hazard area and buffer area. Any development in this area will therefore require assessment against the Bushfire Hazard Overlay Code under the Planning Scheme. Refer to Figure 13.

The extent of bushfire risk for the Stage 2 investigation area will be determined through detailed studies.



Figure 13: Natural Hazards Risk and Resilience: Bushfire hazard area – Bushfire prone area (Source: DAMS)

7.5 Hydrological Regimes

Caloundra Aerodrome is located 4km north of the lower parts of Lamerough Creek, separated by a forested buffer. Historically, Lamerough Creek has not experienced frequent flooding and the proposed Stage 1 optimisation unlikely to be flood affected as the SCC flood mapping does not show impact on any of the existing buildings.

Western and southern portions of the Site are affected by flooding which will need to be appropriately managed within any future development.

7.5.1 Stormwater and Flooding

The Master Plan area is affected by the Flood Management Overlay. Refer to Figure 14. Future Development will be required to be designed to be above the 1 in 100 flood level due to Climate Change allowances, as outlined in the Flood

Overlay Code of the *Planning Scheme 2014*. Some earthworks modifications may be appropriate within the Flood Management Overlay; however, any works must not impact on the downstream water quality or storage capacity.

The areas to the south-west of the runways are considered unsuitable for development. This land may hold opportunities for conservation or for the purpose of mitigating and managing stormwater management.

Although some land to the north west of the runways does not see as intense flooding, it is recommended that these areas are largely avoided for any substantial redevelopment; however, there may be opportunities for some localised modifications particularly within the Caloundra Aerodrome freehold land. Further, there are also some other transient land uses that may be explored for these areas, such as aircraft parking.

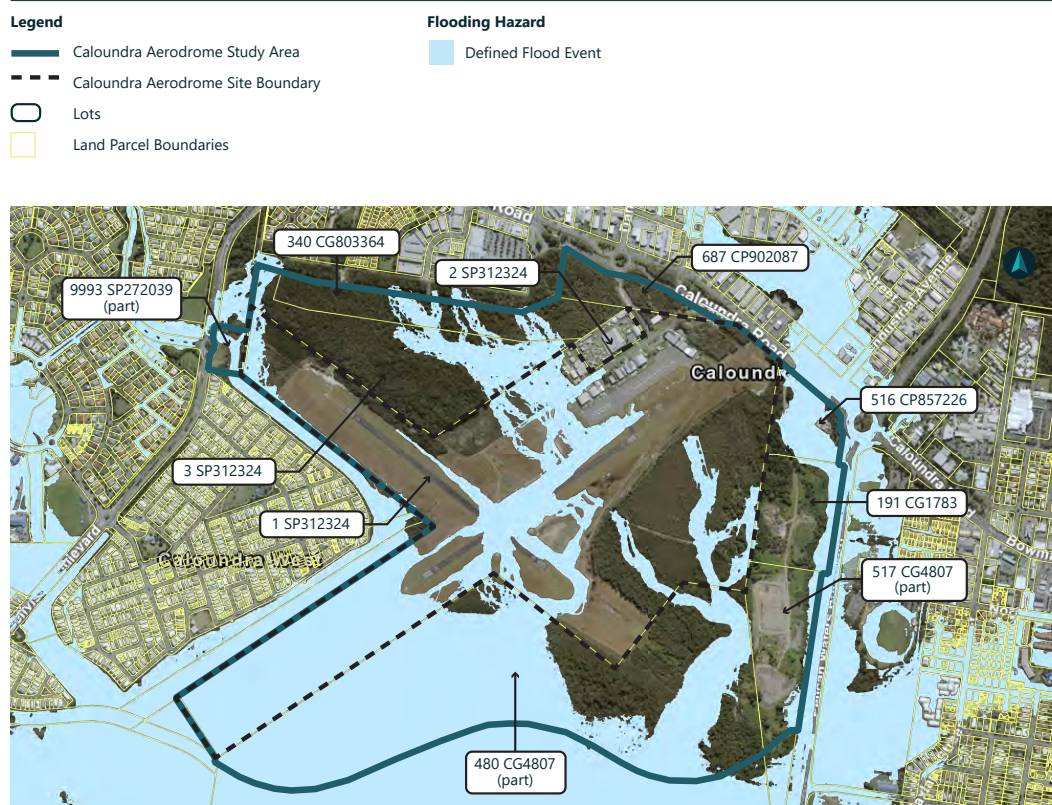


Figure 14: Flood Hazard Overlay

7.6 Contaminated Land

There are areas within the study area that have been identified as having potential contamination. The Caloundra Aerodrome freehold (Lot 1SP312324) is identified as being potentially contaminated. The areas within the western portion of the study area are listed on the Environmental Management Register and Contaminated Land Register due to previous land use activities.

Eight lots were identified as containing moderate contamination constraints and two lots were identified as containing low contamination constraints (Table 2).

Table 2: Contamination Constraints Summary

Land parcel	EMR/CLR listing	Comment	Constraint criteria
191CG1783	EMR	Listed on the EMR for Landfill activities.	Moderate
1SP312324	EMR	Listed on the EMR for fuel storage, potential PFAS risk.	Moderate
2SP312324	EMR	Listed on the EMR for fuel storage, potential PFAS risk.	Moderate
340CG803364	EMR	Listed on the EMR for fuel storage.	Moderate
3SP312324	EMR	Listed on the EMR for fuel storage.	Moderate
480CG4807	-	Potential PFAS risk.	Moderate
516CP857226	EMR	Listed EMR for landfill activities, Listed ERA license for sewerage treatment.	Moderate
517CG4807	EMR	Listed on the EMR for Landfill activities.	Moderate
687CP902087	-	-	Low
9993SP272039	-	-	Low

7.7 Transport

The Caloundra Aerodrome is currently well connected to the existing road network via Pathfinder Drive and Henebery Place. An assessment of the road network indicates that there is some capacity in the existing intersection at Caloundra Road and Pathfinder Drive to accommodate additional trip movements that would be generated by the development of Stage 1. Currently, Caloundra Road is a state-controlled road with many complex intersections and roundabouts. As part of this state ownership, the reserve for the road connects with the Caloundra Aerodrome property boundary.

Once this capacity has been expended, a secondary access to the site may be required. There is a current authorised/emergency access route through Caloundra Road to the north of the site.

This access route will remain and could be investigated for the purpose of providing additional access at a later development timeframe. Another route could be provided to the eastern portion of the Master Plan area from Pelican Waters Boulevard subject to compatibility with future railway corridor infrastructure design studies.

Figure 15 shows the B2M Corridor running along the eastern boundary of the Site, with a planned station located centrally along the Site boundary. Once delivered, this railway station will establish an important regional connection to the Site via public transport.

Active transport exists through Henebery Place, in parallel with Caloundra Road. This network should be utilised and extended to improve connections within the Caloundra Aerodrome precinct.

Legend

- Caloundra Aerodrome Study Area
- - - Caloundra Aerodrome Site Boundary
- Major Roads
- Dedication for the public transport corridor and buffer
- Indicative B2M Stop

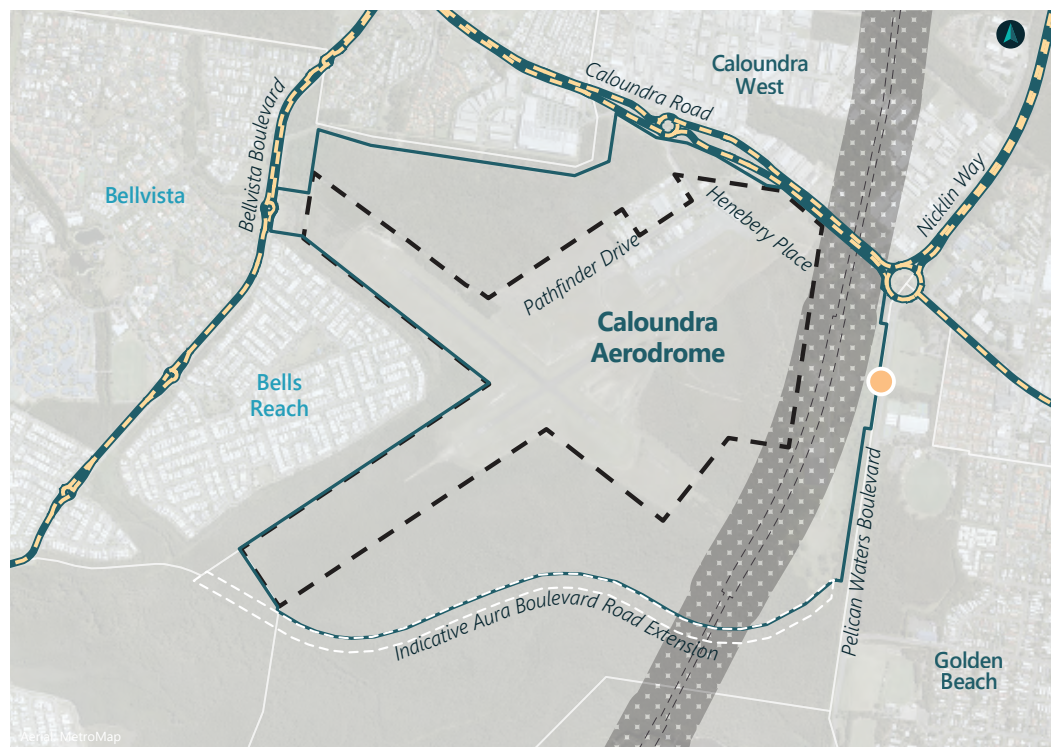


Figure 15: Transport Network

7.8 Landside Infrastructure

The Master Plan area is currently serviced by existing urban utilities including water, sewer, electricity and telecommunications. The following section summarises the current service provision and capacity to service the proposed Master Plan.

7.8.1 Water

The current reticulated water supply is provided through a 150mm pipe from the Caloundra Road/Pathfinder Drive Intersection. The pipe then reduces to 100mm partly along Pathfinder Drive. Although this meets the current demand, if future expansion of industry is to proceed a detailed investigation of water infrastructure augmentation will be required to determine the required upgrades as identified by Unity Water.

7.8.2 Sewerage

The current sewerage infrastructure consists of connections from each lease lot to a recirculated pipe that is pumped to holding tanks connected to the city-wide sewerage network. Although the current system is meeting demand, any future expansion or development will require the system be upgraded and expanded as identified by Unity Water.

7.8.3 Electrical

The current electrical system is part of the urban electric network, with leased areas individually metered. The current infrastructure does meet the demands of Stage 1 construction; however, new business should discuss their energy needs with the local provider (Energex) to ensure reliable connections. It should also be noted that future overhead electrical infrastructure should be mindful not to penetrate the Caloundra Aerodrome Obstacle Limitation Surface (OLS).

7.8.4 Telecommunication Infrastructure

The current telecommunication infrastructure is a fixed line network consistent with the types of network used by providers throughout the city. The current infrastructure can meet the current and projected demand as proposed by the Master Plan.

It is important to acknowledge the potential of the Sunshine Coast International Broadband network infrastructure. This infrastructure facilitates a significant step change for telecommunications in the region. The infrastructure, now complete, provides the fastest international connection point in Queensland. This telecommunications project provides the opportunity for businesses of the region to generate business growth and facilitate investment and seeks to future-proof the regions telecommunications capability and capacity.

7.8.5 Stormwater Infrastructure

The current drainage infrastructure is a mix of piped and open drainage lines. Historically, a Q100 flood event has been required to cover the site; however, small flood events have partially covered the runways, making them unusable. As the city sees increasingly severe flood events, the drainage of the site should be reconsidered to minimise down time after a flood event.

7.9 Aviation and Airfield Infrastructure

The key infrastructure elements that contribute to the ongoing operations at the Caloundra Aerodrome are Ground Facilities and Airspace and are considered in the following summary.

7.9.1 Ground Facilities

RUNWAYS

The Aerodrome is serviced by two runways that offer the ability to cater for a broad range of aircraft. Runway 05/23 is a non-instrument Code 1 runway oriented on a magnetic bearing of 046°/226°. It is 795m long, 18m wide and sealed. It is located within a 915m x 60m wide runway strip, which prior to 2020 made the runway suitable for a non-precision approach. The pavement is rated for a maximum take-off weight (MTOW) of 5,700kg and a tyre pressure of 650kpa/ 92PSI. This rating will allow unlimited operations by most Code 1 aircraft and some smaller Code 2 aircraft such as Metro-II. Runway 05/23 is equipped with low-intensity runway edge lights and runway end/threshold lights which can be activated manually and remotely via Pilot Activated Lighting (PAL).

The second Runway 12/30 is a non-instrument Code 1 runway oriented on magnetic bearing of 117°/297°. It is 795m long, 18m wide and sealed. It is located within a 915m x 90m wide runway strip, which prior to 2020 made the runway suitable for a non-precision approach. The pavement is rated for a MTOW of 5700kg and a tyre pressure of 650kpa/ 92PSI. Visual aids associated with the runways include runway markers and markings. The runways width is suitable for use by an aircraft with an outer main gear wheel span (OMGWS) up to but not including 6m. This will allow unlimited operations by most Code 1 aircraft and some smaller Code 2 aircraft.

TAXIWAYS

Taxiway Alpha connects Runway 05/23 with the apron. It is 55m long and 7.5m wide and is within a 31m wide strip and a 20.5m wide graded strip making it suitable for aircraft with an OMGWS of up to but not including 4.5m. It has an asphalt concrete surface and a pavement rating as per the runway. The taxiway is lit.

GENERAL AVIATION APRON

The General Aviation (GA) apron has a sealed surface and an area of approximately 22,600m². There is one (1) 24m wide Code A taxi lane on the western side of the designated parking area and one (1) 16m taxiway on the eastern side of the designated parking area. The designated parking area is able to accommodate 22 Code A aircraft and 2 helicopters. The apron is flood lit. There is a 4,350m grass parking area adjacent to the sealed apron. This has no designated parking positions.

HELICOPTER LANDING PADS

The Aerodrome provides access to two concrete helicopter landing pads located on either side of Runway 12/30 south of the runway intersection – these were built when Caloundra Aerodrome was a base for helicopter training and are now little used.

WIND DIRECTION INDICATOR

There is one IWI located north north east of the runway intersection approximately 400m from the 05/23-runway end.

This navigational aid requires clean air flow to accurately inform landing and take-off manoeuvres. The Bureau of Meteorology observation specification 2013.1. The guidelines for the siting and exposure of meteorological instruments and observing facilities, has established functional design parameters for developing within the vicinity of anemometers.

"The World Meteorological Society stipulates that anemometers must be sited in open terrain, where open terrain is defined as an area where the distance between the anemometer and any obstruction is at least 10 times the height of the obstruction. This exposure, although adequate for general purposes, still places the anemometer within the zone of influence of the obstruction when winds are of moderate speed. For greater accuracy, a clear zone of thirty times the height of the obstruction is required."

For the purpose of this Master Plan the 10 times the height of the potential buildings indicatively (5m) has been adopted. The parameters have been incorporated within the Master Plan.

GROUND SIGNAL

A ground signal indicating serviceability is located adjacent to the IWI.

SECURITY

The airside area of Caloundra Aerodrome is bounded by a wire mesh access fence controlled by locked vehicle gates and keypad operated pedestrian gates.

Closed circuit television cameras are focused on the apron and taxiway to Runway 05/23.

FUEL STORAGE

A BP 10,000 litre on ground tank JetA1 storage tank with a key card dispenser located at the air/ landside boundary. It is filled by road tanker located on the landside road network. The need for gasoline is serviced by off aerodrome retail outlets with on aerodrome storage provided in drums at various tenancies.

Future changes to fuel storage with the introduction of alternative fuel types such as electric and hydro power should be investigated as the need arises. The available technology at the time of drafting of this Master Plan is not considered developed enough to adequately address the operational and functional needs of the aviation industry. Advances in battery and hydrogen power technology are expected to occur in the latter half of the 20-year planning horizon. It is therefore recommended to review the status of fuel at the next iteration of the Caloundra Aerodrome Master Plan.

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7.9.2 Airspace

Caloundra Aerodrome operates as an un-controlled aerodrome with no air traffic control operating. It is located within Class G uncontrolled airspace which means no clearance is required for aircraft to operate within it. Class G airspace extends from the surface to the base of the overlying Class C airspace which has a lower limit of 4500 ft. Class C is the controlled airspace surrounding major airports with both Instrument Flight Rules and Visual Flight Rules flights permitted and communication with air traffic control.

Caloundra Aerodrome is within the Sunshine Coast Airport 25 nautical mile Minimum Safe Altitude (MSA) surface which east of Caloundra specifies an altitude of 1900 ft above mean sea level and 4100 ft west of Caloundra.



Figure 16: Features Plan

7.10 Airport Safeguarding

Safeguarding of Caloundra Aerodrome is integral to its safe operation into the future. Safeguarding is facilitated through various measures determined by airfield layout, airspace design, noise management strategies and Planning Scheme 2014 overlays. Ongoing protection of Airport and Environs Safeguarding will be critical to ensure outcomes of the Master Plan can be achieved.

7.10.1 Obstacle Limitation Surface

The OLS is a conceptual surface associated with a runway, which identifies the lower limits of the Caloundra Aerodrome airspace above which objects become obstacles to aircraft operations and must be reported to Civil Aviation Safety Authority (CASA). The OLS is depicted in Figures 17a and 17b.

This Master Plan only provides for non-instrument (visual) approaches on both runways. The Manual Obstacle Standards allows for an 80m wide strip for a Code 1 Runway 05/23 which is lit, and a 60m wide strip Code 1 Runway 12/30 which is unlit.

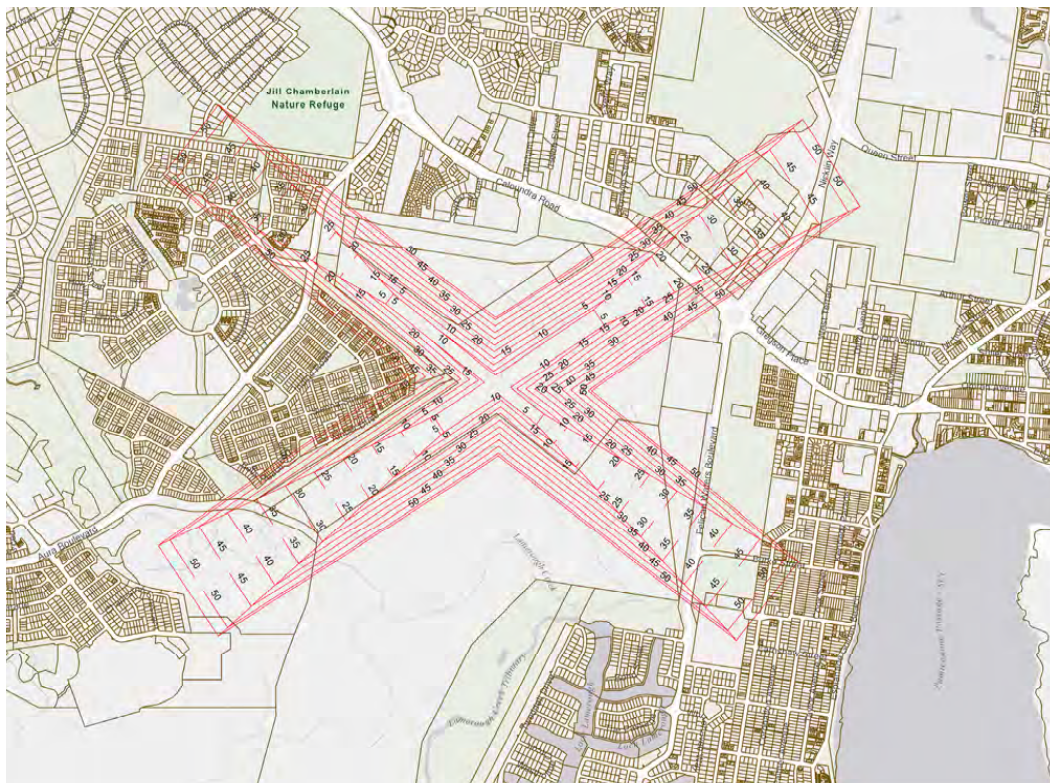


Figure 17a: Existing Obstacle Limitation Surface Local (Sunshine Coast Planning Scheme 2014 extract)

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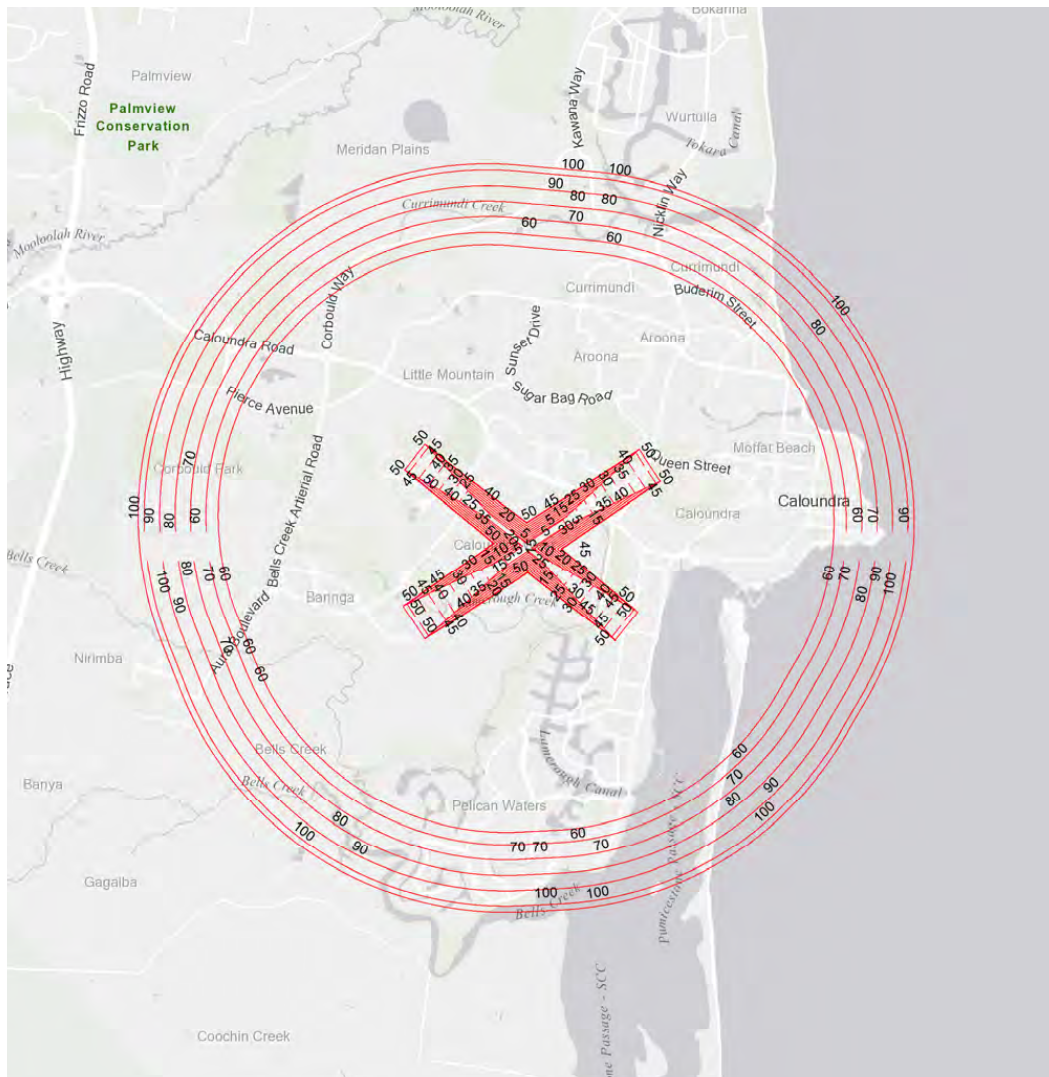


Figure 17b: Obstacle Limitation Surface Regional (Sunshine Coast Planning Scheme 2014 extract)

7.10.2 Public Safety Area

Public Safety Area's (PSA's) are mapped over the Caloundra Aerodrome and identified in the Airport Environs Overlay which was adopted as part of the Planning Scheme 2014. PSA's seeks to minimise the risk of development compromising public safety by incidents in the take-off and landing phases of aircraft operations. Compatible air service related development may be located in the PSA's subject to compliance with the requirements of the planning scheme.

The Airport Environs Overlay Code identifies the specific outcomes required to be achieved to develop in the PSA. It seeks to ensure that proposed development is compatible with protecting the safety of both aircraft passengers, property and people on the ground in the event of an aircraft incident during landing or take-off and does not increase the risk to public safety within a public safety area.

The Airport Environs Overlay Code proposes measures to manage and mitigate the risk of an incident that may potentially put at risk the safety of aircraft passengers, people and property by ensuring that development does not involve:

- (a) an increase in the number of people living, working or congregating in the area; and
- (b) the manufacture use or storage of flammable, explosive, hazardous or noxious materials.

It should be noted that the current PSA was introduced under the Planning Scheme 2014, however there is no statutory requirement for the PSA to remain given the size and scale of the Caloundra Aerodrome.

Legend

- Caloundra Aerodrome Study Area
- - - Public Safety Area
- - - Caloundra Aerodrome Site Boundary
- Suburb Boundaries

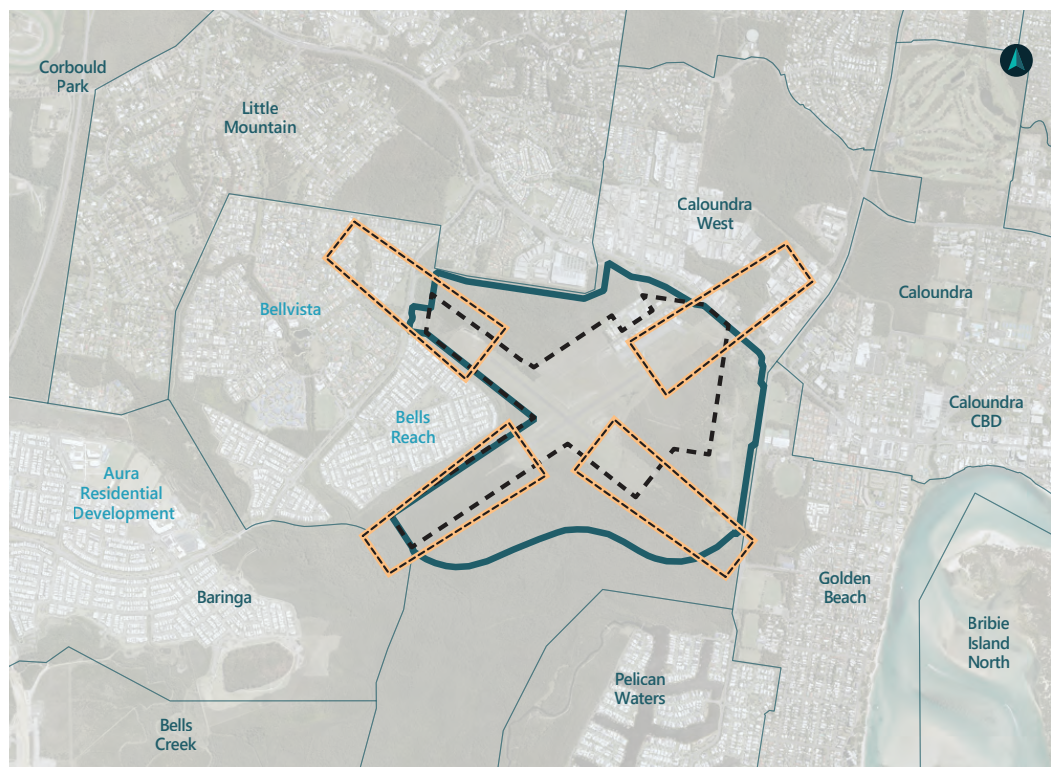


Figure 18: Public Safety Area

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7.10.3 ANEF

To ensure that land surrounding civil aerodromes in Australia is appropriately planned, the concept of the Australian Noise Exposure Forecast (ANEF) was developed and applied as a land use planning overlay. Caloundra Aerodrome currently has an ANEF overlay listed in the *Sunshine Coast Planning Scheme 2014 Airport Overlay Mapping*.

The ANEF system defines a means of determining a scientific measure of the noise exposure levels around Australian airports considering the following factors:

- The intensity, duration, tonal content and spectrum of audible frequencies of the noise of aircraft take-offs, approaches to land, overflights and reverse thrust after landing
- The forecast frequency of aircraft types and movements on various flight paths
- The average daily distribution of aircraft take-off and landing movements in daytime and night time.

The ANEF system has been endorsed by the Australian Government for use as the basis of determining land use compatibility for areas where aircraft noise is an issue. Only one ANEF map can be current at any one time, and a more recently endorsed map supersedes an earlier map.

The existing ANEF was produced in 2010 with a 20-year planning horizon in accordance with the guidelines stated in the Australian Standard AS 2021-2015 (Acoustics – Aircraft Noise Intrusion – Building Siting and Construction). The standard identifies suitable land uses within the various ANEF contours. Within the 20 ANEF contour to 25 ANEF contour the standard considers that the incorporation of noise control features in the construction of residences or schools is appropriate. The 20 ANEF contour is shown as a dotted line as its location cannot be precisely determined mainly because of variations in aircraft flight paths.

In recognition that aircraft noise does not end at the 20 ANEF and to better understand aircraft operations and how these impact on surrounding communities, Council has in recent years commenced collecting and analysing operations data using the services of Avdata. Avdata is a private aircraft movement tracking company that uses information relating to the type and number of aircraft operating, runway used and operating times. This data will inform Council on how to implement mitigation and management strategies supporting airport users as well as providing potentially better noise amenity outcomes for surrounding communities.

Council is exploring a range of contemporary aircraft management approaches and the associated implications, one of the options being the application of a cap on movements. This approach seeks to understand the potential to balance the impacts on the Aerodrome's aviation activities and the surrounding communities. Therefore, it is recommended that an appropriate data collection and management system is put in practice to inform the future decision-making processes.

There are also potential technological advances that may mitigate operational impacts on sensitive receptors – 'silent flight' is being currently investigated by aircraft manufacturers. This technology seeks to power aircraft by electric or hydrogen engines – the aircraft would have minimal sound compared to internal combustion power engines and therefore provide a significant reduction in the ANEF area. This technological approach seeks to treat the source of noise rather than seeking to apply mitigation measures at the receptor, resulting in a potentially positive outcome for the future operations of the Aerodrome.



Figure 19: Caloundra Aerodrome Australian Noise Exposure Forecast Contours – Existing (*Sunshine Coast Planning Scheme 2014 extract*)



8

Aircraft Flight Activity



8.1 Aircraft Usage

Aeronautical demand at the Caloundra Aerodrome has been monitored in recent years. Ongoing monitoring of demand is needed to obtain a larger data set, enabling Sunshine Coast Council to identify aeronautical trends to further inform its planning and management decisions.

The aircraft types recorded using the Caloundra Aerodrome to date included a wide range of fixed wing and helicopters. The operational flight data that has been collated over a number of years is not considered sufficiently robust to draw meaningful conclusions and adequately inform an evidence-based approach to operational decision making. The most complete dataset was collected in 2020. However, there are a range of circumstances that may have had an impact to the number of air movements in this period including:

- COVID-19 pandemic – the state government’s health initiative restrictions limiting people movement may have resulted in a reduction in flight movements.
- The reduction in the number of flight training operators working out of the Aerodrome is also considered to have a reductive impact on the number of flight movements.

Analysis of the data collected in 2020 indicated:

- Approximately 43% of movements were related to circuits and other related training activities.
- Approximately 20% of these movements were from aircraft registered outside of the Sunshine Coast region.

Aircraft movements identified as arrivals, departures, and circuits during 2020 were estimated to be approximately 50,000 movements, broken down as shown in Table 3: Current Aircraft Usage.

Table 3: Current Aircraft Usage

Aircraft	Arrival	Departure	Circuit	Total
Fixed Wing	12,300	12,300	19,900	44,500
Helicopter	2,475	2,475	550	5,500
Total	14,775	14,775	20,450	50,000

The number of aircraft movements could be managed through the application of a range of mechanisms to ensure the airside infrastructure continues to adequately meet the desired standard of service for the ongoing operation, management and safety of the Caloundra Aerodrome. The key drivers of demand potentially influencing future usage may change over time, external factors

outside of Council’s control such as significant increases in the cost of operation; fuel costs, insurance premiums, and general economic prosperity. Council could also influence demand through the introduction of a user pays airside activities fees and charges schedule or the application of a limit / cap on specific activities movements and manoeuvres.

8.2 Aeronautical Infrastructure

8.2.1 Airside Facilities

Caloundra Aerodrome's airside infrastructure is currently considered at capacity for storage in both the sealed apron and the hangars. Existing lease holders have advised that unless additional leasable areas are made available the growth of their existing business activities and operations may be adversely impeded. Lease holders are also considering the viability of optimising current lease areas and the impacts this approach may have on the ability of the operations to grow in line with projected demand.

8.2.2 Landside

Primarily, economic activities located at aerodromes leverage the access to air-related infrastructure and are directly related to aeronautical activities – such as flight training, advanced aircraft manufacturing and development, cabin fit-outs, repairs, scenic and recreational flights and aircraft-related heritage activities. Key opportunities include:

- Optimisation of existing businesses located at Caloundra Aerodrome that are compatible with aeronautical activities.
- Activation of environmental areas which are otherwise development constrained for economic activities, such as appropriate tourism uses (e.g. hiking trails) throughout the conservation areas, use of advanced offsets to generate economic value from the existing habitat and wetland areas, and potential solar power generation.
- Low-noise training and recreational flight uses, including simulation flight training and gliding (or other non-powered, low noise flights).
- Attraction of further advanced aerospace related manufacturing and high technology dependant aviation opportunities. Efforts should be focused on supporting current tenants to expand while also advertising for new businesses.
- Attraction of further advanced aerospace related manufacturing, technological development activities, and associated supply chains may be an opportunity. Efforts should be focused on supporting current tenants to expand while advertising for new businesses.

There is existing demand from current tenants and potential new tenants for more land to be released at the Aerodrome. The majority of these new lots would be located on the land / airside boundary to enable airside access. These blocks would be sized similarly to those currently provided. In the short term this development would occur adjacent to the existing lots along the air/ land side boundary parallel to Runway 05/23.

8.3 Roads/Carparking

There is an existing access to the site at the end of Pathfinder Drive that will be continued towards the aircraft storage area. The gate that currently restricts access to the site at the end of Pathfinder Drive will remain in place post-construction to restrict public access.

The existing carpark requires optimisation as the current carparks off Pathfinder Drive and Henebery Place experience full capacity, forcing excess traffic to use the grass either side of Pathfinder Drive, with some tenants allowing employees to park within their lots.

With the proposed optimisation of Pathfinder Drive, there would be an increased capacity in on-street parking, although many tenant employees may continue to park on the grass near their business.

Currently any new development would require on-site car parking to be provided in accordance with the Planning Scheme. Internal carpark layouts proposed will comply with AS/NZS 2890.1:2004 Parking facilities – Off-street carparking. This standard is generally conditioned through the Council's Planning Scheme development assessment and approval process.

The Master Plan seeks to provide opportunities for more public visitors to the Aerodrome through the allocation of an area for parking and bus / coach set down to be investigated for the purpose of developing a detailed engineering solution.

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9

Master Plan



9.1 Vision

The vision for the Caloundra Aerodrome Master Plan to 2042 is:

Caloundra Aerodrome will become a precinct of choice for advanced aerospace and associated manufacturing activities delivering cutting edge, sophisticated and sustainable opportunities of significance to the South East Queensland aviation and aerospace industry.

9.2 Strategic Directions

The Master Plan will achieve this vision through the following strategic directions:

Innovation and Enterprise: Provide a platform for the emergence of an innovative, high value advanced manufacturing and research and development cluster that contributes to a sustainable and diverse economic base with job opportunities and connections to the domestic market and supply chains.

Connections and Movement: Leverage opportunities from local and regional transport infrastructure, providing strong connections to the Caloundra City Center and the broader Sunshine Coast region and beyond.

Support and Education: The Aerodrome provides significant capacity to enable future employment and training opportunities in high value advanced manufacturing industries. The existing facilities will seek to provide ongoing support for current educational and aviation focused activities while also branching into other or ancillary aviation related industries such as Research and Development, High Value Manufacturing, Low Impact Last Mile Logistics and Defence.

Impact Management: Seek to ensure no material degradation of the current impacts associated with flying operations. Explore implementation of suitable mechanism to manage and mitigate operational risks and seek to attract investment that has minimal impact on surrounding receptors.

Environmentally Conscious: Continue to apply the existing management approaches to reduce and mitigate the impacts arising from aviation activities while also seeking to sustainably manage and maintain the aerodrome's landside supporting and ancillary infrastructure.

Community Contribution: Sustainably accommodate aviation focused community activities that provide an offering that is considered significant to Caloundra and the greater Sunshine Coast region.

9.3 Master Plan Approach

The Caloundra Aerodrome Master Plan 2042 has been developed as a two-staged approach.

Stage 1

PATHFINDER DRIVE EXTENSION

Stage 1 of the Master Plan focuses on rationalising the landside and airside optimisation opportunities in the existing Pathfinder Drive precinct. Stage 1 provides opportunities for increased investment in the aeronautical industry within proximity to runways and increased return for Sunshine Coast Council for activities that can be expanded.

Stage 2

EASTERN FURTHER INVESTIGATION AREA

Stage 2 of the Master Plan outlines a future investigation precinct. The Master Plan identifies growth options for this area taking into consideration environmental constraints, future transit services and compatible land uses.

Legend

- Caloundra Aerodrome Study Area
- Caloundra Aerodrome Site Boundary
- Roads

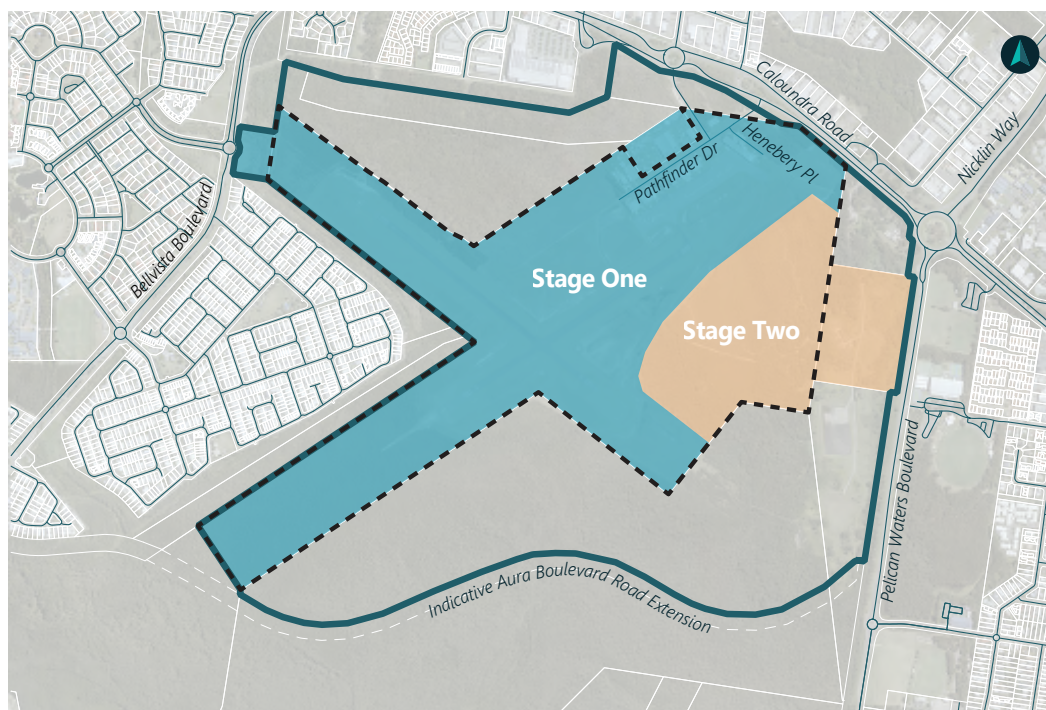


Figure 20: Staging Plan

9.4 Stage 1 Master Plan

The objectives for Stage 1 are achieved through the following Master Plan elements and implementation of the land use outcomes depicted in Figure 21: Master Plan (Stage 1):

Stage 1 Caloundra Aerodrome Master Plan

Innovation and Enterprise

COMMERCIAL LEASE AREA OPTIMISATION

Stage 1 identifies the optimisation of commercial lease areas by up to 6.4ha with the potential for new lease areas to be located to the north and south of an extended Pathfinder Drive.

These new lease areas have flexible lot sizes to allow for diverse aviation centric commercial growth opportunities to either support growth of existing businesses or to encourage new investment for businesses compatible with the aeronautical industry.

Connections and Movement

INTERSECTIONS

Access to the Stage 1 will be provided via the existing roundabout from Caloundra Road to Pathfinder Drive.

ROADS

Stage 1 identifies the extension of Pathfinder Drive to the south west to service the new lease areas. The Pathfinder Drive extension will see a 20-metre continuation of the current road, ending in a cul-de-sac that will have leasable plots running along either side.

No extension of Henebery Place is proposed in Stage 1 and it may be appropriate to consider the closure of Henebery Place to facilitate existing lease area consolidations and contiguous development.

CAR PARKING

Any new development would require on-site car parking to be provided in accordance with the Planning Scheme. Internal carpark layouts proposed will comply with AS/NZS 2890.1:2004 Parking facilities – Off-street car parking.

PUBLIC CARPARKING AND BUS/ COACH SET DOWN

Stage 1 provides for a public visitor car parking and bus/ coach set down area to be located on Pathfinder Drive. The detailed engineering solution needs to be investigated prior to committing to the capital expenditure.

Stage 1 Caloundra Aerodrome Master Plan

Support and Education

APRONS AND HANGERS

Stage 1 outlines the provision for three new aprons, which will adjoin the existing apron and extend the capacity by adding 32 new parking spaces for planes and three helicopters spaces.

The apron extensions will be realised by extending the current apron that runs parallel to Runway 05/23 to accommodate an additional 15 aircraft and three helicopters. This apron will also be extended in the north-eastern corner to accommodate an additional seven aircraft. Supplementary hangar storage will also be provided to allow for leased undercover storage.

A new apron will be added at the base of the proposed cul-de-sac on Pathfinder Drive. This apron will connect to the extension of the existing apron, have connection to a new taxiway and accommodation for 10 additional aircraft.

VERTICAL TAKE-OFF AND LANDING

It is also proposed to provide a hard stand helipad capable of handling up to heavy-lift helicopters at an indicative location to be confirmed based on future operational requirements. Sealing this area will enable the helipad to be used in all weather conditions.

As aeronautical technology advances there may be the need to consider the development of additional operational guidelines for the facilitation of a range of aircraft that use vertical take-off to become airborne.

TAXIWAYS

Two new taxiways are identified to be added to improve the flow of air traffic during peak periods, comprising:

- Connection to Runway 05/23
- Connection to Runway 12/30

The additional taxiways will de-conflict aircraft movements by enabling one-way traffic flow resulting in improved traffic flow during peak periods.

ILLUMINATED WIND DIRECTION INDICATOR

The existing IWI is set to move from its current location to the eastern side of the runway intersection. This move was completed to better activate airside land along the proposed aprons. The Master Plan highlights a 50m and 100m buffer from the IWI.

AIRSIDE EXTENSION

The Master Plan does not forecast significant change to the type of aeronautical activity and therefore does not provide for a change in the runway configuration; length, strength or location.

Stage 1 Caloundra Aerodrome Master Plan

Impact Management

NOISE

This Master Plan supports ongoing fly neighbourly measures to reduce noise impacts such as:

- Encouraging the introduction of electric and hybrid-electric aircraft use.
- Sharing the runway loads to disperse constant noise.
- Continuous monitoring of circuit training which has been identified as the predominantly nuisance noise source.

FLIGHT MOVEMENT MANAGEMENT

A future management strategy should be developed by Sunshine Coast Council considering the type and quantum of manoeuvres and movements per annum.

The methods to implement the strategy and the associated impacts of the approach will inform when and how Council will adopt this strategy. The proposed approach should be sustainable in managing the impacts on the commercial viability of the Aerodrome's operations and the surrounding sensitive receptors and natural environs.

NET ZERO EMISSIONS – MINIMISING IMPACTS OF OPERATION

A future "net zero" management strategy should be explored by Sunshine Coast Council considering the opportunities for how the Aerodrome's airside operations and landside tenants could seek to advance the Council's vision to be "Australia's most sustainable region – Healthy. Smart. Creative". This vision could be sought via commitments to reduce emissions by identifying specific performance targets or alternatively through some other instrument such as conditions within lease agreements.

CONNECTION TO COUNTRY

The future activation of Stage 1 land should involve engagement with the Gubbi Gubbi people to investigate opportunities to create a strong connection to country, acknowledging the cultural heritage assets located at the Site and historic activities which took place there. All future development should take place in accordance with the *Aboriginal Cultural Heritage Act 2003* and ensure a proper duty of care is adopted.

Stage 1 Caloundra Aerodrome Master Plan

Environmentally Conscious

FLORA AND FAUNA

Engagement with the relevant State and Commonwealth agencies required to determine suitable extent of development footprint, ensuring that flora and fauna values on the Site are well protected and potential impacts are appropriately managed.

DRAINAGE AND WATERWAYS

Any surface runoff from the lots will be captured with the road and discharged into the channels at the appropriate locations to the existing network. An extension to the network will be required in conjunction with the continuation of Pathfinder Drive.

Any proposed drainage alterations will require flood modelling and assessments to ensure non-worsening effects on the surrounding properties, access roads or runway.

CONTAMINATION

A Site-specific contamination assessment (including on-site testing) will be required prior to any future development occurring to ensure potential contamination sources are identified and appropriately disposed of.

BUSHFIRE

Development and built form along the north western extent of the Site will be required to comply with medium bushfire risk requirements under the Bushfire Hazard Overlay Code of the Planning Scheme.

Efficient Infrastructure

SEWERAGE AND WATER

A new DN150 PE100 SDR21 sewer main with maintenance structures should be installed along Pathfinder Drive.

WATERMAIN

An additional water main will be required on both sides of Pathfinder Drive, to provide direct connection to lot areas establishing a secure supply. A minimum DN150 PE100 SDR11 water main will be installed with hydrants at maximum 80m spacing.

There is not expected to be a significant increase in water or sewerage demand from the development.

Sewerage and water connections for the development are assumed to be at the end of Pathfinder Drive and it is recommended potholing be completed to confirm the end of line arrangement.

ELECTRICAL AND COMMUNICATIONS

Existing infrastructure includes overhead lines, which will be maintained and continued along the proposed upgrade.

Legend

- Study Area 228.3ha
- Caloundra Aerodrome site boundary
- Public safety area
- Dedication for public transport corridor and buffer
- Commercial redevelopment opportunity
- Proposed Leaseable Areas (subject to further investigation)
- Indicative helipad location
- Proposed Leaseable Areas - Airside (subject to further investigation)
- Henebery Place extension to Pelican Waters Boulevard (alignment to be considered and coordinated in the ultimate Beerwah to Maroochy Rail Extension design)
- Indicative taxiway access
- Indicative road access
- Proposed Airside extension
- Proposed Airside adhoc aircraft activities
- Proposed Bus setdown and carparking area
- Existing windsock and navigational aid buffer/building height restriction location (to be relocated)
- Future windsock location
- Future navigational aid buffer/building height restriction
- Taxiway (based on future demand)
- Undercover open T Hanger parking
- Indicative Stage 2 (30 ha approx)

Leaseable Areas and Land Use Budget

Landside - Stage 1A

1	6.34 ha	(includes taxiway and road access)
2	0.26 ha	
3	0.38 ha	
A	0.48 ha	
B	0.20 ha	
TOTAL	7.66 ha	

Airside - Stage 1B

4	0.32 ha	
5	0.27 ha	
6	0.40 ha	
TOTAL	0.99 ha	

Aerodrome taxiway and apron	3.69ha
Aviation and supporting uses	8.61ha
TOTAL land use to develop	12.30ha

(All area calculations are approximate only and subject to further investigations)

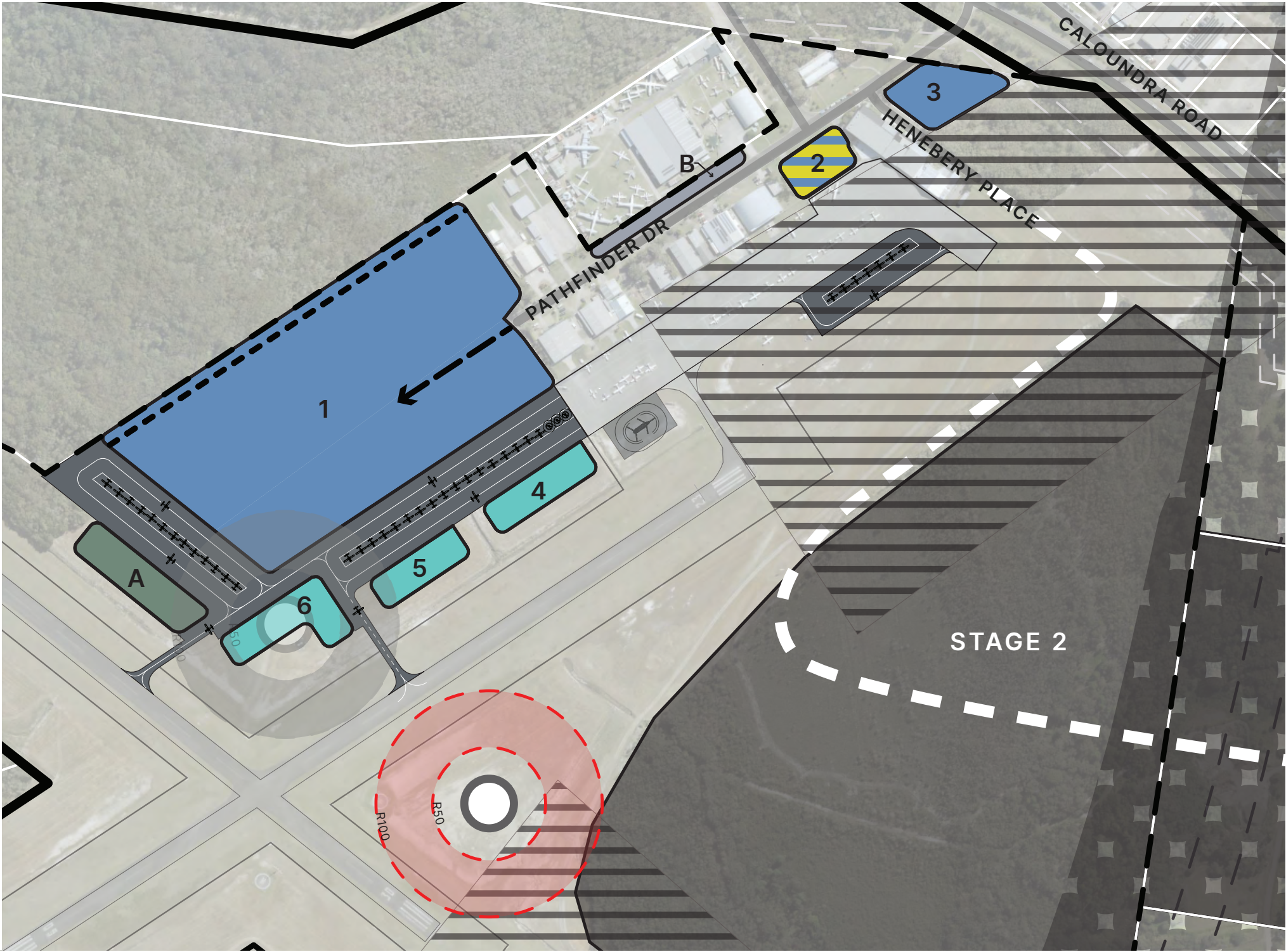


Figure 21: Master Plan (Stage 1)

9.5 Stage 2 – Eastern Further Investigation Area

Stage 2 is identified as a future investigation precinct. This area needs further investigations as outlined below to define the developable areas, resolve access and egress options and identify commercial opportunities.

The objectives for Stage 2 are achieved through the following Master Plan elements and implementation of the land use outcomes depicted in Figure 22: Master Plan Overall.

Stage 2 Caloundra Aerodrome Master Plan

Innovation and Enterprise

FUTURE LAND USE

The investigation precinct has the potential to support industry growth, foster employment opportunities and increase economic benefit for the region. Future land use options include:

- **Aviation / Engineering Hub** – low scale, low density aviation and engineering land uses located together to expand and complement the existing industrial uses.
 - **Commercial and Industrial Hub** – locate complimentary aeronautical industries airside of the precinct, and with increased density for associated employment generating uses closer to the future B2M station.
 - **Community Entertainment Hub** – capitalise on public transport access to create a tourist and entertainment hub comprising facilities such as indoor event spaces and outdoor adventure spaces. This type of use would likely be busier outside commercial peak hours to assist in alleviating transport congestion and also noise issues.
 - **Education Hub** – capitalise on public transport network and support surrounding residential growth by co-locating an aviation research and development facility.
-

Stage 2 Caloundra Aerodrome Master Plan

Connections and Movement PLANNED PUBLIC TRANSPORT

The investigation precinct is located adjacent to the proposed B2M transit corridor, where a future station location is also identified.

The construction of this station and the associated transit corridor will increase the connectivity of the surrounding area and reduce reliance on car commutes. The station has the potential to be directly integrated into the Stage 2 investigation area creating greater connectivity to the broader Sunshine Coast region and beyond.

INTERSECTIONS

A new intersection from Pelican Waters Boulevard will be required to provide access to the Stage 2 precinct. It is anticipated this access could be a shared vehicular road servicing the future railway station.

ROAD

To provide access to the Proposed B2M Transit Corridor, further investigation towards potential east to west road linkages will be required.

CAR PARKING

Any new development would require on-site car parking to be provided in accordance with the Planning Scheme. Internal carpark layouts proposed will comply with AS/NZS 2890.1:2004 Parking facilities – Off-street car parking.

ACTIVE TRANSPORT

Active transport opportunities should be considered as part of a future structure plan for Stage 2, ensuring strong connections are provided between the planned railway precinct and Stage 1 lease areas.

Support and Education

APRONS AND HANGERS

Should additional demand for apron parking be required at Caloundra Aerodrome in the future, additional parking could be provided within a new apron constructed to the east of the existing runway.

Stage 2 Caloundra Aerodrome Master Plan

Impact Management

BUILT FORM

Following detailed constraint investigations, built form will be considered taking into account future land uses. Building envelopes, and in particular building heights will need to acknowledge aircraft safeguarding limitations. So, while there is likely potential for increased density and heights close to the proposed station, this will likely need to be scaled down moving toward the runways.

CONNECTION TO COUNTRY

Future structure planning of Stage 2 should involve engagement with the Gubbi Gubbi people to investigate opportunities to create a strong connection to country, acknowledging the cultural heritage assets located at the Site and historic activities which took place there.

Any future development must also have regard to the potential and known presence of cultural heritage artefacts found on the Site and avoid any impact to cultural heritage sites in the surrounding locations.

Environmentally Conscious

FLORA AND FAUNA

The following additional investigations will be required to inform the structure planning for Stage 2 to confirm environment and heritage values:

- A Flora Survey in accordance with the Flora Survey Guidelines – Protected Plans (DES, 2020)
- Koala habitat survey
- Fish surveys where works cross waterways mapped as Queensland waterways for waterway barrier works and do not comply with Accepted Development Requirements
- Cultural Heritage investigations

Engagement with the relevant State and Commonwealth agencies required to determine suitable extent of development footprint, ensuring that flora and fauna values on the Site are well protected and potential impacts are appropriately managed.

DRAINAGE

Further flood investigations for Stage 2 will be required to ensure future built form is located away from flood prone areas. Further, to ensure flood resilience, any built form in areas affected by the Q100 flood or greater will be required to be adequately designed and constructed.

Further, additional drainage measures will be investigated to ensure efficient drainage towards Lamerough Creek and the nearby wetlands.

CONTAMINATION

If future development is intended to extend into the study area lots identified in Table 2, on-site contamination testing will be required to confirm the presence of potential contaminants and appropriate mitigation measures to enable future development to occur.

Stage 2 Caloundra Aerodrome Master Plan

Sustainable Development

RENEWABLES

Construction of renewable energy production means into the buildings through rooftop solar and potential wind turbines. Energy consumption for the site will be offset, lowering the overall impact of the Aerodrome. Surplus energy could potentially be invested into powering future electric aircraft.

Efficient Infrastructure

UTILITY SERVICES

An extension of all utility services to Stage 2 will be required. A servicing strategy will be required to support a future Structure Plan for the precinct.

Legend

- Study Area 228.3 ha
- Caloundra Aerodrome site boundary
- Existing lot boundaries
- Existing easements
- Existing road network
- Indicative Beerwah to Maroochy Rail Extension corridor
- Public safety area
- Dedication for the public transport corridor and buffer
- Commercial redevelopment opportunity
- Proposed leaseable areas (subject to further investigation)
- Indicative helipad location
- Proposed leaseable areas - airside (subject to further investigation)
- Indicative taxiway access
- Indicative road access
- Henebery Place extension to Pelican Waters Boulevard (alignment to be considered and coordinated in the ultimate Beerwah to Maroochy Rail Extension design)
- Proposed Airside extension
- Proposed Airside adhoc aircraft activities
- Proposed Bus setdown and car parking
- Taxiway (based on future demand)
- Undercover open T Hangar parking
- Navigational aid buffer/restricted building height
- Indicative Stage 2 (30 ha approx)

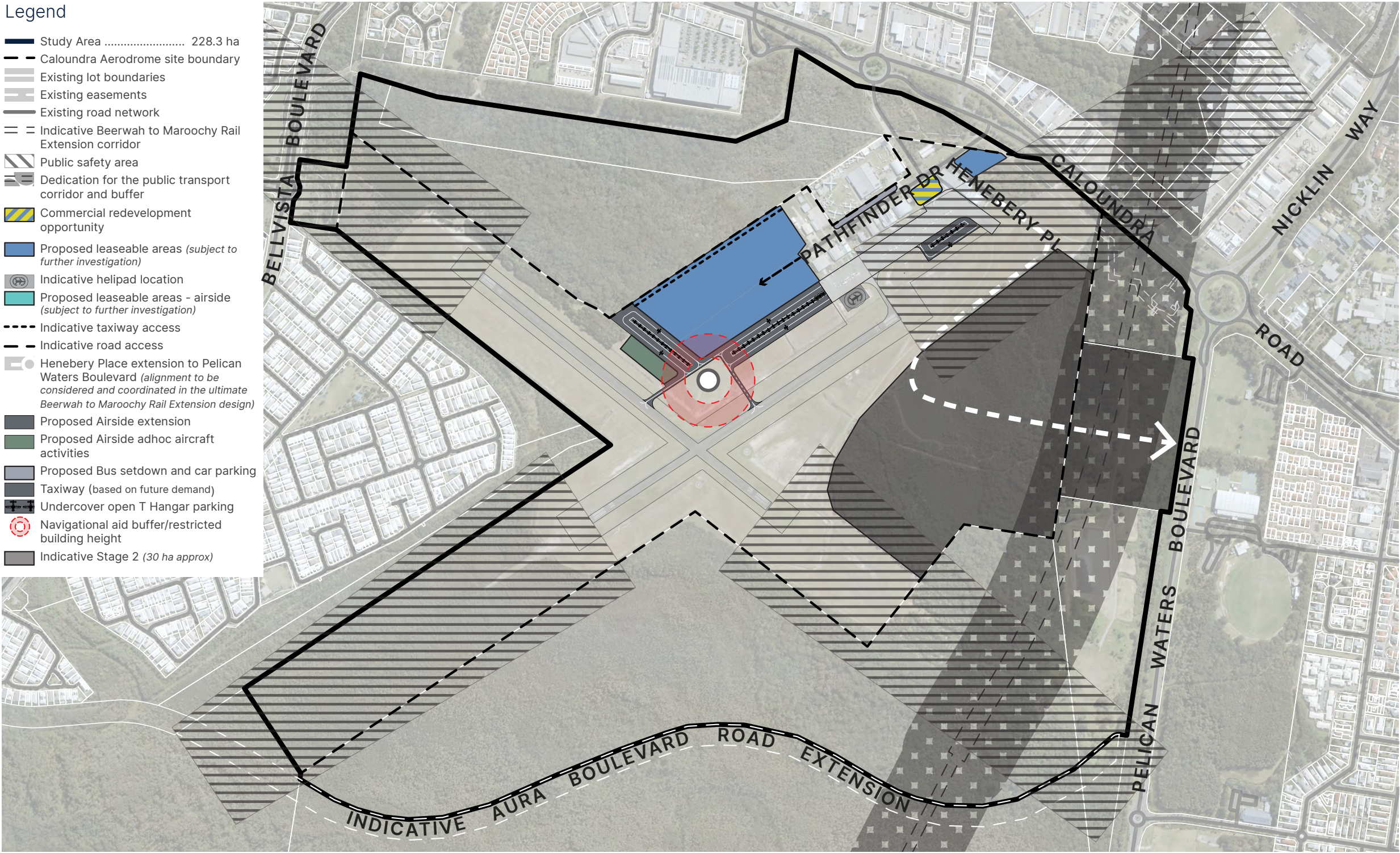


Figure 22a: Master Plan Overall Current State of Play

Legend

- Study Area 228.3 ha
- Caloundra Aerodrome site boundary
- Existing lot boundaries
- Existing easements
- Existing road network
- Indicative Beerwah to Maroochy Rail Extension corridor
- Public safety area
- Dedication for the public transport corridor and buffer
- Commercial redevelopment opportunity
- Proposed leaseable areas (subject to further investigation)
- Indicative helipad location
- Proposed leaseable areas - airside (subject to further investigation)
- Indicative taxiway access
- Indicative road access
- Henebery Place extension to Pelican Waters Boulevard (alignment to be considered and coordinated in the ultimate Beerwah to Maroochy Rail Extension design)
- Proposed Airside extension
- Proposed Airside adhoc aircraft activities
- Proposed Bus setdown and car parking
- Taxiway (based on future demand)
- Undercover open T Hangar parking
- Future windsock location
- Navigational aid buffer/restricted building height
- Indicative Stage 2 (30 ha approx)

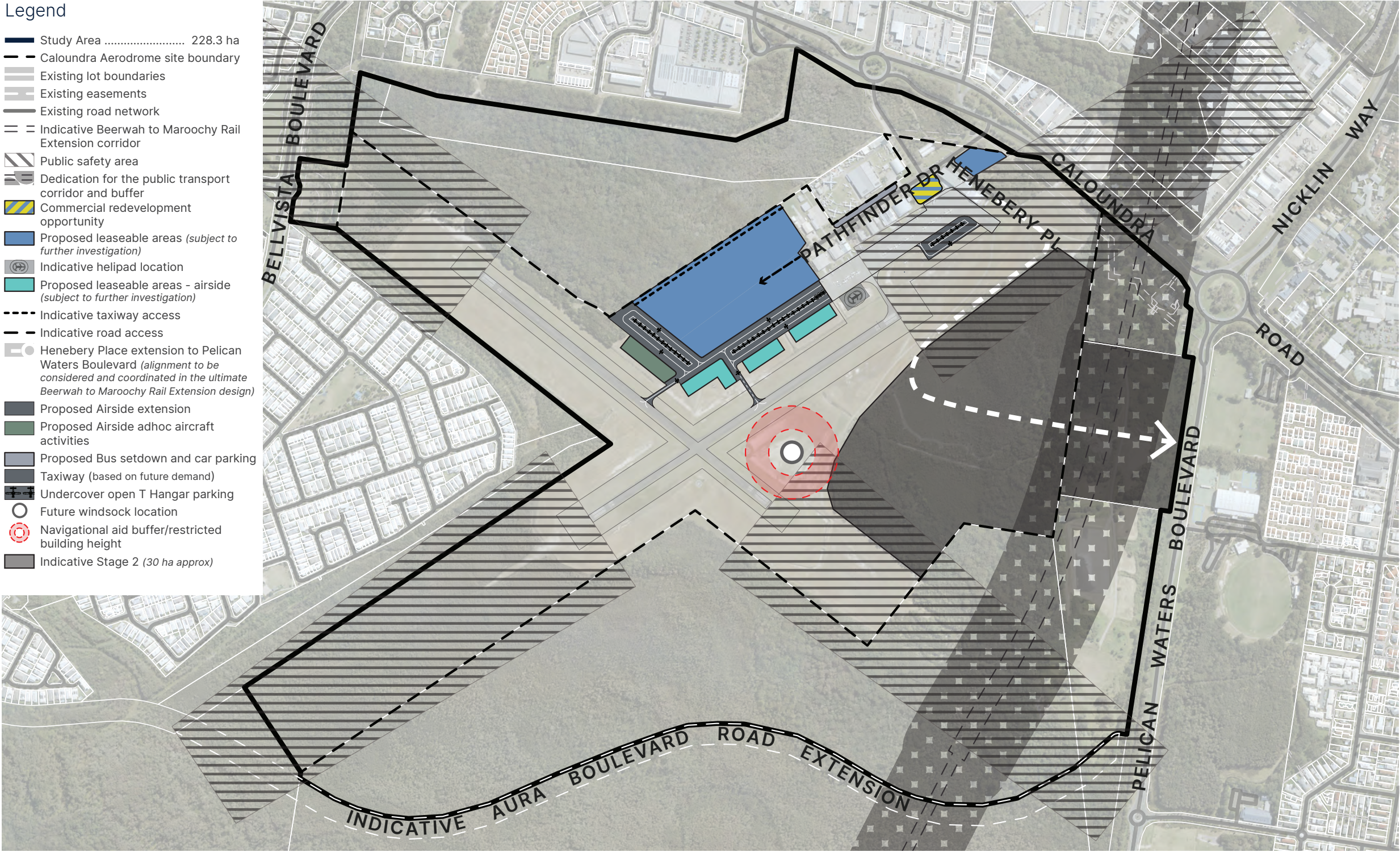


Figure 22b: Master Plan Overall Windsock Relocation Required



10 Master Plan Implementation

10.1 Implementation Plan

The implementation of much of the Master Plan recommendations will be determined by the timing of demand and Council's financial priorities.

While anecdotal data suggests there is a latent demand for more lettable land and apron parking, future Council leases and aeronautical charges will influence how and when this demand coalesces in actual development opportunities.

An indication of actions, timing and responsibilities is in Appendix C.

10.2 Expression of Intent

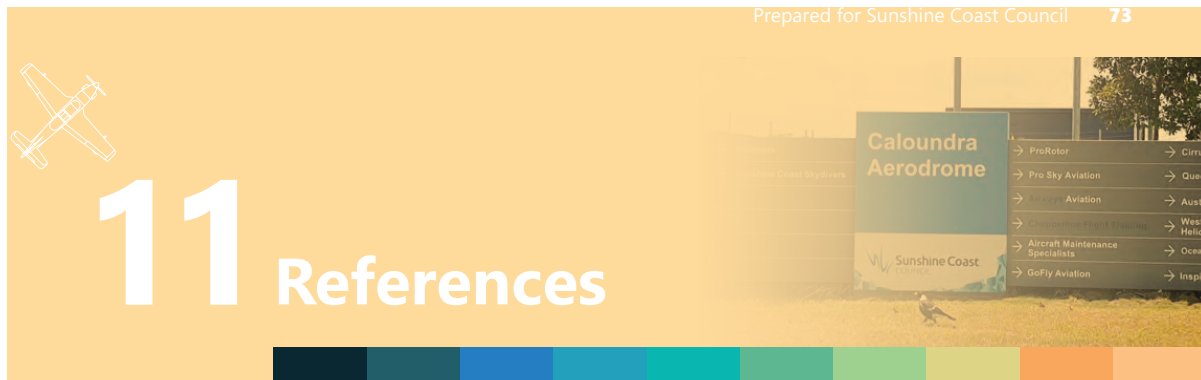
The Caloundra Aerodrome provides a unique environment for the development of aviation, aerospace and complementary industry specific activities. The location of the Caloundra Aerodrome and proximity to social, environmental, economic opportunities and attractive lifestyle benefits are considered to be of great value and in high demand for retaining current leaseholders and attracting future tenants. As identified, Caloundra Aerodrome has limited opportunity to significantly expand the developable area footprint due to sensitive surrounding land uses and environmental and physical characteristics. It is therefore essential that the future operations and leases are managed to ensure that the economic development and employment generating potential of the available land is optimised to meet the vision.

To achieve this Council may consider establishing an Expression of Intent framework and decision-making guidelines. If adopted, this framework would be applied when considering the:

- Extension of leases for a medium to long period of time (greater than 12 months)
- Expansion of lease areas (greater than 4000m²) or
- Agreeing lease terms with new tenants on leases (greater than 12 months and with an area greater than 4000m²).

The Expression of Intent framework would require tenants to consider how the proposed activity will assist the Aerodrome to deliver on the Vision and Strategic Directions, in particular:

- Identify the proposed built form outcomes in accordance with aviation industry operational requirements and the Planning Scheme.
- Identify the proposed built form outcomes in accordance the Sunshine Coast Council Land Use Planning mechanisms.
- Provide a functional design site plan and if appropriate a staging plan to optimise the lease area.
- Consider the operational infrastructure requirements and potential demand loads of the proposed activity to ensure sufficient capacity is available to cater for proposed demand – including, though not limited to, power, water and sewer, and transport.
- Identify the intended economic development contribution of the proposed activity in terms of:
 - employment
 - potential revenue
 - local supply chain.
- Consider and integrate the use of renewable energy sources were operationally appropriate.
- Consider and identify the opportunities and contribution to the Caloundra and broader Sunshine Coast community.



- CASA Manual of Standards Part 139
- Environment Protection and Biodiversity Conservation Act 1999, Commonwealth (com)
- Nature Conservation Act 1992 – Protected Plants High Risk Trigger Area, Queensland (Qld)
- Nature Conservation Act 1992 – Protected Fauna, Qld
- Nature Conservation (Koala) Conservation Plan 2017, Qld
- Environmental Offsets Act 2014 – Matters of State Environmental Significance (MSES), Qld
- Environmental Offsets Act 2014 – MSES, Qld
- Sunshine Coast Planning Scheme 2014
 - Acid Sulfate Soils
 - Airport Environs (Public Safety Area, Obstacle Limitation Surface and Australian Noise Exposure Forecast Level)
 - Biodiversity, Waterways and Wetlands
 - Bushfire Hazard
 - Flood Hazard
 - Height of Buildings and Structures
 - Regional Infrastructure (Railway Corridor and Buffer, Major Road Corridor and Buffer)
 - Australian Standard AS2021-2015 Acoustics—Aircraft Noise Intrusion—Building Siting and Construction
- <https://heritage.sunshinecoast.qld.gov.au/>
- https://invest.sunshinecoast.qld.gov.au/wp-content/uploads/2022/02/regional_economic_development_strategy_2013.pdf
- https://invest.sunshinecoast.qld.gov.au/wp-content/uploads/2022/02/reds_implementation_plan_2019-2023_summary.pdf
- <https://dilgpprd.blob.core.windows.net/general/spp-july-2017.pdf>
- <https://dsdmipprd.blob.core.windows.net/general/shapingseq.pdf>

Appendix A

Abbreviations and Acronyms

ABBREVIATIONS

Abbreviation	Meaning
com	Commonwealth
ha	Hectare
km	Kilometres
kpa	Kilopascal
PSI	Pound per Square Inch
m	Metre
Plan	Master Plan
Qld	Queensland

ACRONYMS

Acronyms	Meaning
AEDT	Aviation Environmental Design Tool
ANEF	Australian Noise Exposure Forecast
AS2021	Australian Standard AS2021-2015 Acoustics—Aircraft Noise Intrusion—Building Siting and Construction
B2M	Beerwah to Maroochy Rail Extension
CCT	Close Circuit Training
DoA	Deed of Agreement
FW	Fixed Wing
FTE	Full Time Employees
GASEPF	Representing Fixed Pitched Single Piston Engine Aircraft

Acronyms	Meaning
GASEPV	Representing Variable Pitched Single Piston Engine Aircraft
LGA	Local Government Area
MSES	Matters of State Environmental Significance
MOS	CASA Manual of Standards Part 139
OLS	Obstacle Limitation Surface
PSA	Public Safety Area
QAM	Queensland Air Museum
Rec	Recreational Aviation Australia registered aircraft
SCA	Sunshine Coast Airport
SCC	Sunshine Coast Council
T&G	Touch and Go

Appendix B

Operational Characteristics of Surrounding Aerodromes

Aerodrome	Distance (km)	Runway			Accessibility	Operational Restrictions
		Number	Surface	Lights		
Sunshine Coast Airport	22	1	Asphalt	Yes	Landing fees	Circuits require ATC approval
Redcliffe	45	1	Seal	Yes	Training flight by non-resident aircraft require prior permission	No aircraft operations are permitted between 8pm and 6am Local training flights for resident aircraft are limited to 6:00 – 20:30pm Monday – Friday and 7:00 – 18:00 on weekends.
Caboolture	33	2	Grass	No	Training flight by non-resident aircraft require prior permission	Training circuits permitted between 7:00 – last light
Kilcoy	57	1	Grass	No	No commercial circuits permitted	Circuits for resident aircraft permitted day light hours only
Gympie	71	2	1 Seal 1 Grass	No	Open to public No landing fees	Nil
Watts Bridge	72	3	2 Grass	No	Member use Members who wish to conduct commercial activities require prior approval from Board of Management	Training circuits not permitted before 7:00 hours Aircraft to operate with minimum audible and visual impact on surrounding community
Archerfield		2	2 Seal 2 Grass	Yes	Open to public Landing fees	Circuits require ATC approval

Appendix C

Indicative Implementation Plan

	Council Action	Outcome	Benefit	Responsibility
2022 ~	Commit to exploring options to manage movements to ensure no worsening of current operations	Management of use of runways for touch down/ take offs for non-local flight training	Assists in noise management	**Responsibilities to be workshopped with Council**
	Ongoing commitment to the Fly Neighbourly Policy	Ensures pilots and aviation businesses consider operational noise impacts and how they can minimise noise in and around the aerodrome to ensure no worsening of current operations		
~ 5 years	Implement Landing Fees charging scheme	Rationalises use of the runways by non-local flight training	Revenue for Council	
	Adopt and implement new apron parking fees	Supports local user access and prioritises local businesses		
	Review and negotiation of existing leases	Extension of Lease terms	Provides security for tenants and future investors	
		Additional land for growth of existing businesses		
		Inclusion of additional tenant specification requirements (i.e. security, vertical take-off and landing etc)		
	Positioning and marketing of new lease areas	Attraction of high-value employment generating land uses catering for advanced aerospace related manufacturing and repair activities, and associated supply chains	Establishes an aeronautical 'hub' desirable for external investment	
	Extension of Pathfinder Drive including associated utility upgrades	Enables release 6.3ha of developable land	Provides attractive investment of optimisation land for both existing and new business operators	
		Establishment of advanced manufacturing floor space	Increases local and regional job opportunities	
	Monitor and review ANEF mapping	Consideration of potential noise implications in new development	Assists in noise management	

	Council Action	Outcome	Benefit	Responsibility
~ 5 years	Consult with DTMR with regard to B2M alignment and future access link to service Stage 2	Agreed concept design for access and station location	Identify developable land	
	Commence detailed investigations for 'Stage 2'	Cultural Heritage assessment Flood study Bushfire Risk assessment Koala Habitat assessment Ecological analysis Transport study		
	Commence Stage 2 'Land Use' Master Plan	Establish a land use plan for 37ha investigation area including consideration of Aviation / Engineering Hub, Commercial and Industrial Hub, Entertainment or Educational Hub		
	Construct new taxiway to Runway 05/23	Greater circulation and safety for Aerodrome users	Improved safety	
	Relocation of navigation aid	Facilitates expansion of leaseable areas airside	Increased capacity of airside facilities and opportunities for growth	
	Extend the current apron that runs parallel to Runway 05/23	Additional 15 aircraft and 3 helicopters	Revenue for Council	
~ 10 years	Extend apron parking to the north-eastern corner	7 additional aircraft and leased undercover apron parking	Revenue for Council	
	Construct new taxiway to Runway 12/30	Greater circulation for Aerodrome users	Improved safety	
	Deliver a new apron at the base of the proposed cul-de-sac on Pathfinder Drive	Connection to the extension of the existing apron, and new taxiway Establish an additional 10 aircraft parking spaces		
~ 15 years	Realisation and delivery of the Stage 2 Structure Plan	Employment generating floor space	Jobs	
		Potential sale of developable land	Revenue for Council	
~ 2042		Sustainable and economically thriving precinct		

