

Agenda

Ordinary Meeting
Thursday, 26 September 2024

commencing at 9:00am

Sunshine Coast City Hall Chamber, 54 First Avenue, Maroochydore

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	7
2	WELCOME AND OPENING	7
3	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	7
4	RECEIPT AND CONFIRMATION OF MINUTES.....	7
5	MAYORAL MINUTE.....	7
6	INFORMING OF CONFLICTS OF INTEREST	7
6.1	PREScribed CONFLICTS OF INTEREST	7
6.2	DECLARABLE CONFLICTS OF INTEREST	7
7	PRESENTATIONS / COUNCILLOR REPORTS.....	8
8	REPORTS DIRECT TO COUNCIL	9
8.1	AUDIT COMMITTEE MEETING 2 SEPTEMBER 2024	9
8.2	QUEENSLAND AUDIT OFFICE: SECOND INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024	41
8.3	AUGUST 2024 FINANCIAL PERFORMANCE REPORT	61
8.4	BUDGET REVIEW 1 - 2024-25	77
8.5	DISPOSAL (LEASE) OF COMMERCIAL TENANCY AT CALOUNDRA LIBRARY+ 1 OMRAH AVENUE CALOUNDRA	95
8.6	SYSTEMATIC INSPECTION PROGRAM - REGULATED DOGS	103
9	NOTIFIED MOTIONS	117
10	TABLING OF PETITIONS	117
11	CONFIDENTIAL SESSION.....	119

11.1	CONFIDENTIAL - NOT FOR PUBLIC RELEASE - LAND ACQUISITIONS - BLI BLI	119
12	NEXT MEETING.....	121
13	MEETING CLOSURE	121



ORDINARY MEETING

NOTICE

13 September 2024

Dear Councillors, Group Executives and relevant staff,

In accordance with Section 254C(2) of the *Local Government Regulation 2012*, I wish to advise that an Ordinary Meeting has been convened for

26 September 2024

commencing at 9.00am.

A handwritten signature in black ink, appearing to read "D. Robinson", is positioned above the printed name.

Debra Robinson | Acting Chief Executive Officer

Sunshine Coast Regional Council
54 First Avenue, Maroochydore QLD 4558
P 07 5441 8240 | F 07 5441 8275
E debra.robinson@sunshinecoast.qld.gov.au
W www.sunshinecoast.qld.gov.au

1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 WELCOME AND OPENING**3 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE****4 RECEIPT AND CONFIRMATION OF MINUTES**

That the Minutes of the Ordinary Meeting held on 29 August 2024 be received and confirmed.

5 MAYORAL MINUTE**6 INFORMING OF CONFLICTS OF INTEREST****6.1 PRESCRIBED CONFLICTS OF INTEREST**

Pursuant to section 150EL of the *Local Government Act 2009* (the Act), a Councillor who has a prescribed conflict of interest in an issue to be considered at a meeting of the local government must –

- (a) immediately inform the meeting of the prescribed conflict of interest including the particulars stated in section 150EL(4) of the Act and
- (b) pursuant to section 150EM(2) of the Act must leave the place at which the meeting is being held, including any area set aside for the public, and stay away from the place while the matter is being discussed and voted on.

6.2 DECLARABLE CONFLICTS OF INTEREST

Pursuant to section 150EQ of the *Local Government Act 2009*, a Councillor who has a declarable conflict of interest in a matter to be considered at a meeting of the local government, must stop participating in the meeting and immediately inform the meeting of the declarable conflict of interest including the particulars stated in section 150EQ(4) of the Act.

If the Councillor with a declarable conflict of interest does not voluntarily decide not to participate in the decision, pursuant to section 150ES(3)(a) of the Act the eligible Councillors must, by resolution, decide

- (a) whether the Councillor may participate in the decision despite the Councillors conflict of interest or
- (b) that the Councillor must not participate in the decision and must leave the place at which the meeting is being held, including any area set aside for the public and stay away while the eligible Councillors discuss and vote on the matter.

The Councillor with the declarable conflict of interest must comply with any conditions the eligible Councillors impose per section 150ES(4) and (5) of the Act.

7 PRESENTATIONS / COUNCILLOR REPORTS

8 REPORTS DIRECT TO COUNCIL**8.1 AUDIT COMMITTEE MEETING 2 SEPTEMBER 2024****File No:** Council Meetings**Author:** Manager Audit, Assurance and Risk Advisory Services
Civic Governance**Appendices:** App A - Audit Committee Minutes 2 September 2024..... 15  

PURPOSE

To provide Council with a report on matters reviewed at the Audit Committee ("the Committee") meeting held on 2 September 2024 and recommendations made by the Committee to Council.

This report is provided in fulfillment of Council's obligations under section 105 of the *Local Government Act 2009* and section 211 of the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY

Under section 105 (2) of the *Local Government Act 2009*, Council is required to establish and maintain an Audit Committee. Council's Audit Committee is comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Ms Sue Tindal (Independent Member), Councillor E Hungerford and Councillor J Broderick.

Under Clause 6 of the Audit Committee Charter, the Committee meets (at a minimum) four times each year or as determined by Council or the Committee.

The agenda for the Audit Committee on 2 September 2024 covered the following:

- Meeting Minutes and Audit Committee Resolutions/Action Items
- Chief Executive Officer's Update
- Finance: Draft 2022-23 Financial Statements
- Finance: Program of Work for Asset Valuation (Update)
- Finance: Queensland Audit Office: Second Interim Report for 2022/23
- People: Wellbeing Health and Safety Report
- Digital & Information Services: Cyber Security Report
- Built Infrastructure: Asset Transformation Update
- Governance: Strategic Risk Update Report
- Governance: Operational Risk Update Report
- Governance: Internal Audit Program of Work update
- Governance: Recommendation Monitoring
- Governance: Internal Audit Report: Employee Central, Employee Central Payroll and Dayforce Review

- Governance: Internal Audit Report: Gender Pay Equity Review
- Governance: Internal Audit Report: Queensland Audit Office Local Government 2023 (Report 8: 2023-24)

OFFICER RECOMMENDATION**That Council:**

- (a) **receive and note the report titled "Audit Committee Meeting 2 September 2024" and**
- (b) **endorse the Minutes of the Audit Committee Meeting of 2 September 2024 at Appendix A to this report.**

FINANCE AND RESOURCING

There are no financial or resourcing issues specifically associated with this report. The report fulfils the statutory reporting obligations of Council.

CORPORATE PLAN

Corporate Plan Goal: ***Our outstanding organisation***

Outcome: We serve our community by providing this great service

Operational Activity: S30 - Governance – providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported.

CONSULTATION**Councillor Consultation**

Councillors J Broderick and E Hungerford attended and participated in the Audit Committee meeting on 2 September 2024.

All Councillors received the Audit Committee agenda and papers prior to the meeting.

Internal Consultation

The Chief Executive Officer and other Executive Leadership Team (ELT) members participated in the Committee meeting and contributed to the development of the Committee Agenda papers. Other officers consulted in the preparation of papers for consideration at the Audit Committee meeting on 2 September 2024 included:

- Chief Financial Officer
- Coordinator Financial Accounting
- Manager Asset Management Branch
- Wellbeing, Health, and Safety Manager
- Head of People and Culture
- Coordinator Risk and Insurance

The Chief Executive Officer and all Executive Leadership Team members received the Audit Committee agenda prior to the meeting.

External Consultation

The independent members of the Committee were present at the Committee meeting on 2 September 2024.

All attendees received the Audit Committee agenda and papers prior to the meeting.

PROPOSAL

Under section 105 (2) of the *Local Government Act 2009*, Council (as a large local government) must establish and maintain an Audit Committee. The Act provides the Audit Committee has the following functions:

- (a) monitors and reviews—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of Council’s internal auditors; and
- (b) makes recommendations to Council about any matters that the Committee considers need action or improvement.

The Committee has no delegated decision-making authority. The Committee is, however, a source of independent advice to Council and the Chief Executive Officer.

The Committee is comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Ms Sue Tindal (Independent Member), Councillor E Hungerford and Councillor J Broderick.

The overall objective of the Committee is to assist Council and the Chief Executive to discharge their responsibilities, 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 open lines of communications with Council, Executive Management, External Audit and Internal 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.

Under section 211 of the *Local Government Regulation 2012*, the Committee must provide Council with a written report about the matters reviewed at its meetings and make recommendations to Council on any matters the Committee considers need action or improvement. The Committee meets at least four times each year.

The most recent meeting of the Audit Committee took place on 2 September 2024. The minutes of the Committee meeting are provided at **Appendix A** to this report.

Legal

This report to Council has been developed in fulfillment of Council's statutory obligations under the Local Government Act 2009 and Local Government Regulation 2012.

Risk

Specific risks associated with each matter contained in the Committee Agenda reports have been raised and addressed in the briefings to the Committee.

Previous Council Resolution**Ordinary Meeting 20 June 2024 (OM24/46)**

That Council:

- (a) *receive and note the report titled "Audit Committee Meeting 23 May 2024"*
- (b) *endorse the Minutes of the Audit Committee meeting of 23 May 2024 at Appendix A to this report and*
- (c) *accept the recommendation of the Audit Committee dated 23 May 2024 and in doing so, approve the 2024 – 2025 Internal Audit Program of Work at Appendix B.*

Ordinary Meeting 7 March 2024 (OM24/15)

That Council:

- (a) *receive and note the report titled "**Audit Committee Meeting 26 February 2024**" and*
- (b) *endorse the Minutes of the Audit Committee meeting of 26 February 2024 at Appendix A to this report.*

Ordinary Meeting 18 January 2024 (OM24/7)

That Council:

- (a) *receive and note the report titled "**Appointment of Independent Audit Committee Member**"*
- (b) *approve the appointment of the independent Audit Committee member, as discussed in confidential session, for a term of three years from and including 18 January 2024 and concluding on 31 December 2026 and*
- (c) *authorise the Chief Executive Officer to publicly release the name of the person appointed as a member of the Audit Committee, should Council endorse the recommendations in this report.*

Ordinary Meeting 14 December 2023 (OM23/151)

That Council:

- (a) *receive and note the report titled "**Audit Committee Meeting 9 November 2023**" and*
- (b) *endorse the Minutes of the Audit Committee meeting of 9 November 2023 at Appendix A to this report.*

Ordinary Meeting 26 October 2023 (OM23/118)

That Council:

- (a) *receive and note the report titled "Audit Committee Meetings of 7 September 2023 and 6 October 2023"*
- (b) *endorse the Minutes of the Audit Committee meeting of 7 September 2023 at Appendix A to this report and*

- (c) *endorse the Minutes of the Audit Committee meeting of 6 October 2023 at Appendix B to this report*

Related Documentation

Audit Committee Agenda and papers for 2 September 2024.

Implementation

Implementation of the Audit Committee resolutions and the internal and external audit recommendations are overseen by the Chief Executive Officer and the Executive Leadership Team and monitored by the Audit Committee.

Minutes

Audit Committee

Monday, 2 September 2024

Council Chambers, 54 First Avenue, Maroochydore

AUDIT COMMITTEE MEMBERS

Councillor J Broderick	Division 1
Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair)
Mr P McCallum	External Member
Ms S Tindal	External Member

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	5
3	INFORMING OF CONFLICTS OF INTEREST	6
3.1	PREScribed CONFLICTS OF INTEREST	6
3.2	DECLARABLE CONFLICTS OF INTEREST	6
4	REPORTS DIRECT TO AUDIT COMMITTEE	7
4.1	MEETINGS MINUTES AND AUDIT COMMITTEE RESOLUTIONS/ACTION ITEMS.....	7
4.2	CHIEF EXECUTIVE OFFICER'S UPDATE.....	8
4.3	FINANCE: DRAFT 2023-24 FINANCIAL STATEMENTS	9
4.4	FINANCE: PROGRAM OF WORK FOR ASSET VALUATION	11
4.5	FINANCE: QUEENSLAND AUDIT OFFICE: SECOND INTERIM REPORT FOR 2023-24	13
4.6	PEOPLE: WELLBEING, HEALTH AND SAFETY REPORT	14
4.7	DIGITAL & INFORMATION SERVICES: CYBER SECURITY REPORT	15
4.8	BUILT INFRASTRUCTURE: ASSET MANAGEMENT TRANSFORMATION PROGRAM UPDATE.....	16
4.9	GOVERNANCE: STRATEGIC RISK UPDATE	17
4.10	GOVERNANCE: OPERATIONAL RISK PROFILE OVERVIEW	18
4.11	GOVERNANCE: INTERNAL AUDIT PROGRAM OF WORK UPDATE	19

AUDIT COMMITTEE MINUTES		2 SEPTEMBER 2024
4.12	GOVERNANCE: RECOMMENDATION MONITORING.....	20
4.13	GOVERNANCE: INTERNAL AUDIT REPORTS: EMPLOYEE CENTRAL, EMPLOYEE CENTRAL PAYROLL AND DAYFORCE REVIEW.....	21
4.14	GOVERNANCE: INTERNAL AUDIT REPORTS: GENDER PAY EQUITY REVIEW	22
4.15	GOVERNANCE: INTERNAL AUDIT REPORTS: QUEENSLAND AUDIT OFFICE LOCAL GOVERNMENT 2023 (REPORT 8: 2023-24).....	24
5	NEXT MEETING.....	25
6	MEETING CLOSURE.....	25

Please Note: The resolutions as shown in italics throughout these minutes are the resolutions carried by the Audit Committee.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

1 DECLARATION OF OPENING

The Chair declared the meeting open at 9:06am.

Councillor J Broderick acknowledged the Traditional Custodians of the land on which the meeting took place.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

AUDIT COMMITTEE MEMBERS

Councillor J Broderick	Division 1
Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair)
Mr P McCallum	External Member

COUNCIL OFFICERS

A/Chief Executive Officer
A/Group Executive Built Infrastructure
A/Group Executive Business Performance
A/Group Executive Civic Governance
A/Group Executive Customer and Planning Services
Group Executive Economic and Community Development
Group Executive Liveability and Natural Assets
Head of People and Culture
Manager Audit, Assurance and Risk Advisory Services
Coordinator Financial Accounting
Wellbeing Health and Safety Manager
Asset Information Manager
Coordinator Corporate Risk & Insurance

APOLOGIES

Ms S Tindal	External Member
Engagement Manager	Queensland Audit Office

ATTENDEES

Engagement Leader	Queensland Audit Office
Councillor D Law	Division 10

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

3 INFORMING OF CONFLICTS OF INTEREST

3.1 PRESCRIBED CONFLICTS OF INTEREST

Pursuant to Section 150EL of the *Local Government Act 2009*, no declarations of prescribed conflicts of interest were made during this meeting.

3.2 DECLARABLE CONFLICTS OF INTEREST

Pursuant to Section 150EQ of the *Local Government Act 2009*, no declarations of declarable conflicts of interest were made during this meeting.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4 REPORTS DIRECT TO AUDIT COMMITTEE

4.1 MEETINGS MINUTES AND AUDIT COMMITTEE RESOLUTIONS/ACTION ITEMS

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services**
 Civic Governance

EXECUTIVE SUMMARY

Audit Committee Meeting Minutes

The Minutes of this meeting were presented to Council for consideration at its Ordinary Meeting on 20 June 2024.

Audit Committee Resolutions and Action Items

Resolutions and action items recorded at Audit Committee meetings refer to specific approvals, recommendations, tasks, actions, or responsibilities assigned to individuals or teams.

Items are documented in meeting minutes and serve as a point of reference to ensure actions agreed are followed through and implemented effectively.

Committee Recommendation (AC24/31)

Moved: **P McCallum**

Seconded: **Councillor E Hungerford**

That the Audit Committee receive and note the report titled "Meetings Minutes and Audit Committee Resolutions/Action Items".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.2 CHIEF EXECUTIVE OFFICER'S UPDATE

File No: **Audit Committee**
Author: **Manager, Strategy and Policy**
 Civic Governance

EXECUTIVE SUMMARY

The Audit Committee considers a regular report from the Chief Executive Officer outlining Council's performance in progressing the implementation of its corporate and operational plans.

This report provides information on the following items for consideration by the Audit Committee:

- Financial performance as of 30 June 2024
- Capital Works Program delivery as of 30 June 2024
- Workplace Health and Safety update as of 30 June 2024
- Significant achievements delivered between 1 April and 30 June 2024 (Quarter 4 of 2023-24) and
- Summary of Operational Plan performance by exception as of 30 June 2024.

Committee Recommendation (AC24/32)

Moved: **Councillor E Hungerford**
Seconded: **Councillor J Broderick**

That the Audit Committee receive and note the report titled "Chief Executive Officer's Update".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.3 FINANCE: DRAFT 2023-24 FINANCIAL STATEMENTS

File No: **Audit Committee**
Author: **Coordinator Financial Accounting**
 Business Performance Group

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare general purpose financial statements on an annual basis, culminating in audit certification in late October, before publication in Council's Annual Report.

In line with Council's policy to provide the Audit Committee with regular updates on key issues, the following is provided:

Draft financial statements 2023-24

The attached general purpose financial statements for 2023-24 have been prepared for review by the Audit Committee prior to their lodgement with the Auditor-General.

This version of the draft financial statements dated 21 August 2024 includes the following material items:

- Work in Progress (WIP) accrual estimate (\$60 million net) relating to assets in use but not yet financially captured, along with associated depreciation estimate of \$8.4 million

The following items are not included in this version of the draft financial statements dated 21 August 2024.

- Consolidation of controlled entities
 - Financial statements for controlled entities were not received in time for the 21 August 2024 version of the financial statements
- Financial sustainability measures
 - These will be finalised once all transactions are processed
- Financial impacts of the asset revaluations
 - Impacts of condition assessments and useful life reviews for comprehensively revalued assets were not received in time for the 21 August 2024 version of the financial statements
- Details of prior period adjustments for
 - Transfer of project costs to operating
 - Contributed and discovered assets

In addition, some of the notes to the financial statements are still in progress.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

Council adopted all Australian Accounting Standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023. None of the standards had a material impact on reported position, performance and cash flows.

Committee Recommendation (AC24/33)

Moved: **P McCallum**

Seconded: **Councillor J Broderick**

The Audit Committee expresses its concern that the draft Financial Statements have not been completed as at 2 September 2024 and that there are several matters remaining to be resolved.

The Audit Committee does not believe this situation will be resolved by short term measures such as additional overtime.

The Audit Committee acknowledge and appreciate the finance and asset team achievements to date and recommend that:

- 1. An independent review of the process to prepare the statutory financial statements be undertaken with the scope of such review to be reviewed by the Audit Committee Chair*
- 2. The Chief Financial Officer keep the Chair of the Audit Committee informed of the program of the external audit*
- 3. A separate meeting be scheduled for the Finance Team to discuss the final 2024 financial statement with the Audit Committee members and*
- 4. The currently scheduled 10 October 2024 Audit Committee to be changed if required.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.4 FINANCE: PROGRAM OF WORK FOR ASSET VALUATION

File No: **Audit Committee**
Author: **Coordinator Financial Accounting**
 Business Performance Group

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare General Purpose Financial Statements on an annual basis in line with the *Local Government Act 2009*, *Local Government Regulation 2012* and the Australian Accounting Standards. These financial statements are audited by the Queensland Audit Office or their representative.

Council's Land, Buildings, Transportation, Stormwater and Other Infrastructure asset classes are recorded in the financial statements at fair value. Remaining financial asset classes i.e., Plant & Equipment and Intangibles are held at historical cost.

As per legislation and Australian Accounting Standards, Council is required to comprehensively revalue assets held at fair value at least once every 5 years or when a material change has occurred to an asset class as per industry indices. In the interim years, the index movement is reviewed.

Comprehensive asset revaluations for Stormwater and Other Infrastructure were required for the 2022-23 financial year, however, were unable to be completed satisfactorily, so indexation was applied to ensure the financial statements were materially correct.

As a result, Council will complete comprehensive asset revaluations for Stormwater and Other Infrastructure in 2023-24, along with Transportation which is also due this year. Indexation will be reviewed for Buildings and Land.

A monthly Asset Revaluation Update to the Independent Audit Committee members, Queensland Audit Office and the Executive Leadership Team commenced in December 2023. The 30 June 2024 and 6 August 2024 updates.

In addition, weekly updates are provided to the Chief Executive Officer and relevant internal stakeholders, along with regular consultation with Queensland Audit Office.

Comprehensive revaluations for Transportation and Stormwater were completed (apart from final application and system processing) and audited by the Queensland Audit Office during the 2nd Interim Audit in May/June 2024.

The comprehensive revaluation for the Other Infrastructure asset class is on track for the Final Audit with valuers Marsh Pty Ltd (swimming pools, shelters and structures, parks and sport field assets) and Stantec Australia Pty Ltd (marine, waste, electrical and communication assets).

Regular updates have continued to be provided to Queensland Audit Office and internal stakeholders to ensure risks are mitigated throughout the process.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

Committee Recommendation (AC24/34)

Moved: Councillor E Hungerford
Seconded: P McCallum

That the Audit Committee receive and note the report titled "Finance: Program of work for Asset Valuation."

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.5 FINANCE: QUEENSLAND AUDIT OFFICE: SECOND INTERIM REPORT FOR 2023-24

File No: Audit Committee
Author: Coordinator Financial Accounting
Business Performance Group

EXECUTIVE SUMMARY

The Queensland Audit Office conducted the Second Interim Audit for the 2023-24 financial statement process during May/June 2024.

In this phase, the auditors assessed the design and implementation of Council's internal controls relevant to the financial report, and whether they are operating effectively. They assessed the key controls they intend to rely on in auditing Council's financial statements.

Based on the results of audit testing completed to date and the resolution of prior year issues, the Queensland Audit Office has determined Council's internal control environment supports an audit strategy where they can rely on Council's controls.

Two new issues were identified and reported as part of the Second Interim Audit.

Committee Recommendation (AC24/35)

Moved: P McCallum
Seconded: Councillor E Hungerford

That the Audit Committee receive and note the report titled "Finance: Queensland Audit Office: Second Interim Report for 2023-24".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.6 PEOPLE: WELLBEING, HEALTH AND SAFETY REPORT

File No: **Audit Committee**
Author: **Wellbeing Health and Safety Manager**
 Business Performance Group

EXECUTIVE SUMMARY

Our safety management system improvement continues with the Critical Control Management Project progressing in line with the project plan, and the Wellbeing Intranet page refresh completed and launched for employee use.

Findings from the library "Listen and Learn" discovery sessions identified an opportunity to further control risk relating to public threats that have a potential for serious harm. As a result, "Imminent Threat" training has been developed and delivered across all libraries by the Wellbeing Health and Safety team.

Improvements to the safety management system and Council's safety culture has achieved ongoing reduction in Lost Time Injuries and Frequency Rates:

- Lost Time Injuries recorded in Cintellate have reduced by 50% in the 2023-24 financial year from Quarter 3 (4) to Quarter 4 (2)
- A 15 % decrease in the severity rate averages from Quarter 3 (average 83.4) to Quarter 4 (average 73.4).

In Quarter 4, there were no notifiable incidents to Work Health and Safety Queensland.

Committee Recommendation (AC24/36)

Moved: **Councillor J Broderick**
Seconded: **Councillor E Hungerford**

That the Audit Committee

- (a) *receive and note the report titled "People: Wellbeing, Health and Safety Report" and*
- (b) *request a report to the November Audit Committee meeting to include the metrics by which the Wellness Health and Safety Manager monitors performance and applicable benchmarks.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.7 DIGITAL & INFORMATION SERVICES: CYBER SECURITY REPORT

File No: **Audit Committee**
Author: **Chief Information Officer**
 Business Performance Group

EXECUTIVE SUMMARY

Council has an ongoing Cyber Security Program to continually improve the cyber maturity levels which has been developed from the recommended mitigation strategies of the Australian Cyber Security Centre (ACSC) "Essential Eight" (E8) and International Security Standard "ISO27001" criteria.

The Cyber Security Project (H7938) goal is to align with the ACSC Essential 8 Maturity Model Level 2 by end of Financial Year 24-25. Currently the project is at 50% of that target and on track to meet this timeframe with all current security posture improvement activities.

Committee Recommendation (AC24/37)

Moved: **Councillor J Broderick**
Seconded: **Councillor E Hungerford**

That the Audit Committee receive and note the report titled "Digital & Information Services: Cyber Security Report".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

**4.8 BUILT INFRASTRUCTURE: ASSET MANAGEMENT TRANSFORMATION
PROGRAM UPDATE**

File No: **Audit Committee**
Author: **Manager Asset Management**
 Built Infrastructure Group

EXECUTIVE SUMMARY

The audit committee has been progressively updated in relation to Council's asset management activities on a regular basis, with the last update in November 2023.

The updates have informed the audit committee of two independent reviews undertaken in 2021 and 2022 respectively. As previously reported, Council has now consolidated these reviews and subsequent actions to deliver a single improvement program known as the Asset Management Transformation Program (AMTP).

Committee Recommendation (AC24/38)

Moved: **Councillor J Broderick**
Seconded: **Councillor E Hungerford**

That the Audit Committee

- (a) receive and note the report titled "Built Infrastructure: Asset Management Transformation Program Update" and*
- (b) request the Chief Executive Officer to provide a comprehensive report on the status of recommendations arising from the four reviews of the Asset Management systems in recent years by November 2024 Audit Committee meeting, as an input into the reset of the project.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.9 GOVERNANCE: STRATEGIC RISK UPDATE

File No: **Audit Committee**
Author: **Coordinator Corporate Risk & Insurance**
 Civic Governance

EXECUTIVE SUMMARY

The Strategic Risk Roadmap has been updated to reflect the work that has been completed and the work that is still ongoing.

The Risk Management Manual and Risk Management Policy have now been completed and signed off by the Acting Chief Executive Officer. These documents have been uploaded to Council's Intranet on the Risk and Insurance site, with updated instructions relating to the risk management process.

Committee Recommendation (AC24/39)

Moved: **P McCallum**
Seconded: **Councillor E Hungerford**

That the Audit Committee receive and note the report titled "Governance: Strategic Risk Update".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.10 GOVERNANCE: OPERATIONAL RISK PROFILE OVERVIEW

File No: **Audit Committee**
Author: **Coordinator Corporate Risk & Insurance**
 Civic Governance

EXECUTIVE SUMMARY

During the fourth quarter of last financial year, there were further operational risk reviews completed in partnership with teams and branches across the organisation. Risks identified as having a high residual risk value are included in the table below.

The review also identified that one of the risks that was previously rated as "High" has now been reduced to a "Medium" with stronger controls and a more robust mitigation strategy in place.

Further to the quarterly reviews, the annual review of the Operational Risk Registers is currently taking place. The Risk & Insurance Team have distributed the Branch Operational Risks to each Branch for review by the team. The review is to ensure the information in the Branch Risk Register is current and relevant to daily operations. Where necessary, and/or requested, the Risk & Insurance Team will assist with the operational reviews.

Out of the 207 Operational Risks identified, 25 remain out of tolerance equating to approximately 10%. Of the 25 risks out of tolerance, five were identified to be in the mid high range while the other 20 were identified to be just outside of tolerance. Each of these risks with a residual rating of "High" require further mitigations and controls to bring them back within the medium tolerance level.

Committee Recommendation (AC24/40)

Moved: **Councillor J Broderick**
Seconded: **Councillor E Hungerford**

*That the Audit Committee receive and note the report titled "**Governance: Operational Risk Profile Overview**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.11 GOVERNANCE: INTERNAL AUDIT PROGRAM OF WORK UPDATE

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services**
 Civic Governance

EXECUTIVE SUMMARY

Summary of Reviews from Financial Year (FY) 2024

- 5 reviews fully completed
- 1 review has been deferred to Quarter 4 FY2025 - Tree Management follow up. Audit Recommendation target date has been adjusted to 30 June 2025. Discussed and agreed with Group Executive and Branch Manager. Internal Audit will continue to monitor progress.
- 2 reviews are in Fieldwork:
 - Registered Profession Engineer Queensland (RPEQ) review – MinterEllison are continuing with Phase 2 and 3 work
 - Asset management process and systems – fieldwork was delayed, but has now commenced.
- 1 review - Contract management review is moving into the reporting stage.

Summary of Reviews from Financial Year (FY) 2025

- 5 reviews are being scoped.

Reports

- 2 reports were reported at the 23 May Audit Committee Meeting
- 2 reports will be reported at the 2 September Audit Committee Meeting:
 - 24-03 - Gender Pay Gap Review
 - 24-07 – Employee Central- Employee Central Payroll-Dayforce Technical review

Committee Recommendation (AC24/41)

Moved: **Councillor E Hungerford**

Seconded: **Councillor J Broderick**

That Audit Committee receive and note the report titled "Governance: Internal Audit Program of Work Update".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

4.12 GOVERNANCE: RECOMMENDATION MONITORING

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services**
 Civic Governance

EXECUTIVE SUMMARY

As at 30 June 2023, there were 27 active audit recommendations. As many of the 27 active audit recommendations require multiple actions to address, there are 39 Management Action Plans being tracked.

Committee Recommendation (AC24/42)

Moved: **P McCallum**

Seconded: **Councillor E Hungerford**

That the Audit Committee receive and note the report titled "Governance: Recommendation Monitoring".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

**4.13 GOVERNANCE: INTERNAL AUDIT REPORTS: EMPLOYEE CENTRAL,
EMPLOYEE CENTRAL PAYROLL AND DAYFORCE REVIEW**

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services
Civic Governance**

EXECUTIVE SUMMARY

The System Health review has been undertaken to ensure the integrated SAP SuccessFactors Employee Central (EC), SuccessFactors Employee Central Payroll (ECP) and Dayforce solution is optimised, and that each system is aligned with best practice.

This engagement is a co-sourced arrangement with Council's Internal Audit and EPI-USE.

The audit recommendations have been submitted to and considered by the Acting Group Executive, Business Performance and endorsed management comments have been reflected in the report. The assistance of the branch manager and their team involved in the audit assignment and that of their Group Executive is appreciated.

The audit report is included in this report to the Audit Committee, along with the categorisation of the recommendations for the report.

Accepted audit observations, management agreed action plans, the responsible officer and nominated completion dates will be captured in the Audit Recommendations Register within the Pulse System.

The implementation of management agreed action plans is monitored on an ongoing basis by the Audit Committee and the Executive Leadership Team.

Committee Recommendation (AC24/43)

Moved: **Councillor E Hungerford**

Seconded: **Councillor J Broderick**

That the Audit Committee receive and note the report titled "Governance: Internal Audit Reports: Employee Central, Employee Central Payroll and Dayforce Review".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

**4.14 GOVERNANCE: INTERNAL AUDIT REPORTS: GENDER PAY EQUITY
REVIEW**

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services
Civic Governance**

EXECUTIVE SUMMARY

The review was included in the Internal Audit Work Plan by the Chief Executive Officer to assess Sunshine Coast Council's preparedness for new legislation.

The Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023 made amendments to the *Workplace Gender Equality Act 2012* (WGE Act). This reform package also included changes to associated legislative instruments, including the *Workplace Gender Equality (Gender Equality Standards) Instrument 2023* and the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2023*, which took effect on 6 February 2023. This suite of legislative reforms represents a significant step forward to help accelerate employer action to close the gender pay gap.

The WGE Act applies to private sector employers and Commonwealth public sector organisations with 100 or more employees. The reforms include mandatory reporting requirements and larger organisations (with over 500 employees) will be required to have policies or strategies for each of the six gender equality indicators enshrined within the WGE Act.

Appreciating that Sunshine Coast Council (SCC) is not presently covered by the obligations of the WGE Act, MinterEllison were engaged to conduct an independent, external review to assess the adequacy and effectiveness of controls in relation to the Gender Pay Gap at SCC (Audit).

The audit recommendations have been submitted to and considered by the Acting Group Executive, Business Performance and endorsed management comments have been reflected in the report. The assistance of the branch manager and their team involved in the audit assignment and that of their Group Executive is appreciated.

The audit report is included in this report to the Audit Committee, along with the categorisation of the recommendations within the report.

Accepted audit observations, management agreed action plans, the responsible officer and nominated completion dates will be captured in the Audit Recommendations Register within the Pulse System.

The implementation of management agreed action plans is monitored on an ongoing basis by the Audit Committee and the Executive Leadership Team.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

Committee Recommendation (AC24/44)

Moved: **P McCallum**

Seconded: **Councillor J Broderick**

That the Audit Committee receive and note the report titled "Governance: Internal Audit Reports: Gender Pay Equity Review".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

**4.15 GOVERNANCE: INTERNAL AUDIT REPORTS: QUEENSLAND AUDIT OFFICE
LOCAL GOVERNMENT 2023 (REPORT 8: 2023-24)**

File No: **Audit Committee**

Author: **Manager Audit, Assurance and Risk Advisory Services
Civic Governance**

EXECUTIVE SUMMARY

The Queensland Audit Office (QAO), Local Government 2023, (Report 8: 2023-24), summarises the audit results of Queensland's 77 Councils and the entities the Council's control.

In this case, audit recommendations have been submitted to and considered by the relevant Group Executive(s).

The audit report is included in this report to the Audit Committee, along with the categorisation of the recommendations for the report.

Accepted audit observations, management agreed action plans, the responsible officer and nominated completion dates will be captured in the Audit Recommendations Register within the Pulse System.

The implementation of management agreed action plans is monitored on an ongoing basis by the Audit Committee and the Executive Leadership Team.

Committee Recommendation (AC24/45)

Moved: **Councillor E Hungerford**

Seconded: **P McCallum**

That the Audit Committee receive and note the report titled "Governance: Internal Audit Reports: Queensland Audit Office Local Government 2023 (Report 8: 2023-24)".

Carried unanimously.

AUDIT COMMITTEE MINUTES

2 SEPTEMBER 2024

5 NEXT MEETING

The next Ordinary Meeting will be held on 10 October 2024 (Tele-Conference ONLY).

6 MEETING CLOSURE

The meeting closed at 12:25pm.

8.2 QUEENSLAND AUDIT OFFICE: SECOND INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

File No:	Council Meetings
Author:	Coordinator Financial Accounting Business Performance Group
Attachments:	Att 1 - Queensland Audit Office Second Interim Report 2023-24 47  

PURPOSE

This report provides for the information of Councillors, the results of the second interim audit for 2023-24 by the Queensland Audit Office which was conducted in May/June this year.

Section 213(3) of the *Local Government Regulation 2012* requires that the report be presented at the next Ordinary Meeting of Council.

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare “General Purpose” Financial Statements on an annual basis, culminating in audit certification in October, before publication in Council’s Annual Report.

The Queensland Audit Office performs audits on Council’s annual financial statements to ensure the statements give a true and fair view of Council’s financial position, financial performance and cash flows for the relevant year, and that they comply with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

The annual audit process for the 2023-24 financial year consists of 4 parts as follows:

- Planning (December 2023)
 - Confirmation of deliverables and timelines for the audit process
- 1st Interim Audit (March 2024)
 - Included an assessment of the control environment to determine whether it supports an audit strategy that can rely on the controls
- **2nd Interim Audit (May/June 2024)**
 - **Includes testing of asset revaluations and systems audit**
- Final audit of financial statements (September 2024)

Following the final audit, Queensland Audit Office provides its closing Report, Certification and Final Management Report in October 2024, which includes their audit opinion as well as a summary and status of any issues identified during the course of the audit.

Council has consistently received an unmodified audit opinion meaning the annual financial statements, in all material aspects, give a true and fair view of Council’s financial position,

financial performance and cash flows for the relevant year, and that they comply with the applicable legislation and Australian Accounting Standards.

The results of all Queensland local government audits are included in the Auditor-General's annual report to Parliament on the results of local government audits.

2nd Intern Audit

The Queensland Audit Office performed the second interim audit of Council's financial systems and processes in May/June 2024.

The Second Interim Audit assessed the design and implementation of Council's internal controls relevant to the financial report, and whether they are operating effectively. The Queensland Audit Office assessed the key controls they intend to rely on in auditing Council's financial statements.

Based on the results of Queensland Audit Office testing completed to date and the resolution of some of the prior year issues, they have determined Council's internal control environment does support an audit strategy where they can rely on Council's controls.

2 new issues were identified during the 2nd Interim Audit and are detailed below.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Queensland Audit Office: Second Interim Management Report for the financial year ended 30 June 2024".

FINANCE AND RESOURCING

The estimated audit fee for the financial year is \$317,900 and this is provided for in Council's budget. While there have been no new areas of audit review from that planned, rescheduling of audit resources to match revised client deliverables has increased the level of unplanned time.

CORPORATE PLAN

Corporate Plan Goal: ***Our outstanding organisation***

Outcome: We serve our community by providing this great service

Operational Activity: S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION**Councillor Consultation**

Councillor E Hungerford and Councillor J Broderick have received advice of this report through the Audit Committee process.

Internal Consultation

The following branches were involved in the 2nd Interim Audit:

- Finance
- People and Culture
- Digital and Information Services
- Asset Management
- Waste and Resource Management
- Strategic Planning
- Internal Audit
- Community Development
- Sport and Community Venues
- Transport Network Management
- Transport Infrastructure Management
- Project Delivery
- Community Response
- Governance and Executive Services
- Strategic Property
- Development Services

External Consultation

- Queensland Audit Office
- Stantec Australia Pty Ltd
- Marsh Pty Ltd
- Australis Asset Advisory Group Pty Ltd

Community Engagement

There is no community engagement required for this report.

PROPOSAL

This report details the outcome of the Second Interim Audit for the 2023-24 financial year.

The Second Interim Audit involves assessment of the design and implementation of Council's internal controls that the Queensland Audit Office intend to rely on in auditing Council's financial statements.

Two new issues have been identified for the 2023-24 audit bringing the total new issues for 2024 to three.

The status of the 2nd Interim Audit is below.

Item	Details
1. Significant Deficiencies	1 current year and 1 prior year both resolved pending audit clearance
2. Deficiencies	2 current year in progress 4 prior year in progress 1 prior year partially resolved pending audit clearance 1 prior year resolved pending audit clearance
3. Areas of audit focus	Mostly on track; processing of comprehensive asset revaluations on track for week 2 of the final audit
4. Milestones	As above
5. Audit fees	Possible increase due to Item 3 above

A summary of all outstanding issues and their status is below.

Rating legend:

S or H = significant deficiency or high - requiring immediate action to revolve

D or M = deficiency or moderate – requiring resolution in a timely manner

Ref	Rating	Issue	Status	Action Date
24IR-2	S	Vendor Masterfile changes for new, existing and grant creditor vendors are not appropriately reviewed and documented	Resolved pending audit clearance	
24IR-3	D	Controls and processes to mitigate risks arising from incomplete/inaccurate data in Corporate Asset Management Systems	Work in progress	30 June 2025
24IR-1	D	Unknown reason for parking revenue reconciliation discrepancies between parking meter management system and TechOne general ledger	Work in progress	31 Dec 2024
23CR2	D	Delays in recognising contributed assets	Work in progress	9 Sep 2024
23CR3	D	Assets not previously recognised	Work in progress	30 June 2024
23IR1	D	Weakness in payroll controls	Resolved pending audit clearance	
22IR-2	S	Weakness in security over EFT payment	Resolved pending audit clearance	
22IR-8	D	Other infrastructure asset class – comprehensive revaluation	Work in progress	September 2024

Ref	Rating	Issue	Status	Action Date
22FR-1	M	Formal review of remaining useful lives for assets is required	Partially resolved pending audit clearance	

Legal

Section 213(3) of the *Local Government Regulation 2012* requires this Queensland Audit Office Interim Report be presented at the next Ordinary Meeting of Council.

Policy

There are no internal policy documents relating to this report.

Risk

Queensland Audit Office have identified items presenting the great risk of material misstatement to the financial statements with valuation of infrastructure assets topping the list. This is due to the adoption of certain key assumptions and application of significant judgement required in developing the fair value of infrastructure assets in the absence of directly observable market transactions of comparable assets.

There is also estimation uncertainty when estimating the expected utility and service potential embodied in long-lived infrastructure and assigning these assets useful lives.

In addition, Council has two separate and active asset registers, a corporate asset register and a financial asset register, with no integration between the two. This poses a risk to the financial statements as there are insufficient controls and processes within the corporate asset register to prevent or detect the occurrence of erroneous data impacting financial valuations. This has been raised as a deficiency by the Queensland Audit Office as outlined in Attachment 1.

Previous Council Resolution

Ordinary Meeting 20 June 2024 (OM24/46)

That Council:

- (a) receive and note the report titled "Audit Committee Meeting 23 May 2024"*
- (b) endorse the Minutes of the Audit Committee meeting of 23 May 2024 at Appendix A to this report and*
- (c) accept the recommendations of the Audit Committee dated 23 May 2024 and in doing so, approve the 2024 – 2025 Internal Audit Program of work at Appendix B.*

Ordinary Meeting 30 May 2024 (OM24/28)

That Council receive and note the report titled "Queensland Audit Office - First Interim Management Report for the financial year ended 30 June 2024".

Ordinary Meeting 7 March 2024 (OM24/15)

That Council:

- (a) receive and note the report titled "***Audit Committee Meeting 26 February 2024***" and
- (b) endorse the Minutes of the Audit Committee meeting of 26 February 2024 at Appendix A to this report.

Related Documentation

The is no related documentation to this report.

Critical Dates

As per s 212(4) of the *Local Government Regulation 2012*, audit of the financial statements is to be completed by 31 October each year.

Implementation

Finance Branch will coordinate the implementation of the activities and actions relating to this report. Any issues requiring resolution will be recorded in Council's Corporate Reporting system and monitored by the Audit Committee.



2024 INTERIM REPORT

Sunshine Coast Council

29 August 2024



SENSITIVE

Councillor R Natoli
Mayor
Sunshine Coast Council
Locked Bag 72
SUNSHINE COAST MAIL CENTRE QLD 4560

Dear Councillor Natoli

2024 Interim report

We present our interim report for Sunshine Coast Council for the financial year ending 30 June 2024. This report details the results of our second interim work performed to date. Under section 213 of the Local Government Regulation 2012, you must present a copy of this report at your council's next ordinary meeting.

Results of our second interim audit

In this phase, we assessed the design and implementation of your internal controls relevant to the financial report, and whether they are operating effectively. We assessed the key controls we intend to rely on in auditing your financial statements. Our audit does not assess all controls that management has implemented across the organisation.

Significant deficiencies:

- One new significant deficiency raised in this report relating to vendor masterfile changes

Deficiencies:

- One new deficiency raised in this report relating to incomplete data in Corporate Asset Management Systems

A table of all deficiencies and other matters raised in the current and prior year issued is provided at section 2 & 3 of this report.

Based on the results of our testing completed to date and the resolution of prior year issues, we have determined your internal control environment does support an audit strategy where we can rely upon your entity's controls.

Areas of audit focus

We have also performed work over the areas of audit focus as outlined in our External Audit Plan. Refer to section 1 Areas of audit focus for further details.

Milestones – On track

Most financial reporting and audit deliverable milestones have been met with the exception of comprehensive revaluations of the stormwater, transportation, and other infrastructure asset classes. Refer to section 1 Areas of audit focus and section 4 Key financial audit milestone for further details.

Audit fees – On track

While there have been no new areas of audit review from that planned, re-scheduling of audit resources to match revised client deliverables has increased the level of unplanned time.

If you have any questions or would like to discuss the audit report, please contact me on 3149 6211 or Mansheel Kumar on 3149 6085.

Yours sincerely

David Adams
Senior Director

Enc.

cc. Ms D Robinson, Chief Executive Officer
Mr M Petrie, Chair of the Audit Committee

Queensland Audit Office
Level 13, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
 Queensland Audit Office (QAO)

SENSITIVE

2024 Interim report

1. Areas of audit focus

In our external audit plan, we identified those classes of transactions, account balances, and disclosures that we considered to present the greatest risk of material misstatement to the financial statements. The following table sets out our identified areas of audit focus, including any new areas, and progress on the audit procedures conducted to address the risk.

Risk	Description of risk	Audit response
1	<p>Valuation of infrastructure assets</p> <p>Fair value estimates for Council's infrastructure assets are the product of the adoption of certain key assumptions and the application of significant management judgement.</p> <p>Given the specialised nature of assets controlled by Council, these key assumptions and judgments are necessary in forming reasonable estimates of fair value, in the absence of directly observable market transactions for comparable assets.</p> <p>There is also estimation uncertainty when estimating the expected utility and service potential embodied in long-lived infrastructure and assigning these assets useful lives.</p>	<p>Transportation Network (FY2023: \$2,332m), Stormwater Network (FY 2023: \$1,333m) and Other Infrastructure Assets (FY 2023: \$532m) are being comprehensively revalued by management with appropriately qualified external experts engaged to assist in providing key inputs including estimated replacement unit (cost) rates for key components.</p> <p>During the 2nd interim phase of the audit we reviewed the estimation of Gross Replacement Costs (GRCs) for Transportation Network and Stormwater Network assets. This included assessing the reasonableness of key inputs into the derivation of GRC for these classes of PP&E being primarily asset attribute data and unit rates.</p> <p>Engaging with both Council and its engaged experts and completing sample testing over these estimates we concluded that GRC's for these classes were reasonable but made observations and areas for improvement in terms of controls and processes that may mitigate risks of the occurrence of incomplete/inaccurate data in Corporate Asset Management Systems.</p> <p>Land (FY 2023: \$969m) and Buildings (FY2023: \$424m) will be revalued by indexation in FY 2024. Management has engaged appropriately qualified external experts to provide suitable indices for management to consider and apply in revaluing these classes of infrastructure assets.</p> <p>As previously noted, management have prepared a comprehensive project plan for FY 2024 revaluations detailing the proposed valuation processes, schedule, and techniques for each of the classes. Management's plan and enhanced governance routine are acknowledged but we note that management have alerted us that there will be delays in the processing of the revaluation increments/decrements for stormwater, transportation, and other infrastructure assets in the Council's accounting records. This will result in council being unable to meet the milestones of providing their completed comprehensive revaluations of the asset classes that are undergoing comprehensive revaluations.</p> <p>We have discussed management's progress in reviewing the useful lives of classes of its PP&E. The completion of useful life assessment is critical to calculating the written down value and finalising the reported fair value for these major asset classes.</p> <p>During our final visit, we will review the finalised valuations of land, buildings, other infrastructure assets, stormwater network and transportation network assets and the resultant estimated fair values recognised and associated disclosures to be included in the council's financial statements.</p>

SENSITIVE

2024 Interim report

Risk	Description of risk	Audit response
2	<p>Revenue recognition of infrastructure charges and contributed assets</p> <p>There are risks posed to the completeness and accuracy assertions when recognising and measuring infrastructure charges, including determining amounts to be levied and the timely collection of these charges.</p> <p>Further, Council (consistent with the broader sector) has experienced notable fluctuations in contributed asset revenue over prior financial years, which is attributable to challenges in the timely recognition and measurement of this source of income.</p>	<p>We have enquired with management regarding the internal processes for the timely collection of infrastructure charges. We are satisfied that appropriate prompts are in place when infrastructure charge notices are issued.</p> <p>We have reviewed the approval process for developer's applications and confirmed appropriate controls are designed and implemented.</p> <p>We have performed testing to verify the accuracy of infrastructure charges, discounts, and refunds to 31 March 2024 with no exceptions.</p> <p>We have also tested the recognition and measurement of revenue associated with the receipt of contributed assets from developers for the period ending 1 July 2024 to 29 February 2024 and we judge these estimates used for the purposes of initial recognition of these contributed assets to be consistent with the principles of AASB 116 <i>Property, Plant & Equipment</i> and AASB 13 <i>Fair Value Measurement</i>.</p> <p>During our final visit, we will perform additional sample testing over infrastructure charges and contributed assets.</p>
3	<p>Consolidation and valuation of Investment in Associates</p> <p>Investment in associate (Unitywater) is equity accounted in reporting council's financial performance and position at year end.</p> <p>There are risks posed to the valuation assertion given the variance in the basis of measurement for Property, Plant and Equipment adopted by the associate (Cost Model) as opposed to the Council (Revaluation Model).</p>	<p>As planned, audit procedures over consolidation and valuation of investment in associates will be performed in the final phase of the audit.</p>

2. Status of issues

Internal control issues

The following table identifies the number of deficiencies in internal controls and other matters we have identified. Details of the deficiencies we identified during our interim audit are outlined further in this section. Refer to section 3 *Matters previously reported* for the status of previously raised issues.

Year and status	Significant deficiencies	Deficiencies	Other matters*
Current year issues	1	2	-
Prior year issues – unresolved	1	6	1
Total issues	2	8	1

Note: *Queensland Audit Office only tracks resolution of other matters where management has committed to implementing action.

SENSITIVE

2024 Interim report

The following section details control deficiencies and other matters identified as at 29 August 2024. It includes a response from management.

Our ratings are as follows. For more information and detail on our rating definitions, please see the webpage here: www.qao.qld.gov.au/information-internal-controls or scan the QR code.



S Significant Deficiency

24IR-2 Vendor masterfile changes for new, existing and grant creditor vendors are not appropriately reviewed and documented

Observation

We tested a sample of vendor masterfile changes, focusing on new vendors and changes to bank account details entered into the TechOne system. For new vendors, a "Creditor/Supplier Creation/Maintenance" form is completed and signed by the Council Requesting Officer and approved by a supervisor or manager. The form is also required to be signed by the vendor who ensures all information in the form is correct and accurate. For changes to pre-existing vendor bank details, the vendor informs the Accounts Payable team of the change by way of email correspondence. An Accounts Payable team member verifies the change of details with the vendor by phone using an independently sourced phone number.

We identified the following exceptions in the operation of this control:

- One exception where the "Creditor/Supplier Creation/Maintenance" form was not signed by the Council Requesting Officer and not authorised by a manager for the creation of a new vendor.
- One exception where there was no evidence recorded in the system that an Accounts Payable team member performed a confirmation phone call to verify an existing vendor's bank account change.
- One exception relating to the lack of independent confirmation phone calls made to pre-existing grant creditor vendors to validate bank account changes. These types of vendors receive grant money from the Council and can change their bank account details in the Smartygrants system. The Grants team extracts this information from the Smartygrants system and sends the imported file to the Accounts Payable team who check the bank account details provided match what is in TechOne. The Grants and Accounts Payable teams confirmed that no phone call is performed by either team when a change in a grant creditor's bank account changes occur.

Implication

Non-compliance with vendor masterfile processes increases the risk of fraud and a heightened risk of incorrect master data changes being undetected by management.

This matter is pertinent, given recent increase in the levels of attempted fraud targeting Queensland public sector entities, including attempts to divert payments to bank accounts via illegitimate requests for changes to vendor bank account details.

QAO recommendation

We recommend that management

1. Check that changes made to vendors identified as exceptions above are valid changes.
2. Remind key staff of the risks when key vendor controls (as described above) are not operating effectively

SENSITIVE

2024 Interim report

Management response

Council agrees with and has implemented the recommendations.

In response to the exceptions identified:

- All Creditor/Supplier Creation/Maintenance forms will not be accepted by the Accounts Payable team unless signed by the requesting Council officer and authorised by the Branch Manager.
 - Previously, on occasion, the team would accept the email request from the business area as the approved source document.
- It is already standard practice for file notes to be added to the Creditor in the system when bank changes are made and confirmed by phone by the Accounts Payable team.
 - The exception flagged in this audit was the result of a contingent worker not following the process.
- The Accounts Payable and Grants teams implemented a process change whereby all bank changes to Grants Creditors will be confirmed and managed by the Grants team.

Responsible officer: Accounts Payable Team Leader

Status: Resolved pending audit clearance

Action date: 30 June 2024

D Deficiency

24IR-3 Controls and processes to mitigate risks arising from incomplete/inaccurate data in Corporate Asset Management Systems

Observation

In our procedures over Council's estimation of Gross Replacement Costs as a key input into the revaluation of Transport and Stormwater classes of PP&E, key data fields sourced from the CONFIRM corporate asset management system and used as asset attribute data for the purposes of estimating gross replacement costs, were in some instances either incomplete, inaccurate or both.

For example, for a number of surface component assets, unreasonable and anomalous depths had been incorrectly entered in CONFIRM, which when applied in the computation of the gross replacement cost for this component, resulted in an immaterial overstatement.

Given these observed errors or absences of key data, Council was in some circumstances required to impute or augment these inputs by adopting assumptions or other estimation techniques which they judged to best represent the relevant attributes of the assets subject to revaluation.

While acknowledging that in many circumstances these deficiencies in CONFIRM may represent historical legacies when the collection and collation of data to assist in asset management and accounting was not prioritised or when there was an absence of effective computerised systems to facilitate such activities, it remains that this represents a risk to Council's ability to effectively inform its current and future economic decision making.

Implication

Asset attribute data is a key input in developing fair value estimates. Asset attribute data such as date on installation or commissioning can also impact on the useful life and remaining useful life estimates and therefore prospective reporting period depreciation charges.

SENSITIVE

2024 Interim report

QAO recommendation

For asset attribute data already captured within CONFIRM, Council seek to adopt measures to mitigate risk and formalise processes for identifying and correcting current inaccuracies or absences in key fields within CONFIRM. This includes determining which fields and measures within the system are paramount and mandatory from an asset management and asset accounting perspective then developing a framework to ensure that these fields are reviewed for completeness and accuracy and amended where necessary. The framework should also include considerations for substitution where key data is unknown and ensuring substitution, if necessitated represents reasonable estimates in the absence of observable/measurable inputs.

For the creation and entry of new asset data within CONFIRM, controls and processes to prevent or detect the occurrence of erroneous data entry should be implemented.

Management response

The need for improved data quality controls and reporting has been recognised as part of a project reviewing the implementation of CONFIRM and the business processes that it supports.

Council is also developing an Asset Information Framework, including specific components regarding Asset Information Requirements and Monitoring & Assurance. The Asset Information Framework is due for completion as part of the Asset Management Transformation Program by 30 June 2025.

It is expected that an outcome of these two projects will be an agreed and prioritised program of Data QA improvements to be implemented over the next 3 years and aligned with a documented asset revaluation approach.

Responsible officer: Manager Asset Management
Status: Work in progress
Action date: Asset Information Framework and prioritised program of Data QA improvements will be complete by 30 June 2025.

3. Matters previously reported

The following table summarises the status of deficiencies, financial reporting issues, and other matters previously reported to you.

Ref.	Rating	Issue	Status
24IR-1	<div>D</div>	<p>Unknown reason for parking revenue reconciliation discrepancies between parking meter management system and TechOne general ledger</p> <p>Our review of the reconciliations between parking revenue (per the TechOne general ledger) and the parking meter management system identified unreconciled amounts. While management are aware of the reconciliation variances, the cause of the discrepancy is unknown.</p>	<p>Work in progress</p> <p>Council is in the final stages of compiling a Request for Quote (RFQ) document for the review. The RFQ has been tranchied to ensure a progressive review, and then determination of suitable changes to business practices/processes to ensure the discrepancies are reduced and/or removed. This includes ensuring future reporting has more transparency in terms of reconciliation between the parking revenue and the parking meter management system.</p> <p>The RFQ is requiring the review to be completed and outcomes reportable by the action date of 31 December 2024. Any adjustments to this date will be provided in due course as the project progresses.</p> <p>Responsible officer: Manager Transport Network Management Action Date: 31 December 2024</p>

SENSITIVE

2024 Interim report

Ref.	Rating	Issue	Status
23CR-2	D	<p>Delays in recognising contributed assets</p> <p>Delays in the timely recognition of contributed assets has been a recurring issue for Council. Such delays increase the risk that revenue, assets, and depreciation expense will be materially mis-stated in the financial report and or result in the reporting of material prior period errors and retrospective restatements.</p>	<p>Work in progress</p> <p>The Asset Management Transformation Program has reviewed the current Contributed Asset Process flow through consultation with all internal stakeholders and process maps are complete. Solutions workshops have occurred noting that notifications received in relation to the on maintenance of State controlled and administered developments are outside of Council's control.</p> <p>In an effort to address this issue, Council stakeholders involved in the Asset Management Transformation program met with the State Government with the aim of achieving an agreed process to mitigate the risk of delays in notifications.</p> <p>For 2024, approximately \$30 million worth of contributed assets are relating to prior year(s) due to delays in notifications. A position paper, including a root cause analysis, will be prepared for the final audit.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2024</p> <p>Revised action date: 9 September 2024</p>
23CR-3	D	<p>Assets not previously recognised</p> <p>Management have identified prior period errors relating to asset records which have not been previously recognised in the primary financial system as well as erroneous records which have required removal from the financial asset register. These errors are primarily attributable to an absence of key system information on these assets preceding the transition to the Confirm asset management system and spatial data capture inconsistencies.</p>	<p>Work in progress</p> <p>Through the work carried out by the Asset Accounting Team for the revaluation deliverables, the attributes and units of measure required for valuation purposes have been clearly documented to inform what is required to be captured against each asset group and asset type to enable financial recognition.</p> <p>A significant amount of work has been completed by the Asset Accounting Team to reconcile Financial Asset Register (FAR) assets which currently are not aligned to Confirm. This enabled the assets in Confirm that aren't represented in the FAR to be able to be recognised where those records in Confirm have the required attributes populated.</p> <p>Capitalisation occurs throughout the year and has limited impact on assets discovered in the field. The source is further upstream where assets are not captured into Council's corporate asset register (Confirm) in a timely fashion which results in field officers "finding" assets and entering those discoveries into Confirm. The AMTP (Asset Management Transformation Program) is underway and is looking at this specific issue.</p> <p>Ongoing validation of asset data occurs as part of condition audits, State of the Assets Reporting and business as usual.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2024</p>

SENSITIVE

2024 Interim report

Ref.	Rating	Issue	Status
23CR-4	D	<p>Delays in classifying project costs to operating expenses</p> <p>Council performs its capitalisation analysis processes monthly to determine whether the classification of capital costs to a project is appropriate and or whether costs failing to satisfy recognition criteria should be classified as operating expenditure. There are issues with the timeliness of these processes and as a result the recognition of re-classified expenses in their correct reporting period.</p>	<p>Work in progress</p> <p>Costs charged to natural accounts in capital projects that are operational in nature e.g. tree pruning, conference attendance etc. are reviewed monthly and transferred to the X (operational project) ledger.</p> <p>A Management Accountant was seconded to the Asset Accounting team for 6 months, and in which time older projects that had not been finalised by Project Managers were reviewed and costs moved to X ledger where appropriate.</p> <p>For 2024, approximately \$10 million worth of project costs were transferred to operating relating to prior year(s). As this amount exceeds the QAO overall materiality for 2024 of \$8.4 million, a position paper has been prepared, including a root cause analysis, for QAO review. The \$10 million is currently included in Council's 2024 operating expenses, however following review by QAO, the amount is likely to be recognised as a prior period adjustment.</p> <p>The monthly review to identify obvious operating costs in capital work in progress will continue, and this will reduce future prior period adjustments relating to project costs transferred to operating. However, some operating costs are only discovered during the capitalisation process when invoices are reviewed, and costs allocated.</p> <p>In the long term, through the Asset Management Transformation Program, clear guidelines will be established to assist at a project's inception in determining at what point in time project costs are capital in nature, along with types of costs, that are to be charged to the Capital Project Ledger, and other project costs outside of these guidelines to be expensed, when incurred, to the Operating Ledger.</p> <p>Responsible officer: Chief Financial Officer Action date: 30 June 2024</p>
23IR-1	D	<p>Weakness in payroll controls</p> <ol style="list-style-type: none"> 1. Untimely review of Masterfile changes 2. Lack of review in fortnightly payroll processing <p>Weakness in segregation of duties of CommBiz authorisers and the EFT preparer.</p>	<p>Partially Resolved</p> <ol style="list-style-type: none"> 1. Resolved 2. Pending QAO Verification at our next visit 3. Pending QAO Verification at our next visit

SENSITIVE

2024 Interim report

Ref.	Rating	Issue	Status
22IR-2	S	<p>Weakness in security over EFT payment data, user access privileges, and checking of key control reports</p> <p>The payroll EFT file is not in a secure drive or format before it is processed in CommBiz. The EFT file can be generated into any Council's network drive which is accessed by other users in the Council.</p>	<p>Resolved pending audit verification</p> <p>.An API has been implemented with end to end encryption delivering Council's EFT payroll file directly to the Commonwealth Bank for distribution of employees' pays. Implemented May 2024.</p> <p>Responsible officer: Head of People & Culture</p> <p>Original Action date: 30 April 2022</p> <p>Revised action date No.1: 30 September 2023</p> <p>Revised action date No.2: 31 October 2023</p> <p>Revised action date No.3: 30 April 2024</p> <p>Revised action date No. 4: 31 May 2024</p>
22IR-8	D	<p>Other infrastructure asset class - comprehensive revaluation</p> <p>The comprehensive revaluation of the 'Other Infrastructure class of Property, Plant & Equipment was not performed at the 5 years interval in accord with Council's asset accounting policies.</p>	<p>Work in progress</p> <p>On track for completion for final audit September 2024.</p> <p>The comprehensive revaluation for this asset class has been unable to be completed in previous audits due to reconciliation issues of the asset registers (Financial Asset Register and Confirm) and data completeness as well as the availability of unit rate data.</p> <p>For this year, the asset register completeness has been addressed via reconciliation between the 2 asset registers, Confirm and the Financial Asset Register (FAR) as well as asset recognition as required. Data completeness is to be resolved through data augmentation. As all of the above has been carried out in house, the Other Infrastructure asset class revaluation has been segmented and outsourced to Stantec Australia Pty for electrical, waste and marine assets, and to Marsh Pty Ltd for swimming pools, park and sports field assets, shelters and other structures.</p> <p>Application of the comprehensive revaluation, incorporating the impacts of the useful life review, is on track for completion by the final audit in September 2024.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Original action date: 30 June 2022</p> <p>Revised action date No.1: 30 June 2023</p> <p>Revised action date No.2: 30 June 2024</p> <p>Revised action date No. 3: September 2024</p>
22FR-1	M	<p>Formal review of remaining useful lives for assets is required</p> <p>No formal review of assets' remaining useful lives and, no formal assessments of assets for indicators of impairment.</p>	<p>Partially resolved pending audit clearance</p> <p>Council has implemented a formal review of assets' remaining useful lives and formal assessment of assets' impairment indicators in accordance with the provisions of AASB 116.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2024</p>

SENSITIVE

2024 Interim report

4. Key financial audit milestones

The following table details the current status of milestones for key financial reporting and audit deliverables as at 26 August 2024.

Planning	Agreed date	Completed date
Planning visit	05 Dec– 15 Dec 2023	15 Dec 2024
External audit plan issued to client	26 Jan 2024	26 Jan 2024
Interim		
1st Interim testing phase	11 Mar – 22 Mar 2024	22 Mar 2024
PP&E revaluation – comprehensive project plan	11 Mar 2024	22 Mar 2024
Interim report outlining preliminary audit findings issued to client	24 Apr 2024	24 Apr 2024
Position papers on known accounting issues due to audit	29 Apr 2024	N/A
Feedback on position papers to client	27 May 2024	N/A
Proforma financial statements due to audit	29 Apr 2024	29 Apr 2024
2nd Interim testing phase	27 May – 14 Jun 2024	14 Jun 2024
PP&E revaluation – Stormwater due to audit (incl. Methodology)	27 May 2024	Not yet completed
PP&E revaluation – transportation network assets due to audit (comprehensive) incl. Methodology	27 May 2024	Not yet completed
Interim report 2 outlining preliminary audit findings issue to client	26 Aug 2024	30 Aug 2024
Final		
Year-end testing phase	02 Sep –27 Sep 2024	
PP&E and Intangibles – estimated useful life reviews	02 Sep 2024	
PP&E Building assets due to audit (indexation)	02 Sep 2024	
PP&E Other Infrastructure assets due to audit	02 Sep 2024	
PP&E Land assets due to audit (indexation)	02 Sep 2024	
Complete draft financial statements to audit	02 Sep 2024	
Complete Asset Valuations due to audit (finalised & processed)	02 Sep 2024	
Feedback on draft financial statements to client	13 Sep 2024	
Asset valuations reviewed by audit	26 Sep 2024	
QAO closing report summarising our audit findings	26 Sep 2024	
Audit committee clearance	10 Oct 2024	
Financial statements signed by management	14 Oct 2024	
Audit report issued to the client	16 Oct 2024	
Final management report outlining the final audit findings issued to the client	31 Oct 2024	

Note: [Audit visit](#) | [Council deadline](#) | [QAO deadline](#)

If there are any issues/concerns in meeting these time frames, which were agreed at the planning phase, please discuss with your engagement leader David Adams and engagement manager [name of the engagement manager].

SENSITIVE

2024 Interim report

Increase to Queensland Audit Office basic fee rates

In accordance with s.56A of the *Auditor-General Act 2009* (the Act), QAO is required to obtain approval from the Cost of Living and Economics parliamentary committee before increasing our basic fee rates.

On 31 July 2024, the committee approved a 10 per cent increase to our rates, effective as of 1 October 2024. We appreciate the impact this change may have for some of our clients and it is important we explain why it is needed.

The committee undertook a rigorous review prior to its approval. It recognised the efforts we have made in previous years to find cost efficiencies but accepted these efficiencies are being outpaced by evolving market conditions.

The audit services QAO provides are fixed by legislation and professional requirements. To deliver these services, we need to be able to attract and retain appropriately qualified staff in a competitive labour market. If we cannot generate sufficient revenue, we may not be able to discharge our mandate under the Act without impacting the quality or level of our services.

Since 2012–13, increases to our hourly rates have not kept pace with the increased costs facing all organisations. Over the past 10 years, public sector award wages have increased by 24 per cent, the consumer price index has increased 32 per cent but our audit fees only increased by 12 per cent.

This 2024 increase of 10 per cent to our basic fee rates reflects:

- an 8.79 per cent increase in employee expenses due to ongoing salary increases from state government certified agreements, and payments for additional benefits, following government decisions on parental leave
- risks to how we can resource our audits with suitably qualified auditors from a competitive labour market
- changes in the audit landscape, including additional quality requirements following recent changes to Australian auditing standards and professional requirements, and climate-related reporting and assurance
- increased information technology costs and information systems security to effectively manage increasing cyber risk.

We expect this to impact our future fees, and we will discuss with impacted entities in due course. The increase will not affect our 2023–24 audits; we are including this update in your closing report to provide early notice ahead of next year's planning.

Please do not hesitate to contact me if you have questions. We remain committed to delivering efficient, quality, and timely audit services for your entity.

The Cost of Living and Economic Committee's report is available on Queensland Parliament's website: [Publications | Queensland Parliament](#).



qao.qld.gov.au/reports-resources/reports-parliament

David Adams
Queensland Audit Office
T: 07 3149 6211
E: David.Adams@qao.qld.gov.au

[Suggest an audit topic](#)
[Contribute to an audit in progress](#)
[Subscribe to news and our blog](#)
[Connect with QAO on LinkedIn](#)

T: (07) 3149 6000
E: qao@qao.qld.gov.au
W: www.qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

 **Queensland
Audit Office**
Better public services



8.3 AUGUST 2024 FINANCIAL PERFORMANCE REPORT**File No:** Council Meetings**Author:** Coordinator Financial Services
Business Performance Group**Attachments:** Att 1 - August 2024 Financial Performance Report 65 [↓](#) 
Att 2 - August 2024 Capital Grant Funded Project Report... 75 [↓](#) 

PURPOSE

To meet Council's legislative obligations, a monthly report must be presented to Council on its financial performance and investments.

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 31 August 2024, in terms of the operating result and delivery of the capital program.

Operating Performance**Table 1: Operating Budget as at 31 August 2024**

	Original Budget \$000	Current Budget \$000
Total Operating Revenue	610,085	610,085
Total Operating Expenses	587,086	587,086
Operating Result	22,999	22,999

Details of the monthly financial report are contained in **Attachment 1**.

OFFICER RECOMMENDATION

That Council receive and note the report titled "August 2024 Financial Performance Report"

FINANCE AND RESOURCING

This report sets out the details of Council's financial performance and investments for the month ending 30 June 2024, and meets Council's legislative reporting requirements.

CORPORATE PLAN**Corporate Plan Goal:** *Our outstanding organisation***Outcome:** We serve our community by providing this great service

Operational Activity: S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION

Councillor Consultation

Consultation has been undertaken with the Portfolio Councillors, Cr E Hungerford and Cr J Broderick.

Internal Consultation

This report has been written in conjunction with advice from:

- Acting Group Executive Business Performance
- Chief Executive Officer
- Group Executive Economic & Community Development
- Chief Financial Officer

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

Legal

This report ensures that Council complies with its legislative obligations with respect to financial reporting in accordance with Section 204 of the *Local Government Regulation 2012*.

Investment of funds is in accordance with the provisions of the *Statutory Bodies Financial Arrangements Act 1982* and the associated Regulations and the *Local Government Act 2009*.

Policy

Sunshine Coast Council's 2023-24 Investment Policy, and
Sunshine Coast Council's 2023-24 Debt Policy.

Risk

The 2024-25 budget has been developed to ensure long term financial sustainability for the Sunshine Coast region. A key element to long term financial sustainability is achieving the targeted operating result.

Council's operating result includes savings initiatives of \$14.7 million. Failure to achieve the budgeted operating result will negatively impact Council's financial sustainability both in the short term and long term.

Continued monitoring of the delivery of the capital works program within budgeted scope and cost.

Previous Council Resolution**Special Meeting 20 June 2024 (OM24/4)**

That Council:

1. STATEMENT OF ESTIMATED FINANCIAL POSITION

receive and note Appendix A, pursuant to section 205 of the Local Government Regulation 2012, the statement of the financial operations and financial position of the Council in respect to the 2023-24 financial year.

2. ADOPTION OF BUDGET

adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council's budget for 2024-25 financial year incorporating:

- i. the statement of income and expenditure*
- ii. the statement of financial position*
- iii. the statement of changes in equity*
- iv. the statement of cash flow*
- v. the relevant measures of financial sustainability*
- vi. the long-term financial forecast*
- vii. the Debt Policy (adopted by Council resolution on 30 May 2024)*
- viii. the Revenue Policy (adopted by Council resolution on 30 May 2024)*
- ix. the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. the Revenue Statement*
- xi. Council's 2024-25 Capital Works Program, endorsing the indicative four-year program for the period 2026 to 2029, and noting the five-year program for the period 2030 to 2034*
- xii. the rates and charges to be levied for the 2024-25 financial year and other matters as detailed below in clauses 3 to 10*

- xiii. the 2024-25 Minor Capital Works Program*
- xiv. the Strategic Environment Levy Policy*
- xv. the Strategic Arts and Heritage Levy Policy*
- xvi. the Strategic Transport Levy Policy and*
- xvii. Prescribed Services Charge Plan (No. 2) 2024-25 Financial Year.*

Related Documentation

2024-25 Adopted Budget

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

2024-25 BUDGET

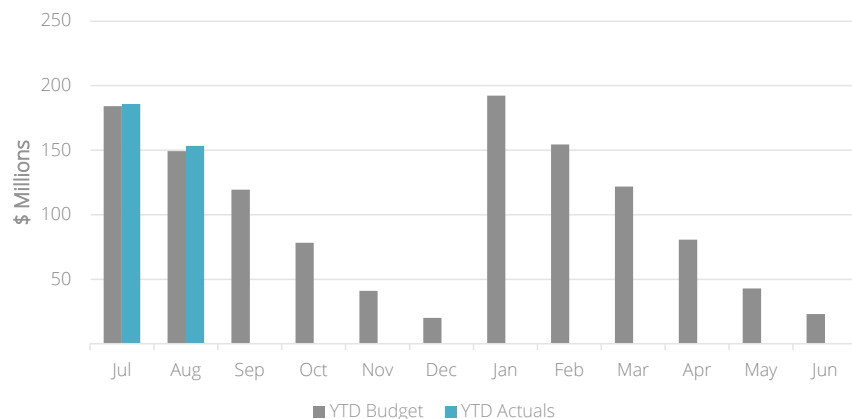
Financial Performance Report

August 2024



Statement of Income and Expenses

2024/25 Operating Result



Council had an operating result of \$153.4 million, which was \$5.1 million (3.5%) above current budget

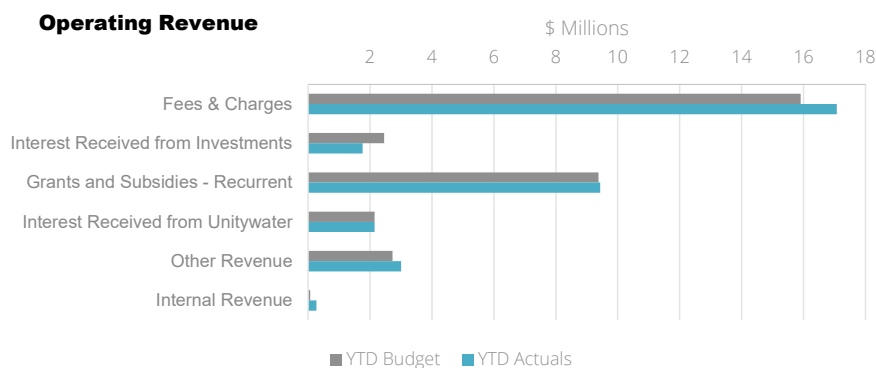
Statement of Income & Expenses							
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Year End Forecast \$000
Operating Revenue							
General Rates	319,728	319,728	157,297	157,418	121	0.1%	319,728
Cleansing Charges	78,328	78,328	39,162	41,864	2,702	6.9%	78,328
Levies	29,552	29,552	14,695	14,896	200	1.4%	29,552
Fees and Charges	77,152	77,152	15,903	17,069	1,166	7.3%	77,152
Interest Received from Investments	14,883	14,883	2,460	1,763	(697)	(28.3%)	14,883
Operating Grants and Subsidies	16,129	16,129	9,380	9,430	50	0.5%	16,129
Operating Contributions	320	320	-	-	-	-	320
Unitywater Participation	52,500	52,500	2,144	2,144	-	-	52,500
Other Revenue	18,775	18,775	2,726	3,008	282	10.4%	18,775
Internal Sales/Recoveries	2,720	2,720	69	274	206	299.4%	2,720
Total Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%	610,086
Operating Expenses							
Employee Costs	186,081	186,081	26,135	26,696	561	2.1%	186,081
Materials and Services	234,321	234,321	38,909	37,327	(1,582)	(4.1%)	234,321
Finance Costs	13,284	13,284	2,325	2,269	(56)	(2.4%)	13,284
Company Contributions	4,149	4,149	4,149	4,149	0	0.0%	4,149
Depreciation Expense	115,664	115,664	19,277	19,277	-	-	115,664
Other Expenses	29,587	29,587	3,761	3,746	(14)	(0.4%)	29,587
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%	4,000
Total Operating Expenses	587,086	587,086	95,591	94,500	(1,091)	(1.1%)	587,086
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%	22,999
Capital Revenue							
Capital Grants and Subsidies	25,000	25,000	263	263	-	-	25,000
Capital Contributions - Cash	33,629	33,629	2,425	2,425	-	-	33,629
Capital Contributions - Fixed Assets	74,538	74,538	-	-	-	-	74,538
Total Capital Revenue	133,167	133,167	2,688	2,688	-	-	133,167
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	2,982	2,982	497	497	-	-	2,982
Recurrent Capital Expenses - Prior Year	-	-	-	-	-	-	-
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	2,982	2,982	497	497	-	-	2,982
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%	153,185

Operating Result - Revenue

\$247.9 million in operating revenue received which is \$4.0 million higher than budget

- Waste collections revenue higher than budget for domestic bulk collections \$1.9 million and domestic wheelie bin collections \$926,000
- Sunshine Coast Holiday Park Fees \$827,000 higher than budget

Operating Summary				August 2024		
	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance
	\$000s	\$000s	\$000s	\$000s	\$000s	%
Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%
Operating Expenses	583,086	583,086	94,556	93,465	(1,092)	(1.2%)
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%
Capital Revenue	133,167	133,167	2,688	2,688	-	-
Non-recurrent Expenses	2,982	2,982	497	497	-	-
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%



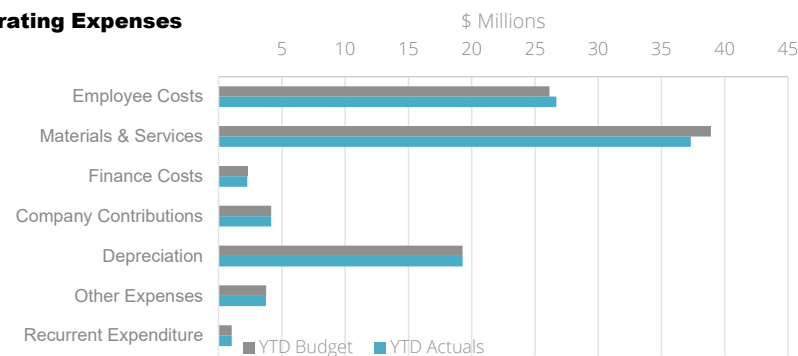
Operating Result - Expenses

\$94.5 million in operating expenses incurred which is \$1.1 million (1.1%) lower than budget

- Materials and Services under budget \$1.6 million (4.1%)
 - Contract expenditure below budget in Environmental Operations, Parks and Gardens and Transport Network Operations
- Employee costs above budget \$561,000 (2.1%)
 - Vacancy Rate YTD \$1.3 million

Operating Summary			August 2024			
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%
Operating Expenses	583,086	583,086	94,556	93,465	(1,092)	(1.2%)
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%
Capital Revenue	133,167	133,167	2,688	2,688	-	-
Non-recurrent Expenses	2,982	2,982	497	497	-	-
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%

Operating Expenses



Capital Expenditure

\$40.4 million (14.3%) of Council's \$283.3 million capital works budget has been expensed

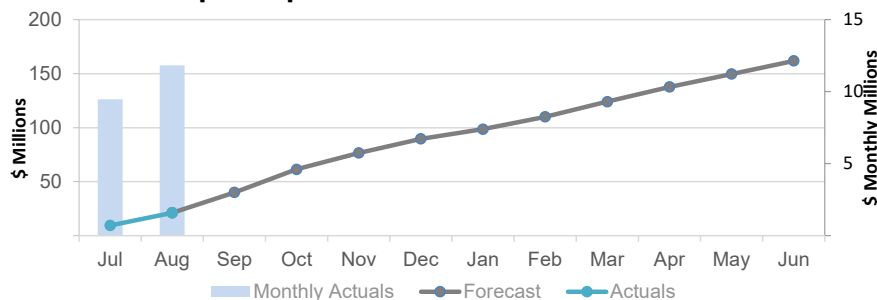
The Core Capital Program has expensed \$21.3 million, 11% of budget

Capital Expenditure					August 2024	
	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
Core Capital Works Program						
Aerodromes	1,525	1,525	58	3.8%	660	(865)
Buildings and Facilities	28,286	28,286	1,816	6.4%	16,194	(12,092)
Coast and Canals	6,200	6,200	976	15.7%	4,158	(2,042)
Environmental Assets	4,120	4,120	481	11.7%	3,711	(409)
Minor Works	5,862	5,862	840	14.3%	3,571	(2,291)
Holiday Parks	2,881	2,881	31	1.1%	3,369	487
Parks and Gardens	10,480	10,480	2,118	20.2%	7,060	(3,420)
Sports Facilities	20,738	20,738	2,636	12.7%	26,423	5,685
Stormwater	14,318	14,318	1,602	11.2%	12,399	(1,919)
Transportation	99,213	99,213	10,743	10.8%	89,236	(9,977)
Total SCC Core Capital Program	193,624	193,624	21,300	11.0%	166,780	(26,844)
Disaster Recovery Funding Arrangements	4,590	4,590	2,781	60.6%	4,171	(419)
Fleet	3,500	3,500	55	1.6%	5,387	1,887
Information Technology	10,000	10,000	824	8.2%	10,595	595
Waste	12,882	12,882	3,402	26.4%	16,364	3,482
Corporate Major Projects	39,730	39,730	5,896	14.8%	32,037	(7,693)
Strategic Land and Commercial Properties	18,992	18,992	6,068	32.0%	18,713	(279)
Sunshine Coast Airport Runway	-	-	63	-	1	1
Total Other Capital Program	89,694	89,694	19,090	21.3%	87,269	(2,425)
TOTAL	283,318	283,318	40,390	14.3%	254,048	(29,269)

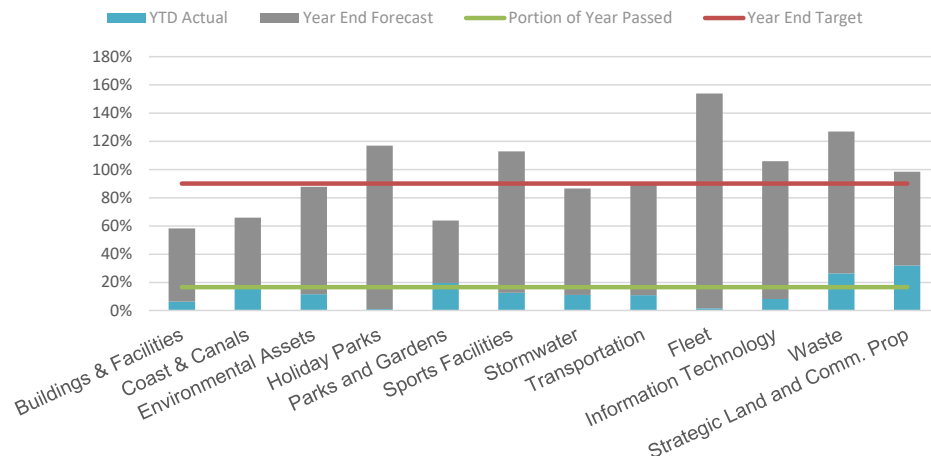
****The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement**

Capital Expenditure

SCC Core Capital Expenditure



% YTD spent compared to profiled budget by Program



Building and Facilities

Program YTD spend at 6% of total budget. Current year end forecast at 58%. Caloundra Depot Site Plan and Sippy Downs Library no spend year to date.

Coast & Canals

Program YTD spend at 9% of total budget. Current year end forecast at 52%.

Parks and Gardens

Program YTD spend at 19% of total budget. Current year end forecast at 65%. Coastal Pathway 19% YTD spend. Quota Memorial Park Footbridge 7% YTD spend.

Sports Facilities

Program YTD spend at 13% of total budget. Honey Farm Sports & Rec Precinct 15% YTD spend.

Transportation

Program YTD spend at 13% of total budget. Bus Stop Program 8% spend YTD. Road Resurfacing 14% spend YTD.

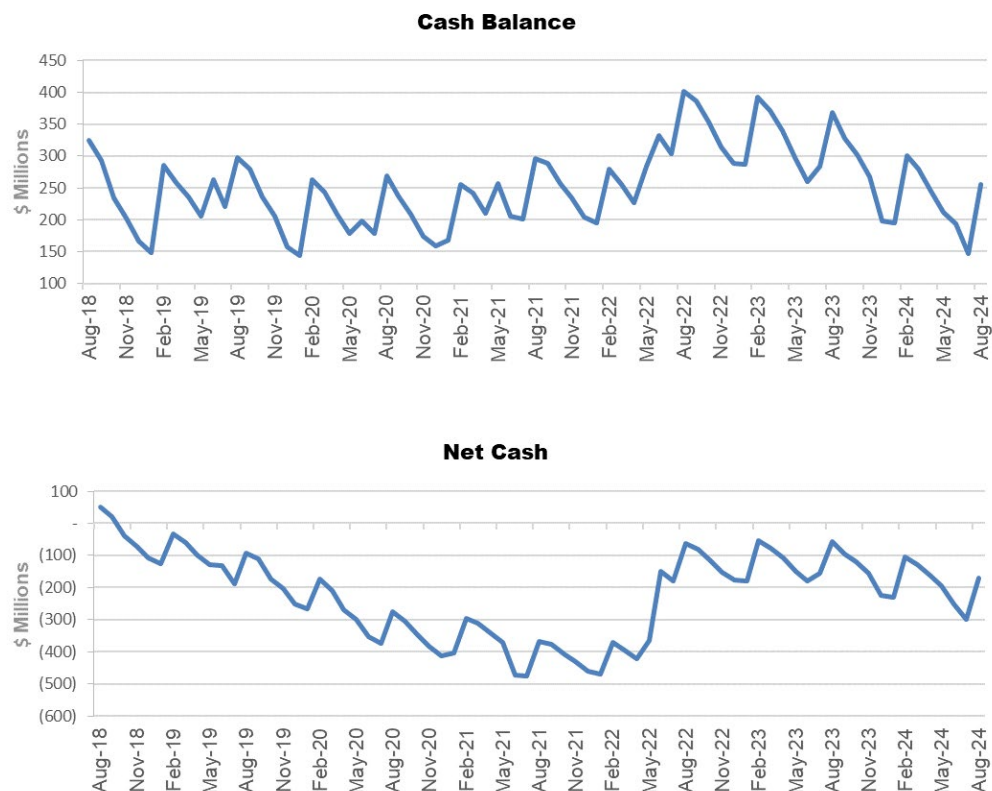
Strategic Land and Commercial Properties.

Program YTD spend at 32% of total budget. Current year end forecast at 95%. Brisbane 2032 Mountain Trail Bike Land payment \$5.5 million.

Cash Flows and Balance Sheet

- Cash balance at 31 August \$255.6 million excluding Trust
- Debt balance at 31 August was \$433.8 million

Cash and Balance Sheet		2024-25
		Current Budget \$'000s
CASH FLOWS		
Opening Cash		245,121
Net Cash Inflow/(Outflows) from:		
Operating Activities		85,130
Investing Activities		(136,590)
Financing Activities		(5,681)
Net Increase/(decrease) in Cash Held		(57,141)
Cash at year end		187,980
BALANCE SHEET		
Current Assets		253,629
Non Current Assets		7,669,433
Total Assets		7,923,061
Current Liabilities		184,143
Non Current Liabilities		505,082
Total Liabilities		689,224
Net Community Assets/Total Community Equity		7,233,837



Debt

Council's current debt balance is \$433.8 million.

During August, a debt repayment occurred reducing the debt principal by \$12.6 million

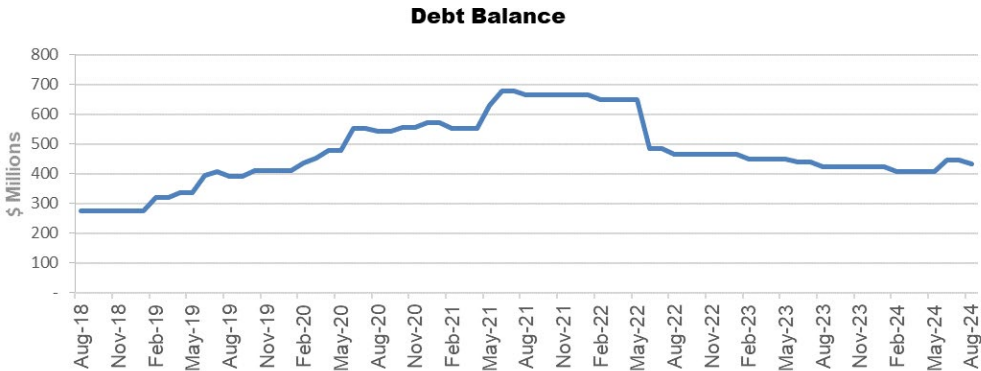
Sunshine Coast Council's debt program is governed by the 2024-25 Debt Policy, which was adopted with the Original Budget adoption on 20 June 2024.

New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

Council's forecast borrowings for the 2024-25 financial year are \$20.3 million and relate to:

- \$10.5 million for Waste
- \$1.5 million for Holiday Parks
- \$7 million for Sunshine Coast Stadium
- \$1.3 million for Caloundra Aerodrome Master Plan

Debt - 2024/25				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,795	20,064	20,294	346,025
Maroochydore City Centre	100,213	5,784	-	94,429
Total	446,008	25,847	20,294	440,455



Investment Performance

At month end Council has \$255.6 million cash (excluding Trust funds), with an average interest rate of 4.96%, being 0.18% above benchmark. This is compared to the same period last year with \$370 million cash (excluding Trust funds) with an average interest rate of 4.67%, being 0.19% above benchmark.

The benchmark used to measure performance of cash funds is the Bloomberg AusBond Bank Bill Index (BAUBIL).

All investment parameters remain within the guidelines established by the Investment Policy.

Investment Performance - August 2024				
Liquidity as at:		31/08/2024	Term deposits maturing:	
		\$'000's	\$'000's	Count
At-call accounts				
QTC + CBA (excl. trust)	175,614	62.59%	within 30 days	-
Maturities within 7 days	-	0.00%	30-59 days	3
Total at-call	175,614	62.59%	60-89 days	1
Investment Policy Target		10.00%	90-179 days	3
			180-364 days	-
			1 year - 3 years	-
			Total	7
				80,000

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
	31/08/2024		31/05/2024		31/08/2023		Individual Limit	Group Limits
A1+ (QTC)	84,912	30%	98,552	41.7%	73,045	19.2%	100%	100%
A1+ (Other)	185,647	66%	117,701	49.8%	258,141	67.7%	100%	100%
A1	-	0%	-	0.0%	30,000	7.9%	60%	100%
A2	10,000	4%	20,000	8.5%	20,000	5.2%	60%	90%
A3	-	0%	-	0.0%	-	0.0%	10%	30%
Total Funds	280,559		236,253		381,186			
FUND SUMMARY								
General Funds	255,614		212,252		370,414			
Trust Funds	24,945		24,001		10,772			
Total Funds	280,559		236,253		381,186			



sunshinecoast.qld.gov.au

2024-25 Financial Year Grant Funding							
	Description	Division	Suburb	Estimated Construction Start Month	Construction Completed Month	TOTAL Grant Revenue \$'000	Project Expenditure to date \$'000
Federal Government						(\$10,046)	\$2,003
1	Roads to Recovery Program					(\$4,800)	
Local Road and Community Infrastructure Grant Funding - Round 4						(\$4,746)	\$2,003
2	H4607 - LRCIP4 Maple Street - Maleny Streetscape	Division 05	Maleny	July 2024	June 2025	(\$600)	\$30
3	H7584 - LRCIP4 Mountain View Road Maleny Lookout	Division 05	Maleny	March 2024		(\$500)	\$468
4	H7797 - LRCIP4 Kawana Waters Regional Aquatic Ce	Division 03	Bokarina	March 2023	June 2025	(\$939)	\$622
5	K3827 - LRCIP4 Charles Clarke Park Revetment Wal	Division 04	Mooloolaba	February 2024	August 2024	(\$500)	\$403
6	K4113 - LRCIP4 Lions and Norrie Job Coolum Park	Division 09	Coolum Beach	May 2024	August 2024	(\$250)	\$23
7	H3732 - Oval Avenue and Gosling St Upgrade	Division 02	Caloundra	July 2024	June 2026	(\$1,758)	\$448
8	K2901 - Solar System Replacement	Whole of Council				(\$200)	\$10
Disaster Ready Fund - Round 1						(\$500)	\$0
9	H7884 - Mooloolaba Foreshore Central Meeting Pla	Division 04	Mooloolaba			(\$500)	\$0
State Government						(\$9,243)	\$42,783
10	Disaster Recovery Funding Arrangements					(\$4,590)	\$39,968
Blackspot Funding						(\$668)	\$3
11	K6053 - BlackSpot Cotton Tree Area - Speed Reduc	Division 04	Maroochydore			(\$50)	\$0
12	K6054 - BlackSpot Sixth Ave Maroochydore - side	Division 04	Maroochydore			(\$350)	\$1
13	K6056 - Blackspot - Mons Road Forest Glen	Division 07	Forest Glen			(\$268)	\$2
Queensland Transport Cycle Network Program						(\$2,540)	\$2,812
14	H3839 - LGIP Stringybark Rd Footbridge-Pathway	Division 07	Sippy Downs	September 2023	December 2023	(\$700)	\$2,408
15	H8416 - Emu Mountain Road Pathway Construction	Division 09	Coolum Beach			(\$690)	\$10
16	K2705 - Coastal Pathway BA 233 to 229 Warana	Division 04	Warana			(\$1,150)	\$393
Walking Network Plans						(\$36)	\$0
17	K3037 - Walking Network Plans	Whole of Council				(\$36)	\$0
18	Passenger Transport Accessible Infrastructure Program					(\$422)	
Transport Infrastructure Development Scheme						(\$987)	\$55
19	H4617 - Mooloolaba School Precinct	Division 04	Mooloolaba			(\$190)	\$0
20	H4613 - Cotton Tree Precinct Improvements	Division 04	Maroochydore			(\$150)	\$0
21	K1719 - Ridgeview Drive and Havana Road West Junction	Division 09	Peregian Springs			(\$190)	\$1
22	K1771 - Petrie Creek Road Shoulder Widening from Paynters Creek Road to Celestine Place	Division 07	Rosemount			(\$457)	\$54
Project Complete							

8.4 BUDGET REVIEW 1 - 2024-25**File No:** Council Meetings**Author:** Chief Financial Officer
Business Performance Group**Appendices:** App A - 2024-25 Amended Budget Financial Statements.... 83 [!\[\]\(d66ff64371a51729ac8c1cdaa685ba6f_img.jpg\)](#) [!\[\]\(0f31ebba7abcd47777e178db26f29705_img.jpg\)](#)
App B - 2024-25 Minor Capital Works Program 89 [!\[\]\(63ea948177b1bcc486b2b76d20d5fb69_img.jpg\)](#) [!\[\]\(886f7dced1265a6d438eca0881817b40_img.jpg\)](#)

PURPOSE

To amend the 2024-25 budget to reflect Council's anticipated revenue and expenditure forecasts to 30 June 2025 following the first budget review.

EXECUTIVE SUMMARY

Section 170 of the *Local Government Regulation 2012* allows Council to amend its budget by resolution at any time before the end of the financial year. Major budget reviews are undertaken on a periodic basis to reflect management's best estimate of its financial position at the end of a financial year.

This report, as the first budget review for 2024-25, predominantly identifies works from the revised 2023-24 budget that were not completed as at 30 June 2024 and require funds to be carried forward to the 2024-25 financial year. This report also includes items referred to a budget review by Council Resolution and operating or capital expenditure with additional funding sources.

The result of this budget review will decrease the 2024-25 operating result by \$1.3 million, from \$23.0 million to \$21.7 million.

Capital revenues have increased by \$18.2 million from \$133.2 million to \$151.4 million. Capital expenditure decreased by \$38.4 million, from \$283.3 million to \$244.9 million. Loan borrowings for 2024-25 have not increased from \$20.3 million.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled "Budget Review 1 - 2024-25"
- (b) adopt Appendix A as tabled, pursuant to sections 169 and 170 of the *Local Government Regulation 2012*, Council's amended budget for 2024-25 financial year incorporating:
 - (i) the statement of income and expenditure
 - (ii) the statement of financial position
 - (iii) the statement of changes in equity
 - (iv) the statement of cash flow
 - (v) the relevant measurers of financial sustainability

- (vi) the long term financial forecast
- (vii) Council's 2024-25 Capital Works Program, endorse the indicative four-year program for the period 2026 to 2029, and note the five-year program for the period 2030 to 2034
- (c) note the following documentation applies as adopted 20 June 2024
 - (i) the Debt Policy
 - (ii) Revenue Policy
 - (iii) the total value of change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget
 - (iv) the Revenue Statement
 - (v) the rates and charges to be levied for the 2024-25 financial year and other matters as adopted 20 June 2024
 - (vi) the Strategic Environment Levy Policy
 - (vii) the Strategic Arts and Heritage Levy Policy
 - (viii) the Strategic Transport Levy Policy
 - (ix) Prescribed Services Charge Plan (No. 2) 2024-25 Financial Year and
- (d) endorse the Minor Capital Works Program (Appendix B).

FINANCE AND RESOURCING

Adoption of the recommendation of this report will formally amend the 2024-25 Budget.

The revised closing cash balance for 2024-25 and the amendments in this budget review will increase the cash position by \$10.3 million to \$198.3 million as at 30 June 2025.

Loan borrowings for 2024-25 will not increase. Maintaining unrestricted cash and core debt balances were two key principles for development of the 2024-25 budget.

CORPORATE PLAN

Corporate Plan Goal: ***Our outstanding organisation***

Outcome:

Operational Activity: We serve our community by providing this great service
S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION

Councillor Consultation

All Councillors have been consulted in relation to this report.

Internal Consultation

Internal Consultation was held with relevant stakeholders.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

Section 170 of *the Local Government Regulation 2012* allows Council to amend its budget by resolution at any time before the end of the financial year.

Budget reviews are undertaken on a periodic basis to reflect management's best estimate of its financial position at the end of a financial year. Prudent financial management also requires Council to amend its budget if there are material changes to expected revenue or expenses for the year.

Council operations have been impacted by increased costs and a reduction in some revenue lines. In some cases, these impacts are of an on-going nature and in other instances they are caused by delays in receiving revenue. Council needs to manage its budget accordingly and the below table highlights the adjustments required to the 2024-25 budget through both operational and capital expenditure and revenues.

Table 1: Revised 2024-25 Budget Summary
(Details contained in Appendix A)

	2024-25 Original Budget \$'000	2024-25 Budget Review 1 \$'000	Change \$'000
Operating Revenue	610,085	611,533	1,448
Operating Expenditure	587,086	589,838	2,752
Operating Result	22,999	21,696	(1,304)
Capital Revenue	133,167	151,405	18,238
Capital Expenditure - SCC Core	193,624	143,458	(50,166)
Capital Expenditure – Other Capital Program	89,694	101,456	11,762
Total Capital Expenditure	283,318	244,914	(38,404)

Council's operating budget is proposed to reduce to \$21.7 million, with adjustments required to operating projects and separate levy programs. The reduction in operating result is largely due to the timing of spend on grant funded projects.

The Capital Works Program has been adjusted from \$283.3 million to \$244.9 million. The decrease in budget is due to a budget review 2 deferral within the SCC Core Capital Program. Details of the anticipated reduction will be included in Budget Review 2, programmed for November and December 2024.

Legal

The report complies with Council's legislative obligations to amend its budget in accordance with Section 170 of the *Local Government Regulation 2012*.

Policy

There are no policy implications associated with this report

Risk

While this report focuses on the estimated financial position at the end of the current financial year, it is important to acknowledge that significant work is still required for both the capital and operating budgets to ensure there is no impact to Council's financial sustainability both short term and long term. The following items need continued attention:

- The achievement of revenue targets
- The delivery of the \$14.7 million in savings initiatives included in the operating result
- Confirmation of Budget Review 2 capital works deferrals
- Timing of payments for land acquisitions accrued as at 30 June 2024.

This work will need to be addressed during the next budget review process (Budget Review 2) and in the development of the 2025-26 Capital Works Program and the 2025-26 Operating Budget.

Previous Council Resolution**Special Meeting 20 June 2024 (OM24/4)**

That Council:

1. STATEMENT OF ESTIMATED FINANCIAL POSITION

receive and note Appendix A, pursuant to section 205 of the Local Government Regulation 2012, the statement of the financial operations and financial position of the Council in respect to the 2023-24 financial year.

2. ADOPTION OF BUDGET

adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council's budget for 2024-25 financial year incorporating:

- i. the statement of income and expenditure*
- ii. the statement of financial position*
- iii. the statement of changes in equity*

- iv. *the statement of cash flow*
- v. *the relevant measures of financial sustainability*
- vi. *the long-term financial forecast*
- vii. *the Debt Policy (adopted by Council resolution on 30 May 2024)*
- viii. *the Revenue Policy (adopted by Council resolution on 30 May 2024)*
- ix. *the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. *the Revenue Statement*
- xi. *Council's 2024-25 Capital Works Program, endorsing the indicative four-year program for the period 2026 to 2029, and noting the five-year program for the period 2030 to 2034*
- xii. *the rates and charges to be levied for the 2024-25 financial year and other matters as detailed below in clauses 3 to 10*
- xiii. *the 2024-25 Minor Capital Works Program*
- xiv. *the Strategic Environment Levy Policy*
- xv. *the Strategic Arts and Heritage Levy Policy*
- xvi. *the Strategic Transport Levy Policy and*
- xvii. *Prescribed Services Charge Plan (No. 2) 2024-25 Financial Year.*

Related Documentation

2024-25 Adopted Budget

Critical Dates

Following adoption of this report, the proceeding month's financial reports will reflect the amendments in the current budget.

Implementation

Council's budget will be formally adjusted following the Council resolution and included in future monthly reports.



Sunshine Coast Council - Total Statement of Income and Expense (i)

For Period Ending 30 June

	Proposed Budget	Forecast								
	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000
Operating Revenue										
Gross Rates & Utility Charges	432,840	458,225	486,947	509,211	534,530	559,021	586,870	613,812	644,447	674,088
Interest from Rates & Utilities	790	806	822	838	855	872	890	907	926	944
Less Discounts, Pensioner Remissions	(6,022)	(6,233)	(6,476)	(6,703)	(6,964)	(7,208)	(7,489)	(7,751)	(8,053)	(8,335)
Net Rates & Utility Charges	427,607	452,798	481,293	503,347	528,421	552,685	580,270	606,968	637,319	666,697
Fees & Charges	77,152	80,624	84,582	88,228	92,388	96,378	100,929	105,295	110,275	115,053
Interest Received from Investments	14,883	13,394	12,725	12,088	12,088	12,088	12,088	12,088	12,088	12,088
Grants and Subsidies - Recurrent	17,339	16,129	16,129	16,129	16,129	16,129	16,129	16,129	16,129	16,129
Operating contributions	320	320	320	320	320	320	320	320	320	320
Unitywater Participation	52,500	54,443	54,443	56,300	56,300	56,300	56,300	56,300	56,300	56,300
Other Revenue	19,013	22,123	19,854	19,924	33,162	31,948	30,255	28,066	32,969	25,331
Internal Revenues	2,720	2,795	2,877	2,956	3,043	3,127	3,219	3,308	3,405	3,499
Total Operating Revenue	611,533	642,625	672,221	699,292	741,851	768,975	799,511	828,474	868,805	895,417
Operating Expenses										
Employee costs	186,404	193,525	199,330	205,310	211,470	217,814	224,348	231,078	238,011	245,151
Materials & Services	236,707	243,529	253,017	261,864	274,067	283,581	296,552	308,782	317,579	335,580
Finance Costs	13,284	13,589	14,115	14,827	14,927	15,190	15,292	14,446	13,381	12,344
Company Contributions	4,149	4,183	4,227	4,272	4,317	4,363	4,211	4,259	4,308	4,058
Depreciation	115,664	119,446	125,439	131,809	138,476	147,406	156,447	165,705	174,251	182,919
Other Expenses	29,630	29,797	31,024	31,769	32,531	33,312	34,112	34,930	35,769	36,627
Recurrent Capital Expenses	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Operating Expenses	589,838	608,070	631,152	653,851	679,788	705,666	734,961	763,201	787,299	820,680
Operating Result	21,696	34,555	41,069	45,441	62,064	63,309	64,550	65,274	81,507	74,737
Non-recurrent Revenue & Expenses										
Capital Revenue										
Capital Grants and Subsidies	43,238	19,111	19,354	5,944	4,800	4,969	4,799	4,799	4,799	4,799
Capital Contributions	33,629	33,448	33,358	33,358	33,358	33,358	33,358	33,358	33,358	33,358
Contributed Assets	74,538	76,401	78,311	80,269	82,276	84,333	86,441	88,602	90,817	93,088
Total Capital Revenue	151,405	128,961	131,023	119,570	120,433	122,660	124,599	126,759	128,974	131,245
Non-recurrent Expenses										
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	(2,982)	(3,041)	(3,102)	(3,164)	(3,227)	(3,292)	(3,358)	(3,425)	(3,493)	(3,563)
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-
NET RESULT	170,119	160,475	168,990	161,847	179,269	182,677	185,791	188,608	206,988	202,419

Sunshine Coast Council - Total

Statement of Financial Position (ii)

For Period Ending 30 June

	Proposed Budget	Forecast								
	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000
Current Assets										
Cash & Investments	198,279	195,389	188,857	187,812	202,615	229,985	250,388	262,780	302,340	346,689
Trade and other receivables	22,218	23,351	24,700	25,772	26,989	28,166	29,503	30,796	32,265	33,686
Inventories	3,967	3,995	4,024	4,053	4,083	4,114	4,146	4,178	4,211	4,245
Other Financial Assets	53,550	54,888	56,260	57,667	59,109	60,586	62,101	63,654	65,245	66,876
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	278,014	277,624	273,841	275,304	292,796	322,851	346,138	361,408	404,062	451,497
Non-Current Assets										
Trade and other receivables	437,767	437,767	437,767	437,767	437,767	437,767	437,767	437,767	437,767	437,767
Property, plant & equipment	6,479,932	6,810,480	7,165,408	7,510,342	7,874,914	8,235,906	8,592,759	8,962,764	9,332,948	9,708,502
Investment in associates	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213
Long Term Inventories	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568	36,568
Intangible assets	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368
Total Non-Current Assets	7,500,848	7,831,397	8,186,325	8,531,259	8,895,831	9,256,822	9,613,676	9,983,681	10,353,865	10,729,419
TOTAL ASSETS	7,778,862	8,109,020	8,460,166	8,806,563	9,188,626	9,579,674	9,959,813	10,345,089	10,757,927	11,180,916
Current Liabilities										
Trade and other payables	81,715	84,239	87,189	89,970	93,384	96,355	99,979	103,510	106,469	111,108
Short Term Borrowings	25,975	27,983	30,480	33,467	35,992	38,963	42,042	42,296	42,649	42,308
Provisions	51,481	52,887	54,331	55,816	57,341	58,908	60,519	62,173	63,874	65,620
Other	28,141	28,844	29,566	30,305	31,062	31,839	32,635	33,451	34,287	35,144
Total Current Liabilities	187,312	193,953	201,565	209,557	217,779	226,066	235,175	241,431	247,279	254,181
Non-Current Liabilities										
Long Term Borrowings	413,461	409,654	408,899	396,093	385,634	371,670	340,927	306,343	273,189	244,348
Long Term Provisions	73,689	75,716	77,798	79,937	82,135	84,394	86,715	89,100	91,550	94,068
Total Non-Current Liabilities	487,150	485,369	486,697	476,031	467,769	456,064	427,642	395,443	364,739	338,415
TOTAL LIABILITIES	674,462	679,323	688,262	685,588	685,548	682,130	662,817	636,873	612,018	592,597
NET COMMUNITY ASSETS	7,104,400	7,429,698	7,771,904	8,120,975	8,503,078	8,897,544	9,296,996	9,708,215	10,145,908	10,588,319
Community Equity										
Asset revaluation surplus	1,607,830	1,772,701	1,945,967	2,128,241	2,319,129	2,518,972	2,727,691	2,945,290	3,172,180	3,408,356
Retained Earnings	5,496,571	5,656,997	5,825,937	5,992,733	6,183,949	6,378,572	6,569,305	6,762,926	6,973,729	7,179,964
TOTAL COMMUNITY EQUITY	7,104,400	7,429,698	7,771,904	8,120,975	8,503,078	8,897,544	9,296,996	9,708,215	10,145,908	10,588,319

Sunshine Coast Council - Total Statement of Changes in Equity (iii)

For Period Ending 30 June

	Proposed Budget	Forecast								
	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000
Capital Accounts										
Asset Revaluation Reserve										
Balance at beginning of period	1,451,962	1,607,830	1,772,701	1,945,967	2,128,241	2,319,129	2,518,972	2,727,691	2,945,290	3,172,180
Asset revaluation adjustments	155,868	164,872	173,266	182,274	190,888	199,843	208,718	217,599	226,890	236,176
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,607,830	1,772,701	1,945,967	2,128,241	2,319,129	2,518,972	2,727,691	2,945,290	3,172,180	3,408,356
Retained Earnings										
Balance at beginning of period	5,327,429	5,496,571	5,656,997	5,825,937	5,992,733	6,183,949	6,378,572	6,569,305	6,762,925	6,973,729
Net result for the period	170,119	160,475	168,990	161,847	179,269	182,677	185,791	188,608	206,988	202,419
Transfers to capital, reserves and shareholdings	-	-	-	4,949	11,947	11,946	4,943	5,012	3,816	3,816
Transfers from capital, reserves and shareholdings	(977)	(49)	(50)	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-
Balance at end of period	5,496,571	5,656,997	5,825,937	5,992,733	6,183,949	6,378,572	6,569,305	6,762,925	6,973,729	7,179,964
Total										
Balance at beginning of period	6,779,391	7,104,400	7,429,698	7,771,904	8,120,975	8,503,078	8,897,544	9,296,996	9,708,215	10,145,908
Net result for the period	170,119	160,475	168,990	161,847	179,269	182,677	185,791	188,608	206,988	202,419
Transfers to capital, reserves and shareholdings	-	-	-	4,949	11,947	11,946	4,943	5,012	3,816	3,816
Transfers from capital, reserves and shareholdings	(977)	(49)	(50)	-	-	-	-	-	-	-
Asset revaluation adjustments	155,868	164,872	173,266	182,274	190,888	199,843	208,718	217,599	226,890	236,176
Balance at end of period	7,104,400	7,429,698	7,771,904	8,120,975	8,503,078	8,897,544	9,296,996	9,708,215	10,145,908	10,588,319

Sunshine Coast Council - Total

Statement of Cash Flow (iv)

For Period Ending 30 June

	Proposed Budget	Forecast								
	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000	2034 \$'000
Cash flows from operating activities										
Operating Result	21,696	34,555	41,069	45,441	62,064	63,309	64,550	65,274	81,507	74,737
Adjustments for:										
Depreciation	115,664	119,446	125,439	131,809	138,476	147,406	156,447	165,705	174,251	182,919
Interest and dividends received	(67,383)	(67,837)	(67,167)	(68,388)	(68,388)	(68,388)	(68,388)	(68,388)	(68,388)	(68,388)
Landfill Quarry Provision	(2,982)	(3,041)	(3,102)	(3,164)	(3,227)	(3,292)	(3,358)	(3,425)	(3,493)	(3,563)
Finance Costs	13,284	13,589	14,115	14,827	14,927	15,190	15,292	14,446	13,381	12,344
Change in Working Capital	3,547	4,160	4,448	4,637	5,206	4,888	5,468	5,508	4,852	6,675
Net cash inflow (outflow) from operating activities	83,826	100,873	114,802	125,162	149,058	159,113	170,011	179,120	202,110	204,724
Cash flows from investing activities										
Payments for property, plant and equipment	(240,914)	(209,256)	(229,328)	(208,784)	(218,381)	(212,379)	(210,369)	(225,030)	(223,064)	(222,267)
Proceeds from disposal non current assets	-	-	-	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	113,602	52,559	52,711	39,301	38,157	38,327	38,157	38,157	38,157	38,157
Interest and dividends received	67,383	67,837	67,167	68,388	68,388	68,388	68,388	68,388	68,388	68,388
Finance Costs	(13,284)	(13,589)	(14,115)	(14,827)	(14,927)	(15,190)	(15,292)	(14,446)	(13,381)	(12,344)
Net cash inflow (outflow) from investing activities	(73,214)	(102,449)	(123,564)	(115,922)	(126,763)	(120,854)	(119,116)	(132,931)	(129,900)	(128,067)
Cash flows from financing activities										
Proceeds from borrowings	20,294	26,669	32,709	23,183	28,500	28,075	11,550	8,500	10,000	10,000
Repayment of borrowing	(25,975)	(27,983)	(30,480)	(33,467)	(35,992)	(38,963)	(42,042)	(42,296)	(42,649)	(42,308)
Net cash inflow (outflow) from financing activities	(5,681)	(1,314)	2,230	(10,284)	(7,492)	(10,888)	(30,492)	(33,796)	(32,649)	(32,308)
Net increase (decrease) in cash held	4,932	(2,890)	(6,532)	(1,044)	14,803	27,370	20,403	12,392	39,560	44,349
Cash at beginning of reporting period	193,347	198,279	195,389	188,857	187,812	202,615	229,985	250,388	262,780	302,340
Cash at end of reporting period	198,279	195,389	188,857	187,812	202,615	229,985	250,388	262,780	302,340	346,689

Sunshine Coast Council - Total Measures of Financial Sustainability (v)

For Period Ending 30 June

	Target	Proposed Budget	Forecast								
	Tier 2 Council	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Capacity											
Council Controlled Revenue Ratio	> 60%	82.5%	83.0%	84.2%	84.6%	83.7%	84.4%	85.2%	86.0%	86.0%	87.3%
Operating Performance											
Operating Surplus Ratio	> 0%	3.5%	5.4%	6.1%	6.5%	8.4%	8.2%	8.1%	7.9%	9.4%	8.3%
Operating Cash Ratio	> 0%	24.6%	26.1%	26.9%	27.5%	29.0%	29.4%	29.6%	29.6%	31.0%	30.2%
Liquidity											
Unrestricted Cash Expense Cover Ratio (months)	> 2 months	1.5 months	1.6 months	1.3 months	0.9 months	1.1 months	1.3 months	1.4 months	1.3 months	1.7 months	2.2 months
Total Cash expense cover ratio (months)	> 3 months	5.2 months	4.9 months	4.6 months	4.4 months	4.6 months	5.1 months	5.3 months	5.4 months	6.1 months	6.7 months
Asset Management											
Asset Sustainability Ratio (%)	> 60%	81.9%	75.4%	69.8%	67.0%	69.3%	65.8%	87.3%	106.9%	95.2%	67.3%
Debt Servicing Capacity											
Total debt service cover ratio (times)	> 2 times	3.8 times	4 times	4 times	3.9 times	4.2 times	4.1 times	4.1 times	4.3 times	4.8 times	4.9 times
Leverage Ratio (times per year)	0 - 4 times	3.2 times	2.8 times	2.6 times	2.4 times	2.1 times	1.9 times	1.7 times	1.5 times	1.2 times	1.1 times
Net Financial Liabilities Ratio (%)	< 60%	64.8%	62.5%	61.6%	58.7%	52.9%	46.7%	39.6%	33.2%	23.9%	15.8%

Sunshine Coast Council Capital Program (in 2025 dollars) (vii)

	Proposed Budget	Forecast								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Council Core Capital Program										
Aerodromes	1,525	5,399	832	6,213	3,100	200	200	200	200	200
Buildings & Facilities	26,933	25,620	13,640	13,193	40,371	38,800	24,968	30,418	30,908	28,943
Coast & Canals	6,939	8,350	4,840	1,700	2,645	2,750	5,574	5,770	5,763	6,341
Minor Works	8,815	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Environmental Assets	4,370	7,466	10,966	3,000	2,840	2,720	5,544	5,750	5,623	6,206
Holiday Parks	2,807	2,995	4,610	3,045	3,045	2,280	2,000	2,000	2,000	2,000
Parks & Gardens	9,990	9,719	16,561	17,700	10,700	16,200	19,794	20,078	19,451	21,804
Sports Facilities	21,971	14,390	12,250	3,550	3,100	7,025	11,250	11,100	11,050	11,050
Quarries	-	-	-	-	-	-	-	-	-	-
Stormwater	14,983	16,270	13,409	13,078	14,281	18,720	17,609	15,607	16,132	16,981
Transportation	75,125	71,121	72,088	77,225	84,474	87,474	91,906	106,033	103,567	107,792
Budget Review 2 Deferrals	(30,000)	(26,000)	(4,000)	-	-	-	-	-	-	-
Total Sunshine Coast Council Core Capital Program	143,458	140,831	150,696	144,204	170,056	181,669	184,344	202,455	200,194	206,817
Other Capital Program										
Disaster Recovery Funding Arrangements	10,772	-	-	-	-	-	-	-	-	-
Fleet	3,583	3,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Information Communication Technology	10,680	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	2,500
Waste	24,488	16,936	26,265	15,780	24,575	29,210	13,025	10,075	10,870	10,950
Corporate Major Projects	39,602	24,742	36,367	28,500	2,000	10,000	-	-	-	-
Strategic Land & Commercial Properties	12,332	17,247	7,000	11,300	12,750	2,500	4,000	3,500	3,000	3,000
Total Other Capital Program	101,456	72,425	82,632	68,580	52,325	54,710	30,025	26,575	26,870	19,450
SCC Total Capital Works Program	244,914	213,256	233,328	212,784	222,381	236,379	214,369	229,030	227,064	226,267

xiii. 2024-25 Minor Capital Works Program

This appendix outlines allocations within Council's 2024-25 Minor Works Program for Council's consideration.

Project Number	Project Name	Division	Suburb	Budget Allocation
CEASED PROJECTS				
K1551	Coochin Park Seating - Install 2x Bench seats and slabs	Division 2	Dicky Beach	(\$17,000)
K1468	Kings Beach Foreshore Park - Dog Bowl	Division 2	Kings Beach	(\$10,000)
K1467	Clarke Place Park - Dog Bowl	Division 2	Happy Valley	(\$10,000)
K7632	Kawana Surf Club - Drinking Fountain	Division 4	Buddina	(\$20,000)
K5444	Margaret Street and Little Main Street all abilities access ramp (Budget Top Up)	Division 5	Palmwoods	(\$50,000)
K7655	Corner Woorilla Crescent and Doolooma Street - Installation of Street Light	Division 6	Sippy Downs	(\$1,000)
K5956	Brightwater Estate - Design raised wombat crossings	Division 6	Mountain Creek	(\$25,000)
K7652	Palmview/Harmony Wombat Crossing Investigation and Concept Design	Division 6	Palmview	(\$25,000)
K7658	Grammer School Way - Design and Construction of raised Pedestrian Crossing and footpath	Division 7	Forest Glen	(\$100,000)
K6416	Sunshine Coast Surf Management Plan contribution	Mayor		(\$100,000)
TRANSFER PROJECTS				
K4202	Mill Park Boundary Fence installation - Stage Two	Division 1	Beerwah	(\$70,000)
K7227	North Maleny Road - Pathway Construction Stage 1	Division 5	North Maleny	(\$70,000)
H5263	Power Memorial Park - Playground Lighting	Division 8	Mudjimba	(\$35,000)
H2063	LRCIP4 Power Memorial Park Renew Play Equip	Division 8	Mudjimba	\$35,000
NEW PROJECTS				
K4269	Parrot Park, Beerburrum - 3 Bench Seats	Division 1	Beerburrum	\$24,000
K8003	Parrot Park, Beerburrum - design and construct a shelter over existing BBQ	Division 1	Beerburrum	\$70,000
K7993	Beerwah Aquatic Centre - Upgrade of Hot Water System	Division 1	Beerwah	\$30,000
K8020	Beerwah Marketplace - New Pathway Construction	Division 1	Beerwah	\$20,000
K7996	Caloundra Cemetery - Contribution to upgrade the RSL Section	Division 2	Caloundra	\$40,000
K7999	Military Jetty - Picnic Combo	Division 2	Golden Beach	\$10,000
K7728	Installation of supplementary lighting at a Ballinger beach Park	Division 2	Currimundi	\$5,000
K7630	Limosa Street Pathway - Stage 2 (Budget top up)	Division 3	Aroona	\$3,000

Project Number	Project Name	Division	Suburb	Budget Allocation
K7713	Public Artwork Acquisition Mirror World About Place About Face exhibition	Division 4	Whole of Region	\$8,000
K6004	La Balsa Park Buddina Playground New Shade Sails	Division 4	Buddina	\$50,000
K8000	Coopers Lookout Park - Parkrun Storage Cabinets	Division 4	Buddina	\$16,000
K8001	Coopers Lookout - Landscape Plan	Division 4	Buddina	\$60,000
K6016	Maleny Tennis Club Lighting upgrade to LED (Budget Top Up)	Division 5	Maleny	\$20,000
K5491	Western Avenue – Pathway (Budget top up)	Division 5	Montville	\$150,000
K7643	Jingellic Drive - Pathway Continuation Stage 2 (Budget top up)	Division 6	Buderim	\$16,000
K7654	Garema Court Easement Pathway	Division 6	Mountain Creek	\$16,000
K7945	Brightwater Sports Field Drainage	Division 6	Mountain Creek	\$10,000
K7958	Scorchers Cricket Club Net Renewal	Division 6	Buderim	\$30,000
K7986	Meljaren Place Buderim Drainage improvements to Verge	Division 6	Buderim	\$10,000
K7656	Parsons Road Pathway – Survey and Design next section (Top Up)	Division 7	Forest Glen	\$20,000
K7979	Buderim Girl Guides Hall driveway resurface	Division 7	Buderim	\$25,000
K7552	Coolum Breakers AFL, Coolum Change Rooms	Division 9	Coolum Beach	\$50,000
K7735	Bli Bli Pathways construction – Stage 2 (Budget top up)	Division 9	Bli Bli	\$24,000
ADOPTED				
K7624	Basketball/Netball Court – contribution to design and construction	Division 1	Glasshouse Mountains	\$70,000
K4202	Mill Park Boundary Fence installation - Stage Two	Division 1	Beerwah	\$130,000
K7625	Old Gympie Road - Pathway Construction continuation	Division 1	Beerwah	\$50,000
K7626	Emma Place Park – Pathway	Division 1	Beerwah	\$70,000
K3837	Skippy Park - Exercise Equipment installation - Stage 2	Division 1	Landsborough	\$60,000
K2914	Beerwah Cemetery contribution to the Carpark and Entry Statement works	Division 1	Beerwah	\$20,000
K3826	Jensen Park - Pathway construction	Division 2	Golden Beach	\$15,000
K1713	Pelican Waters/Golden Beach Dog Off Leash Area Construction (Budget Top Up)	Division 2	Pelican Waters	\$50,000
K5501	Ballinger Beach – Beach Access 261 extra seating along embankment of access ramp (Budget Top Up)	Division 2	Dicky Beach	\$20,000
K2565	Moffat Beach Precinct Place Plan development	Division 2	Moffat Beach	\$100,000
K1046	Dicky Beach Entry Beautification - staged construction of improvement works	Division 2	Dicky Beach	\$200,000
K7628	Apex Park Boat Ramp - Installation of Paddle Sport Washdown facility	Division 2	Golden Beach	\$20,000
K1551	Coochin Park Seating - Install 2x Bench seats and slabs	Division 2	Dicky Beach	\$17,000
K1468	Kings Beach Foreshore Park - Dog Bowl	Division 2	Kings Beach	\$10,000

Project Number	Project Name	Division	Suburb	Budget Allocation
K1467	Clarke Place Park - Dog Bowl	Division 2	Happy Valley	\$10,000
TBA	Pathway Project – location to be advised	Division 2	To be Advised	\$35,000
H9234	Oceanic Drive - Pathway missing link between Bandaroo Street and Palkana Drive	Division 3	Warana	\$12,000
K7629	Bokarina Boulevard Park - Exercise Equipment - Investigation & concept plan	Division 3	Bokarina	\$5,000
K7449	Beach Access 252 Firetail Court - Bench Seat	Division 3	Wurtulla	\$10,000
H7494	Aroona Park - Playground Shade	Division 3	Aroona	\$55,000
K5472	Dune Vista Drive - Raised Pedestrian Crossing Priority	Division 3	Bokarina	\$125,000
K7630	Limosa Street Pathway - Stage 2	Division 3	Aroona	\$33,000
K7448	Viridian Circuit Park - Exercise Area Shade	Division 3	Birtinya	\$55,000
K7496	Coongarra Esplanade - Construction of formal parking bays in verge with connecting pathway to network	Division 3	Wurtulla	\$100,000
K7669	Westaway Parade – Installation of Drinking Fountain (with Bottle Filler and Dog Bowl)	Division 3	Currimundi	\$25,000
K6290	Kingsford Smith Parade and Alex Parade - Pathway (Budget Top Up)	Division 4	Maroochydore	\$10,000
K7631	Coopers Lookout Park - Extra bench seating	Division 4	Buddina	\$12,000
K6607	Pierce Park - Bench Seat installation	Division 4	Maroochydore	\$8,000
K7632	Kawana Surf Club - Drinking Fountain	Division 4	Buddina	\$20,000
K3848	Perraton Green Park - Shade Sail Installation over Playground	Division 4	Mooloolaba	\$65,000
K7344	Saleng Park - Shade over Playground	Division 4	Warana	\$50,000
K7942	Kevin Asmus Park – contribution to accessibility pathways throughout the park	Division 4	Buddina	\$20,000
K6272	Tantula Road West – new pathway bench seat	Division 4	Alexandra Headlands	\$8,000
K7633	Bermagui Crescent - Zebra Crossing and speed cushions installation	Division 4	Kawana	\$100,000
K7635	Alice Street - Pathway Construction	Division 4	Alexandra Headlands	\$20,000
K3222	Alex Bluff Foreshore Park – Shelter Lighting x 2	Division 4	Alexandra Headlands	\$25,000
K7636	Pacific Park Bench Seats	Division 4	Mooloolaba	\$16,000
K7677	Nelson Park Tree Planting	Division 4	Alexandra Headland	\$15,000
K7708	Kensington Park under Footbridge Treatment investigation to deter loitering	Division 4	Minyama	\$8,000
K7227	North Maleny Road - Pathway Construction Stage 1	Division 5	North Maleny	\$100,000
K5444	Margaret Street and Little Main Street all abilities access ramp (Budget Top Up)	Division 5	Palmwoods	\$50,000
K5491	Western Avenue – Pathway	Division 5	Montville	\$175,000
K7638	Coral Street - 2x Bench Seats	Division 5	Maleny	\$16,000

Project Number	Project Name	Division	Suburb	Budget Allocation
K7639	Federation Park - "overflow" car park design	Division 5	Palmwoods	\$25,000
K7640	Macadamia Drive Bench Seat and Pathway	Division 5	Maleny	\$15,000
K7641	Old Gympie Road - Design for truncation and gentler curve	Division 5	Glenview	\$20,000
K7679	Glenview Road - Pathway contribution	Division 5	Glenview	\$40,000
K7642	Harmony Boulevard Park - Parkrun pathway Markers and Signage	Division 6	Palmview	\$10,000
K5956	Brightwater Estate - Design raised wombat crossings	Division 6	Mountain Creek	\$25,000
K6414	Khancoban Drive Park - District Park Development	Division 6	Buderim	\$50,000
K7643	Jingellic Drive - Pathway Continuation Stage 2	Division 6	Buderim	\$250,000
K7645	Palmview Dog Off Leash Area Expansion - Site Investigation and Consultation	Division 6	Palmview	\$5,000
K7651	Street Tree Planting	Division 6		\$10,000
K7652	Palmview/Harmony Wombat Crossing Investigation and Concept Design	Division 6	Palmview	\$25,000
K7653	Bellflower Road Retirement Resort Pathway to Bus Stop	Division 6	Sippy Downs	\$24,000
K7654	Garema Court Easement Pathway	Division 6	Mountain Creek	\$34,000
K7655	Corner Woorilla Crescent and Doolooma Street - Installation of Street Light	Division 6	Sippy Downs	\$1,000
K7683	Kona Court - Kerb and Channel Renewal	Division 6	Mountain Creek	\$15,000
K6041	Ash Park, - Public Amenities Construction	Division 7	Diddillibah	\$200,000
K4015	Buderim Pump Track construction (Budget Top Up)	Division 7	Buderim	\$60,000
K7657	Kuluin Neighbourhood Park - Static Fitness Equipment installation	Division 7	Kuluin	\$70,000
K7656	Parsons Road Pathway – Survey and Design next section	Division 7	Forest Glen	\$30,000
K7658	Grammer School Way - Design and Construction of raised Pedestrian Crossing and footpath	Division 7	Forest Glen	\$100,000
H9944	Stringybark Road - Small Footbridge construction (Budget Top Up)	Division 7	Buderim	\$20,000
H9946	Martins Creek Camphor Laurel Removal - Continuation of staged removal	Division 7	Buderim	\$10,000
K5475	Lumeah Drive – Pathway (Budget Top Up)	Division 8	Mt Colum	\$15,000
H5263	Power Memorial Park - Playground Lighting	Division 8	Mudjimba	\$35,000
H7184	Glen Retreat Park - Shelters Lighting	Division 8	Marcoola	\$30,000
H6131	Ridge Road - Pathway Missing section	Division 8	Maroochydore	\$55,000
K2765	Tinnanbar Park - Playground Shade Sails	Division 8	Sunshine Cove	\$80,000
K7659	Free Tree Days	Division 8		\$2,400
K7660	Main Road redirect/widen pathway	Division 8	Maroochydore	\$20,000
K7662	Biminni Drive Pathway - Missing section	Division 8	Yaroomba	\$80,000
K7612	Marcoola Reserve Netball and Basketball Hoops installation	Division 8	Marcoola	\$50,000

Project Number	Project Name	Division	Suburb	Budget Allocation
K7663	Mt Gullum Park - Investigation/Concept Design for a Half Basketball/Netball Court	Division 8	Marcoola	\$5,000
K7701	Marcoola Esplanade – car park extension	Division 8	Marcoola	\$70,000
K7702	Eliza Peatling Park – Lighting of BBQ area.	Division 8	Pacific Paradise	\$5,000
K7703	Wilkins Park - Public Consultation for future improvements	Division 8	Pacific Paradise	\$15,000
K7704	Beach Access 124 - Investigation and concept design for all abilities access ramp to beach	Division 8	Mudjimba	\$15,000
K3347	Lions Norrie Job Park - Pump Track Detailed Design	Division 9	Coolum	\$150,000
K5471	Havana Road East/West - Lighting infrastructure installation	Division 9	Coolum Beach	\$100,000
K7735	Bli Bli Pathways construction – Stage 2	Division 9	Bli Bli	\$38,000
K6413	The Avenue - New Pathway Corner Doral Drive	Division 9	Peregian Springs	\$12,000
K1383	Lowes Lookout Stage 1 Pathway Construction (Budget Top Up)	Division 9	Coolum	\$60,000
K7522	View Court – pathway Investigation and Design	Division 9	Parklakes	\$40,000
K2559	Tea Tree Park - Dog off Leash Area Stage 1 - fence and gate entrance construction	Division 10	Yandina	\$140,000
K3790	Con and Olive Daetz Park - Improvements	Division 10	Nambour	\$25,000
K7664	Stevens Street - Carpark Design	Division 10	Yandina	\$50,000
K7665	Mapleton Basketball/Netball Half Court construction	Division 10	Mapleton	\$70,000
K7666	Kenilworth Town Centre Pathways Renewal	Division 10	Kenilworth	\$50,000
K4047	Cilento Park Playground - Shade Sail	Division 10	Nambour	\$65,000
K7667	Kenilworth Town Centre Place Improvements	Division 10	Kenilworth	\$100,000
K6414	Khancoban Drive Park - District Park Development Contribution	Mayor	Buderim	\$50,000
K4162	Maroochy Regional Bushland Botanical Garden - Multi Use Pathway Upgrade.	Mayor	Tanawha	\$30,000
K7551	Moffat Beach all abilities access Ramp to the beach	Mayor	Moffat Beach	\$60,000
K7207	Coolum Beach DDA compliant beach access ramp - Design	Mayor	Coolum	\$50,000
K6416	Sunshine Coast Surf Management Plan contribution	Mayor		\$100,000
K7624	Basketball/Netball Court – contribution to design and construction	Mayor	Glasshouse Mountains	\$70,000
K7665	Mapleton Basketball/Netball Half Court construction	Mayor	Mapleton	\$50,000
K5983	Kenilworth Town Park Playground Fence Extension – Contribution	Mayor	Kenilworth	\$60,000
K7679	Glenview Road - Pathway contribution	Mayor	Glenview	\$30,000

8.5 DISPOSAL (LEASE) OF COMMERCIAL TENANCY AT CALOUNDRA LIBRARY+ 1 OMRAH AVENUE CALOUNDRA	
File No:	Council Meetings
Author:	Senior Property Officer Business Performance Group
Attachments:	Att 1 - Aerial Map 101  

PURPOSE

To seek Council’s resolution to grant an exception under Section 236 of the *Local Government Regulation 2012* to dispose of land (via lease) of the Caloundra Kiosk Tenancy within the Caloundra Library+ located at 1 Omrah Avenue, Caloundra other than by tender or auction.

EXECUTIVE SUMMARY

This report seeks Council’s resolution to grant an exception under Section 236 of the *Local Government Regulation 2012* to allow Council to dispose of land by way of lease via open market negotiations, rather than undertaking a second tender release, for the Caloundra Kiosk Tenancy within the Caloundra Library+ located at 1 Omrah Avenue, Caloundra.

The Caloundra Library+ rebuild is being constructed on freehold land owned by Council located at 1 Omrah Av Caloundra legally described as Lot 22 RP883293 as shown in **Attachment 1 – Aerial Map**.

The Caloundra Library+ is due for completion toward the middle of 2025.

Council released an opportunity to the market for the lease of the commercial tenancy within the Caloundra Library+ building via Council’s tender process. The tender closed on Tuesday, 20 August 2024. No submissions were received.

To ensure that Council remains competitive with the private sector and to take advantage of the momentum from the tender, Council is requesting that an exception be granted to continue to market the Tenancy on the open market and to seek private treaty agreements as a result of there being no submissions received for the Tenancy via the tender process.

As such, Council approval is being sought to:

- resolve to grant an exception to release the Tenancy on the open market to allow leasing via private treaty, rather than undertaking a further tender; and
- secure offers from prospective tenants which meet market expectation for use/activation and market rent, and which are compliant with Council’s legislative requirements.

An exception may be considered as the Tenancy has been offered to the market via public tender. Allowing for open market/private treaty negotiations will allow Council to be dynamic, actively negotiate our interests, and be more flexible and time-competitive with other private property owners.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Disposal (Lease) of Commercial Tenancy at Caloundra Library+ 1 Omrah Avenue Caloundra” and
- (b) resolve that, under section 236 (1)(e) of the *Local Government Regulation 2012*, Council may dispose of a valuable non-current asset other than by tender or auction, this being the disposal by way of the grant of a lease of an interest in land for the Tenancy at Caloundra Library+ at 1 Omrah Av Caloundra legally described as Lot 22 RP883293, on the basis that:
 - (i) the lease has previously been offered to the market by public tender, and
 - (ii) a lease has not been entered into or secured via public tender as no tender was received.

FINANCE AND RESOURCING

The rent payable by any prospective tenant will need to be equal to or above that of the market value of the interest in land which has been determined by an independent registered Valuer pursuant to Section 236(3), 236(4) and 236(5) of the *Local Government Regulation 2012*.

Council will be required to pay its own costs in relation to the preparation of the lease agreement, which is expected to be undertaken using internal resources with no external financial cost to Council.

CORPORATE PLAN

Corporate Plan Goal:	<i>Our service excellence</i>
Outcome:	We serve our community by providing this great service
Operational Activity:	S22 - Property management – comprehensive management of Council’s land and building assets to ensure that Council’s property dealings are optimised, centrally managed, and support Councils objectives.

CONSULTATION**Councillor Consultation**

Councillor T Landsberg – Division 2 Councillor

Councillor T Burns – Portfolio Councillor – Environment and Liveability

Internal Consultation

Property Management

Strategic Property

Liveability and Natural Assets

Legal Services

External Consultation

Council will engage a commercial real estate and marketing agent to market the commercial tenancy spaces and a valuer registered under the *Valuers Registration Act 1992*, who is not an employee of the Local Government, to prepare a commercial market rental assessment and provide advice on any offers to lease received by Council.

Community Engagement

The commercial tenancy space have been purpose-designed in the Caloundra Library+ Foyer. Therefore, no community engagement has been undertaken in relation to this report.

PROPOSAL

The land comprising of the Caloundra Library+ is located at 1 Omrah Avenue, Caloundra, legally described as Lot 22 RP883293. The land is freehold land owned by Council as shown in **Attachment 1 – Aerial Map**.

The Caloundra Library+ base building works are due for completion toward the middle of 2025.

The Caloundra Administration Building is being transformed into a new district library, community meeting space, customer contact centre and council administration offices. The new contemporary library and community facility will expand over three levels, it will include a contemporary district library, a customer service centre and community spaces built over levels 1 and 2.

The ground floor of the District Library and Community Space building includes a space for a kiosk/cafe to operate and be leased within the lobby/foyer of the building. The food and beverage tenancy are intended to contribute to the activation of the public space, enhancing and complementing the look and feel of the new contemporary library, community facility and offices.

The tenancy space will be focused on the provision of food and beverage services with the purveying of pre-prepared food and drinks. The commercial tenancy comprises a total gross lettable area of 22m².

The tenancy will be handed over as a 'cold shell' and the successful respondent will be fully responsible for all fit-out works.

Council has offered the commercial tenancy to the market via a public tender process. The intent of the public tender was to:

- seek commercial/retail tenants to fit-out, occupy and operate business from the commercial space; and to
- ensure Council complies with its legislative requirements under the *Local Government Regulation 2012*.

The tender for the commercial space closed on Tuesday, 20 August 2024 and resulted in no submissions being received.

Where a tender results in unsuccessful outcomes, it is considered appropriate to release the opportunity on the open market via Council's appointed commercial real estate and marketing agent. Council has the ability to enter into a lease over the tenancy via a private treaty arrangement under Section 236 of the *Local Government Regulation 2012* as:

- the opportunity has been released via public tender, and
- no successful or suitable respondents resulted from the evaluations or negotiations.

To allow Council to enter into a lease via private treaty, Council is required to grant an exception under Section 236 of the *Local Government Regulation 2012* which provides that a disposal, other than by public tender or auction, may occur if an exception applies. An exception is permitted where it relates to an application where the grant of the lease has been previously offered by public tender, but a lease has not been executed.

To ensure that Council has every avenue and opportunity to seek leases over tenancy, an exception is being requested on the basis that the tender for the commercial space did not result in any submissions.

To ensure the disposals comply with Sections 236(3), (4) and (5) of the *Local Government Regulation 2012* a market rental assessment will be undertaken to ensure that it is:

- assessed by a registered Valuer who is not an employee of the local government registered under the *Valuers Registration Act 1992*; and
- the face rent will be set at or above the market valuation as determined by the registered Valuer.

An exception under the *Local Government Regulation 2012* is deemed applicable and appropriate in this instance as the land has previously been offered via public tender which closed on Tuesday, 20 August 2024.

Leasing the tenancy commercial space on the open market and entering into a private treaty agreement is expected to have the following benefits:

- expected to reduce the timeframe to obtain a tenant as opposed to releasing a further public tender,
- is more typical of the method used by the private sector and represents an offer and acceptance process which commercial operators are familiar,
- provides Council with the opportunity to negotiate and counter-offer with prospective tenants as well as engage during the offer process and
- takes advantage of any momentum and marketing materials provided by the current real estate and marketing agent.

Legal

Legal Services have been consulted in relation to this report and will prepare and review the commercial lease document and register the dealings with Titles Queensland.

Policy

This report has been prepared in accordance with Council's Procurement Policy relating to the disposal of Council assets.

Risk

Whilst there are no significant risks relevant to this report, time is of the essence to secure a commercial tenant for the Tenancy and obtain revenue for Council and ensure that the Premises is occupied to activate the site for the benefit of the community

Previous Council Resolution

There are no previous Council Resolutions relevant to this report.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

There are no critical dates relevant to this report, however securing a tenant will allow Council to enter into a lease over the premises which will provide additional amenity for the community as well as obtain a revenue return to Council.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will:

- have the Tenancy marketed via Council's marketing and leasing agent for open market, private treaty negotiations and
- execute a lease agreement to a suitable tenant and register the lease agreement with Titles Queensland.



8.6 SYSTEMATIC INSPECTION PROGRAM - REGULATED DOGS**File No:** Council meetings**Author:** Acting Coordinator Response Services
Customer & Planning Services Group**Attachments:** Att 1 - Mandatory conditions for keeping a regulated dog.... 111 [↓](#)


PURPOSE

The purpose of this report is to seek approval by Council resolution to conduct a systematic inspection program to monitor compliance with the mandatory conditions for regulated dogs within the boundaries of the Sunshine Coast local government area, in accordance with the *Animal Management (Cats and Dogs) Act 2008* (the Act). The proposed program is scheduled to commence on 14 November 2024 and conclude on 13 November 2025.

EXECUTIVE SUMMARY

Customer Response propose to implement the Systematic Inspection Program – Regulated Dogs (the Program) under the *Animal Management (Cats and Dogs) Act 2008* (the Act) for the Sunshine Coast Council Local Government Area commencing 14 November 2023 and concluding 13 November 2024. Prior to commencement, the Program requires endorsement from Council under *section 113* of the Act. The maximum length of a program is 12 months.

Council has committed to empowering responsible pet ownership through education, proactive community engagement and regulation programs. This ensures that pet owners are informed of their responsibilities and can make choices to keep our community safe when managing their pets. One of the key education and regulation actions undertaken for community safety is the Program.

Alongside Council's commitment to creating a culture of responsible pet ownership the Act requires local governments to effectively manage regulated dogs within their boundaries. Council responds reactively to complaints, investigates reports of dog attacks and regulates dogs where additional control measures are required to keep the community safe. In cases where a dog is regulated, Council undertakes an annual audit to ensure the dog is being kept in accordance with mandatory conditions (Attachment 1) including additional signage, specialised containment, use of a muzzle and desexing of some animals. The Program provides authorised persons the power to enter private premises to check compliance requirements associated with keeping a regulated dog.

As of 3 September 2024, Council has 143 Regulated dogs listed on Council's Regulated Dog Register which will require an inspection under the Program. The cost to undertake this program is estimated to be approximately \$78,650 and is funded by the animal registration fees collected from the regulated dog owners.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Systematic Inspection Program - Regulated Dogs” and
- (b) approve the following systematic inspection program for the Sunshine Coast Council area in accordance with the *Animal Management (Cats and Dogs) Act 2008, section 113* (Approval of an inspection program authorising entry):
 - (i) to undertake a compliance inspection of the premises within the Sunshine Coast local government area where Council’s Regulated Dog Register indicates a regulated dog is being kept, and
 - (ii) to undertake the program from 14 November 2024 to 13 November 2025.

FINANCE AND RESOURCING

As of the 3 September 2024, Council had 143 Regulated dogs listed on its Regulated Dog Register requiring an inspection under the Program.

Fees and charges

The registration fees for regulated dogs as of the 1 October 2024 are outlined in Table 1. Under the Act, Council is required to offer an incentive to owners of menacing dogs to desex their pet. This incentive is not available to owners of dangerous dogs as they are required under the Act to desex their pet.

Based on current registrations it is estimated Council will collect \$79,956 in registration fees from regulated dogs for 2024/25.

Table 1 – Regulated dogs registration fees 2024/2025

Fees description	Fee	No. dogs	Total fees
Regulated Dangerous Dog	\$585	106	\$62,010
Regulated Menacing Dog (undesexed)	\$585	10	\$5,850
Regulated Menacing Dog (desexed)	\$448	27	\$12,096
Total			\$79,956

The cost-recovery fees are calculated to cover the full costs associated with registering a regulated dog as outlined in Table 2.

Table 2 – Cost-recovery fee breakdown

Description of Activity	Calculated cost
Administrative processing related to registering a regulated dog	\$100
Registration tag	\$3
Regulated dog collar	¹ \$11
Regulated dog sign	² \$2
Systematic inspection program – regulated dogs	³ \$434
Total cost	\$550

¹Based on a review of the previous inspection programs, a replacement collar is required in approximately 23% of inspections.

²Based on a review of the previous inspection programs, a replacement sign is required in approximately 7% of inspections.

³Please refer to Table 3 for a breakdown of the costs associated with this activity.

Estimated cost of the systematic inspection program

The cost of conducting this program is estimated to be \$78,650. This will be funded by registration fees. The balance of the cost-recovery fees collected for registration contributes to cover the cost of managing the yearly registration administrative process for regulated dogs, as outlined in Table 2.

Table 3 – Estimated cost per inspection

Description of activity	Estimated time	Estimated cost
Administration including – booking appointments, updating systems, generating letters or notices, issuing infringements (1 Officer)	30 min	\$65.00
Conducting initial inspection including travel time to locations (based on current registered locations of regulated dogs) (2 Officers)	150 min	\$330.00
Follow-up inspection, including travel (required where areas of non-compliance identified)* (2 Officers)	18 min	\$39.00
Average cost per dog*	198 min	\$434.00

*Note – a follow-up inspection or further investigation is required approximately 12% of the time, based on previous program outcomes

CORPORATE PLAN

Corporate Plan Goal: ***Our service excellence***

Outcome: We serve our community by providing this great service.

Operational Activity: S21 Local amenity and local laws – maintaining and regulating local amenity through local laws, regulated parking, community land permits and management of animals, overgrown land and abandoned vehicles.

CONSULTATION

Councillor Consultation

Portfolio Councillors for Service Excellence - Councillors W Johnston and C Dickson were consulted in the preparation of this report.

Internal Consultation

Consultation has been undertaken with the following key internal stakeholders:

- Group Executive, Customer and Planning Services
- Manager Customer Response, Customer and Planning Services
- Management Accountant, Business Performance

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community engagement undertaken in relation to this report.

PROPOSAL

Council has made a commitment through the Sunshine Coast Management Plan for Domestic Animal Management (Cats and Dogs) 2021 – 2030 to grow a culture of responsible pet ownership through education, proactive community engagement and regulation programs. The commitment ensures that pet owners are informed of their responsibilities and can make choices to keep our community safe when managing their pets. One of the key education and regulation actions undertaken for community safety is the Program.

Alongside Council's commitment to creating a culture of responsible pet ownership, the Act requires local governments to effectively manage regulated dogs within their boundaries. Council manages this responsibility by appointing authorised persons to investigate, monitor and enforce compliance with the Act. Council responds to complaints and investigates incidents which may lead to a dog being declared as dangerous or menacing (i.e. a regulated dog).

Once a dog is declared a regulated dog, the animal owner must adhere to mandatory conditions as outlined in the Act (Attachment 1). To ensure compliance with these conditions authorised persons conduct an initial inspection at the premises where the animal is normally kept and work with the animal owner to ensure all the conditions are met. The Program allows Council to proactively monitor adherence with these conditions on an ongoing basis. Without the Program, Council has no way of confirming if a regulated dog is being kept in accordance with the conditions imposed under the Act unless a complaint is received.

In August 2024 the Queensland Government amended the Act requiring Council to issue a mandatory destruction order for any regulated dog involved in a serious attack. Proactively monitoring mandatory conditions allows Council to mitigate the risk of attacks by regulated dogs by ensuring dog owners are compliant, thereby reducing the possibility of needing to issue destruction orders.

To conduct the Program Council must provide approval by resolution as outlined in *section 113* of the Act. The Program provides authorised persons with the power to enter a private premises to check for continued compliance by the dog owner with the mandatory conditions for keeping a regulated dog.

Proposed Systematic Inspection Program

It is proposed that the systematic inspection program will be undertaken by the Response Services Team, within the Customer Response Branch as authorised persons under the Act, commencing 14 November 2024 and concluding on 13 November 2025. Authorised persons will undertake inspections at all properties after the anniversary date of the dog's original declaration. This approach allows inspections to be spread across the year with less impact to day-to-day service provision. This approach also allows officers to focus on providing adequate guidance and support to regulated dog owners to assist them in ensuring their dogs are kept in accordance with the mandated conditions.

As of 3 September 2024, Council's Regulated Dog Register indicates there are 143 Regulated dogs which require an annual inspection. The cost to undertake this program is estimated to be approximately \$78,650 which is funded by the registration fees collected from regulated dog owners. The balance of the cost-recovery fees covers the cost of managing the yearly registration process for regulated dogs, as outlined in Table 2.

Previous Systematic Inspection Program

The 2023/2024 systematic inspection program identified 129 regulated dogs and was approved to be undertaken from 14 November 2023 to 13 November 2024. To date the 2023/2024 Program reports the following levels of compliance:

Inspections completed or no longer applicable:

- 69 audits have been completed to date with:
 - 59 animal owners maintaining compliance with the conditions for keeping a regulated dog (85%)
 - 10 animal owners requiring a compliance notice for failing to meet conditions for keeping a regulated dog (14%)
 - 8 were compliant after an initial inspection
 - 2 required a further inspection.
- 19 dogs were identified as passing away since the last inspection, and 5 dogs had been relocated outside of the region.

Inspections to be completed:

- 36 regulated dogs will be inspected over September and October 2024 which falls within the current inspection period.

Legal

Council has an obligation to the community to ensure that dogs identified and declared as dangerous, or menacing are being monitored for compliance with the Act. The mandatory conditions are set out for the keeping of regulated dogs (Attachment 1).

Section 113 of the Act provides the power for a local government to pass a resolution to approve a program under which an authorised person may enter a place to monitor compliance with the Act. An approved inspection program must state the following:

- the purpose of the program
- when the program starts
- a description of the places which will be entered as part of the program, and
- the period over which the program will be carried out (of not more than one year).

Council must provide public notice of the systematic inspection program at least 14 days, but not more than 28 days, before an approved inspection program starts. This notice must be published in a newspaper circulating the local government area and on the local government's website.

Due to the potential risk for regulated dogs not being kept in accordance with the mandatory conditions of the declaration, the Act provides considerable powers to authorised persons to require compliance. Where an animal owner has failed to comply with the mandatory conditions for keeping a regulated dog, Council may in accordance with the Act and Compliance and Enforcement Policy 2021:

- issue an on-the-spot fine under the Act (\$2,419.00);
- issue a compliance notice outlining the mandatory conditions which require attention;
- where an officer deems the dog may be a risk to the community, they may seize a regulated dog (*section 125* of the Act);
- where an officer reasonably believes the dog is dangerous and the person cannot control it, they may seize the regulated dog and issue a destruction notice (*section 127* of the Act);
- undertake further legal action such as prosecution through the Magistrates Court. The maximum penalty for failure to comply with conditions for keeping a regulated dog is 150 penalty units (\$24,195).

Policy

Council's Compliance and Enforcement Policy 2021 identifies how Council is to meet its statutory obligations and exercise its compliance and enforcement actions. Officers will use the Compliance and Enforcement Policy 2021 in conjunction with the Act in assessing the most appropriate action to address areas of non-compliance. Additional guidelines have also been provided by the Queensland Government which officers may consider where relevant.

Risk

The Program allows Council to proactively monitor and ensure animal owners are adhering to the conditions of keeping a regulated dog. These conditions are in place to reduce the risk posed by these animals. Alternatively, Council must wait until a community member reports an incident where the owner of a regulated dog has failed to meet conditions, exposing the community to unnecessary risk.

Based on two years of historical data, 16 regulated dogs have reoffended after being declared. Reoffending includes attacks on other animals or people.

Current regulated dogs have been declared for the following reasons:

- Attacks on an animal – 98 (69% of all regulated dogs)
- Attacks on a person – 45 (31% of all regulated dogs)

Previous Council Resolution**Ordinary Meeting 26 October 2023 (OM23/119)**

That Council:

(a) receive and note the report titled "Systematic Inspection Program - Regulated Dogs" and

(b) approve the following systematic inspection program for the Sunshine Coast Council area in accordance with the Animal Management (Cats and Dogs) Act 2008, section 113 (Approval of an inspection program authorising entry):

(i) to undertake a compliance inspection of the premises within the Sunshine Coast local government area where Council's Regulated Dog Register indicates a regulated dog is being kept and

(ii) to undertake the program from 14 November 2023 to 13 November 2024.

Related Documentation

- *Animal Management (Cats and Dogs) Act 2008*
- *Animal Management (Cats and Dogs) Regulation 2019*
- *Sunshine Coast Council Compliance and Enforcement Policy 2021*
- *Management Plan for Domestic Animals (Cats and Dogs) 2021-2030*

Critical Dates

Council must provide notice of the systematic inspection program at least 14 days, but not more than 28 days before an approved inspection program starts. This notice must be published in a newspaper circulating the local government area and on the local government's website.

The systematic inspection program is proposed to commence 14 November 2024. Therefore, 30 October 2024 is the last date that an advertisement can be placed in the local newspaper advising of Council's intent to undertake the systematic inspection program.

The program must not exceed the dates outlined in the recommendation.

Implementation**18 October 2024 to 31 October 2024**

Upon Council endorsement, it is intended that an advertisement will be placed in several local newspapers and Council's website between 18 October 2024 and 31 October 2024, in accordance with the Act.

14 November 2024 to 13 November 2025

Council's authorised persons will commence the approved systematic inspection program on 14 November 2024. Properties will be identified from the Regulated Dog Register and will be inspected on the anniversary date of the regulation of the dog for compliance with the mandatory conditions for keeping a regulated dog. Inspections will be undertaken unannounced on weekdays in daylight hours in accordance with the Act.

Where a breach of the mandatory conditions is identified, officers will determine the appropriate action in accordance with the Act and Compliance and Enforcement Police 2021 (as outlined in the Legal section of this report).

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will ensure the systematic inspection program is undertaken in line with the specified requirements.

Mandatory conditions for a Regulated Dog

The following document details the mandatory conditions for keeping a dog which has been regulated under the *Animal Management (Cats and Dogs) Act 2008*

1. Desexing

As the owner of a declared dangerous dog you must ensure it is desexed within 3 months after the dog is declared as dangerous unless desexing is likely to be a serious risk (Vet report required) to the dog's health.

The maximum penalty for not having your dog desexed is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 70*.

2. Identification

As the owner of a regulated dog, you must ensure your dog:

- is implanted with a Prescribed Permanent Implantation Device (PPID) within 28 days of this declaration

The maximum penalty for not implanting with a PPID is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97, 98 and 214*.

3. Collar and tag

As the owner of a regulated dog you must ensure your dog:

- at all times, wears the council issued prescribed collar and identification tag. The tag must be engraved with your current 24 hour contact telephone number or a responsible persons 24 hour telephone number

The maximum penalty for not wearing the prescribed collar is 50 penalty units, under *Local Law 2 Animal Management Act 2011, section 9A*

The maximum penalty for not wearing the issued council tag is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97, 98 and 214*.

4. Muzzling and effective control

Your regulated dog must not be in a place, that is not the place stated on the dog's registration notice, unless it is:

1. Muzzled (dangerous dogs only), and
2. Under the *effective control** of someone who has the control of no more than one dog at the same time

The maximum penalty for not having your dangerous dog muzzled is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97*.

***Effective control means:**

A regulated dog is under the **effective control** of someone only if—

- (a) all of the following apply—
 - (i) the person is physically able to control the dog;
 - (ii) the person is in control of only that dog;
 - (iii) either—
 - (A) the person is restraining the dog by holding the dog by a leash, lead or other restraining device that is appropriate to restrain the dog in a way that ensures the dog is not a risk to a person or an animal; or
 - (B) the dog is securely tethered to a fixed object in a way that ensures the dog is not a risk to a person or an animal and is under the continuous supervision of the person; or
- (b) the dog is being kept in an enclosed part of a vehicle and is enclosed or restrained in a way that prevents the dog, or any part of the dog, moving outside the enclosed part of the vehicle; or
- (c) the dog is participating in, or being exhibited or trained at, an exhibition, race meeting, race trial or obedience trial supervised by a body that is—
 - (i) recognised by the State as an appropriate body to supervise the exhibition, meeting or trial and published on the department's website; or
 - (ii) recognised by the local government in whose local government area the exhibition, meeting or trial is held as an appropriate body to supervise the exhibition, meeting or trial and published on the local government's website.

The maximum penalty for failing to effectively control a regulated dog is 100 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 193*.

5. Enclosure

As the owner of a regulated dog, you must ensure:

1. Your dog, unless there is a reasonable excuse, be usually kept in the enclosure
2. An enclosure for your dog must be maintained at or on the address in the registration notice for the dog and must be childproof and stop the dog from leaving the enclosure.

The enclosure must:

- allow access to the front entrance of the house so that a member of the public seeking access to the front entrance does not have to enter the enclosure
- must not include any area that is a swimming pool or area surrounding a swimming pool or all or part of a building usually used for residential purposes
- have walls at least 1m high above ground level if the dog is 8kg or less or walls at

- least 1.8m high above ground level if the dog is more than 8kg
- the exterior of the walls of the enclosure must be designed to prevent a child from climbing over, under or through the walls into the enclosure
- the wall of the enclosure must be designed to prevent the dog, or part of the dog, from protruding over, under or through the enclosure
- consist of firm and strong materials with walls designed to prevent children from climbing into the enclosure. The walls may include a perimeter fence for the relevant place or an exterior wall of a structure if it complies with all other requirements of the enclosure
- include a weatherproof sheltered area appropriate for the dog
- include a gate which must be childproof, self-closing and self-latching; and comply with the requirements for the enclosure and which must not be a vehicle access gate
- the enclosure may have another gate that is not self-closing and self-latching if it is not a vehicle gate, complies with requirements for the enclosure and is kept securely locked whenever it is not in immediate use for the enclosure and is kept securely locked whenever it is not in immediate use

The maximum penalty for failing to ensure the enclosure is to these standards is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97 & 98*.

6. Public notice

As the owner of a regulated dog, you must ensure the council issued "Beware Dangerous Dog" or "Beware Menacing Dog" sign is placed at or near each entrance to the relevant place where your dog is usually kept, notifying the public that a regulated dog is kept at the place. If you require more than one sign please advise the Sunshine Coast Council as soon as practicable.

The maximum penalty for not displaying signage is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97 & 98*.

7. Place where dog is usually kept

Your regulated dog must not be in a place that is not the place stated on the dog's registration notice.

The maximum penalty for this offence is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97 & 98*.

8. Notice of change of address

As the owner of a regulated dog, you must advise the local government of any change in your residential address or your dog's kept at address within 7 days after making the change. If the new addresses are in another local government area, you must also give notice to the other local government.

The maximum penalty for not notifying the local government of your change of address is 150 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 97 & 98*.

Other important laws for keeping a regulated dog

You cannot sell, give away or exchange your dog

An owner of, or responsible person for, a regulated dog must not supply a regulated dog to someone else unless:

- the person gives the other person a notice stating that the dog is a regulated dog or a proposed declared dog; or
- the person has a reasonable excuse

The maximum penalty for this offence is 150 penalty units under the *Animal Management (Cats and Dogs) Act 2008, section 67*.

You cannot abandon your dog

The owner of, or a responsible person for, a regulated dog must not **abandon** it unless the owner or responsible person has a reasonable excuse.

Abandon includes leave for an unreasonable period, having regard to community health and safety.

The maximum penalty for this offence is 300 penalty units under the *Animal Management (Cats and Dogs) Act 2008, section 68*.

You cannot breed your dog

A person must not give or take possession of a declared dangerous dog for the purpose of allowing it to breed with another dog.


The owner of, or a responsible person for, a declared dangerous dog must not allow or encourage the dog to breed with another dog.

The maximum penalty for these offences is 150 penalty units under the *Animal Management (Cats and Dogs) Act 2008, section 69*.

You must keep your address up to date

If you change residential address, you must give the Sunshine Coast Council notice of your new residential address within 7 days after making the change.

If the new residential address is in another local government's area, you must also give the



notice to the other local government.

The maximum penalty for this offence is 150 penalty units under the *Animal Management (Cats and Dogs) Act 2008, section 97 & 98*.

You may surrender your dog

An owner of a regulated dog can surrender it to the relevant local government. On surrender the dog becomes the local government property.

Under the *Animal Management (Cats and Dogs) Act 2008, section 100*.

Annual registration fees application for a regulated dog

An annual registration fee is applicable.

The maximum penalty for this offence is 20 penalty units, under the *Animal Management (Cats and Dogs) Act 2008, section 57*.

You must comply with all other relevant laws

You must comply with all other relevant laws for keeping a dog. This includes Local Laws and State Legislation.

Penalties may apply for failure to comply with these laws.

More information

If you have any questions about the keeping of a regulated dog please contact Sunshine Coast Council on 07 5475 7272.

9 NOTIFIED MOTIONS**10 TABLING OF PETITIONS**

Petitions only eligible for submission if:

- * Legible
- * Have purpose of the petition on top of each page
- * Contain at least 10 signatures
- * Motion limited to:
 - Petition received and referred to a future meeting
 - Petition received and referred to the Chief Executive Officer for report and consideration of recommendation
 - Petition not be received

11 CONFIDENTIAL SESSION**11.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - LAND ACQUISITIONS - BLI
BLI**

File No: Council Meetings
Author: Principal Property Officer
Business Performance Group

In preparing this report, the Chief Executive Officer recommends it be considered confidential in accordance with Section 254J (3) (h) *of the Local Government Regulation 2012* as it contains information relating to negotiations relating to the taking of land by the local government under the Acquisition of Land Act 1967 (Qld) (the Act).

This report is confidential in respect to the content and timeframes of negotiations with land owners and recognising that, until a voluntary acquisition is settled or a compulsory land acquisition is gazetted, the acquisition has no certainty.

Public disclosure at this time would potentially impact adversely on the negotiation process and Council's ability to secure the land parcels at market value. Further, it would potentially impact the compulsory land acquisition process under the Act by prematurely releasing sensitive planning information that is still subject to change instead of as part of the resumption process under the Act, which formally commences with the serving of a Notice of Intention to Resume and associated background information, current at that time, to affected land owners.

12 NEXT MEETING

The next Ordinary Meeting will be held on 24 October 2024.

13 MEETING CLOSURE