

Attachment Folder

Item 8.4

Ordinary Meeting

Thursday, 13 November 2025

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Sunshine Coast Regional Council

FINANCIAL STATEMENTS

For the year ended 30 June 2025

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FINANCIAL STATEMENTS 2024-25

Statements of Comprehensive Income
For the year ended 30 June 2025

	Note	Consolidated		Council	
		2025 \$'000	2024 (Restated) \$'000	2025 \$'000	2024 (Restated) \$'000
Income					
Revenue					
Recurrent revenue					
Net rates, levies and utility charges	3(a)	436,288	405,558	436,312	406,043
Fees and charges	3(b)	80,589	76,696	77,241	73,519
Sales from contracts and recoverable works	3(c)	19,821	14,871	20,170	14,871
Grants, subsidies, contributions, donations and other	4(a)	22,483	5,269	22,465	5,238
		<u>559,181</u>	<u>502,394</u>	<u>556,188</u>	<u>499,669</u>
Share of tax equivalents of equity accounted investment	3(d)	14,193	12,347	14,193	12,347
Dividend income equity accounted investment	3(e)	-	-	17,249	20,532
Interest revenue	5	32,293	34,796	32,197	34,687
Rental income	19	6,316	5,910	6,316	5,910
Profit from equity accounted investment	14	67,869	62,195	-	-
		<u>120,672</u>	<u>115,249</u>	<u>69,956</u>	<u>73,476</u>
Total recurrent revenue		<u>679,853</u>	<u>617,642</u>	<u>626,144</u>	<u>573,146</u>
Non-recurrent revenue					
Grants, subsidies, contributions, donations and other	4(b)	187,660	221,062 *	187,660	221,062 *
Total non-recurrent revenue		<u>187,660</u>	<u>221,062 *</u>	<u>187,660</u>	<u>221,062 *</u>
Total income		<u>867,513</u>	<u>838,704 *</u>	<u>813,804</u>	<u>794,207 *</u>
Expenses					
Recurrent expenses					
Employee benefits	6	(200,106)	(187,015)	(195,125)	(182,497)
Materials and services	7	(287,627)	(281,028)	(285,717)	(278,270)
Finance costs	8	(12,589)	(12,391)	(12,515)	(12,336)
Contributions to controlled entities	9	-	-	(4,079)	(4,586)
Depreciation and amortisation					
Property, plant and equipment	17	(163,206)	(128,044)	(163,196)	(128,036)
Intangible assets		(320)	(320)	(320)	(320)
Right-of-use assets	19	(3,320)	(3,407)	(3,271)	(3,358)
Total recurrent expenses		<u>(667,169)</u>	<u>(612,205) *</u>	<u>(664,224)</u>	<u>(609,404) *</u>
Non-recurrent expenses					
Gain/(Loss) on disposal property, plant and equipment and intangibles	10	(3,701)	(7,734)	(3,701)	(7,734)
Movements in landfill and quarry provisions	22	4,269	143	4,269	143
Total non-recurrent expenses		<u>568</u>	<u>(7,591)</u>	<u>568</u>	<u>(7,591)</u>
Total expenses		<u>(666,601)</u>	<u>(619,796) *</u>	<u>(663,656)</u>	<u>(616,994) *</u>
Net result		<u>200,912</u>	<u>218,908 *</u>	<u>150,148</u>	<u>177,213 *</u>
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	17(a)	204,610	1,364,156	204,610	1,364,156
Total other comprehensive income		<u>204,610</u>	<u>1,364,156</u>	<u>204,610</u>	<u>1,364,156</u>
Total comprehensive income for the year		<u>405,521</u>	<u>1,583,064 *</u>	<u>354,758</u>	<u>1,541,369 *</u>

*Comparative figures have been restated. Refer to Note 34 for details.

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

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FINANCIAL STATEMENTS 2024-25

Statements of Financial Position

As at 30 June 2025

	Note	Consolidated		Council	
		2025	2024 (Restated)	2025	2024 (Restated)
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	11	195,739	195,695	193,235	193,347
Receivables	12	29,941	17,926	29,904	17,893
Inventories	13	4,966	4,000	4,899	3,940
Other assets	15	24,102	40,548 *	32,232	52,239
Non-current assets held for sale	16	4,177	-	4,177	-
Total current assets		258,926	258,168 *	264,448	267,418
Non-current assets					
Loans to associates and other receivables	12	434,406	437,780	434,393	437,767
Inventories	13	36,568	36,568	36,568	36,568
Equity accounted investment	14	999,597	948,977	538,213	538,213
Shares in controlled entities	15	-	-	500	500
Property, plant and equipment	17	8,158,653	7,771,146 *	8,158,623	7,771,117 *
Intangible assets		1,082	1,402 *	1,082	1,402 *
Right-of-use assets	19	8,246	6,236	8,218	6,159
Total non-current assets		9,638,553	9,202,109 *	9,177,597	8,791,727 *
Total assets		9,897,479	9,460,277 *	9,442,044	9,059,145 *
Liabilities					
Current liabilities					
Payables	18	60,222	85,552 *	68,012	97,086
Lease liabilities	19	3,000	2,707	2,969	2,656
Contract liabilities	20	27,468	17,424	27,468	17,424
Borrowings	21	32,370	29,941	32,370	29,941
Provisions	22	57,793	50,386	57,532	50,112
Other liabilities	23	28,024	28,069	27,920	27,842
Total current liabilities		208,876	214,079 *	216,271	225,061
Non-current liabilities					
Lease liabilities	19	5,480	3,737	5,480	3,707
Contract liabilities	20	66,556	3,245	66,556	3,245
Borrowings	21	410,383	415,414	410,383	415,414
Provisions	22	38,746	48,060	38,588	47,884
Other liabilities	23	6,302	20,126	6,302	20,126
Total non-current liabilities		527,466	490,584	527,308	490,376
Total liabilities		736,342	704,662 *	743,579	715,438
Net community assets		9,161,137	8,755,615 *	8,698,465	8,343,708
Community equity					
Asset revaluation surplus		3,012,011	2,807,402 *	3,012,011	2,807,402 *
Retained surplus		6,149,126	5,948,214 *	5,686,454	5,536,306 *
Total community equity		9,161,137	8,755,615 *	8,698,465	8,343,708 *

*Comparative figures have been restated. Refer to Note 34 for details.

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

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FINANCIAL STATEMENTS 2024-25



Statements of Changes in Equity
For the year ended 30 June 2025

Consolidated

	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
Note			
<u>For the year ended 30 June 2025</u>			
Balance as at 1 July 2024	2,807,402	5,948,214	8,755,615
Net result	204,610	200,912	405,521
Balance as at 30 June 2025	3,012,011	6,149,126	9,161,137

For the year ended 30 June 2024 (restated)

Balance as at 1 July 2023	1,451,428	5,667,366	7,118,793
Prior year adjustment	34 (8,182)	61,940	53,758 *
Net result	1,364,156	218,908	1,583,064 *
Balance as at 30 June 2024	2,807,402	5,948,214	8,755,615 *

Council

	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
<u>For the year ended 30 June 2025</u>			
Balance as at 1 July 2024	2,807,402	5,536,306	8,343,708
Net result	204,610	150,148	354,758
Balance as at 30 June 2025	3,012,011	5,686,454	8,698,465

For the year ended 30 June 2024 (restated)

Balance as at 1 July 2023	1,451,428	5,297,153	6,748,581
Prior year adjustment	34 (8,182)	61,940	53,758 *
Net result	1,364,156	177,213	1,541,369 *
Balance as at 30 June 2024	2,807,402	5,536,306	8,343,708 *

*Comparative figures have been restated. Refer to Note 34 for details.

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

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FINANCIAL STATEMENTS 2024-25

Statements of Cash Flows

For the year ended 30 June 2025

Note	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash flows from operating activities				
Receipts from customers	559,008	494,317	551,409	486,285
Payments to suppliers and employees	(460,589)	(431,945)	(452,953)	(423,838)
	<u>98,419</u>	<u>62,372</u>	<u>98,455</u>	<u>62,447</u>
Interest and dividends received	3(d,e), 5(a) 63,895	67,819	63,639	67,566
Recurrent grants, subsidies, contributions and donations	4(a) 22,465	5,238	22,465	5,238
Finance costs	8 (12,008)	(11,884)	(12,008)	(11,884)
Net cash inflow/(outflow) from operating activities	29 172,770	123,544	172,551	123,366
Cash flows from investing activities				
Payments for property, plant and equipment	(243,438)	(306,849)	(243,427)	(306,836)
Proceeds from sale of property, plant and equipment	6,514	6,820	6,514	6,820
Net proceeds from sale of inventory	-	-	-	-
Non-recurrent grants, subsidies, contributions and donations	4(b) 70,604	109,051	70,604	109,051
Net cash inflow/(outflow) from investing activities	(166,321)	(190,978)	(166,310)	(190,964)
Cash flows from financing activities				
Proceeds from borrowings	23,194	28,542	23,194	28,542
Repayment of borrowings	(25,976)	(24,104)	(25,976)	(24,104)
Repayments made on leases (principal only)	(3,622)	(3,660)	(3,571)	(3,612)
Net cash inflow/(outflow) from financing activities	(6,404)	778	(6,352)	826
Net increase/(decrease) in cash and cash equivalents held	45	(66,655)	(112)	(66,773)
Cash and cash equivalents at beginning of financial year	195,695	262,350	193,347	260,120
Cash and cash equivalents at end of the financial year	11 195,739	195,695	193,235	193,347

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

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FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

1 Information about these financial statements

1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2024 to 30 June 2025. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for items measured at fair value including contributed assets, revaluation of some items of property, plant and equipment, and Council's loan from the Department of Local Government, Water and Volunteers (Economic Development Queensland).

1.02 Recurrent/non-recurrent classification

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

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

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

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

- disposal of non-current assets
- movements in landfill and quarry provisions
- revaluations of property, plant and equipment

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

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

1.03 Basis of consolidation

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

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

Transactions between Council and both Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd have been eliminated when preparing consolidated accounts.

In addition, the accounting policies of these controlled entities have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity are prepared using accounting policies that are mostly consistent with those of the Council. The main policy inconsistency relates to the valuation of property, plant and equipment assets. Council uses fair value where the controlled entities use historical cost, however the impact is not material.

Sunshine Coast Arts Foundation Ltd is not consolidated into Council's financial statements because its transactions and balances are not material. Information on controlled entities is included in Note 27.

1.04 Constitution

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

1.05 New and revised accounting standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024. None of the standards had a material impact on reported position, performance and cash flows.

The relevant standards for Council were:

AASB 101 *Presentation of Financial Statements* (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities.

AASB 13 *Fair Value Measurement* (amended by AASB 2022-10).

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

1.06 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for Council then further information has been provided in this note.

Council has assessed all the standards / interpretations currently issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

1.07 Estimates and judgements

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

Note 4(b) Grants, subsidies, contributions and donations - fair value estimation of contributed assets.

Note 12 Receivables - estimated impairment of receivables and loans.

Note 17 Valuation and depreciation of property, plant and equipment.

Note 17 Impairment of property, plant and equipment.

Note 22 Provisions

Long service leave provision involves estimates of projected future pay increases and the probability of employees remaining in Council along with estimated cash flows discounted using the Commonwealth Bond yield rates.

Landfill and quarry rehabilitation provision calculation involves judgement around the application of environmental legislation, site closure dates, available technologies and engineering cost estimates.

Note 25 Contingencies - judgement regarding legal claims.

Note 31 Financial instruments and financial risk management - expected credit loss assessment of trade receivables.

1.08 Rounding and comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Restated balances are detailed in Note 34 and indicated with an asterisk (*) throughout the financial statements.

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

1.09 Disclosure of other comprehensive income for equity accounting investments

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

1.10 Volunteer services

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

1.11 Taxation

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

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements

For the year ended 30 June 2025

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

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

CEO and Support Services

The Chief Executive Officer (CEO) implements the strategic direction of Council, overseeing the delivery of Council priorities, managing Council's statutory obligations and building key internal and external relationships.

In day to day operations, the Office of the CEO team assists by providing support and advice to the CEO. Further and as needed, the Office of the CEO team works jointly with the Executive Leadership Team (ELT), Group Support offices and the wider organisation.

Civic Governance Group

The Civic Governance Group is focused on excellence in governance, integrity management, assurance and associated policies and services in support of Council's stewardship of the region, adherence to Council's statutory obligations as a local government. Key functions include:

- Audit, Assurance and Risk Advisory Services
- Commercial and Governance Partnerships
- Ethical Standards
- Governance and Executive Services
- Strategy and Policy Coordination
- Legal Services

Built Infrastructure Group

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

- Asset Management
- Parks and Gardens
- Transport Network Management
- Transport Network Operations
- Disaster Management

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements

For the year ended 30 June 2025

Business Performance Group

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

- Business and Innovation
- Digital and Information Services
- Finance
- People and Culture
- Property Management
- Communications
- Strategic Property
- Wellbeing, Health and Safety

Customer and Planning Services Group

The Customer and Planning Services Group aims to be a responsive, contemporary and customer focused group, united in supporting and empowering our people: and planning positively for the future, to enable and sustain great places in which our community can thrive. The Customer and Planning Services Group is:

- Development Services
- Strategic Planning
- Urban Growth Projects
- Customer Response
- Urban Design and Architecture Team

Economic and Community Development Group

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

- Arts Heritage and Libraries
- Community Planning and Development
- Economic Development
- Sport and Community Venues
- Olympic and Paralympic Games Brisbane 2032

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements

For the year ended 30 June 2025

Liveability and Natural Assets Group

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

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

Corporate Major Projects (formerly Region Shaping Projects)

Corporate Major Projects currently comprises Council's current major project being Maroochydore City Centre.

FINANCIAL STATEMENTS 2024-25

Notes to financial statements
For the year ended 30 June 2025.

12 (b) Analysis of results by function

	Gross program income						Elimination of inter-function transactions	Total income	Gross program expense		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent			Non-recurrent					Recurrent	Non-recurrent					
	Grants	Other		Grants	Other										
	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Built Infrastructure	1,163	34,898	23,053	13,472	-	-	(30,997)	41,588	(323,720)	3,467	49,395	(270,259)	(268,661)	(228,670)	5,787,572
Customer and Planning Services	841	58,417	9,450	-	-	-	(19,288)	48,419	(111,989)	(53)	34,750	(77,292)	(37,270)	(27,873)	186,032
Economic and Community Development	2,320	50,645	525	-	-	-	(14,845)	38,644	(143,071)	(2,079)	36,383	(108,767)	(68,568)	(70,123)	290,719
Livability and Natural Assets	2,058	149,661	10,985	8,255	-	-	(16,047)	154,913	(180,328)	-	32,251	(184,077)	(122,405)	(6,836)	1,060,477
Corporate Major Projects	-	19	-	88	-	-	-	106	(4,957)	(767)	3	(4,954)	(4,935)	(4,848)	138,487
Business Performance	16,083	476,339	4,777	117,057	-	-	(85,306)	528,950	(67,216)	(767)	18,917	(49,066)	358,817	479,883	1,978,757
Civic Governance	-	10,685	-	-	-	-	(10,505)	180	(7,860)	-	3,367	(4,493)	(4,431)	(4,431)	-
Offices of the CEO and the Mayor	-	1,294	-	-	-	-	(1,291)	3	(789)	-	41	(747)	(744)	(744)	-
Total Council	22,465	781,958	48,789	138,871	-	-	(178,279)	813,804	(839,930)	568	175,706	(663,656)	(38,080)	150,148	9,442,044
Controlled entities net of eliminations	-	-	-	-	-	-	-	53,709	(2,946)	-	(2,946)	-	50,763	50,763	455,435
Total Consolidated	22,465	835,667	48,789	138,871	-	-	(178,279)	867,513	(842,875)	568	175,706	(666,601)	12,684	200,912	9,897,479

Notes to financial statements
For the year ended 30 June 2025.
2 (b) Analysis of results by function

	Gross program income						Elimination of inter-function transactions	Total income	Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Non-recurrent										
	Grants	Other	Grants	Other									
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Built Infrastructure	598	28,415	44,843	41,827	-	(24,077)	91,666	(274,792)	(5,999)	(236,788)	(225,794)	(146,122)	5,533,654
Customer and Planning Services	531	55,151	5,179	424	-	(18,899)	42,386	(112,814)	(57)	(79,729)	(42,886)	(37,343)	166,474
Economic and Community Development	2,174	46,819	1,322	33	-	(12,665)	37,683	(133,476)	(276)	(103,642)	(67,038)	(65,958)	303,276
Livability and Natural Assets	1,120	132,082	27,474	11,590	-	(14,466)	157,800	(168,017)	(480)	(30,278)	(19,003)	19,581	973,852
Corporate Major Projects	-	3	-	-	-	-	3	(8,435)	-	(8,433)	(8,430)	(8,430)	139,200
Business Performance	815	454,197	1,575	86,795	-	(78,843)	464,539	(62,188)	(779)	(19,688)	333,668	421,259	1,910,540
Civic Governance	-	10,428	-	-	-	(10,300)	128	(9,518)	-	(6,889)	(6,761)	(6,761)	33,150
Office of the CEO and the Mayor	-	1,245	-	-	-	-	1	(53)	-	(14)	(13)	(13)	-
Total Council	5,218	728,340	80,392	140,669	-	(160,432)	794,207	(769,296)	(7,591)	(616,995)	(36,258)	177,213	9,059,145
Controlled entities net of eliminations	31	44,465	-	-	-	-	44,496	(2,801)	-	(2,801)	41,695	41,695	401,132
Total Consolidated	5,249	772,805	80,392	140,669	-	(160,432)	838,704	(772,097)	(7,591)	(619,796)	5,437	218,908	9,460,277

For the year ended 30 June 2024.
2 (b) Analysis of results by function

*Comparative figures have been restated. Refer to Note 34 for details.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

3 Revenue

(a) Net rates, levies and utility charges

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
General rates	323,019	302,167	323,043	302,651
Waste management	94,735	84,893	94,735	84,893
Environment levy	12,800	12,607	12,800	12,607
Tourism and special levies	11,061	10,563	11,061	10,563
Rural fire levy	672	645	672	645
Valuation fees	69	61	69	61
Total rates, levies and utility charges revenue	442,356	410,935	442,380	411,420
Less: pensioner remissions	(4,671)	(4,188)	(4,671)	(4,188)
Less: rebates	(1,398)	(1,190)	(1,398)	(1,190)
	(6,068)	(5,377)	(6,068)	(5,377)
Net rates, levies and utility charges	436,288	405,558	436,312	406,043

(b) Fees and charges

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

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Holiday parks	23,639	23,256	23,639	23,256
Refuse tip fees	13,012	12,268	13,012	12,268
Application fees (development)	9,418	8,920	9,418	8,920
Development services	8,801	8,552	8,801	8,552
Fines and penalties	4,116	3,261	4,116	3,261
Registration fees	2,308	2,195	2,308	2,195
Permits and licences	2,294	2,010	2,294	2,010
Search fees	1,842	1,860	1,842	1,860
Venue hire	1,686	1,491	1,686	1,491
Cemetery fees	1,410	1,266	1,410	1,266
Parking fees	1,531	1,529	1,531	1,529
Change of ownership fees	990	900	990	900
Waste service charges	365	294	365	294
Other fees and charges	9,179	8,894	5,832	5,717
	80,589	76,696	77,241	73,519

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

(c) Sales from contracts and recoverable works

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

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

	Consolidated		Council	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$'000	\$'000	\$'000	\$'000
Recoverable works	5,395	1,416	5,395	4,249
Sale of recyclables	4,393	4,313	4,393	4,313
Container refund scheme *	3,203	955	3,203	955
Sale of broadband services	699	-	699	-
Solar farm generation revenue	632	653	632	653
Other revenue	5,498	7,534	5,848	4,700
	19,821	14,871	20,170	14,871

* Container refund scheme (bottle recycling) previously held in other revenue.

(d) Share of tax equivalents of equity accounted investment

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
	14,193	12,347	14,193	12,347

(e) Dividend income of equity accounted investment

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
	-	-	17,249	20,532

4 Grants, subsidies, contributions, donations and other

Grant income under AASB 15 Revenue from contracts with customers

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

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

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

Capital (non-recurrent) grants

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

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Grant income under AASB 1058 Income of not-for-profit entities

Contributions and donations

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

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

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

(a) Recurrent grants, subsidies, contributions and donations

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Government grants and subsidies commonwealth*	17,640	820	17,622	788
Government grants and subsidies state	4,562	4,182	4,562	4,182
Contributions and donations	281	268	281	268
	<u>22,483</u>	<u>5,269</u>	<u>22,465</u>	<u>5,238</u>

* In 2025, Council received an amount of \$5.6 million equating to 50% of the 2025-26 Commonwealth Financial Assistance Grant allocation, as well as the full 2024-25 allocation of \$10.6 million. The Commonwealth Financial Assistance grant for 2023-24 was paid in June 2023, so was recognised in the 2022-23 financial year. As these grants are considered untied grants, they are recognised upon receipt.

(b) Non-recurrent grants, subsidies, contributions and donations

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

	Consolidated		Council	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$'000	\$'000	\$'000	\$'000
Government grants and subsidies commonwealth	6,066	8,489	6,066	8,489
Government grants and subsidies state*	32,536	71,903	32,536	71,903
Grants and subsidies other	10,187	373	10,187	373
Developer contributions	21,875	28,811	21,875	28,811
Infrastructure from developers at fair value	117,057	112,010 *	117,057	112,010 *
	<u>187,721</u>	<u>221,587 *</u>	<u>187,721</u>	<u>221,587 *</u>
Less: discount allowed developer contributions	(61)	(525)	(61)	(525)
	<u>187,660</u>	<u>221,062 *</u>	<u>187,660</u>	<u>221,062 *</u>

* The prior year contained \$27 million in disaster grants as well as \$26 million for waste avoidance and minimisation.

(c) Revenue recognition timing

	Note	2025		2024 (Restated)	
		\$'000	\$'000	\$'000	\$'000
Consolidated and Council		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Net rates, levies and charges (excluding those related to services)	3(a)	436,288	-	405,558	-
Fees and charges (excluding infringements)	3(b)	73,125	-	73,435	-
Infringements	3(b)	7,464	-	3,261	-
Sales from contracts and recoverable works	3(c),4(c)	19,821	-	14,872	-
Grants, subsidies, contributions, donations and other	4 (a,b)	169,917	40,226	146,714	79,617 *
		<u>706,615</u>	<u>40,226</u>	<u>643,840</u>	<u>79,617 *</u>

Revenue from infringements is recognised on issue of infringement notice.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

5 Interest revenue

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loan to associate	21,025	19,592	21,025	19,592
Cash and term deposits	10,086	14,191	9,989	14,082
Overdue rates and utility charges	1,182	1,013	1,182	1,013
	<u>32,293</u>	<u>34,796</u>	<u>32,197</u>	<u>34,687</u>

6 Employee benefits

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	(Restated) \$'000	\$'000	(Restated) \$'000
Note				
Total wages and salaries	169,601	160,947	164,939	156,764
Councillors' remuneration**	2,030	1,965	2,030	1,965
Termination benefits	975	740	975	740
Annual, sick and long service leave entitlements	21,867	19,599	21,860	19,548
Superannuation	20,444	18,797	20,132	18,705
	<u>214,917</u>	<u>202,048</u>	<u>209,936</u>	<u>197,722</u>
Other employee related expenses	3,836	4,199	3,836	4,008
	<u>218,754</u>	<u>206,248</u>	<u>213,772</u>	<u>201,729</u>
Less: Capitalised employee expenses	(18,647)	(19,232)	(18,647)	(19,232)
	<u>200,106</u>	<u>187,015</u>	<u>195,125</u>	<u>182,497</u>

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

Total Council full time equivalent employees at the reporting date:

	Consolidated		Council	
	2025	2024	2025	2024
	11	11	11	11
Elected Members	1,880	1,785	1,862	1,762
Staff	<u>1,891</u>	<u>1,796</u>	<u>1,873</u>	<u>1,773</u>
Total full time equivalent employees				

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

7 Materials and services

	Consolidated		Council	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$'000	\$'000	\$'000	\$'000
Advertising	1,546	1,866	1,546	1,866
External audit fees**	448	371	419	345
Consultancy fees	6,033	6,828	6,033	6,828
Commissions paid	4,592	4,488	4,592	4,488
Contract services parks and gardens	28,904	26,397	28,904	26,397
Contract services waste collection	59,116	50,848	59,116	50,848
Contract services environmental operations	14,780	15,062	14,780	15,062
Contract services property management	13,130	13,138	13,130	13,138
Contract services sport and community venues	10,414	9,871	10,414	9,871
Contract services civil asset management	13,556	10,652	13,556	10,652
Contract services transport infrastructure management	3,864	3,291	3,864	3,291
Contract services art, heritage and libraries	3,945	3,432	3,945	3,432
Contract services other	17,813	20,879	17,813	20,594
Donations	3,643	4,491	3,643	4,491
Electricity	8,148	8,189	8,148	7,915
Entertainment and hospitality	648	739	648	739
Equipment < \$5,000	903	1,310	903	1,310
Fuel	3,011	3,158	3,011	3,158
Grants to community organisations	9,779	9,516	9,779	9,516
Insurance	4,174	3,728	4,174	3,728
Legal fees	3,734	2,484	3,734	2,484
Levy and licence fees	8,915	8,695	8,915	8,695
Library resources	1,440	1,513	1,440	1,513
Materials road base	828	834	828	834
Operating leases - short-term and low value	6,512	5,982	6,476	5,947
Plant and equipment hire	8,611	7,941	8,611	7,941
Security services	2,064	2,381	2,064	2,381
Software and maintenance	16,381	13,435	16,348	13,402
Telecommunications	2,843	3,224	2,843	3,224
Water and sewerage charges	6,253	6,185	6,253	6,185
All other materials and services	21,600	30,100	19,788	27,995
	287,627	281,028	285,717	278,270

**Total consolidated audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements are \$407,600 (2024: \$354,200). Other external audit fees relate to the audit of special purpose financial reports.

8 Finance costs

	Note	Consolidated		Council	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Borrowing costs charged by the Queensland Treasury Corporation*		10,182	10,257	10,182	10,257
Bank charges and credit card fees		1,232	1,199	1,159	1,144
Interest on leases	19	328	252	328	252
Unwinding of discount on provisions and borrowings	21,22	180	199	180	199
Impairment of receivables and loans		511	338	511	338
Other finance costs		157	145	157	145
		12,589	12,391	12,515	12,336

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

Capitalised borrowing costs comprise \$1.748 million for a number of Waste projects (2024: \$0.900 million) for the Nambour Landfill project.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

9	Contributions to controlled entities	Consolidated		Council	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
	SunCentral Maroochydhore Pty Ltd	-	-	2,008	2,625
	Sunshine Coast Events Centre Pty Ltd	-	-	2,071	1,962
		-	-	4,079	4,586

10	Gain/(Loss) on disposal of property, plant and equipment and intangibles	2025 \$'000	2024 \$'000
	Consolidated and Council		
	Proceeds from the sale of plant and equipment	728	792
	Less carrying amount sold	(396)	(534)
	Less carrying amount disposed and written-off	(12)	(505)
		320	(246)
	Proceeds from the sale of property and land	5,786	5,970
	Less carrying amount sold	(3,207)	(4,078)
	Less carrying amount disposed and written-off	(5,842)	(3,320)
		(3,263)	(1,429)
	Replacement of roads, stormwater and other infrastructure		
	Less carrying amount:		
	Replaced and renewed	(582)	(5,525)
	Disposed and written-off	(176)	(533)
		(758)	(6,058)
	Loss on disposal of property, plant and equipment	(3,701)	(7,734)

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

11 Cash and cash equivalents

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash on hand, deposits on call	6,119	7,205	3,615	5,957
QTC Cash Fund	125,707	92,264	125,707	92,264
Short term investments, term deposits	63,914	96,226	63,914	95,126
Balance as per Statements of Financial Position	195,739	195,695	193,235	193,347

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

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

Unrestricted cash

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	195,739	195,695	193,235	193,347
Externally imposed expenditure restrictions*	(165,012)	(157,818)	(165,012)	(157,818)
Unrestricted cash	30,727	37,876	28,223	35,528

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

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Constrained works*	109,308	113,904	109,308	113,904
General	3,032	5,085	3,032	5,085
Levy funded	1,749	2,573	1,749	2,573
Special purpose	50,924	36,257	50,924	36,257
Total externally imposed restrictions on cash assets	165,012	157,818	165,012	157,818

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
General	9,673	9,355	9,673	9,355
Total internally allocated cash	9,673	9,355	9,673	9,355

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

* Constrained works held for Local Government Infrastructure Planning (LGIP) has moved from internally imposed expenditure restrictions to externally imposed expenditure restrictions.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

12 Receivables

Settlement of receivables is generally required within 30 days after invoice date.
Receivables are measured at amortised cost which approximates fair value at reporting date.

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Rates and utility charges	5,896	5,550	5,896	5,550
Infringements	3,433	2,820	3,433	2,820
Infrastructure charges and developer fees	1,725	2,379	1,725	2,379
Other regulatory Fees	1,112	961	1,112	961
Trade and other debtors	17,868	6,281	17,830	6,249
Less allowance for impairment	(94)	(66)	(94)	(66)
	<u>29,941</u>	<u>17,926</u>	<u>29,904</u>	<u>17,893</u>
 Movement in accumulated impairment losses is as follows:				
Opening balance at 1 July 2024	(66)	(85)	(66)	(85)
Impairment debts written off during the year	468	346	468	346
(Increase)/decrease in impairments recognised	(495)	(328)	(495)	(328)
Closing balance at 30 June 2025	<u>(94)</u>	<u>(66)</u>	<u>(94)</u>	<u>(66)</u>

Disclosure - credit risk exposure and impairment of receivables

Council uses an allowance matrix to measure the expected credit losses of receivables on trade and other debtors, and in limited circumstances, statutory charges. Loss rates are determined giving consideration to individual debtor recovery issues and Council's past experience. Although expected credit losses are not material, disclosure is being made for the purpose of public interest and transparency.

Because Council is empowered under the provision of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rates receivables.

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

Non-Current

	Note			
Loan to associate - subordinated debt	14	434,393	434,393	434,393
Other debtors		12	3,387	-
		<u>434,406</u>	<u>437,780</u>	<u>437,767</u>

The subordinated interest only loan terminates on 30 June 2033 with the interest rate to be set by QTC annually. Applicable interest rate for 2025 was 4.84% (2024: 4.51%).

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements

For the year ended 30 June 2025

13 Inventories

Costs are assigned on the basis of weighted average cost except for land where the costs are allocated to the relevant parcel.
Land acquired with the intention of reselling it (with or without further development) is classified as inventory.

	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current				
Equipment, stores and quarries	2,117	1,151	2,050	1,091
Land ready for resale				
Finished Goods	2,849	2,849	2,849	2,849
Closing current inventories at 30 June	4,966	4,000	4,899	3,940
	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current				
Land held for future development and resale				
Work in Progress	36,568	36,568	36,568	36,568
Closing non-current inventories at 30 June	36,568	36,568	36,568	36,568

14 Equity accounted investment

Associates are entities that Council has significant influence over. Significant influence is the power to participate in the financial, operating and policy decisions. Investments in the consolidated financial statements are accounted for using the equity method and in the separate Council financial statements using the cost method. Under the equity method, the consolidated entity's share of post-acquisition profits and losses of associates is recognised in the Statements of Comprehensive Income and the interest in the equity of the associates is recognised in the Statements of Financial Position. The cumulative post acquisition movements are adjusted against the cost of the investment.
Council had an interest in one (1) associate during the year being Unitywater. Council has no other joint ventures, joint arrangements or interests in other entities.

Name of Associate	Northern SEQ Distributor-Retailer Authority (trading as Unitywater)
Principal Activity	Provision of water and wastewater services
Principal Place of Business	Ground Floor 33 King Street Caboolture Qld 4510
Proportion of Ownership Interest	37.51% (2024: 37.51%)

(1) Background

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

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

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

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

(2) Contractual Agreements

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

(3) Returns to Council

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

Council agreed to extend the loans with a Participating Local Government (PLG) Loan Agreement between Council and Unitywater duly executed on 21 June 2013. This new loan was subject to an annual reset rate (to be determined by Queensland Treasury Corporation in accordance with the credit rating assigned for Unitywater) with quarterly interest-only payments for twenty years to 30 June 2033. The rate to 30 June 2025 is 4.84% (2024: 4.51%).

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

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

(4) Participation Rights

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

	Note	Consolidated		Council	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Movement in carrying amount					
Investment		948,977	907,314	538,213	538,213
Share of profits after tax and before dividends		67,869	62,195	-	-
Participation returns	3(e)	(17,249)	(20,532)	-	-
Carrying amount at the end of the financial year		999,597	948,977	538,213	538,213

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

Summary financial information for Unitywater, not adjusted for the percentage ownership held by Council, as reflected in their 30 June 2025 financial statements is detailed below.

Extract from Unitywater's Statement of Comprehensive Income		2025 \$'000	2024 \$'000
Total revenues		931,626	887,447
Total ordinary expenses		(673,164)	(651,805)
Profit before income tax equivalent		258,462	235,642
Income tax equivalent expense		(77,525)	(69,832)
Total profit (after tax)		180,937	165,810
Share of profit of equity accounted investment		67,869	62,195
Total assets		5,383,260	4,930,284
Total liabilities		(2,721,995)	(2,403,970)
Net assets		2,661,265	2,526,314

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Notes to the Financial Statements
For the year ended 30 June 2025

15 Other assets

	Consolidated		Council	
	2025	2024	2025	2024
		(Restated)		(Restated)
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	7,584	10,063	7,485	9,970
GST recoverable	3,384	5,611	3,384	5,611
Accrued participation returns	-	-	8,229	11,784
Accrued Interest - loan to associate	5,256	4,898	5,256	4,898
Accrued revenue *	7,878	19,976	7,878	19,976
	24,102	40,548	32,232	52,239

* Accrued participation returns and interest on loans to associates previously held in accrued revenue.

Accrued revenue includes \$4.358 million (2024: \$17.651 million) in capital grants from the Queensland Reconstruction Authority (QRA). These grants provide funds to support reconstruction of essential public assets that have been damaged by a disaster recovery funding arrangement event.

Non-current

Shares in controlled entities	-	-	500	500
	-	-	500	500

16 Non-current assets held for sale

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Assets held for sale	4,177	-	4,177	-
	4,177	-	4,177	-

Council has decided to sell excess land no longer required. The assets held for sale, which include land and buildings have been measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets has ceased.

FINANCIAL STATEMENTS 2024-25



Notes to the Financial Statements
For the year ended 30 June 2025

17 (a) Property, plant and equipment

Council	Land	Buildings	Plant and Equipment	Transportation Network	Stormwater Network	Other Infrastructure	Capital Works in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2025								
Gross value / cost	1,211,174	745,367	37,951	4,574,799	2,006,134	1,445,404	678,071	10,698,897
Less accumulated depreciation	-	(266,360)	(18,888)	(1,328,409)	(457,669)	(468,949)	-	(2,540,275)
Book value as at 30 June 2025	1,211,174	479,006	19,063	3,246,390	1,548,465	976,454	678,071	8,158,623
For the year ended 30 June 2024*								
Gross value / cost	1,173,479	665,076	36,414	4,352,291	1,883,383	1,392,635	563,207	10,066,485
Less accumulated depreciation	-	(214,186)	(19,233)	(1,202,617)	(423,219)	(436,113)	-	(2,295,368)
Book value as at 30 June 2024	1,173,479	450,890	17,181	3,149,674	1,460,164	956,522	563,207	7,771,117

Basis of measurement	Land	Buildings	Plant and Equipment	Transportation Network	Stormwater Network	Other Infrastructure	Capital Works in Progress	2025 Total	2024 Restated Balances
Fair value category	Fair Value Level 2 & 3	Fair Value Levels 2 & 3	Cost n/a	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost n/a	\$'000	\$'000
Opening net value as at 1 July 2024	1,173,479	450,890	17,181	3,149,674	1,460,164	956,522	563,207	7,771,117	6,129,722
Reclassification from/(to) operating expense	-	-	-	-	-	-	-	-	-
Plus capital expenses	-	-	-	-	-	-	-	-	-
Transfers from capital works in progress:	4,005	23,508	5,450	44,541	38,967	12,097	243,427	243,427	303,681
Renewals	-	-	-	-	-	-	(128,564)	-	-
Other additions	-	-	-	-	-	-	-	-	-
Transfers from inventory	-	-	-	-	-	-	-	-	-
Plus contributed assets	17,590	(3,376)	(408)	62,116	32,126	5,224	-	117,057	112,011
Less disposals	(5,675)	(21,207)	(2,510)	(398)	(27)	(333)	-	(10,217)	(10,416)
Less depreciation expense	-	(21,207)	(2,510)	(89,803)	(22,055)	(27,621)	-	(163,196)	(128,036)
Revaluation adjustments to asset revaluation surplus	25,952	28,577	615	80,261	39,289	30,530	-	204,611	1,364,156
Transfer to held for sale	(4,177)	-	(650)	-	-	-	-	(4,177)	-
Transfer between classes	-	-	-	-	-	35	-	-	-
Book value as at 30 June 2025	1,211,174	479,006	19,063	3,246,390	1,548,465	976,454	678,071	8,158,623	7,771,117
Range of estimated useful lives in years	unlimited	2-100	2-60	5-unlimited	5-unlimited	5-unlimited	5-200		

*Comparative figures have been restated. Refer to Note 34 for details.

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

17 Property, plant and equipment

(b) Recognition

The asset capitalisation threshold for Council is:

Land	\$	1
Buildings	\$	10,000
Plant and equipment	\$	10,000
Transportation Network	\$	1
Stormwater Network	\$	1
Other Infrastructure	\$	1

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

(c) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, the Transportation, Stormwater, Land, Buildings and Other Infrastructure asset classes are stated at fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

The Plant and Equipment asset class is held at cost due to the nature of the assets and the cost-benefit of fair value measurement.

(d) Depreciation

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

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(e) Impairment

Impairment losses have arisen in relation to buildings resumed for future road construction. In assessing impairment, management have determined that the dominant purpose of the buildings, is not to provide ongoing future economic benefits. Being a not-for-profit entity, the impairment loss has been recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the building class of asset.

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

(f) Valuation and fair value measurement

Key judgements and estimates:

Some of Council's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, Council uses market-observable data to the extent it is available and other inputs as necessary. Data deficiencies for asset attributes required for the application of unit rates are aimed to be minimised, and where not practicable to be populated, the data is statistically augmented. Assets are componentised to a level that is in line with the capital renewal practices of Council.

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

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

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

Fair value measurements are categorised into three levels as follows:

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

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

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

There were no transfers between levels during the year.

FINANCIAL STATEMENTS 2024-25



Notes to Financial Statements
For the year ended 30 June 2025

17 (g) Fair values derived from valuation

Asset class and fair value hierarchy	Valuation approach	Comprehensive valuation date	Valuer engaged	Key assumptions and estimates as at the comprehensive revaluation date	Index range applied	Inherent valuation adjustment
Land (Level 2)	Market approach	30 June 2023	Australis Asset Advisory Group Pty Ltd	Current zoning and sale prices per square metre (database of recent sales of comparable properties, adjusted for differences in key attributes such as land size. Valuation techniques used in the determination of fair values maximises the use of observable data where available and relies as little as possible on entity specific. Sunshine Coast Planning Scheme 2014, current zoning, use or significant restriction, case law and sales analysis. Sales price per square metre (database of recent sales) adjusted for restrictions and key attributes such as land size.	(4.65%) - 12.12%	Cost movement analysis Index changes in regional market evidence of land sales, published indices and cost movements as assessed by the valuer
Land (Level 3)	Market approach	30 June 2023	Australis Asset Advisory Group Pty Ltd			
Buildings (Level 3)	Current replacement cost	30 June 2025	Marsh Pty Ltd	Gross replacement cost. Unit rates per square metre for construction derived from industry standard cost guides, project costs from recently completed buildings and other data available. Accumulated depreciation. Useful life estimates based on construction standards, engineering advice. Remaining useful lives based on planned demolition and renewals, condition assessments, completed valuations and age.	NA	NA
Transportation network (Level 3)	Current replacement cost	30 June 2024	Stantec Australia Pty Ltd	Gross replacement cost. Unit rates for construction derived from industry standard cost guides, Council supplier arrangement contract rates for materials and services, internal labour rates, recently completed projects and other data available. Accumulated depreciation. Useful life estimates based on construction standards, engineering advice, average lives of disposed assets, road traffic volumes and review of lives applied by neighbouring Councils. Remaining useful lives based on age, condition assessments, planned renewals and physical obsolescence.	2.80%	Cost movement analysis Estimated changes in costs of construction and market rates for material and labour, as reflected in relevant indices issued by the Australian Bureau of Statistics (ABS) and the Queensland Government Statisticians Office, which have been assessed by valuer and reviewed by asset managers. Review of condition assessments where available may also impact revaluation adjustments.
Stormwater network (Level 3)	Current replacement cost	30 June 2024	Stantec Australia Pty Ltd	Gross replacement cost. Unit rates for construction per linear metre, square metre, cubic metre, or per item, which are derived from available information such as industry standard cost guides, internal labour rates and project management costs, recently completed capital projects and other available data, including development bonding schedules, and depth factors. Accumulated depreciation. Useful life estimates based on engineering and asset management advice, construction standards, installation conditions (e.g. soil factors), average lives of disposed assets, and review of lives applied by neighbouring Councils. Remaining useful lives based on age, condition assessments, relining and renewal programs, and physical obsolescence.	2.80%	Cost movement analysis Estimated changes in costs of construction and market rates for material and labour, as reflected in the Queensland Treasury Asset Revaluation Index for non-residential construction Queensland.
Other infrastructure (Level 3)	Current replacement cost	30 June 2024	Stantec Australia Pty Ltd	Gross replacement cost. Unit rates for construction per item, linear metre, square metre or cubic metre derived from available information such as industry standard cost guides, costs from recently completed capital projects, internal labour rates and project management costs, supplier costs and other available data, including development bonding schedules and asset manager information. Accumulated depreciation. Useful life estimates based on engineering advice and asset management advice, manufacturer and construction standards, average lives of disposed assets, and review of useful lives applied by neighbouring Councils. Remaining useful lives based on age, park and precinct service levels, condition assessments, planned renewals, physical obsolescence and remaining capacity of landfill cells.	2.90%	Cost movement analysis Estimated changes in costs of construction and market rates for material and labour as reflected in the Queensland Treasury Asset Revaluation Index for non-residential construction Queensland.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements

For the year ended 30 June 2025

18 Payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and were generally settled on payment terms between 7 and 30 days.

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Creditors and accruals	54,136	80,283 *	61,927	91,865
Accrued salaries and wages	4,941	4,263	4,941	4,216
Other employee entitlements	1,145	1,005	1,145	1,005
	<u>60,222</u>	<u>85,552 *</u>	<u>68,012</u>	<u>97,086</u>

19 Leases

Council as a lessee

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

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

Council separates non-lease components for buildings.

The right-of-use asset is measured using the cost model and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

Terms and conditions of leases

Buildings

Council has two long term leases from the Department of Resources for Sunshine Coast Holiday Parks.

Vehicles

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

Equipment

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

Right-of-use assets

Consolidated and Council

	Vehicles	Buildings	Equipment	Total
	2025	2025	2025	2025
	\$'000	\$'000	\$'000	\$'000
Opening balance 1 July 2024	4,046	171	2,019	6,236
Additions to right-of-use assets	3,531	1,757	41	5,329
Amortisation	(2,317)	(370)	(633)	(3,319)
Closing balance at 30 June 2025	5,260	1,559	1,427	8,246
	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000
Opening balance 1 July 2023	4,513	387	2,471	7,371
Additions to right-of-use assets	2,100	-	172	2,272
Amortisation	(2,567)	(216)	(624)	(3,407)
Closing balance at 30 June 2024	4,046	171	2,019	6,236

Lease liabilities

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

	< 1 year	1-5 years	Total	Total per statement of financial position
	\$'000	\$'000	\$'000	\$'000
2025	3,345	5,827	9,172	8,480
2024	2,911	3,889	6,800	6,444

Liabilities - extension options

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

Amounts included in the statement of comprehensive income related to leases

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

Consolidated and Council	2025	2024
	\$'000	\$'000
Interest on lease liabilities	328	252
Amortisation of right-of-use assets	3,320	3,407
Expenses relating to short-term and low value leases	6,512	5,982
	10,160	9,641
Total cash outflows for leases*	10,134	9,607 *

*This represents the full cash impact for leases whereas the Statements of Cash Flows contains principal payments only.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements

For the year ended 30 June 2025

Leases at significantly below market value - concessionary / peppercorn leases

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

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

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

Council as a lessor

Leases

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term. Rent payable as per the terms of the 99 year lease of the airport is based on 5% of gross airport revenue \$1.902 million (2024:\$1.911 million).

	Consolidated and Council 2025 \$'000	2024 \$'000
Rental income (excluding variable lease payments not dependent on an index or rate)	6,316	5,910
Direct operating expenses from property that generated rental income	(10,008)	(8,533)

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

	Consolidated and Council 2025 \$'000	2024 \$'000
Not later than one year	4,911	4,872
One to five years	6,874	6,494
Later than five years	5,888	5,119
	<u>17,673</u>	<u>16,485</u>

20 **Contract liabilities**

	Consolidated and Council 2025 \$'000	2024 \$'000
<u>Current</u>		
Development assessment fees and infrastructure charges paid in advance	2,629	1,990
Deposits received in advance for performance obligations in grants	15,077	9,455
Deposits received in advance of services provided (e.g. holiday park fees, events)	6,762	5,979
Residential Activation Fund (Construction)	3,000	-
	<u>27,468</u>	<u>17,424</u>
<u>Non Current</u>		
Developer contribution for community facility fund *	3,245	3,245
Residential Activation Fund (Construction)	63,311	-
	<u>66,556</u>	<u>3,245</u>

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets.

Contract liabilities include a payment of \$66.311 million from the state government for The Residential Activation Fund (Construction). This fund is a state government initiative designed to provide funding for the critical infrastructure needed to kickstart housing developments across Queensland. The funding will run over a three year period.

* Developer contributions toward community facility funds have moved from development assessment fees and infrastructure charges paid in advance to non-current contract liabilities. This project has been extended to 2035.

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

	Consolidated and Council 2025 \$'000	2024 \$'000
Deposits received in advance of services provided (e.g. holiday park fees, events, performance obligations in grants).	14,985	17,343

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
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21 Borrowings

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

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Loans Queensland Treasury Corporation (QTC)	31,530	29,101	31,530	29,101
Loans other	840	840	840	840
	<u>32,370</u>	<u>29,941</u>	<u>32,370</u>	<u>29,941</u>
<u>Non-current</u>				
Loans Queensland Treasury Corporation (QTC)	406,000	410,371	406,000	410,371
Loans other	4,383	5,044	4,383	5,044
	<u>410,383</u>	<u>415,414</u>	<u>410,383</u>	<u>415,414</u>

The market value of QTC borrowings represents the value of the debt if Council repaid the debt as at 30 June 2025. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. The weighted average borrowing rate for the year was 2.933% (2024: 2.821%).

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Balance at the end of the year (Market Value)	385,415	373,713	385,415	373,713

Loans Other

"Loans other" comprises the Economic Development Queensland (EDQ) interest free loan.

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

No assets have been pledged as security by the Council for any loans, however all loans are guaranteed by the Queensland State Government. There have been no defaults or breaches of the loan agreement during the 2024-25 or 2023-24 financial years.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

22 Provisions

Long service leave

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

Landfill and quarry rehabilitation

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

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

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

The calculation of these provisions requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions recognised are reviewed at least annually and updated based on the facts and circumstances available at the time.

Provisions

	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Current</u>				
Annual Leave	17,817	17,078	17,566	16,804
Long service leave	26,339	24,066	26,329	24,066
Landfill and quarry rehabilitation	13,636	9,242	13,636	9,242
	<u>57,793</u>	<u>50,386</u>	<u>57,532</u>	<u>50,112</u>
<u>Non-current</u>				
Long service leave	3,709	4,361	3,552	4,185
Landfill and quarry rehabilitation	35,036	43,699	35,036	43,699
	<u>38,746</u>	<u>48,060</u>	<u>38,588</u>	<u>47,884</u>

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Notes to the Financial Statements
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Movements in non-employee benefit provisions:

Landfill and Quarry rehabilitation

Consolidated and Council	Note	2025 \$'000	2024 \$'000
Balance at beginning of financial year		52,941	53,084
Increase/(decrease) in provision due to effect of interest rate movement		1,476	(2,133)
Increase/(decrease) in provision due to unwinding of discount	8	405	403
Increase/(decrease) in provision due to change in estimate		(386)	4,146
Increase/(decrease) in provision as a result of actual expenditure incurred during the year		(5,764)	(2,560)
Balance at end of financial year		<u>48,672</u>	<u>52,941</u>

This is the present value of the estimated cost of restoring the landfill and quarry sites to a useable state at the end of their useful life.

Landfill site	Post closure monitoring cost completion year
Buderim	2040
Coolum	2040
Pierce Avenue, Caloundra	2058
Nambour Landfill	2071

23 Other liabilities

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

	Consolidated		Council	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Revenue received in advance	4,024	2,289	3,920	2,062
Waste levy refund received in advance *	8,032	11,229	8,032	11,229
Prepaid rates	15,968	14,551	15,968	14,551
	<u>28,024</u>	<u>28,069</u>	<u>27,920</u>	<u>27,842</u>
<u>Non-current</u>				
Waste levy refund received in advance	6,302	20,126	6,302	20,126
	<u>6,302</u>	<u>20,126</u>	<u>6,302</u>	<u>20,126</u>

* During 2021-22 and 2022-23, the State Government made advance payments of the waste levy refund which represents funding to be used by Council over the period 2023-24 to 2026-27 to ensure the waste levy has no direct impact on households in the region. Based on the waste levy payable in prior years, the portion of the waste levy refund not applied to the waste levy payment is reported as a liability as at 30 June 2025 and is disclosed as a current and non-current liability.
The waste levy payment was previously combined with revenue received in advance.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

24 Commitments for expenditure

Contractual commitments

Contractual commitments at balance date but not recognised in the financial statements are as follows:

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Street lighting (expires 2028)	101,185	101,153	101,185	101,153
Parks and gardens maintenance	38,708	36,934	38,708	36,934
Waste collection services (expires July 2030)	168,639	182,792	168,639	182,792
Other materials and services	43,872	41,845	43,872	41,845
Software licences and maintenance agreements	34,541	27,319	34,541	27,319
Cleaning open spaces and buildings	21,642	24,630	21,642	24,630
	<u>408,587</u>	<u>414,674</u>	<u>408,587</u>	<u>414,674</u>

Capital commitments

Commitments for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

	Consolidated		Council	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Aerodromes	297	3	297	3
Buildings and Facilities	3,098	8,195	3,098	8,195
Coast and Canals	5,854	2,038	5,854	2,038
Corporate Major Projects	5,005	24,596	5,005	24,596
Environmental Assets	419	819	419	819
Fleet	1,876	4,488	1,876	4,488
Holiday Parks	156	5,231	156	5,231
Information Technology	1,414	496	1,414	496
Minor Capital Works	1,254	905	1,254	905
Parks and Gardens	1,869	4,996	1,869	4,996
Sports Facilities	9,825	20,996	9,825	20,996
Stormwater	2,458	3,799	2,458	3,799
Strategic Land and Commercial Properties	214	2,849	214	2,849
Sunshine Coast Airport	105	185	105	185
Transportation	29,735	29,787	29,735	29,787
Waste	5,772	7,817	5,772	7,817
Total	<u>69,349</u>	<u>117,199</u>	<u>69,349</u>	<u>117,199</u>

These expenditures are payable as follows:

	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Within one year	68,387	116,119	68,387	116,119
One to five years	962	1,080	962	1,080
Total	<u>69,349</u>	<u>117,199</u>	<u>69,349</u>	<u>117,199</u>

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

25 Contingencies

Contingent assets

On 9 February 2017 Council entered into an agreement with Palisade Investment Partners to lease the Sunshine Coast Airport land and building assets to Palisade, and for Council to construct a new runway. Under the 99 year lease, which commenced on 1 December 2017, Council is entitled to 5% of gross airport revenue per annum. It is not possible to reliably estimate the amount of gross revenue from the airport for the 99 year lease period, as it is significantly impacted by the uncertainty of flight schedules and therefore the amount to be received is a contingent asset at 30 June 2025.

Council received \$1.902 million (2024: \$1.911 million) from the Sunshine Coast Airport, being \$0.040 million (2024: \$0.053 million) lower than original forecast. Future revenue payments of \$1.942 million are included in Council's 2025-26 Adopted Original Budget. The future payments may exceed or be less than these estimates, depending on future airport activities.

Contingent liabilities

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

	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 30 June 2025 there are 88 insurance claims with Council's public liability insurer, Local Government Mutual (LGM) (2024: 89). The amount required assuming the claims proceed to settlement is:	646	715	646	715
At 30 June 2025 there are 16 compulsory land acquisition claims (2024: 31) pending and are not expected to exceed:	7,991	32,926	7,991	32,926
As at 30 June 2025 Council may be required by the Department of Environment and Science (DES) to undertake regular monitoring of groundwater in the vicinity of three mounds of surplus soil, concrete and asphalt waste which have been treated for per- and poly-fluoroalkyl substances (PFAS). The amount required in the event of a legal requirement is estimated at \$600,000 spread over 10 years.	600	600	600	600
Total Contingent liabilities	9,237	34,241	9,237	34,241

Based on advice from Council's solicitors, there are 6 claims totalling \$0.320 million (2024: \$6.38 million) that may result in future settlements being made by Council.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

Local Government Workcare

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

Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$4.158 million (2024: \$4.411 million), which includes \$21,991 from SunCentral Maroochydore Pty Ltd (2024: \$18,689) and \$51,836 for the Sunshine Coast Events Centre (2024: \$46,691). The latest audited financial statements for Local Government Workcare are as at 30 June 2024 and show accumulated member funds (equity) of \$4.159 million (2023: \$3.295 million).

Local Government Mutual

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

The latest audited financial statements for Local Government Mutual Queensland are as at 30 June 2024 and show accumulated member funds (equity) of \$72.144 million (2023: \$71.860 million), and it is not anticipated any liability will arise.

26 Superannuation

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

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

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council. Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the Brighter Super trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is due on 1 July 2027.

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

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

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

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

	Note	Consolidated		Council	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		721	838	721	838
Other superannuation contributions for employees		19,723	17,959	19,411	17,867
Total superannuation contributions paid by Council for employees:	6	20,444	18,797	20,132	18,705

27 Controlled entities

Consolidated controlled entities

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

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

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

The following table shows revenue and expenses before consolidating eliminations.

Controlled entity	SunCentral Maroochydore Pty Ltd		Sunshine Coast Events Centre Pty Ltd	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	2,171	2,760	5,483	5,154
Expense	(2,139)	(2,754)	(5,372)	(5,127)
Surplus/deficit	32	6	111	26

Controlled entities that have not been consolidated

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

The principal objects of the foundation are for the public charitable purposes of promoting and advancing arts, craft, design, visual arts, movable cultural heritage, Aboriginal arts, and community arts. The net profit for the foundation in 2025 was \$5,775 (2024: \$7,852).

28 Trust funds

	Consolidated		Council	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
	27,363	26,696	25,264	25,225

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

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

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

	Note	Consolidated		Council	
		2025	2024 (Restated)	2025	2024 (Restated)
		\$'000	\$'000	\$'000	\$'000
Net result		200,912	218,908 *	150,148	177,213 *
Non-cash items					
Depreciation and amortisation	17,19	166,847	131,771	166,788	131,715
Share of net profit of equity accounted investment		(50,620)	(41,663)	-	-
Unwinding discount on provisions and below market borrowings		507	452	507	452
Infrastructure from developers at fair value		(117,057)	(112,010) *	(117,057)	(112,010) *
		(323)	(21,451) *	50,238	20,156 *
Investing activities					
Net loss on disposal of property, plant and equipment		3,701	7,734	3,701	7,734
Non-recurrent grants and contributions		(70,604)	(109,051)	(70,604)	(109,051)
		(66,903)	(101,318)	(66,903)	(101,318)
Changes in operating assets and liabilities					
(Increase)/decrease in receivables		(8,707)	4,885	(8,637)	4,734
(Increase)/decrease other assets		19,998	(18,852)	20,005	(18,791)
(Increase)/decrease in inventory		(966)	50	(959)	66
Increase/(decrease) in payables		(28,856)	51,853 *	(29,074)	52,018 *
Increase/(decrease) contract liabilities		73,355	(1,269)	73,355	(1,269)
Increase/(decrease) other liabilities		(13,870)	(11,353)	(13,746)	(11,511)
Increase/(decrease) in other provisions		(1,868)	2,090	(1,877)	2,067
		39,085	27,405 *	39,067	27,315 *
Net cash inflow from operating activities		172,770	123,544	172,551	123,366

*Comparative figures have been restated. Refer to Note 34 for details.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

30 Reconciliation of liabilities arising from financing activities

Consolidated and Council		Opening Balance 1 July \$'000	Cash flows \$'000	Non-cash changes \$'000	Non-cash changes (Fair Value) \$'000	Closing Balance 30 June \$'000
	Note					
2025						
Borrowings	21	445,355	(2,782)	-	180	442,753
Lease Liabilities	19	6,444	(3,622)	5,298	361	8,480
		<u>451,799</u>	<u>(6,404)</u>	<u>5,298</u>	<u>541</u>	<u>451,233</u>
2024						
Borrowings	21	440,719	4,438	-	199	445,355
Lease Liabilities	19	7,595	(3,660)	2,257	252	6,444
		<u>448,314</u>	<u>777</u>	<u>2,257</u>	<u>451</u>	<u>451,799</u>

31 Financial instruments and financial risk management

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

- credit risk
- liquidity risk
- market risk

Risk management framework

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

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

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

Council does not currently enter into derivatives.

Credit risk

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

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

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

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

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

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

	Note	Consolidated		Council	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Rates, utility and other statutory charges	12	12,167	11,711	12,167	11,711
Trade and other debtors	12	17,787	9,601	17,737	9,556
Loans to associate	12	434,393	434,393	434,393	434,393
Total		464,347	455,705	464,297	455,660

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

Liquidity risk

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

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

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

Council is also exposed to liquidity risk through the Participating Local Government Fixed Rate Loan Agreement (Subordinated Debt) between Council and Northern SEQ Distributor-Retailer Authority (trading as Unitywater). Under the Agreement the borrower may request the lender to capitalise all or part of the interest payable, thereby representing a risk to securing cash flow anticipated by Council.

The following sets out the liquidity risk of financial liabilities (excluding lease liabilities for 2024, refer Note 19) held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

Consolidated and Council		0 to 1 year	1 to 5 years	Over 5 years	Total
	Note	\$'000	\$'000	\$'000	\$'000
2025					
Payables	18	54,136	-	-	54,136
Loans - Queensland Treasury Corporation (QTC)	21	39,765	160,340	331,769	531,873
Loan - Economic Development Queensland (EDQ)	21	840	3,360	1,680	5,880
		94,740	163,700	333,449	591,889
2024 (Restated)					
Payables	18	80,283	-	-	80,283 *
Loans - Queensland Treasury Corporation (QTC)	21	37,065	150,048	351,271	538,384
Loan - Economic Development Queensland (EDQ)	21	840	3,360	2,520	6,720
		118,189	153,408	353,791	625,387 *

The outflows in the above tables are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

FINANCIAL STATEMENTS 2024-25

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Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation, investments held with other financial institutions and shareholder loans with the Northern SEQ Distributor Retailer Authority (Unitywater).

Council also has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Council's loan from Economic Development Queensland is interest free and therefore not subject to interest rate risk.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

Council accounts for the interest free loan from Economic Development Queensland at amortised cost.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

Consolidated and Council	Net carrying amount		Effect on Net Result 1%		Effect on Equity 1%	
	2025	2024	increase/(decrease)		increase/(decrease)	
	\$'000	\$'000	2025	2024	2025	2024
			\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	195,739	195,695	1,957	1,957	1,957	1,957
Queensland Treasury Corporation	(437,530)	(439,472)	-	-	-	-
Loans						
Other Loans	(5,880)	(6,720)	-	-	-	-
Net total	(247,671)	(250,497)	1,957	1,957	1,957	1,957

The risk in borrowing is effectively managed by borrowing from the Queensland Treasury Corporation, with all borrowings at a fixed rate.

In its management of interest rate risk associated with Unitywater shareholder loans, Council has a number of options available to mitigate risk from market interest rate movements including:

- Principal reduction for corresponding external loan liabilities
- Conversion of current external loan liabilities from principal and interest repayments to payment of interest only with terms negotiated to match the review periods with Unitywater shareholder loans; or
- Undertake interest rate hedging through Queensland Treasury Corporation to protect against market fluctuations in interest rates payable by Unitywater.

The fair value of interest bearing loans and borrowings is calculated based on the discounted expected future cash flows. The fair values of the loans and borrowings, together with their carrying amounts, are as follows:

	Carrying Amount		Fair Value	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Queensland Treasury Corporation (QTC) borrowings	437,530	439,472	385,415	373,713
Economic Development Queensland borrowings	5,880	6,720	5,223	5,884
	443,410	446,192	390,638	379,597

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Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market rate is provided by QTC and is disclosed in Note 21.

QTC applies a book rate approach in the management of debt and interest rate risk to limit the impact of market value movements to Council's cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

32 National competition policy

The competitive neutrality principle provides that a government entity conducting a business activity in competition with the private sector should not enjoy a net advantage over its competitors only because it is in the public sector.
Competition reforms must be applied to significant business activities and may be applied to prescribed business activities.

(a) Significant business activities

The expenditure threshold for identifying a "significant business activity" for the 2024-25 financial year is \$9.7 million.
Council has resolved to apply full cost pricing to the Waste and Resources Management significant business activity.

This requires charging for goods or services at the full cost of providing the goods or service in accordance with the pricing provisions and identifying the cost of community service obligations (CSO).

Full cost pricing in simple terms means that, on average, prices should fully recover all the relevant costs of supplying a product or service and total revenue received by the business should equal the sum of:

- a) operational costs;
- b) administrative and overhead costs;
- c) cost of resources;
- d) depreciation expense;
- e) equivalents for Commonwealth or State taxes;
- f) equivalents for the cost of funds advantage Council obtains because of State guarantees on borrowings;
- g) return on capital (i.e. cost of debt plus return on equity invested in the business).

The CSO value is determined by Council, and represents an activity's costs(s) which would not be incurred if the primary objective of the activity was to make a profit.

Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be a CSO.

Full cost pricing is successfully applied if the total expected revenue from providing all of the activity's goods and services, including any CSO, is enough to meet expected total costs as defined above.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025.

(b) Activities to which the code of competitive conduct is applied

The expenditure threshold for identifying a "prescribed business activity" for the 2024-25 financial year is \$340,000. Council has resolved to apply the Code of Competitive Conduct to the following business activities:

a) Sunshine Coast Holiday Parks

b) Quarries

This requires the application of the competitive neutrality principle, the pricing provisions and identifying any CSO.

(c) Business activity statements

The following activity statements are for activities subject to the competitive neutrality principle:

	Sunshine Coast Holiday Parks	Quarry Business Activity	Waste and Resource Management
	2025 \$'000	2025 \$'000	2025 \$'000
Revenue for services provided to Council	1,256	3,942	2,283
Revenue for services provided to external clients	23,869	229	119,498
Community Service Obligations (CSOs)	-	577	1,655
	<u>25,126</u>	<u>4,749</u>	<u>123,435</u>
Less : Expenditure	17,613	5,981	102,789
Surplus / (deficit)	<u>7,513</u>	<u>(1,232)</u>	<u>20,646</u>

Description of CSO's provided to business activities:

	Net cost 2025 \$'000	Net cost 2025 \$'000
Margin applied to internal sales	577	-
Waste collection and disposal charges for charitable organisations	-	1,655

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

33 Related party disclosures

The group consists of Sunshine Coast Regional Council, its wholly owned entities and one associate. Details of subsidiaries and associates are disclosed in Note 1.03.

(a) Transactions with Subsidiaries

<u>SunCentral Maroochydore Pty Ltd (controlled entity)</u>	2025 \$'000	2024 \$'000
<i>Expenditure</i>		
Purchase of materials and services from subsidiary	-	(1)
Payment of operating costs on behalf of the subsidiary	-	-
Annual development management fee paid to subsidiary	(2,008)	(2,625)
Maroochydore City Centre development costs paid to the subsidiary in accordance with established Development Service Contracts	-	(75)
	<u>(2,008)</u>	<u>(2,701)</u>

SunCentral Maroochydore Pty Ltd is dependant on funding provided by Council. Funding support has been agreed to by Council for the 2025-26 financial year. No SunCentral employees are related parties of Council. The arrangement under the Maroochydore City Centre Development Agreement, between Council, Walker Group Holdings Pty Limited and SunCentral Maroochydore Pty Ltd is currently being renegotiated.

<u>Sunshine Coast Events Centre Pty Ltd (controlled entity)</u>	2025 \$'000	2024 \$'000
<i>Revenue</i>		
Recoupment of operating costs paid on behalf of the subsidiary	303	89
Recoupment of internal service costs from the subsidiary	89	370
<i>Expenditure</i>		
Operational funding paid to subsidiary	(2,071)	(1,962)
Purchase of materials and services from subsidiary	-	(15)
Maintenance and equipment provided to subsidiary	(227)	(386)
Payment of operating costs on behalf of the subsidiary	(323)	(397)
Provision of internal services to the subsidiary	(734)	(630)
Capital expenditure incurred on the property	(33)	(514)
	<u>(2,996)</u>	<u>(3,446)</u>

Sunshine Coast Events Centre Pty Ltd is dependant on funding provided by Council. Funding support has been agreed to by Council for the 2025-26 financial year. No Events Centre employees are related parties of Council.

<u>Sunshine Coast Arts Foundation Ltd (controlled entity)</u>	2025 \$'000	2024 \$'000
<i>Revenue</i>		
Grant funding received on behalf of the subsidiary	-	3
<i>Expenditure</i>		
Operational funding paid to subsidiary	(70)	(70)
Audit fees paid on behalf of the subsidiary	(7)	(6)
Payment of operating costs on behalf of the subsidiary	-	(2)
	<u>(77)</u>	<u>(78)</u>

The Sunshine Coast Arts Foundation Ltd is currently dependent on funding provided by Council as part of a three year funding agreement via the Arts Program of the Arts and Heritage Levy expiring in 2025-26.

Cr Natoli, a member of Council's Key Management Personnel, was appointed as a director of the foundation following adoption of the Councillor Portfolios by a resolution of the Sunshine Coast Council in May 2024, and does not receive any additional remuneration for this purpose.

The Sunshine Coast Arts Foundation Ltd does not have any employees.

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(b) Transactions with associates

<u>Unitywater (associate)</u>	2025 \$'000	2024 \$'000
Revenue		
Interest paid to Council	21,025	19,592
Recoupment Unitywater expenses incurred by Council	628	651
Participation returns (dividends) paid to Council	17,249	20,532
Tax equivalent paid to Council	14,193	12,347
Expenditure		
Water and sewerage charges for Council properties	(5,670)	(5,716)
Purchase of materials and services	(883)	(1,016)
	<u>46,543</u>	<u>46,390</u>

Further detail regarding Unitywater is contained in Note 14 Equity accounted investment.

(c) Transactions with Key Management Personnel

Key Management Personnel include the Mayor and Councillors, Chief Executive Officer and members of the Executive Leadership Team. Compensation paid to Key Management Personnel comprises:-

	2025 \$'000	2024 \$'000
Short term employee benefits	(4,593)	(4,458)
Post employment benefits	(430)	(427)
Long term employee benefits	(136)	(111)
Termination benefits	-	(283)
	<u>(5,159)</u>	<u>(5,279)</u>

Detailed remuneration disclosures for Councillors are provided in the annual report.

(d) Transactions with other related parties

Other related parties include the close family members of Key Management Personnel and any entities controlled or jointly controlled by Key Management Personnel or their close family members. Close family members include a spouse, child and dependent of a member of Key Management Personnel or their spouse.

Details of transactions between Council and other related parties are disclosed below.

	2025 \$'000	2024 \$'000
(i) Employee expenses for close family members of key management personnel	(139)	(228)
(ii) Development applications submitted by related parties of Council	-	(1)
	<u>(139)</u>	<u>(228)</u>

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement and relevant awards.

(ii) All development applications are assessed in accordance with relevant legislative requirements and paid for by applicants as per Council's adopted Fees & Charges. Council received 17,823 (2024: 15,877) development applications during the year, none (2024: 2) of which were from related parties.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with other parties.

Receivables	2025 \$'000	2024 \$'000
Not past due	-	-
Past due 31-60 days		
Past due 61-90 days		
Past due	-	1

(f) Loans and guarantees to/from related parties

Details	2025 \$'000	2024 \$'000
Loan to associate (Unitywater) - subordinated debt	434,393	434,393
Performance Guarantee with Queensland Treasury Corporation for above loan	154	104

Refer to Note 31 Financial instruments and financial risk management.

*Performance Guarantee not previous disclosed

(g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Sunshine Coast region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of Council swimming pools
- Payment of animal registration
- Attendance at a Council event

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

34 Prior period errors

- (a) During 2024-25, Council identified a prior period error that related to contributed assets that had acquisition dates prior to 1 July 2024. As a result, Council had understated its property, plant and equipment by \$92.496 million, contributed revenue by \$25.320 million (2023: \$68.431 million) and applicable depreciation expense of \$1.255 million (2024). To correct the impact of the prior period error, Council has adjusted the 2023-24 comparative amounts in the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and notes where indicated.
- (b) During 2024-25, Council identified a prior period error that relates to operating expenditure held in works in progress prior to 1 July 2024. As a result, Council had overstated its property, plant and equipment and intangibles assets by \$10.125 million (2023: \$7.042 million) and understated the operating expenses by \$3.083 million (2024). To correct the impact of the prior period error, Council has adjusted the 2023-24 comparative amounts in the Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and notes where indicated.

FINANCIAL STATEMENTS 2024-25

Notes to the Financial Statements
For the year ended 30 June 2025

<u>Consolidated and Council</u>		Actual	Adjustments	Restated
		2024	2024	Actual
		\$'000	\$'000	2024
<i>Statement of Comprehensive Income (Extract)</i>				
				\$'000

FINANCIAL STATEMENTS 2024-25



Management Certificate
For the year ended 30 June 2025

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.

A handwritten signature in blue ink, appearing to read "Rosanna", written over a horizontal dotted line.

Cr Rosanna Natoli
Mayor
Sunshine Coast Regional Council

Dated:

A handwritten signature in blue ink, appearing to read "John Baker", written over a horizontal dotted line.

John Baker
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 23 October 2025



INDEPENDENT AUDITOR'S REPORT

To the councillors of Sunshine Coast Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Regional Council (the council) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2025, and of their financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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



Key audit matter	How my audit addressed the key audit matter
Transportation Network, Stormwater Network and Other Infrastructure classes of PP&E Council's infrastructure assets (Transportation Network, Stormwater Network and Other Infrastructure) are measured at fair value at balance date using the Cost Approach (Current Replacement Cost) method. The current replacement cost method comprises: - gross replacement cost, less - accumulated depreciation. Council estimates the gross replacement cost of its infrastructure assets subject to revaluation with reference to the cost at which it could hypothetically acquire or construct a substitute asset of comparable utility in the normal course of business. Council has engaged independent experts and registered valuers to provide either estimates of current replacement cost, or appropriate estimated unit rates which in their professional judgement are representative of the estimated costs to construct the relevant asset subject to revaluation. Council has assessed the reasonableness of these fair value estimates and or unit rates and then applied them to estimate gross replacement cost amounts of items of property, plant & equipment at the date of revaluation so to restate gross carrying amounts to their estimated fair value as at the end of the reporting period. In measuring accumulated depreciation, valuers, council's engineers and asset managers adopt and apply significant assumptions and judgement to set expectations regarding the longevity of asset components in their provision of utility and service to the Council. Asset useful lives are dependent on a range of factors including construction materials and construction methods, obsolescence, environmental factors, degradation through use, management intentions, and fiscal availability. The significant assumptions and judgements applied in estimating gross replacement cost and useful lives will also be significant in determining prospective annual depreciation expense.	My procedures included, but were not limited to: - assessing the adequacy of management's review of the valuation process - obtaining an understanding of the valuation techniques and methodology used and assessing its design, integrity, and appropriateness with reference to common industry practice - assessing the competence, capability and objectivity of the experts used by council - evaluating the relevance and reliability of unit rates or indices provided by the engaged independent expert/valuer by comparing to other relevant observable external unit rates and indices where available - reviewing the appropriate application of unit rates or indices to the relevant items of Property, Plant & Equipment. - reviewing management's annual assessment of useful lives - assessing the competence, capability and objectivity of experts (used by Council).



Key audit matter	How my audit addressed the key audit matter
Buildings & Land For the Property, Plant & Equipment classes of Buildings and Land, council has engaged registered valuers to provide appropriate indices which in their professional judgement would be representative of the movements in the estimated costs of acquiring or constructing the relevant assets since the date of the last revaluation. Council have assessed the reasonableness of these indices and then applied them as applicable to the gross carrying amounts, accumulated depreciation and carrying amounts of items of property, plant and equipment within these classes of Property, Plant & Equipment so as to restate carrying amounts to their estimated fair value as at the end of the reporting period.	

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Sunshine Coast Regional Council's annual report for the year ended 30 June 2025 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios and long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.



Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

- a) I received all the information and explanations I required
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council or group's transactions and account balances to enable the preparation of a true and fair financial report.

27 October 2025

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

FINANCIAL STATEMENTS 2024-25



Current-Year Financial Sustainability Statement
For the year ended 30 June 2025

Audited Ratios

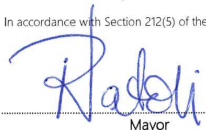
Type	Measure	Target Tier 2	Consolidated Actual Current Year	5-Year Average	Council Actual Current Year	5-Year Average	Council Narrative
Liquidity	Unrestricted Cash Expense Cover Ratio (months)	> 2 months	0.8	NA	0.7	NA	This measure has been adversely impacted by a transfer of \$61.4 million from internally imposed expenditure restrictions to externally imposed expenditure restrictions. This amount related to constrained works held for Local Government Infrastructure Planning (LGIP).
Operating Performance	Operating Surplus Ratio (%)	> 0%	2.4%	3.5%	-5.5%	-3.5%	This measure has been adversely impacted by a \$35 million (27.5%) increase in depreciation expense compared to the prior year, mainly due to the impact of asset revaluations in 2023-24.
	Operating Cash Ratio (%)	> 0%	28.0%	25.5%	22.2%	20.2%	
Asset Management	Asset Sustainability Ratio (%)	> 60%	63.3%	70.6%	63.3%	70.6%	This measure has reduced compared to the prior year due to the 27.5% increase in depreciation expense compared to the prior year.
	Asset Consumption Ratio (%)	> 60%	66.5%	67.7%	66.5%	67.7%	
Debt Servicing Capacity	Leverage Ratio (times)	0 - 4 times	2.3	3.5	3.2	4.9	

The current year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2025.

Certificate of Accuracy
For the year ended 30 June 2025

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Mayor

Name: Cr Rosanna Natoli

Date:


Chief Executive Officer

Name: John Baker

Date: 23 October 2025



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Sunshine Coast Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Sunshine Coast Regional Council for the year ended 30 June 2025, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Sunshine Coast Regional Council's for the year ended 30 June 2025 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2025 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Sunshine Coast Regional Council's annual report for the year ended 30 June 2025 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios (unaudited), and the unaudited long-term financial sustainability statement.



My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general-purpose financial report.

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillor's responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.



I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read "D Adams".

David Adams
as delegate of the Auditor-General

27 October 2025
Queensland Audit Office
Brisbane

FINANCIAL STATEMENTS 2024-25



Current-year Financial Sustainability Statement - Contextual Ratios (unaudited)
For the year ended 30 June 2025

Contextual Ratios (unaudited)

Type	Measure	Target Tier 2	Consolidated Actual Current Year	5-Year Average	Council Actual Current Year	5-Year Average	Council Narrative
Financial Capacity	Council-Controlled Revenue (%)	N/A	76.0%	76.1%	82.0%	81.5%	
	Population Growth (%)	N/A	2.7%	2.7%	2.7%	2.7%	
Asset Management	Asset Renewal Funding Ratio (%)	N/A	61.0%	NA	61.0%	NA	

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 3 reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2025.

Certificate of Accuracy

For the year ended 30 June 2025

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayoral

Name: Cr Rosanna Natoli

Date:

Chief Executive Officer

Name: John Baker

Date: 23 October 2025

FINANCIAL STATEMENTS 2024-25



Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2025

Council			Actuals	Forecast								
Type	Measure	Target Tier 2	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034
Financial Capacity	Council-Controlled Revenue (%)	N/A	82.0%	82.1%	83.0%	82.8%	83.1%	84.3%	84.4%	84.7%	85.0%	85.5%
	Population Growth* (%)	N/A	2.7%	2.4%	2.0%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	1.7%
Operating Performance	Operating Surplus Ratio (%)	> 0%	-5.5%	0.1%	0.4%	2.3%	3.2%	3.1%	3.4%	3.8%	4.2%	4.3%
	Operating Cash Ratio (%)	> 0%	22.2%	25.6%	26.1%	27.6%	28.5%	28.7%	29.4%	29.9%	30.3%	30.6%
Liquidity	Unrestricted Cash Expense Cover Ratio (months)	> 2 months	0.7	2.4	2.4	3.1	3.9	3.7	4.8	5.9	7.0	7.9
Asset Management	Asset Sustainability Ratio (%)	> 60%	63.3%	71.4%	65.3%	52.4%	50.6%	61.4%	65.6%	60.6%	62.6%	73.9%
	Asset Consumption Ratio (%)	> 60%	66.5%	72.7%	72.8%	72.7%	72.7%	72.8%	72.7%	72.5%	72.4%	72.2%
Debt Servicing Capacity	Leverage Ratio (times)	0 - 4 times	3.2	2.7	2.6	2.3	2.3	2.2	1.9	1.7	1.4	1.2

*Population growth forecast has been calculated using the Local Data method based on Council's Local Government Infrastructure Plan.

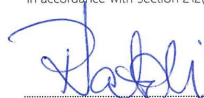
Council's long term financial management strategy is to ensure long term financial sustainability for the Sunshine Coast region, and this is consistent with Council's long term forecast.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2025

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor

Name: Cr Rosanna Natoli

Date:


Chief Executive Officer

Name: John Baker

Date: 23 October 2025



2025 FINAL MANAGEMENT REPORT

Sunshine Coast Regional Council

31 October 2025



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Councillor R Natoli
Mayor
Sunshine Coast Regional Council

Dear Councillor Natoli

Final management report for Sunshine Coast Regional Council

We have completed our 2025 financial audit for Sunshine Coast Regional Council. QAO has issued an unmodified audit opinion on your financial statements.

The purpose of this report is to update you on any matters that have arisen since we presented our second interim report to you on 23 July 2025. As per section 213 of the Local Government Regulation 2012, please present a copy of this report at your council's next ordinary meeting.

Since the presentation of our last report, we have elevated the rating of three previously reported asset management issues to a significant deficiency rating. A significant deficiency rating means we expect management to take immediate action to remedy. While we acknowledge that Council's Asset Management Program aims to resolve these matters, they have existed for several years. We have also raised one new deficiency for management action expected within the next 6-12 months. Council is commended for resolving eight issues reported during the year, and QAO is scheduled to verify the management actions for these during the planning phase of the FY2026 audit.

A listing of all issues (refer Appendix A2) previously reported including an update on how management is tracking in resolving these issues.

Please note that under section 213B of the Local Government Regulation 2012, you should provide a copy of the audited financial statements to Sunshine Coast Regional Council so that the mayor can present them at the council's next ordinary meeting and have them published on the council's website.

Report to parliament

Each year, we report the results of all financial audits and significant issues to parliament.

We intend to include the results of our audit of your entity in our report to parliament *Local Government 2025*. We will comment on the results of our audit, any significant internal control issues, and the overall results for the sector, including major transactions and events. We will discuss the proposed report content with your entity contact and continue to consult as we draft it. Formally, entities have an opportunity to comment on our report, and for these comments to be included in the final version tabled in parliament.

Audit fee

The final audit fee for this year is \$366,500, exclusive of GST. This fee is \$9,000 higher than what estimated in our external audit plan on 7 February 2025. We have discussed the key factors contributing to the fee variation with your chief financial officer including:

- Unplanned audit activity required to consult with management on the nature and materiality of prior period errors including assessment and responding to council prepared position papers on this topic.
- Additional work not planned for to assess and respond to a grant certification (LRCI Phase 3) due to variances noted in schedules provided.

We would like to thank you and your staff for your engagement in the audit this year and look forward to working with your team again next year.

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

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

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If you have any questions about this report or would like to discuss any matters regarding our services and engagement, please do not hesitate to contact me on 3149 6211.

Yours sincerely



David Adams
Senior Director

cc: Mr J Baker, Chief Executive Officer
Mr M Petrie, Chair of the audit committee

2025 Final management report

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1. 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 one new deficiency identified during our final audit is outlined further in this section. Refer to Appendix A1 for the status of previously raised issues.

Year and status	Significant deficiencies	Deficiencies	Other matters*
Current year issues – unresolved	-	1	-
Prior year issues – unresolved, rating unchanged	1	4	
Prior year issues – unresolved, rating of deficiency has been elevated to significant deficiency ^	3	-	-
Total Unresolved issues	4	5	-
Prior year issues – resolved	-	1	-
Current year issues – resolved pending audit clearance	-	6	1
Total issues	4	12	1

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

^ We increase the rating from a deficiency to a significant deficiency having assessed the matter based against criteria including the risk of material misstatement in the financial statements, the risk to reputation, where management has not taken appropriate timely action to resolve the deficiency.

Our risk 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.



Internal control issues		
S	Significant deficiency	Requires immediate management action to resolve
D	Deficiency	Requires timely action by management to resolve
O	Other matter	Recommendation may be implemented at management’s discretion

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2025 Final management report



Deficiency

25FML-1 Scope to improve the process for estimating accrued expenses at year end

Observation

Council's current process to assess for unrecorded liabilities at year-end is to assess for goods or services received prior to year-end but for which the corresponding invoices are received up to 25 July. One payment made on 31 July 2025 that related to the financial year ended 30 June but was not accrued. Council's practice is to accrue for invoices received up until 25 July. No consideration is given to assessing goods or services received prior to year-end but for which the corresponding invoices are received after 25 July.

Implication

The current approach may result in the understatement of liabilities and expenses in the financial statements, as it does not capture all incurred obligations as at the reporting date. This practice could lead to non-compliance with the accrual basis of accounting and may materially misstate the financial position and performance.

QAO recommendation

It is recommended that Council develop a process to:

- identify and accrue liabilities for goods and services received prior to year-end. (This could include obtaining confirmations from relevant departments regarding outstanding obligations, reviewing goods received notes, and considering historical trends in invoice timing)
- risk assess invoices received after 25 July that should be accounted for as of 30 June and implement a subsequent check in August for invoice that should be accrued.

Management response

Council acknowledges the auditors' feedback and will extend the accrual process to include June invoices received up to the end of August each financial year. Council will also enhance the process by issuing timely reminders to creditors to support prompt invoice submission.

Responsible officer: Manager, Finance

Status: Work in progress

Action date: 31 August 2026

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2025 Final management report

Appendix A1 – Matters previously raised

Management has taken action to resolve nine issues reported earlier in the year. More action is needed to address the significant deficiencies we have reported. Significant deficiencies require immediate management action to resolve.

The following table summarises all control deficiencies, financial reporting issues, and other matters that have previously been raised but are not yet resolved. The listing includes issues from our reports this year and those issues raised in prior years. For all issues marked as resolved pending audit verification, we will review the completed work to close out these issues in the 2026 financial year audit.



Ref.	Rating	Issue	Status and comment
24IR-3	S	Controls and processes to mitigate risks arising from incomplete/inaccurate data in Corporate Asset Management Systems Observed absences or errors in key data fields in CONFIRM which impacts on the estimation of Current Replacement Cost of items of PP&E measured under the Cost Approach. QAO recommended that controls and processes be implemented to improve data quality.	Work in progress This task is included in the Asset Management Program. A defined scope including stages and incremental improvement milestones will be prepared by 31 March 2026. Responsible officer: Asset Information Manager Revised Action date: 30 March 2026 QAO update: This issue has been elevated from a deficiency to a significant deficiency on the basis that while management is taking action to resolve the matter, the duration has spanned several financial years and is continuing.
23CR-1	S	Comprehensive Valuation process Planned Comprehensive revaluation of Stormwater and Other Infrastructure classes of Property, Plant & Equipment was not achieved in FY 2023. The duration between comprehensive revaluations for Stormwater and Other Infrastructure assets classes is now 5 and 8 years respectively. By not periodically completing comprehensive valuations in accordance with Council's stated asset accounting policies (every 3 to 5 years or when material movement has been identified in a class) there is a risk that the carrying values of assets may be materially misstated and not conform with the principles of AASB 116 Property, Plant & Equipment.	Work in progress Council continues to review its approach and management of the comprehensive revaluation process. In 2025–26, Council will continue progressing the Other Infrastructure asset class and will also review the asset types held in the class to determine whether they should transfer to the Plant & Equipment (General) asset class and be held at cost and subject to annual impairment reviews. The remaining Other Infrastructure asset types require significant work on data quality/alignment between the 2 asset registers and the Asset Management Program will define the scope of the remaining data cleansing by 31 March 2026, with a further update provided regarding estimated completion date. Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026

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Ref.	Rating	Issue	Status and comment
23CR-2		Delays in recognising contributed assets 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 misstated in the financial report and or result in the reporting of material prior period errors and retrospective restatements	Work in progress An Asset Management Program has commenced to review business processes and systems. The Program aims to support progressive incremental improvements to asset recognition processes, including timing of recognition. The Asset Management Program will review the end to end process and define the scope of this by 31 March 2026, with a further update provided regarding estimated completion date. Stakeholder process review workshops have commenced. For 2024–25, accruals were processed representing contributed assets with on maintenance dates prior to 30 June 2025, not able to be valued in time. Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026 QAO update: This issue has been elevated from a deficiency to a significant deficiency on the basis that while management is taking action to resolve the matter, the duration has spanned several financial years and is continuing.
23CR-3		Assets not previously recognised 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.	Work in progress An Asset Management Program has commenced to review business processes and systems. The Program aims to support progressive incremental improvements to asset recognition processes, including data quality and timing of recognition. The scope of this work will be defined by 31 March 2026, with a further update regarding completion date to be provided. Capitalisation is carried out daily throughout the year. Asset verification is incorporated into the annual useful life/remaining useful life review, maintenance schedules and renewal planning. Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026 QAO update: This issue has been elevated from a deficiency to a significant deficiency on the basis that while management is taking action to resolve the matter, the duration has spanned several financial years and is continuing.
25IR2-1		Users with passwords set to never expire	Resolved pending audit verification QAO scheduled to test actions taken by management during the planning phase of the FY2026 audit.
25IR2-2		Inappropriate domain level administrator access	
25IR2-3		Lack of manual and automated disabling of inactive users	

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Ref.	Rating	Issue	Status and comment
25IR2-4	D	Lack of regular user access reviews performed	
25IR2-5	D	Lack of segregation of duties over developers and migrators of setting changes	
25IR2-6	D	Access changes performed not aligned with ticket requests	
25IR2-7	O	Policy, procedure, and process guideline documentation are missing controls and pending review.	QAO scheduled to test actions taken by management during the planning phase of the FY2026 audit.
24CR-1	D	Comprehensive PP&E revaluations and techniques	Partially Resolved The Asset Management Program has taken on the task with a scope to be completed by 31 March 2026. As the Land asset class is being comprehensively revalued in 2025–26, this reconciliation will be conducted outside the Asset Management Program to meet audit valuation deliverables. Forward plan for annual comprehensive asset revaluations has been implemented as follows 2026 – Land , 2027 – Stormwater , 2028 – Transportation 2029 – Other Infrastructure Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026
24CR-2	D	Adoption of unit rates provided by engaged external expert	Resolved
24IR-1	D	Unknown reason for parking revenue reconciliation discrepancies between parking meter management system and TechOne general ledger	Work in progress A comprehensive review has been completed of the parking meter revenue discrepancies (2025 \$1,216 excl) Changes to business processes are underway with completion due by end of the year. A review of paid parking operations in the PARKnGO car parks is underway and is due to be completed by 30 October 2025. Responsible officer: Manager Transport Network Management Revised Action date: 31/12/2025

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2025 Final management report

Ref.	Rating	Issue	Status and comment
23CR-4		Delays in classifying project costs to operating expense	Work in progress Management update: For 2024–25, a prior period adjustment of \$10 million was processed representing delays in classifying project costs to operating expense. Further review will be conducted to identify additional internal controls to mitigate this in future including preparation of a documented policy, identification of operating project costs during the budget process and education of project managers and order controllers, along with the current monthly reviews undertaken by the Asset Accounting Team. A documented plan will be completed by 31 March 2026. Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026
22IR-8		Other infrastructure asset class – comprehensive	Work in progress Management update: Of the 43%, 12% did not require revaluation as they were recognised in that year, leaving 31% (\$180 million) that were indexed. In FY2025, \$54 million of the \$180 million had revaluation adjustments applied with the balance to be reviewed in 2025–26 to determine where some asset types should be moved to the Plant & Equipment (General) asset class and therefore held at cost and subject to annual impairment reviews. The remaining asset types require significant work on data quality/alignment between the 2 asset registers. The Asset Management Program will define the scope of the remaining data cleansing by 31 March 2026, with a further update provided regarding estimated completion date. Responsible officer: Chief Financial Officer Revised Action date: 31 March 2026
22FR-1		Formal review of remaining useful lives for assets is required	Resolved Formal annual useful life review has been implemented. Asset Accounting has worked with the Asset Management Branch and asset owners to conduct the annual useful life review in accordance with AASB 116 Property, plant and equipment. This process will also be reviewed by the Asset Management Program. Responsible officer: Chief Financial Officer Revised Action date: 26/9/2025 QAO update: We have reviewed the documentation that supports an effective review by management of asset useful lives in FY2025. This matter is resolved.



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Community Financial Report 2024-25

This report provides a representation of Sunshine Coast Council's recent financial performance.

Financial statements

The financial statements consist of four reports, with accompanying notes. The notes disclose Council's accounting policies and provide additional information and greater detail on the values contained in the statements. When read in conjunction with each other, the documents provide an overall understanding of Council's financial position.

Statement of comprehensive income

The statement of comprehensive income provides information about revenues and expenses and shows if a surplus or deficit has been achieved in delivering Council services.

Statement of financial position

The statement of financial position provides information about assets and liabilities. Together they provide the net worth of Council, which has been built up over many years. This net worth is also called the Community Equity.

Statement of changes in equity

The statement of changes in equity summarises the increase (or decrease) in Council's net worth for the year.

Statement of cash flows

The statement of cash flows shows changes to cash balances and how they occurred. It differs from the statement of comprehensive income in that it excludes non-cash expenses such as depreciation, accruals and revaluation of assets such as land and buildings.

Measures of financial sustainability (ratios)

Financial sustainability ratios examine the relationships between different financial categories. These ratios are also used for comparison purposes when benchmarking with other organisations.

There are various financial sustainability measures available however Council is required to calculate its ratios in accordance with the Financial Management (Sustainability) Guideline 2024 issued by the Department of Local Government, Water and Volunteers. The Current Year Financial Sustainability ratios are also audited by the Auditor-General of Queensland.

Business activities – full cost recovery performance

Council conducts a number of business activities. The full cost recovery performance reports on the value of Council's investment in these activities.

Statement of comprehensive income

The following figures relate to Council only for the year ended 30 June 2025, and the numbers have been rounded.

The figures do not include Council's controlled entities as per the Consolidated columns in the financial statements.

Revenue

Where did the money come from?

Council received \$626 million in recurrent operating revenue during the 2024-25 year with the major source of this revenue generated from the rates and utility charges. Total recurrent revenue increased by \$53 million (9%) on the previous year.

Revenue	%	\$'000
Rates & utilities charges	69.7	436,312
Fees & charges	12.3	77,241
Interest revenue	5.1	32,197
Grants & other	7.8	48,951
Unitywater	5.0	31,442
Total		626,144

Expenses

Where was the money spent?

Council returns the majority of revenues to the community in the form of services and community projects. Total recurrent expenses during the 2024-25 year were \$661 million which was an increase of \$55 million (10%) on the previous year.

Expenses	%	\$'000
Employee benefits	29.4	195,125
Materials & services	43.0	285,717
Finance costs	1.9	12,515
Depreciation & amortisation	25.1	166,787
Contributions to controlled entities	0.6	4,079
Subtotal		664,223
Less interest on leases and depreciation on right-of-use assets as per the Financial Management (Sustainability) Guideline 2024		(3,599)
Total		660,624

Operating result

The Operating Result is derived from the Statement of Comprehensive Income by deducting Total Recurrent Expenses from Total Recurrent Revenue, with Council's result for 2024-25 being a deficit of \$34 million.

Statement of Financial Position

$$\text{Assets} - \text{Liabilities} = \text{Community Equity}$$

Assets

What do we own?

The value of all assets we controlled as at 30 June 2025 totalled \$9.4 billion. This figure is further broken down into current assets \$264 million (3%) and non-current assets \$9.2 billion (97%). Current assets are those that are readily available to meet expenses and mainly include cash and amounts owed by customers. Non-current assets include property plant and equipment and investment in associate (Unitywater).

Assets	%	\$'000
Cash & cash equivalents	2.0	193,235
Receivables	4.9	464,297
Inventories & other	0.9	86,594
Property, plant & equipment and intangibles	86.4	8,159,705
Investment in associates	5.7	538,213
Total		9,442,045

Liabilities

What do we owe?

The value of all liabilities as at 30 June 2025 was \$744 million. This figure consists of current liabilities \$216 million (29%) and non-current liabilities of \$527 million (71%). The largest single debt owed by Council is to the Queensland Treasury Corporation (QTC) which is the state government-owned lending agency. This money is borrowed for infrastructure and large-scale region shaping projects.

Liabilities	%	\$'000
Payables	9.1	68,012
Borrowings	59.5	442,753
Provisions	12.9	96,120
Contract liabilities	12.6	94,024
Other liabilities	5.7	42,671
Total		743,579

Community equity result

The community equity result for 2024-25 as at 30 June 2025, is \$8.7 billion.

Capital expenditure (property, plant & equipment assets)

Additions to assets for the financial year

Category	\$'000
Aerodromes	246
Buildings and Facilities	17,216
Coast and Canals	4,438
Environmental Assets	2,078
Fleet	5,046
Holiday Parks	2,254
Information Technology	130
Minor capital works	5,228
Parks and Gardens	8,812
Sports Facilities	20,104
Stormwater	11,826
Transportation	92,772
Waste	22,083
Total Core Capital Program	192,277
Corporate Major Projects	40,346
Strategic Land and Commercial Properties	10,804
Total Other Capital Program	51,150
Total	243,427

Capital Expenditure sits outside the normal operating costs of Council and is included in the **Property, plant and equipment** balance on the **Statement of Financial Position**.

Capital expenditure includes infrastructure costs such as construction of the new Caloundra Library, Marcoola affordable housing, Honey Farm Road sports grounds and Nambour Waste Landfill expansion. It also includes work on core Council assets such as buildings, roads, landfill and waste facilities, stormwater etc. Capital costs appear in the operating statement as a **depreciation expense** representing the allocation of the cost of consumption/use of the asset over the expected life of the asset.

Asset values are required to represent the replacement cost of assets and are revalued annually to ensure this is the case. Increases in asset values increase future annual depreciation expense.

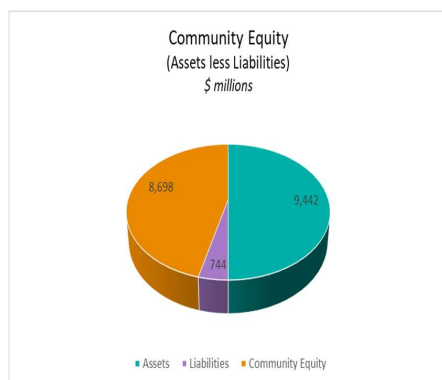
The amounts in the table include capital expenditure only and exclude project costs of an operating nature.

Community Equity

What is our net worth?

Assets (what we own) less liabilities (what we owe) equal Council's net worth (Community Equity). As at 30 June 2025, the Community Equity for Council was \$8.7 billion, an increase of \$355 million compared to the prior year.

Statement of Changes in Equity



The increase in Community Equity is due to an increase to Council's Retained Surplus of \$150 million, along with an increase in the value of Council's assets of \$205 million.

Council's total Community Equity (\$8.7 billion) is made up of:

Retained Surplus being the initial and ongoing investment in the Community along with the profit or loss results of all financial years (\$5.7 billion).

Asset Revaluation Surplus which is the accumulated value of the assets in excess of what we have paid for them (\$3.0 billion).

Statement of cash flows

Cash flow

Cash in, cash out.

Council's total cash as at 30 June 2025 was \$193 million.

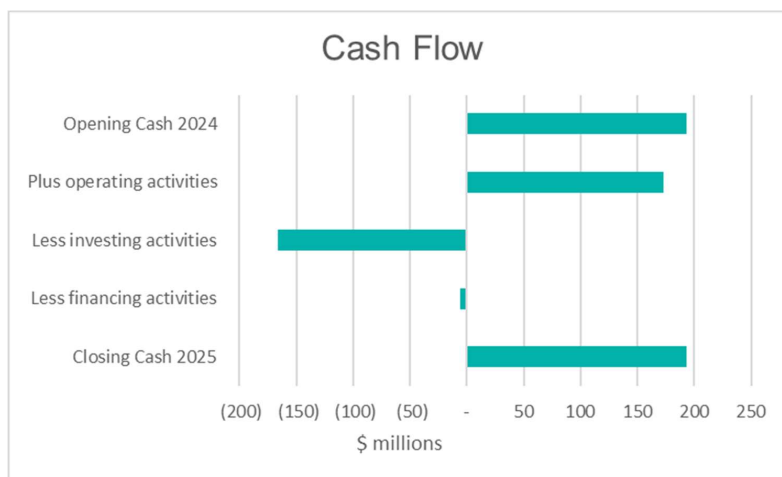
Surplus cash is invested as per Council's Investment Policy and in line with the *Statutory Bodies Financial Arrangements Act 1982*.

Council will maintain an active investment strategy with the following goals:

- Maximise investment returns from investment activities
- Exceed the benchmark of the Bloomberg AusBond Bill (BAUBIL) Index
- Invest only in investments as authorised under current legislation
- Invest only with approved institutions
- Invest to protect capital value of investments

There are three types of activities that have an impact on cash balances.

1. **Operating activities** including receipts from customers and payments to suppliers, interest and dividends, grants, and the cost of borrowings.
2. **Investing activities** include investments made in property, plant and equipment, proceeds from sale of assets, and contributions.
3. **Financing activities** include the cash movement from borrowings proceeds received, less repayment commitments.



Overall cash balances for Council decreased by \$112 thousand (0.06%) for the financial year.

Business activities – full cost recovery performance

Council's Financial Sustainability Plan requires the performance of Council's business activities be published annually in the Community Financial Report.

2024-25 Financial Data	Waste and Resource Management	Sunshine Coast Holiday Parks	Quarries Business Unit
	\$'000	\$'000	\$'000
Operating revenue	121,781	25,126	4,171
Community service obligations	1,655	0	577
Total operating revenue	123,435	25,126	4,749
Operating expenditure excluding interest	85,191	12,630	6,020
Depreciation	5,710	1,306	203
Competitive neutrality costs excluding income tax equivalent	473	792	66
Total operating expenditure	91,374	14,728	6,289
Earnings before interest and tax (EBIT)	32,062	10,398	(1,540)
Return (pre-tax nominal)%	33.1%	17.8%	(29.4%)
Target return	13,159	6,315	459
Weighted average cost of capital %	9.7%	12.6%	11.4%
Income tax equivalent	8,848	2,504	0
Surplus/(Shortfall) EBIT to target return	18,903	4,083	(1,999)
Value of Council's investment in the Business Activity	105,308	73,313	4,817

Note: Weighted average cost of capital and return on capital are calculated on a pre-tax nominal basis.

Value of Council's investment in the Business Activity is made up of property, plant and equipment assets excluding strategic land holdings.

Measures of financial sustainability (ratios)

Ratios – long-term sustainability statement (Council)

			Actuals	Forward Estimates								
Type	Measure	Target	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034
Financial Capacity	Council-controlled revenue	NA(%)	82.0	82.1	83.0	82.8	83.1	84.3	84.4	84.7	85.0	85.5
	Population growth	NA(%)	2.7	2.4	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.7
Operating Performance	Operating surplus ratio	> 0%	-5.5	0.1	0.4	2.3	3.2	3.1	3.4	3.8	4.2	4.3
	Operating cash ratio	> 0%	22.2	25.6	26.1	27.6	28.5	28.7	29.4	29.9	30.3	30.6
Liquidity	Unrestricted cash expense cover ratio	> 2 months	0.7	2.4	2.4	3.1	3.9	3.7	4.8	5.9	7.0	7.9
Asset Management	Asset Sustainability Ratio	> 60%	63.3	71.4	65.3	52.4	50.6	61.4	65.6	60.6	62.6	73.9
	Asset Consumption Ratio	> 60%	66.5	72.7	72.8	72.7	72.7	72.8	72.7	72.5	72.4	72.2
Debt Servicing Capacity	Leverage Ratio	0 – 4 times	3.2	2.7	2.6	2.3	2.3	2.2	1.9	1.7	1.4	1.2

The above measures have been calculated as per the Department of Local Government, Water and Volunteers Financial Management (Sustainability) Guideline 2024 (the Guideline). The 30 June 2025 actual measures have been audited by the Queensland Audit Office with the forward estimates calculated based on Council's long term financial model. Further commentary, based on the Guideline, is below.

Council-controlled revenue indicates Council's financial flexibility, ability to influence its operating income and capacity to respond to unexpected financial shocks.

A higher council-controlled revenue ratio indicates a stronger ability to generate operating revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery.

A lower council-controlled revenue ratio indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as operational grant funding, sales and recoverable works contracts, and rental income.

Population growth is a key driver of a council's operating income, service needs and infrastructure requirements into the future.

A growing council population indicates a greater capacity to generate its own source revenue through rates as well as statutory charges. Population growth also puts additional pressure on councils to invest in new community infrastructure to support service needs.

Conversely, a council with a shrinking population base will have increasingly limited opportunities to generate operating revenue through its rateable property base, and over time will need to adjust its capital and operating spending decisions to reflect the reducing utilisation of its infrastructure and community assets.

Operating surplus ratio is an indicator of the extent to which operating revenue generated cover operational expenses.

An operating surplus ratio below 0% is an indication that Council's operating expenses exceed its revenue. An operating deficit in any one year is not a cause for concern if, over the long term, Council achieves a balanced operating result or small surplus. Operating deficits over the long term affect a council's ability to internally fund its capital requirements and other initiatives as and when they fall due, potentially requiring external funding support.

The current year has been impacted by a \$35 million (27.5%) increase in depreciation expense compared to the prior year, mainly due to the impact of asset revaluations in 2023-24.

Council's long-term forecast aims for a positive operating result in 2025-26.

Operating cash ratio measures Council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation and finance costs.

This ratio is on target for the current year and indicates that a council is generating surplus cash from its core operations, which indicates that Council has the ability to self-fund its capital expenditure requirements.

Unrestricted cash expense cover ratio indicates the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component of solvency. It represents the number of months a council can continue operating based on current monthly expenses.

Council has not achieved the target for 2024-25, and this low ratio suggests limited unconstrained liquidity available to use for capital investment or in an emergency. Where a council also has a negative operating cash ratio, a very low or negative unrestricted cash expense cover ratio is an indicator of potential solvency concerns.

This measure has been adversely impacted by a transfer of \$61.4 million from internally imposed expenditure restrictions to externally imposed expenditure restrictions. The amount relates to constrained works held for Local Government Infrastructure Planning (LGIP).

Council has addressed this risk in the 2025-26 budget through the planned establishment of a working capital facility to assist with short-term cash flow requirements.

Asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, with outcomes too far below this level being potentially indicative of underspending against capital replacement requirements.

However, as this measure uses depreciation in lieu of more rigorous asset planning data, it does not account for councils with large investments in new capital assets such as those with strongly growing population bases. In these instances, a lower asset sustainability ratio is not of concern provided a council is meeting the capital needs of its current and future community.

The statutory target for Sunshine Coast Council is 60% and this has been achieved for the current year.

Asset consumption ratio approximates the extent to which Council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

The minimum target of 60% indicates that a council's assets are being broadly consumed in line with their estimated useful lives.

Council has achieved this target for the current year.

Leverage ratio indicates Council's ability to repay its existing debt, measures the relative size of Council's debt to its operating performance.

A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.

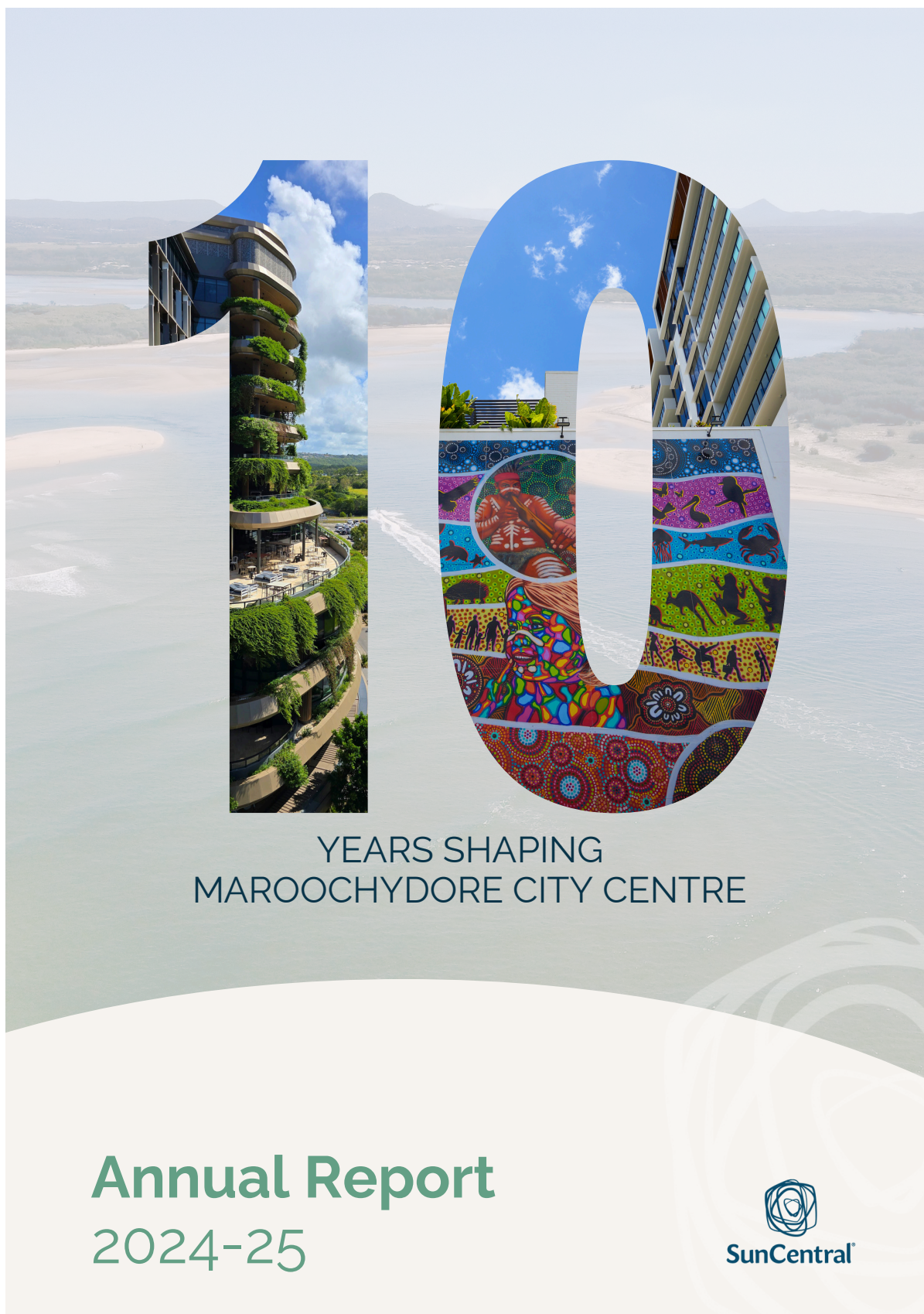
A lower leverage ratio is not itself a guarantee that further debt will be approved for a council, while councils with higher leverage ratios are not necessarily precluded from having additional borrowings approved due to other mitigating circumstances.

Council has achieved the target for the current year.

Financial management strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The above forward estimates are aligned with Council's Long-Term Financial Forecast, Corporate Plan, Operational Plan and the Department of Local Government, Water and Volunteers Financial Management (Sustainability) Guideline 2024.



Acknowledgement

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

We recognise that these have always been places of cultural, spiritual, social and economic significance.

01

2

02



Chair's Foreword

This year marks a milestone in the ongoing transformation of Maroochydore City Centre and its key role in shaping the Sunshine Coast's future.

As SunCentral celebrates its 10th anniversary, we reflect on how this expansive 53 hectare site is evolving into a vibrant new city heart for the region. Residents are moving in, businesses are establishing themselves, and major projects are progressing steadily.

As I step into the role of Chair, I acknowledge the contributions of former Chair Morgan Parker and Director Alison Quinn, who helped drive Sunshine Coast Council's vision for the project and lay the strong foundations on which we continue to build.

SunCentral is proud to be facilitating delivery of Australia's largest greenfield CBD under the leadership of the Sunshine Coast Council, working with our development partner Walker Corporation to unlock lasting economic, social and community benefits for the region.

There is clear momentum building across the City Centre. Today, Maroochydore City Centre is home to 775 residents, 310 homes, 1,100 workers and more than 40 businesses. Over the coming years, this will scale to support 4,000 apartments, 20,000 workers and a thriving city precinct backed by major investment and smart infrastructure.

This year has brought several key milestones. The 2032 Olympic and Paralympic Games infrastructure announcement firmly establishes Maroochydore City Centre as a precinct of

state significance, with plans for an Olympic and Paralympic Games Athlete's Village and a multi-purpose arena and cultural precinct now confirmed. These legacy assets will accelerate growth and deliver lasting community benefits well beyond the Games.

Transport investment is gaining traction across the region. Maroochydore City Centre will be a key node in the Sunshine Coast's future public transport network, with 'The Wave' set to significantly improve regional connectivity and support long-term growth.

Commercial and residential projects continue to advance, with two major developments on track for completion by the end of the year. The \$100 million Maroochy Private Hospital will deliver state-of-the-art health and research facilities in partnership with Fortius Healthcare, Barwon Investment Partners, UniSC and Sunshine Coast Orthopaedic Group, with plans on track to be operational next year. 50 First Avenue, Walker's first commercial office tower in the City Centre, will shortly achieve practical completion, delivering over 10,000 m² of premium A Grade commercial space, setting a new benchmark for workplaces on the Sunshine Coast.

Housing supply in the City Centre continues to grow, with new developments expanding residential options. We celebrated the opening of The Corso residences while the commencement of SOL by Walker is delivering another 248 apartments and lifestyle amenities.

Maroochydore City Centre is increasingly emerging as a digital and innovation hub. NEXTDC SC2, a second data centre facility, has been announced, while Google, in partnership with Sunshine Coast Council and NEXTDC, will bring the second major international internet connection to the precinct.

Across housing, health, transport and digital infrastructure, major projects are fast taking shape. The masterplan provides a clear framework to guide future growth in the City Centre, support housing, attract commercial investment and improve public spaces.

SunCentral is proud to be supporting the Sunshine Coast Council to shape Maroochydore City Centre into a connected, lively place to live, work, learn and visit, with a strong focus on business, innovation and culture.

SunCentral remains focused on realising the full potential of this city-shaping project, creating long-term economic, social and community value for the region.

While there is still significant work ahead, the strong foundations and growing momentum position Maroochydore City Centre for success. I look forward to being part of this landmark project.



Ken Kanofski

Chair

SunCentral Maroochydore





About us

SUNCENTRAL IS FOCUSED ON THE DELIVERY OF MAROOCHYDORE CITY CENTRE AND ON ACHIEVING SUNSHINE COAST COUNCIL'S BOLD VISION FOR THE PROJECT.

Maroochydore City Centre

The Maroochydore City Centre is a once-in-a-generation project establishing a vibrant new city heart for the Sunshine Coast.

Purpose-built from the ground up, it's creating a dynamic economic, social and cultural hub that delivers more housing, attracts high-value jobs, and fuels economic growth.

Our mission

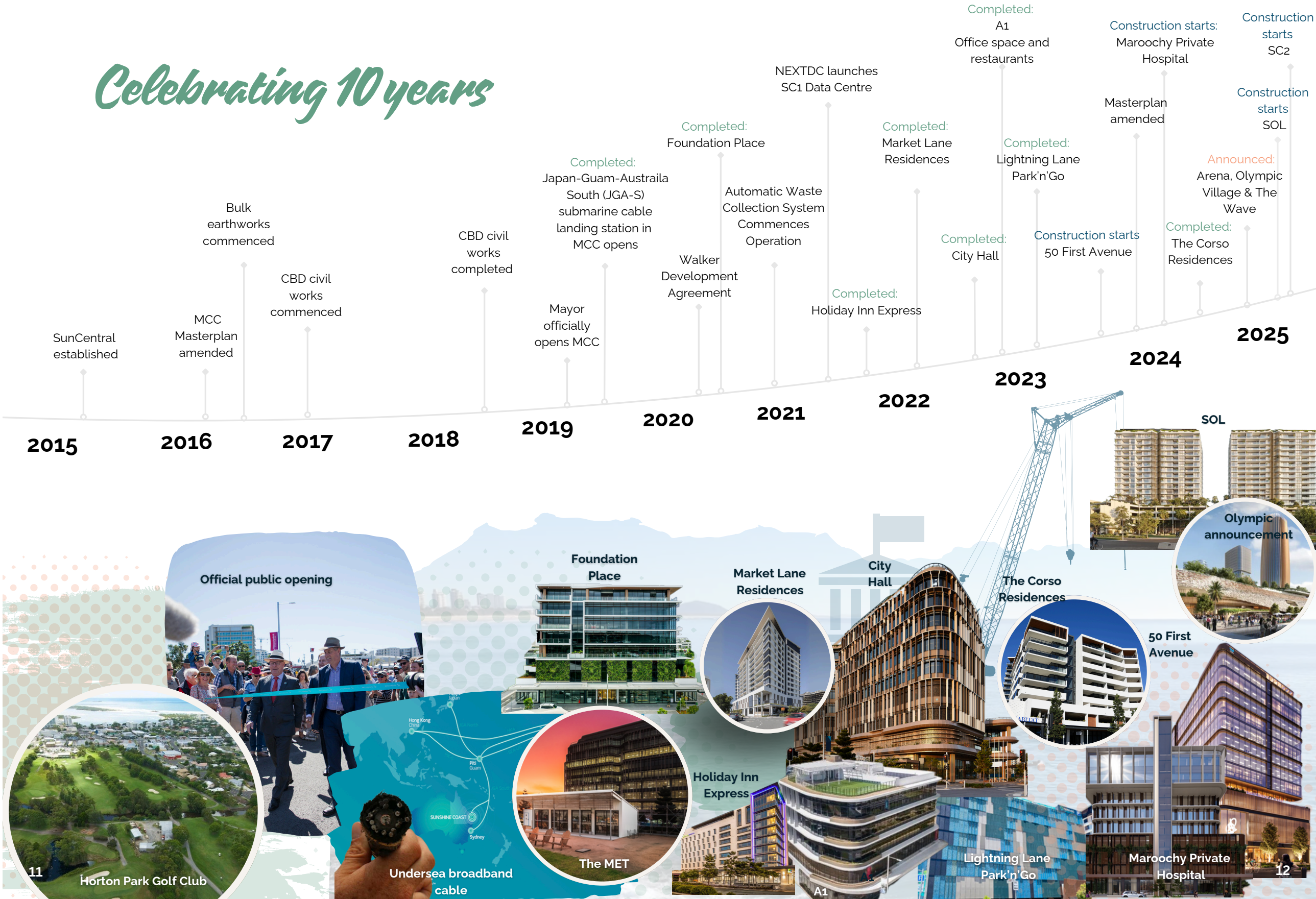
Operating as a commercial entity owned by the Sunshine Coast Council, SunCentral provides independent commercial and development advice and expertise to deliver exceptional economic, community, and social benefits for the region.

Partnership

SunCentral is supporting Sunshine Coast Council to deliver a bold new vision for the region.

Together with our development partners, including Walker Corporation, we're creating a vibrant, connected Maroochydore City Centre focused on business, innovation, and culture.







2032 Olympic infrastructure



THE WAVE

Maroochydore City Centre is set to be a key stop on 'The Wave', the Sunshine Coast's new major public transport infrastructure project.

The Wave will connect Beerwah to Sunshine Coast Airport via rail through Caloundra to Birtinya, with metro-style services linking Birtinya to the Airport via Maroochydore City Centre.



ATHLETE VILLAGE, ARENA & CULTURAL PRECINCT

By 2032, Maroochydore City Centre will feature an athlete village, arena and cultural precinct with a premium hotel, creating a vibrant destination that connects community, business and culture.





The Corso Residential Towers

The Corso by Habitat officially opened, welcoming 158 new one, two and three-bedroom apartments across twin towers - doubling the City Centre's residential capacity and delivering much-needed housing supply.



Future-ready by design

Building the future with innovative civil and smart infrastructure — the backbone of Australia's most advanced greenfield City Centre.

From the undersea cable linking directly to NextDC, to roads, utilities, and the Automated Waste Collection System connecting every business, each element in Maroochydore City Centre is designed for smart, sustainable urban living.



"I've worked in waste my whole life. This is a game-changer."

Your City. Your Story

This year, SunCentral launched *Your City. Your Story*, a video series spotlighting the innovators and changemakers shaping Maroochydore City Centre.

From industry leaders to local champions, each story reveals the energy, ambition and community spirit fuelling the rise of Australia's newest City Centre.



"When land use and transport planning align, great things happen."



"We set out to build a world-class city centre. And we did."



"I think people are looking for more than a meal, they want a connection to place. That's what we're trying to offer."



"We're working on projects around the globe, right from the Sunshine Coast."



"Together, the arts and our environment create something truly special."



"We're building for the future, and it's important to think about long-term sustainability in every decision we make."





The next chapter: Delivering the vision

Maroochydore City Centre is delivering more homes, workplaces, and public spaces, building a vibrant urban hub designed to support a growing community and unlock economic and employment opportunities.



10,000
Residents



4,000
New
residential
apartments



>10 ha
Hectares of
open space &
parkland



20,000
Employees



6.5 ha
Centralised
waterway



The Wave
Mass transit
system



Olympic ready
Athlete village,
multi-purpose arena
and cultural precinct

Financial Statements

2024-25

General Purpose Statements for the year ended 30 June 2025

Directors' Report

The Directors present their report, together with the financial report of SunCentral Maroochydore Pty Ltd (the Company) for the year ended 30 June 2025.

Directors

The directors of the Company at any time during, or since the end of, the reporting period are:

Ken Kanofski, BBus MBA FCPA GAICD - Chair

Appointed May 2025

Ken Kanofski is an experienced and successful board director, chair and advisor. In addition to his role as Chair of SunCentral Maroochydore, he is Chair of Sydney Olympic Park, Placemaking NSW and Tellus Holdings, a Director at Jerrara Power and a Commissioner of the NSW Independent Planning Commission. Ken brings a wealth of experience in infrastructure, transport, utilities, property, venue management and environmental services.

Previously, Ken has served as Chief Executive Officer of NSW Roads and Maritime Services (RMS), the NSW Land and Housing Corporation, Government Property NSW and WSN Environmental Solutions. He has served as a board member and chair on national policy bodies, statutory authorities, industry bodies and community organisations and he has contributed significantly to policy at a state, national and international level in transport, infrastructure, waste and energy. Ken also served as Australia's first delegate to the World Road Association.

Mr Paul McLean - Independent Non-Executive Director

Appointed April 2019

Paul has extensive experience in the property and real estate industry through the past 30 years, and formerly, the long-term Chief Executive Officer of Savills Australia. Currently, member of the Strategic Development and Sustainable Infrastructure Committee for Mater Misericordiae, Advisory Board member for CJQ Private, member of the Brisbane Archdiocese Building and Property Committee, and Chair of Youngcare. Appointed Director in April 2019.

Mr Morgan Parker, LLB AO - Chair

Resigned April 2025

Morgan has 30 years experience as a global real estate investor, developer and banker, completing 60 projects in nine countries worth \$20 billion. He is currently a non-executive director of Newcastle Airport, Riyadh School of Tourism & Hospitality, Saudi Entertainment Ventures and Qiddiya Coast. Morgan has served on numerous listed, private and industry boards during his two-decade governance career. A former Chief Executive Officer, he previously worked for Morgan Stanley, Lendlease, Macquarie Group and Dubai Holding. Morgan was awarded an Order of Australia in 2024. Appointed as a Director on the SunCentral Maroochydore Board in March 2015 and appointed as Chair in May 2021.

Ms Alison Quinn, B.Com - Independent Non-Executive Director

Resigned September 2024

Alison has extensive experience as a senior executive in a range of industries across the corporate and public sectors including banking, finance, real estate and infrastructure. Current directorships include Uniting-Care Queensland, BWP Trust (ASX:BWP), Ability First Australia, Oak Tree Group and Economic Development Queensland. Alison is also an Advisory Board member for ADCO Constructions. Previous roles include Chief Executive Officer of Retire Australia and past board roles include the Property Council of Australia, Retirement Living Council and Urban Development Institute of Australia. Appointed Director in April 2019.

Directors have been in office since the start of the reporting period to date of this report unless otherwise stated.

Chief Executive Officer

Ms Amanda Yeates was appointed Chief Executive Officer on 25 July 2022. Amanda is an experienced executive leader and was previously the Deputy Director-General of the Queensland Government's Department of Transport and Main Roads.

Company Secretary

Mr Tim Dighton was appointed to the position of Company Secretary on 1 July 2024 and removed on 29 April 2025. Ms Jasmine Wegert was appointed to the position of Company Secretary on 29 April 2025.

Directors' Meetings

The number of meetings attended by each of the directors of the Company during the reporting period are:

Director	No. of full meetings of Directors		No. of Committee Meetings	
	A	B*	A	B*
Mr M B Parker #	6	6	3	3
Ms A J Quinn ##	2	2	1	1
Mr P E McLean	6	6	3	3
Mr K J Kanofski ###	0	0	0	0

*Number of meetings held during the time the Director held office.

Mr Parker stepped down as Chair of the SunCentral Board on 30 April 2025.
Ms Quinn stepped down as Director and Chair of the ARRC on 30 September 2024.
Mr Kanofski joined the SunCentral Board as Chair on 26 May 2025, the first meeting Mr Kanofski will be eligible to attend is July 2025.

A = Number of meetings attended
B = Number of meetings eligible to attend

Audit, Risk and Remuneration Committee Meetings

The Audit, Risk & Remuneration Committee comprises Mr McLean (as Chair), and Mr Kanofski. The meeting is attended by the Company's Chief Executive Officer, Company Secretary and Project Director. The purpose of the committee is to provide advice and assistance to the Board in relation to efficient governance and risk management. The committee achieves its objective by reviewing, advising and making recommendations to the Board on:

- a) the integrity of internal financial management, control and reporting systems;
- b) annual operating budget reporting;
- c) annual remuneration of the Chair, Directors and Chief Executive Officer;
- d) compliance with statutory reporting obligations;
- e) the appointment and performance of the external auditor;
- f) the adequacy of internal control systems; and
- g) the quality of internal and external reporting of financial and non-financial information.

Corporate Governance Statement Responsibilities

The Directors are responsible to the Member for the performance of the Company in both the short and the long term and seek to act in the best interests of the Company as a whole. The directors draw on relevant corporate governance best practice principles to assist them to contribute to the performance of the Company.

The functions of the Board include:

- a) To deliver on the aspirations of the Company's sole Member, Sunshine Coast Regional Council (SCRC) in establishing an identifiable city heart for the wider Sunshine Coast – a contemporary central business district characterised as a high density, transit orientated city centre with a high-quality public realm and embedded smart city technology;
- b) Review and approval of corporate strategies, the annual budget and financial plans;
- c) Monitoring organisational performance and the achievement of the Company's strategic goals and objectives, as outlined in the Company's Statement of Corporate Intent;
- d) Monitoring financial performance including approval of the annual financial report and liaison with the Company's auditors;
- e) Appointment, and assessment of the performance, of the Chief Executive Officer;
- f) Ensuring there are effective management processes in place and approving major development initiatives;
- g) Enhancing and protecting the reputation of the Company and the Member (SCRC);
- h) Ensuring the significant risks facing the Company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- i) Reporting to the Member (SCRC).

Board Members

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

- a) The Board can be a minimum of one (1) and a maximum of ten (10) and for the reporting period comprised of a total of four (4) independent directors.
- b) The Member may elect a Chair and may determine the period for which the Chair will hold office.

Objectives

The Company's objectives are to:

- a) Pursue development momentum;
- b) Facilitate investment and economic outcomes; and
- c) Connect to grow opportunities for MCC.

Review of Operations

During the reporting period the company generated income of \$2,171,150 f which \$2,074,895 was provided by the parent entity, Sunshine Coast Regional Council. Development costs incurred in the pursuit of the company's objectives \$66,895. The Company realised a profit of \$32,431 in the reporting period (2024: \$5,707). The retained profits of the company at 30 June 2025 were \$427,057.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the reporting period.

Principal activities

The Company is a special purpose entity established by the Sunshine Coast Regional Council (SCRC) to be responsible for facilitating establishment of the Maroochydore City Centre (MCC) Priority Development Area (PDA) as part of a 'beneficial enterprise' as defined under the Local Government Act 2009 (Qld). No significant change to the nature of these activities occurred during the year.

Events After the Reporting Period

On 21 July 2025, the Board made the decision to make the position of Chief Executive Officer (CEO) redundant, effective 23 July 2025. This event occurred after the reporting date and does not affect the financial results for the year ended 30 June 2025. Management has considered the event and determined that no adjustments to the financial statements are required.

Likely developments and expected results of operations

Likely developments in the operations of the Company and the expected results of those operations in future reporting periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends

The Company is an Australian Proprietary Company that is limited by shares. No dividends were paid or declared by the Company during the reporting period.

Options

No options over issued shares or interests in the Company were granted during or since the end of the reporting period and there were no options outstanding at the date of this report. No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the reporting period, for any person who is or has been an officer or auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 (Cth) is set out on page 31.

This report is made in accordance with a resolution of Directors:



Mr Ken Kanofski
Chair

Date at Maroochydore this 26 September 2025

AUDITOR'S INDEPENDENCE DECLARATION

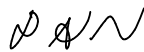
To the Directors of SunCentral Maroochydore Pty Ltd

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

Independence declaration

As lead auditor for the audit of SunCentral Maroochydore Pty Ltd for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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



David Adams
as delegate of the Auditor-General

25 September 2025

Queensland Audit Office
Brisbane

Placeholder
Auditor's Independent Declaration

SunCentral Maroochydore Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Income			
Revenue	4	2,074,895	2,650,711
Investment revenue		96,255	109,215
Total revenue		<u>2,171,150</u>	<u>2,759,926</u>
Expenses			
Development costs	5	(66,895)	(15,649)
Operating expenses	6	(2,012,781)	(2,682,339)
Depreciation and amortisation expense		(59,043)	(56,231)
Total expenses		<u>(2,138,719)</u>	<u>(2,754,219)</u>
Profit for the year attributable to the parent entity of SunCentral Maroochydore Pty Ltd		32,431	5,707
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the parent entity of SunCentral Maroochydore Pty Ltd		<u><u>32,431</u></u>	<u><u>5,707</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

SunCentral Maroochydore Pty Ltd
 Statement of financial position
 As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,024,283	1,028,518
Trade and other receivables	8	37,712	32,545
Other assets		54,817	58,780
Total current assets		1,116,812	1,119,843
Non-current assets			
Property, plant and equipment	9	30,267	29,422
Right-of-use assets	10	28,633	76,577
Security deposits		12,466	12,466
Total non-current assets		71,366	118,465
Total assets		1,188,178	1,238,308
Liabilities			
Current liabilities			
Trade and other payables	11	177,571	216,427
Borrowings		3,493	4,897
Lease liabilities	12	30,850	51,254
Employee benefit provisions	13	44,071	35,419
Total current liabilities		255,985	307,997
Non-current liabilities			
Lease liabilities	14	-	30,300
Employee benefits provisions	13	5,136	5,385
Total non-current liabilities		5,136	35,685
Total liabilities		261,121	343,682
Net assets		927,057	894,626
Equity			
Equity attributable to parent entity:			
Share capital	17	500,000	500,000
Retained profits		427,057	394,626
Total equity		927,057	894,626

SunCentral Maroochydore Pty Ltd
 Statement of changes in equity
 For the year ended 30 June 2025

	Ordinary share capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	500,000	388,919	888,919
Profit for the year	-	5,707	5,707
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	5,707	5,707
Transactions with parent entity in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Balance at 30 June 2024	500,000	394,626	894,626
	Ordinary share capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	500,000	394,626	894,626
Profit for the year	-	32,431	32,431
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	32,431	32,431
Transactions with parent entity in their capacity as owners, and other transfers	-	-	-
Shares issued during the year	-	-	-
Dividends paid or provided for	-	-	-
Balance at 30 June 2025	500,000	427,057	927,057

SunCentral Maroochydore Pty Ltd
Statement of cash flows
 For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,208,935	3,025,860
Payments to suppliers and employees (inclusive of GST)		(2,245,373)	(3,069,789)
		(36,438)	(43,929)
Interest received		96,255	109,215
Net cash from operating activities	18	59,817	65,286
Cash flows from investing activities			
Payments for property, plant and equipment		(10,803)	(13,280)
Net cash used in investing activities		(10,803)	(13,280)
Cash flows from financing activities			
Repayment of borrowings		(1,404)	1,209
Repayment of lease liabilities		(51,845)	(48,302)
Net cash used in financing activities		(53,249)	(47,093)
Net increase/(decrease) in cash and cash equivalents		(4,235)	4,913
Cash and cash equivalents at the beginning of the financial year		1,028,518	1,023,605
Cash and cash equivalents at the end of the financial year	7	<u>1,024,283</u>	<u>1,028,518</u>

SunCentral Maroochydore Pty Ltd
Notes to the financial statements
 30 June 2025

Note 1. Reporting entity concept

SunCentral Maroochydore Pty Ltd (the Company) is a private company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Level 1, 5 Plaza Parade, Maroochydore Queensland 4558. The Company's prime purpose is the promotion and development management of the Maroochydore City Centre project on the Sunshine Coast in Queensland. The Company's parent entity is the Sunshine Coast Regional Council. SunCentral Maroochydore Pty Ltd is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Note 2. New and revised accounting standards effective in the current and future reporting periods

There are no new or revised accounting standards effective in the reporting period ending on 30 June 2025 that have a material effect on the financial statements. The company has not early adopted any changes to the Australian Accounting Standards. The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 3. Basis of preparation

a) General Information and statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements were approved by the Board of Directors on the date shown on the Directors' declaration.

b) Reporting period and comparatives

The financial statements as presented are for the reporting period from 1 July 2024 through to 30 June 2025. The comparative period represents the reporting period from 1 July 2023 to 30 June 2024.

c) Basis of measurement

The financial statements have been prepared under the historical cost convention, except where otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

d) Functional and presentation currency

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

e) Use of estimates and judgements

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

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with the banks.

g) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when recognised at fair value. Trade receivables are held to collect the contractual cash flows and subsequently measured at amortised cost using the effective interest method.

Impairment of trade receivables

The simplified approach is used to measure the lifetime expected credit losses for trade receivables. For 1 July 2024 to 30 June 2025, no impairment has been recognised as the expected credit losses are immaterial.

SunCentral Maroochydhore Pty Ltd
Notes to the financial statements
30 June 2025

Note 3. Basis of preparation (continued)

h) Trade and Other Payables

Trade payables are amounts due to suppliers for goods purchased or services received in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and are all classified as current.

(i) Financial instruments

(i) Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. The Company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company has the following non-derivative financial assets: cash and cash equivalents (refer to note 7) and receivables (refer to note 8).

(ii) Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company ceases to recognise a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company has the following non-derivative financial liabilities: trade and other payables (refer to note 11). Such financial liabilities are recognised at fair value plus any directly attributable transaction costs.

j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at historic cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as “other income” in the statement of comprehensive income. Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

(ii) Depreciation

Depreciation is recognised in expenses on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Classification of Asset

- Office equipment 2 - 7 years
- Office furniture 10 - 20 years

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

iii) Impairment

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in expenses.

k) Leases

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the term of the lease. Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

SunCentral Maroochydhore Pty Ltd
Notes to the financial statements
30 June 2025

Note 3. Basis of preparation (continued)

Lease payments included in the measurement of the lease liability are as follows:

- (i) fixed lease payments less any lease incentives;
- (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) the amount expected to be payable by the lessee under residual value guarantees
- (iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- (v) lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- (vi) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. The carrying amounts of right-of-use assets and lease liabilities are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

l) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits are presented as current liabilities where the entity does not have any unconditional right to defer settlement beyond 12 months, regardless of when the actual settlement is expected to occur.

Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

m) Revenue recognition

Development Management Fee is income derived from the parent entity, corresponding to the expected costs to be incurred by the company in managing the delivery of the Maroochydhore City Centre. This revenue is received annually and recognised on a monthly basis over the period to which the fee relates.

All other revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

n) Interest Received

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

o) Income tax

The Company is exempt from income tax under section 24AM of the *Income Tax Assessment Act 1936* (ITAA 1936) on the basis that the Company is a State/Territory Body (STB), by virtue of the fact that the Company's sole shareholder is the Sunshine Coast Regional Council.

p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Note 4. Revenue

	2025 \$	2024 \$
Development revenue	66,895	8,105
Development management fee	2,008,000	2,624,706
	<u>2,074,895</u>	<u>2,632,811</u>
Other Income		
Sundry income	-	17,900
	<u>2,074,895</u>	<u>2,650,711</u>

The majority of revenue is provided by the parent entity as reported at note 19.

Note 5. Development costs

	2025 \$	2024 \$
Site & project expenses	<u>66,895</u>	<u>15,649</u>

Note 6. Operating expenses

	2025 \$	2024 \$
Board governance costs	295,586	354,482
Finance costs	3,679	4,933
General costs	50,719	32,211
Information technology & communication costs	33,065	32,445
Marketing & engagement	51,267	245,302
Premises costs	35,945	34,878
Professional services & advisory	298,936	692,704
Site monitoring & maintenance	117,715	137,895
Staff costs	<u>1,125,869</u>	<u>1,147,489</u>
	<u>2,012,781</u>	<u>2,682,339</u>

Note 7. Current assets - cash and cash equivalents

	2025 \$	2024 \$
Cash at bank - unrestricted	<u>1,024,283</u>	<u>1,028,518</u>

The Company’s exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 15. An indemnity amount over cash and cash equivalents has been provided in relation to the Local Government Workcare Bank Guarantee. Refer to note 21 for further details.

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Note 8. Current assets - trade and other receivables

	2025 \$	2024 \$
Trade debtors	-	681
Interest receivable	4,156	4,963
FBT receivable	2,134	-
GST receivable	<u>31,422</u>	<u>26,901</u>
	<u>37,712</u>	<u>32,545</u>

The Company’s exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 15. No collateral is held over trade and other receivables.

Note 9. Non-current assets - property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

Measurement at cost

	2025 \$	2024 \$
Office furniture	10,035	10,035
Less: Accumulated depreciation on office furniture	<u>(2,371)</u>	<u>(1,480)</u>
	<u>7,664</u>	<u>8,555</u>
Office equipment	43,794	32,991
Less: Accumulated depreciation on office equipment	<u>(21,191)</u>	<u>(12,124)</u>
	<u>22,603</u>	<u>20,867</u>
Total book value	<u>30,267</u>	<u>29,422</u>

Note 10. Non-current assets - right-of-use assets

	2025 \$	2024 \$
Buildings - right-of-use	150,668	149,528
Less: Accumulated depreciation on right-of-use assets	<u>(122,035)</u>	<u>(72,951)</u>
	<u>28,633</u>	<u>76,577</u>

There were no additions to the right-of-use assets during the year.

Adjustments to the right-of-use assets due to re-measurement of the lease liability were \$1,141.

Note 11. Current liabilities - trade and other payables

Unsecured liabilities:

	2025 \$	2024 \$
Trade creditors	85,665	58,815
Deferred revenue	-	66,895
Accrued expenditure	54,642	52,680
Payroll liabilities	<u>37,264</u>	<u>38,037</u>
	<u>177,571</u>	<u>216,427</u>

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Financial liabilities at amortised cost classified as trade and other payables:

Trade and other payables:

	2025 \$	2024 \$
Current trade and other payables	177,571	216,427
Financial liabilities as trade and other payables:	<u>177,571</u>	<u>216,427</u>

The average credit period on trade and other payables (excluding GST payable) is 30 days. No interest is payable on outstanding payables during this period. The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 15.

Note 12. Current liabilities - lease liabilities

	2025 \$	2024 \$
Lease liability	<u>30,850</u>	<u>51,254</u>

Refer to note 15 for further information on financial instruments.

Note 13. Current and Non-current liabilities - Employee benefit provisions

	2025 \$	2024 \$
Provision for annual leave	<u>44,071</u>	<u>35,419</u>

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2025 \$	2024 \$
Provision for long service leave	<u>5,136</u>	<u>5,385</u>

Note 14. Non-current liabilities - lease liabilities

	2025 \$	2024 \$
Lease liability	<u>-</u>	<u>30,300</u>

Refer to note 15 for further information on financial instruments.

Note 15. Financial instruments

Financial risk management

Overview

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Currency risk

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

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Note 15. Financial Instruments (continued)

(i) Credit risk

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

Trade and other receivables

At the reporting date, there were no significant concerns of credit risk because the primary trade receivable is with the Sunshine Coast Regional Council. The Company does not require collateral in respect of trade and other receivables.

Exposure to credit risk

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

	2025 \$	2024 \$
Cash and cash equivalents	1,024,283	1,028,518
Trade and other receivables	<u>37,712</u>	<u>32,545</u>
	<u>1,061,995</u>	<u>1,061,063</u>

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

	2025 \$	2024 \$
Australia	<u>37,712</u>	<u>32,545</u>
	<u>37,712</u>	<u>32,545</u>

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

	2025 \$	2024 \$
Parent entity	-	-
Other	<u>37,712</u>	<u>32,545</u>
	<u>37,712</u>	<u>32,545</u>

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors. Surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

Impairment losses

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

	Gross 2025 \$	Impairment 2025 \$	Gross 2024 \$	Impairment 2024 \$
Not past due	37,712	-	32,545	-
Past due 31 days	-	-	-	-

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient readily available funds to meet its liabilities when due, under both normal and stressed conditions.

The following table summarises the contractual maturities of financial liabilities, including estimated interest payments.

Trade and other payables

	2025 \$	2024 \$
- less than 12 months	<u>177,571</u>	<u>216,427</u>

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Note 15. Financial Instruments (continued)

Lease Liabilities

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

	0 - 12 months \$	1-5 years \$	> 5 years \$	Total \$	Total per statement of financial position \$
2025	31,295	-	-	31,295	30,850
2024	53,808	30,737	-	84,545	81,554

Refer to note 12 and note 14 for further information

(iii) Market risk

The entity is not exposed to any significant price, interest rate or foreign currency risk since the entity does not trade in foreign currencies or have any borrowings. Market risk is considered immaterial due to the entities the Company deals with.

(iv) Currency risk

The company has no exposure to foreign currency risk.

Note 16. Fair value measurement

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis. The fair value of trade and other receivables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Note 17. Equity - share capital

	2025	2024
Ordinary shares in issue at commencement of reporting period	500,000	500,000
On issue at 30 June 2025 - fully paid	500,000	500,000

a) Ordinary shares

The sole holder of these shares is entitled to dividends as declared from time to time and are entitled to one vote at general meetings of the Company.

b) Issue of ordinary shares

In April 2015, the Company approved the issue of 500,000 \$1 ordinary shares to the Sunshine Coast Regional Council.

Note 18. Reconciliation of cash flow from operating activities

Cash flows from operating activities	2025 \$	2024 \$
Profit for the year	32,431	5,707
Adjustments for:		
Depreciation and amortisation - fixed assets	9,958	7,866
Depreciation and amortisation - leases	49,085	48,365
Change in operating assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(5,168)	151,589
(Increase) / Decrease in prepayments	3,964	(44,654)
Increase / (Decrease) in trade and other payables	(38,855)	(127,036)
Increase / (Decrease) in employee provisions	8,402	23,449
Net cash from operating activities	59,817	65,286

SunCentral Maroochydore Pty Ltd
 Notes to the financial statements
 30 June 2025

Note 19. Key management personnel and Related party transactions

Related Parties

The Company's main related parties are as follows:

a) Parent entity

The Company is 100% owned by the Sunshine Coast Regional Council (Council) which is the ultimate Parent entity. The Council and its controlled entities, including UnityWater, are related parties.

b) Key management personnel

The Directors and Chief Executive Officer are key management personnel and have the authority and responsibility for planning, directing and controlling the activities of the Company. Details of key management personnel for the period have been detailed in the Directors' Report. Key management personnel remuneration includes all non-executive directors and the Chief Executive Officer, as follows:

Key management personnel remuneration

	2025 \$	2024 \$
Short-term employee benefits	604,329	629,533
Post-employment benefits	69,206	68,347
Other long-term employee benefits	-	2,888
	673,535	700,768

Total remuneration for all non-executive directors was agreed by the Company's Member in March 2015. The base fee for the Chair was \$109,589 per annum and increased to \$120,000 per annum effective 26 May 2025. Base fees for other directors are \$63,927 per annum. Directors' base fee cover all Board activities. Directors are entitled to superannuation contributions at the statutory rate.

c) Other related parties

Other related parties include close family members of key management personnel and entities controlled or jointly controlled by those key management personnel, individually or collectively with their close family members. No transactions with other related parties have occurred in the period.

d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2025 \$	2024 \$
Revenue		
Parent entity - Development revenue, management fee and rent	2,008,000	2,700,566
Expenditure		
Ken Kanofski Advisory	7,258	-

At the request of the Shareholder, SunCentral engaged the Chair to provide independent strategic advice with regard to the Maroochydore City Centre development.

Note 20. Auditor remuneration

	2025 \$	2024 \$
Audit of the financial statements by the Auditor-General of Queensland	28,900	25,250

SunCentral Maroochydore Pty Ltd
Notes to the financial statements
30 June 2025

Note 21. Contingent liabilities

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

	2025	2024
	\$	\$
Indemnity amount provided to the Local Government Workcare Bank Guarantee	21,991	18,689

The Company is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Company has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there were insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise.

Note 22. Economic dependency and going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue its operations at current levels is dependent upon future receipt of the Development Management Fee paid by the parent entity, the Sunshine Coast Regional Council. Payment of the Development Management Fee for the 2025/26 financial year has been agreed to by the parent entity. No officers or directors of the Company are related entities of the parent entity.

Note 23. Events after the reporting period

On 21 July 2025, the Board resolved to make the Chief Executive Officer (CEO) position redundant, effective 23 July 2025. As this decision occurred after the reporting date, it does not impact the financial results for the year ended 30 June 2025. Management has considered the event and determined that no adjustments to the financial statements are required.

The arrangements under the Maroochydore City Centre Development Agreement between the Sunshine Coast Regional Council, Walker Group Holdings Pty Limited, and the Company is being renegotiated.

SunCentral Maroochydore Pty Ltd
Directors' declaration
30 June 2025

In the opinion of the directors of SunCentral Maroochydore Pty Ltd (the Company).

- The financial statements and notes, set out on pages 32 to 46 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulation 2001*;
 - b) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:

On behalf of the directors



Mr. Ken Kanofski
Chair

Dated at Maroochydore this 26 September 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of SunCentral Maroochydore Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of SunCentral Maroochydore Pty Ltd

The financial report comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the Directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2025, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in SunCentral Maroochydore Pty Ltd's annual report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.



In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

A handwritten signature in black ink, appearing to read "DA", followed by a stylized flourish.

David Adams
as delegate of the Auditor-General

26 September 2025

Queensland Audit Office
Brisbane



Sunshine Coast Events Centre Pty Ltd

Annual financial statements for the reporting period ended

30 June 2025

ABN: 38 127 655 510

SUNSHINE COAST EVENTS CENTRE PTY LTD
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Income			
Revenue	2	3,302,033	3,040,509
Grant revenue	3	2,022,188	1,967,137
Other revenue		159,070	145,999
Total income		5,483,291	5,153,645
Expenses			
Material and services	4	1,742,455	2,056,219
Employee expenses	5	3,559,882	3,016,120
Financial expenses		69,946	55,135
Total expenses		5,372,283	5,127,474
Net profit/(loss) for the period		111,008	26,171
Other comprehensive income		-	-
Total comprehensive income for the period		111,008	26,171

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD

**Statement of financial position
As at 30 June 2025**

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	6	3,579,098	2,790,732
Trade and other receivables		42	1,348
Inventories		66,929	60,375
Other assets		43,961	32,808
Total current assets		3,690,030	2,885,263
Total assets		3,690,030	2,885,263
Current liabilities			
Trade and other payables	7	201,164	28,237
Employee benefits	8	273,054	238,624
Client deposits held	9	2,099,224	1,471,464
Other liabilities		104,081	227,062
Total current liabilities		2,677,523	1,965,387
Non-current liabilities			
Employee benefits	8	152,442	170,819
Total non-current liabilities		152,442	170,819
Total liabilities		2,829,965	2,136,206
Net assets		860,065	749,057
Equity			
Contributed equity	10	10	10
Retained profits		860,055	749,047
Total equity		860,065	749,057

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD**Statement of cash flows
For the year ended 30 June 2025**

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		3,941,316	3,531,867
Receipts from council / grants / government		2,077,188	1,967,137
Interest received		159,070	143,241
Payments to suppliers		(1,819,918)	(1,982,758)
Payments to employees		(3,613,170)	(3,065,227)
Net GST and payroll tax liabilities		43,880	10,897
Net cash generated from operating activities	12	788,366	605,157
Net increase in cash and cash equivalents		788,366	605,157
Cash and cash equivalents at the beginning of financial year		2,790,732	2,185,575
Cash and cash equivalents at the end of financial year	6	3,579,098	2,790,732

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD

**Statement of changes in equity
For the year ended 30 June 2025**

	Contributed Equity \$	Retained Earnings \$	Total \$
Balance at 1 July 2023	10	722,876	722,886
Net profit for the year	-	26,171	26,171
Balance at 30 June 2024	10	749,047	749,057
Balance at 1 July 2024	10	749,047	749,057
Net profit for the year	-	111,008	111,008
Balance at 30 June 2025	10	860,055	860,065

The financial statements should be read in conjunction with the accompanying notes.

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Sunshine Coast Events Centre Pty Ltd (the 'Company') is a proprietary limited company domiciled in Australia. The Company's registered address is 20 Minchinton Street, Caloundra, Queensland, 4551. The Company's primary purpose is to facilitate community participation in and enjoyment of performing arts; and to provide a world-class venue for performances, conferences, and exhibitions on the Sunshine Coast in Queensland. The Company's parent entity is the Sunshine Coast Regional Council.

Sunshine Coast Events Centre Pty Ltd is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

BASIS OF PREPARATION

These financial statements are special purpose financial statements prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity because there are no users dependent on general purpose financial statements.

The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members. The special purpose financial statements have been prepared in accordance with the measurement and recognition criteria of all Australian Accounting Standards (including Australian Accounting Interpretations) but have adopted only the following disclosure requirements of Australian Accounting Standards:

- AASB 101 - Presentation of Financial Statements
- AASB 107 – Statement of Cash Flows
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 - Interpretation of Standards
- AASB 1053 - Application of Tiers of Australian Accounting Standards
- AASB 1054 - Australian Additional Disclosures.

The financial statements have been prepared on an accrual basis and is based on historical costs and do not take into account changing money values. Cost is based on the fair value of the consideration given in exchange for assets.

The comparatives provided in these statements relate to the period 1 July 2023 to 30 June 2024.

Interpretations that have a material impact have been applied. The following is a summary of material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

a) Revenue recognition

Sale of goods

Revenue from the sale of goods (such as merchandise and food and drinks) is recognised upon delivery of goods to customers.

Rendering of a service

Revenue is recognised upon the delivery of the service to customers.

Major production – show sales

Revenue is recognised upon the delivery of the service to customers.

Operational grant

The annual operational grant from Sunshine Coast Regional Council is recognised in the financial year to which it applies.

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

b) Income Tax

The Company has been advised by the Australian Taxation Office that it is exempt from income tax pursuant to section 24AM of the ITAA 1936 on the basis that the Company is a State/Territory Body (STB), by virtue of the fact that the Company's sole shareholder is the Sunshine Coast Regional Council.

c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, and at call deposits with banks or financial institutions.

e) Plant and Equipment

In accordance with the Operating Agreement between the Company and the Sunshine Coast Regional Council (dated 15th December 2004), all items of property, plant and equipment valued in excess of \$5,000 vest in the Sunshine Coast Regional Council.

Items of property, plant and equipment with a value less than \$5,000 are treated as an expense in the year of acquisition.

f) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2025. Trade payables are recognised at their transaction price.

g) Materials and Services

Materials and services are measured at the historical cost incurred to acquire goods or services during the reporting period, net of any recoverable amounts or rebates. Expenditure is recognised in profit or loss as the goods or services are received and the obligation to pay arises, in accordance with the accrual basis of accounting.

h) Going Concern

The company is dependent upon the continued funding of the Shareholder, Sunshine Coast Regional Council, to continue as a going concern. The financial statements have been prepared on a going concern basis. The directors believe that with the continued support of the Shareholder, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Sunshine Coast Regional Council, as Shareholder for Sunshine Coast Events Centre Pty Ltd, has approved operational funding of \$2,322,921 for the 2026 financial year. The upcoming 2026 operational plan is to operate within the confines of the 2026 approved operational funding.

As a result, the directors believe that the company will realise its assets and discharge its liabilities in the normal course of business.

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits are presented as current liabilities where the entity does not have any unconditional right to defer settlement beyond 12 months, regardless of when the actual settlement is expected to occur. Employee

benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

1) Salaries and wages

A liability for salaries and wages is reported in Note 8 within payroll liabilities.

2) Annual leave

A liability for annual leave is reported in Note 8.

3) Long service leave

A liability for long service leave is reported in Note 8.

4) Superannuation

Contributions are made by the entity to each employee's designated superannuation fund and are charged as expenses when incurred.

j) Client Deposits Held

A separate bank account is maintained to hold the cash from ticket sales until the completion of the performance or event when funds are released to the promoter. As the Company is only a custodian of this cash, a liability is recognised in the Statement of Financial Position. The amount held in the bank account does not always equal to liability due to timing of payments.

k) Judgements and Assumptions

The entity has made no significant judgements or assumptions which may cause a material adjustment to the carrying amount of assets and liabilities in the next reporting period.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

	2025 \$	2024 \$
NOTE 2: REVENUE		
Sale of Goods	1,479,957	1,121,975
Rendering of Services	1,605,800	1,611,779
Sunshine Coast Events Centre Pty Ltd – Ticket Sales	216,276	306,755
Total Revenue	3,302,033	3,040,509

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

	2025 \$	2024 \$
NOTE 3: GRANT REVENUE		
Operational Grant - Sunshine Coast Regional Council	2,020,682	1,961,726
Government Grant - Queensland State Government	-	-
Government Funding - Federal Government	1,506	5,411
Total Grants Revenue	2,022,188	1,967,137
NOTE 4: MATERIALS AND SERVICES		
Contractors	69,341	285,424
Food expenses	280,524	224,106
Electricity	180,242	274,708
Council Services Cost	88,566	88,566
Beverage expenses	148,026	150,077
Marketing	124,126	201,088
Cleaning & Waste Removal	154,796	151,637
Other	696,834	680,613
Total Materials and Services	1,742,455	2,056,219
NOTE 5: EMPLOYEE EXPENSES		
Salary and wages	3,002,947	2,680,981
Superannuation	311,982	92,207
Other employee benefits	7,119	51,304
Other employee related expenses	237,834	191,628
Total Employee Costs	3,559,882	3,016,120
NOTE 6: CASH & CASH EQUIVALENTS		
Cash on Hand - Floats	2,650	2,100
Operating Bank Account	346,892	215,946
Corporate Investment Bank Account	1,000,000	1,100,000
	1,349,542	1,318,046
Client Holding Bank Account	2,229,556	1,472,686
	3,579,098	2,790,732
NOTE 7: TRADE & OTHER PAYABLES		
Accounts Payable	130,056	-
Credit Card	13,118	14,127
GST Payable	33,469	-
Payroll Tax Payable	24,521	14,110
Total Trade & Other Payables	201,164	28,237

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

	2025 \$	2024 \$
NOTE 8: EMPLOYEE BENEFITS		
CURRENT		
Annual and long service leave provisions	216,991	191,495
Accrued wages and salaries	56,063	47,129
	273,054	238,624
NON-CURRENT		
Accrued long service leave provisions	152,442	170,819
	425,496	409,443
NOTE 9: CLIENT DEPOSITS HELD		
Scholarship - Fundraising	3,533	5,267
Future Event Ticket Sales - Refundable	1,857,684	1,249,626
Future Event Deposits - Refundable	237,934	143,129
Net Promotor Proceeds – Refundable	-	73,219
Cancelled Event Ticket Sales - Refundable	73	223
	2,099,224	1,471,464
NOTE 10: CONTRIBUTED EQUITY		
10 Fully Paid Ordinary Shares	10	10

There are no rights attached to these shares and no dividends are paid.

NOTE 11: RELATED PARTY TRANSACTIONS

Related Parties

The Company's main related parties are as follows:

a) Parent Entity

The company is 100% owned by the Sunshine Coast Regional Council (Council) which is the ultimate Parent Entity. The Council and its controlled entities including Unity Water are related parties.

b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated. Directors are appointed in an honorary capacity and have not received any remuneration or other measurable benefits during the year.

The following transactions occurred with related parties:

	2025 \$	2024 \$
<i>Revenue</i>		
Parent entity - Sales of goods and services	2,091,085	1,970,812
Controlled entity – Sales of goods and services	300	-
<i>Total Revenue</i>	2,091,385	1,970,812

SUNSHINE COAST EVENTS CENTRE PTY LTD
Notes to the Financial Statements
For the year ended 30 June 2025

Expenditure

Parent entity - Purchase of goods and services	(415,382)	(484,774)
Controlled entity – Purchase of goods and services	(4,071)	-
<i>Total Expenditure</i>	<u>(419,453)</u>	<u>(484,774)</u>

NOTE 12: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO NET PROFIT/(LOSS) FOR THE PERIOD

Net profit/(loss) for the period	111,008	26,171
Decrease/(increase) in trade debtors	1,348	(929)
Decrease/(increase) in inventory	(6,554)	(15,934)
Decrease/(increase) in other assets	(11,194)	(16,227)
Increase/(decrease) in trade creditors	130,056	-
Increase/(decrease) in wages and salaries payable	8,934	2,913
Increase/(decrease) in employee entitlements	7,119	(52,020)
Increase/(decrease) in client deposits held	627,759	492,287
Increase/(decrease) in other liabilities	(123,990)	158,000
Increase/(decrease) in tax liabilities	43,880	10,896
Net cash used in operating result	<u>788,366</u>	<u>605,157</u>

NOTE 13: AUDITOR REMUNERATION

Total quoted audit fees by the Queensland Audit Office relating to the 2025 financial statements are \$14,100. The actual fee for the 2024 audit was \$11,050.

NOTE 14: CONTINGENT LIABILITIES

Sunshine Coast Events Centre Pty Ltd is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme, the company has provided an indemnity towards a bank guarantee to cover bad debts, which may remain should the self-insurance license be cancelled and insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Sunshine Coast Events Centre Pty Ltd.'s maximum exposure to the bank guarantee is \$51,835.75

NOTE 15: EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to balance date which will have a material effect on this financial report.

SUNSHINE COAST EVENTS CENTRE PTY LTD

ABN: 38 127 655 510

DIRECTORS' DECLARATION

The Directors of the Company declare that:

The Special Purpose Financial Statements present fairly the Company's financial position as at 30th June 2025 and its performance for the year ended on that date; and

In the Directors' opinion, subject to ongoing funding from its shareholder, Sunshine Coast Council, as per the budget submitted and approved at the Council meeting on 7th July 2025, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director Name: Jeanette Burrows

Signature: 

Date: 25 September 2025

Director Name: Anne Neeson

Signature: 

Date: 25 September 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Sunshine Coast Events Centre Pty Ltd

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

Independence declaration

As lead auditor for the audit of Sunshine Coast Events Centre Pty Ltd for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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



David Adams
as delegate of the Auditor-General

25 September 2025

Queensland Audit Office
Brisbane



INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Coast Events Centre Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Events Centre Pty Ltd.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2025, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter

I draw attention to Note 1 of the financial report, which sets that the financial statements are special purpose financial statements prepared for use by directors and members of the company. The special purpose financial statements have been prepared in accordance with the measurement and recognition criteria of all Australian Accounting Standards (including Australian Accounting Interpretations) but have adopted only the following disclosure requirements of Australian Accounting Standards:

- AASB 101 – Presentation of Financial Statements
- AASB 107 – Statement of Cash Flows
- AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 – Interpretation of Standards
- AASB 1053 – Application of Tiers of Australian Accounting Standards
- AASB 1054 – Australian Additional Disclosures



My opinion is not modified in respect of this matter.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in Sunshine Coast Events Centre Pty Ltd's annual report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

A handwritten signature in black ink, appearing to read 'David Adams'.

David Adams
as delegate of the Auditor-General

25 September 2025
Queensland Audit Office
Brisbane

FINANCIAL STATEMENTS

Sunshine Coast Arts Foundation Ltd
ACN 634 410 950

2024/2025 Financial Report

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Sunshine Coast Arts Foundation Ltd

ACN 634 410 950

Report of the Directors

The directors of Sunshine Coast Arts Foundation Ltd ('the Foundation' or 'SCAF') present their report together with the financial report of the Foundation for the year from 1 July 2024 to 30 June 2025.

In accordance with section 300B of the *Corporations Act 2001*, the directors set out below certain information in respect of the objectives, strategies, principal activities and performance of the Foundation.

Short and Long Term Objectives

The short and long term objectives of the Foundation are encapsulated in the Mission and Vision of the entity. The Mission is to promote the development and prosperity of the arts on the Sunshine Coast through fundraising and philanthropic investment. The Vision is to achieve an enlightened and enriched local community transformed by philanthropic investment in the arts.

The Strategy for Achieving these Objectives

1. Build the profile of the Foundation as the regional organisation supporting creative expression through philanthropic investment.
2. Develop, diversify and consolidate income streams.
3. Establish collaborative partnerships with key stakeholders.
4. Establish effective governance processes and procedures and recruit and develop a succession plan.

Principal Activities during the Year

Principal activities in four strategic priority areas noted above were as follows -

1. PROFILE OF THE FOUNDATION

- Profile was enhanced by numerous marketing and communication activities including e-News, invitations, announcements, social media posts, website and media materials.
- Directors met with prospective donors and attended SCAF and other arts events.
- Chair, Board Directors, Development Officer and Executive Assistant held meetings with prospective donors, supporters and arts sector representatives.

2. INCOME STREAMS

- An increase in donations received on previous financial years through Annual Campaign.
- Income received through partnerships with arts organisations to accept and manage donations for a fee.

3. PARTNERSHIPS WITH STAKEHOLDERS

- Council approved further three-year funding for SCAF from the new Arts and Heritage Levy.
- Five artists and organisations were recipients of the \$5000 Gifted contributions for projects in 2024-25.
- Amy Westcott was the recipient of SCAF's inaugural \$5000 arts scholarship for dance.
- New partnerships were established with D.I.V.E Theatre Collective, Long Listen and Shikani Sargent.
- Events were held in collaboration with City Hall at Altitude Nine (Annual Campaign), at the residence of Tobias and Fiona Merz (Gifted Announcement), for SCAF partner A Girl's Guide to World War at the residence of Tobias and Fiona Merz. Guests were invited to the 2025 launch of Horizon in Maroochydore and in addition were invited to test Horizon's Catching A

Whiff at Fall's Farm and Mapleton Public House. A Creative Soirée was hosted by former Gifted recipient, Denise Lamby at her home and artist studio in Mooloolaba.

- Partners who provided in-kind support were: Caloundra Regional Gallery and Library, University of the Sunshine Coast ('USC') and Sunshine Coast Regional Council.
- Mentoring and support provided to various organisations including a philanthropy workshop provided by Prof. Jennifer Radbourne and Tobias Merz held at USC.

4. GOVERNANCE

- Bi-monthly Board meetings and AGM held.
- CRM developed and completed for operational use.
- Board conducts an annual self-assessment.
- Reports annually to Sunshine Coast Regional Council and ACNC.

How those activities achieved the objectives of the Foundation

The activities raised awareness of the Foundation and of the benefits of philanthropy, identifying and cultivating donors, facilitating and attracting donations, consolidating and creating new partnerships and distributing funds to support artists to make new work.

Means by which performance is measured

The measures of success 2020-25 have been developed in line with the four Strategic Priorities in the SCAF Strategic Plan for the initial three-year establishment phase and being as follows:

- Increase in awareness of the Foundation, its objectives, projects and ways to donate.
- Increase in revenue and cash reserves.
- Increase in partner delivery of Foundation objectives.
- Increase in donors to giving programs and projects.
- Satisfaction levels of donors and partners.
- Foundation registered as a charity with tax deductible status.
- Succession Plan and working subcommittees/task forces in place.

Information on Directors

Section 300B of the *Corporations Act* also requires certain information on each of the Foundation's Directors. The Directors during or since the end of the reporting period are:

Emeritus Professor Jennifer Radbourne - Chair

A retired academic with extensive experience in arts management, governance and philanthropy. Published author on philanthropic activities in Australia today. Member of the Sunshine Coast Arts Advisory Board and the Sunshine Coast School Foundation. Graduate of the Australian Institute of Company Directors.

Karyn Brinkley – Deputy Chair – retired on 09/07/25

Experienced chair and board member for more than 20 years, an experienced executive working closely with and reporting to boards in public sector, community and not-for-profit environments. Fellow of Australian Institute of Management, the Governance Institute of Australia and Member of the Australian Institute of Company Directors.

Ferre De Deyne

Owner and operator of the Big Kart Track tourism attraction on the Sunshine Coast. Active philanthropist for many years providing gifts and prizes for local community arts events and organisations. Experience as a board director of Sunshine Coast charities and foundations.

Tony Sowden - Company Secretary

A registered legal practitioner in Queensland with an extensive commercial legal practice. Provides legal services and advice to the Foundation as required.

Robert Forbes

Retired chartered accountant with responsibility for financial services to the Foundation. Many years of experience with not-for-profit organisations both as a director and external auditor.

Karen Neuendorf OAM

Has worked in design and development throughout Australia. Represented the Sunshine Coast community on school, medical and women's business boards.

Alana Sargent

A seasoned arts professional with a strong performance and design background including global touring with Sydney Dance Company & Australasian Dance Collective (formerly Expressions Dance Company). Alana has been a costume designer for major dance companies and worked in arts marketing.

Cr Joe Natoli

Represents Division 4 in the Sunshine Coast Regional Council since 2020. Formerly Mayor of Maroochy Shire Council. Current Council portfolio covers economic development, innovation, tourism and major events.

Toby Merz – appointed 17/03/2025

An opera singer with international professional experience and former Opera Australia performer with a background in Development through SCAF and at Australian Youth Orchestra and Australian Haydn Ensemble focused on major donor cultivation.

Directors have been in office since the start of the reporting period and to the date of this report unless otherwise stated.

Meetings of Directors

The number of meetings of the Directors during the reporting period and each Director's attendance at those meetings are as follows.

	No. attended	No. eligible to attend
Professor Jennifer Radbourne	6	6
Karyn Brinkley	4	6
Ferre De Deyne	4	6
Tony Sowden	3	6
Robert Forbes	5	6
Karen Neuendorf	6	6
Alana Sargent	4	6
Cr Joe Natoli	6	6
Toby Merz	1	1

Other Information

If the Foundation is wound up while a person is a Member, or within one year after that person ceases to be a member, the person must contribute the guarantee amount of \$10 to the assets of the Foundation. The total amount that Members of the Foundation are liable to contribute if the Foundation is wound up is \$10.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act*, follows the Report of the Directors.

This report is made and signed in accordance with a resolution of the Directors:

Professor Jennifer Radbourne, Chair



23 September 2025

Robert Forbes



23 September 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Sunshine Coast Arts Foundation Ltd

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

Independence declaration

As lead auditor for the audit of Sunshine Coast Arts Foundation Ltd for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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



David Adams
as delegate of the Auditor-General

24 September 2025
Queensland Audit Office
Brisbane

Sunshine Coast Arts Foundation Ltd

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Operating Income			
Annual operational funding from Sunshine Coast Council		70,000	70,000
Total Operating Income		70,000	70,000
Other Income			
Donations - specified purpose		41,902	44,588
Bank interest		3,382	2,987
Total Other Income		45,284	47,575
Total Income		115,284	117,575
Operating Expenses			
Advertising and website		2,532	10,222
Amortisation of intangible assets	3	3,200	3,200
Auditor's remuneration	4	-	-
Bookkeeping expenses		4,506	3,973
Donations specified purpose and grants paid		42,931	26,755
Executive officers' remuneration	5	40,464	48,220
Fundraising expenses		9,999	11,900
Insurance		2,117	2,222
Other expenses		3,760	3,137
Total Operating Expenses		109,509	109,629
Profit for the Year		\$5,775	\$7,946

The accompanying notes form part of these financial statements.

Sunshine Coast Arts Foundation Ltd

Statement of Financial Position as at 30 June 2025

	Note	2025	2024
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	2	164,897	155,901
GST receivable		630	554
Total Current Assets		165,527	156,455
Non-Current Assets			
Intangible assets	3	7,200	10,400
Total Non-Current Assets		7,200	10,400
Total Assets		172,727	166,855
Liabilities			
Current Liabilities			
Trade and other payables		1,972	1,875
Total Current Liabilities		1,972	1,875
Total Liabilities		1,972	1,875
Net Assets		\$170,755	\$164,980
Equity			
Retained earnings		170,755	164,980
Total Equity		\$170,755	\$164,980

The accompanying notes form part of these financial statements.

Sunshine Coast Arts Foundation Ltd

Statement of Changes in Equity for the year ended 30 June 2025

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2024	164,980	164,980
Profit for the Year	5,775	5,775
Balance at 30 June 2025	\$170,755	\$170,755
Balance at 1 July 2023	157,034	157,034
Profit for the Year	7,946	7,946
Balance at 30 June 2024	\$164,980	\$164,980

During the accounting periods specified above, the Foundation had neither transactions with owners in their capacity as owners nor other transfers nor other comprehensive income.

Sunshine Coast Arts Foundation Ltd

Statement of Cash Flows for the year ended 30 June 2025

	2025	2024
	\$	\$
Cash Flows from Operating Activities		
Inflows		
Grants and other contributions	70,000	70,000
Receipts from donors and other income	41,902	44,588
Interest receipts	3,382	2,987
Outflows		
Suppliers and services	(63,281)	(78,130)
Donations and grants	(42,931)	(26,755)
GST paid to suppliers	(76)	(129)
Net Cash Generated by Operating Activities	8,996	12,561
Cash Flows from Investing Activities		
Outflows		
Payments for intangibles	(0)	(0)
Net Cash used in Investing Activities	(0)	(0)
	8,996	12,561
Net increase in cash and cash equivalents		
Cash and Cash Equivalents at the beginning of the year	155,901	143,340
Cash and Cash Equivalents at the end of the year	\$164,897	\$155,901

During the accounting periods specified above, the Foundation had no transactions relating to financing activities.

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents include cash on hand as well as bank balances on call or on deposit with financial institutions.

Sunshine Coast Arts Foundation Ltd

Notes to Financial Statements for the year ended 30 June 2025

Note 1 Summary of Significant Accounting Policies

a) Basis of Preparation

These financial statements, in respect of Sunshine Coast Arts Foundation Ltd (the Foundation), are general purpose statements prepared for the year from 1 July 2024 to 30 June 2025. The statements comply with Australian Accounting Standards – reduced disclosures as issued by the Australian Accounting Standards Board and the requirements of the *Corporations Act 2001*. The Foundation is a not-for-profit entity for financial reporting purposes and complies with such Australian Accounting Standards as applicable to not-for-profit entities. In particular the Foundation has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*, first issued in March 2020 and as amended, which allows Simplified Disclosures for certain types of entities referred to as Tier 2 entities. Entities applying AASB 1060 are required to in turn apply all recognition and measurement requirements in Australian Accounting Standards and apply AASB 1060 in relation to disclosure requirements only.

Comparative information in these financial statements reflects the audited 2023-24 financial statements.

The financial statements have been prepared under the historical cost convention and except for cash flow information, on an accruals basis. The financial statements relate to the individual entity as the Foundation does not control other entities. The level of rounding used in these financial statements is to the nearest dollar. The presentation currency of the Foundation is the Australian dollar.

No accounting pronouncements were early adopted in the 2024-25 financial statements nor were any new accounting standards applied for the first time in 2024-25. No voluntary changes in accounting policies occurred during the 2024-25 financial year.

The financial statements were authorised by the Directors on the date shown in the Declaration by Directors.

b) Nature of the Foundation

The Foundation is a public company limited by guarantee and is incorporated under the *Corporations Act 2001* with its domicile in Australia. The address of its registered office is 22 Omrah Ave Caloundra QLD 4551. The parent entity of the Foundation for financial reporting purposes is Sunshine Coast Regional Council. A description of the nature of the operations and objectives of the Foundation and its principal activities is included in the accompanying Report of the Directors.

The Foundation is registered federally as a charity with the Australian Charities and Not for Profits Commission ('ACNC') and in Queensland under the *Queensland Collections Act 1966*. The registration with the ACNC requires the Foundation to comply with *ACNC Regulation 2013* to the extent that this regulation is not inconsistent with Australian Accounting Standards.

As a company limited by guarantee, the Foundation has no share capital and cannot pay dividends. The liabilities of Members in any winding up is limited to \$10 per Member.

c) Taxation

The Foundation is exempt from income tax but is subject to Fringe Benefits Tax where applicable. From October 2020 the Foundation was registered for GST with the net amount of GST recoverable or payable shown as an asset or liability in the balance sheet. In October 2020 the Public Fund of the Foundation became registered as a Deductible Gift Recipient.

d) Key Accounting Estimates and Judgements

The only key accounting estimates and judgements exercised by the Directors in the preparation of these financial statements is the amortisation and useful life of software referred to in Note 3.

e) Volunteer Services

The Foundation has the benefit of volunteer services in the matters of legal, accounting and philanthropic advice. Board directors were purposefully recruited with these skills and experience. The value of these volunteer services provided to the Foundation cannot be reliably estimated.

f) Donations, Investment Income and Grants

Donations and investment income are recognised when received. Donations that are provided for a specified purpose are recorded in a restricted cash account (refer Note 2 Cash and Cash Equivalents). Investment income that arises from these specified purpose donations is utilised to pay the operating expenses of the Foundation. Unless a grant contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third party on the grantor's behalf, grant revenue is recognised upon receipt of the grant funding.

g) Financial Instruments

The financial assets of the Foundation consisting of GST receivable are recognised in these financial statements at amortised cost. Similarly, liabilities being trade and other payables are at amortised cost. These assets and liabilities are short term in their realisation and are based in and denominated in Australian dollars. The receivables carry no undue credit risk.

The Foundation also has assets in the form of cash, term deposits and cash equivalents which are held by a major Australian regional bank. Given the still, by historical standards, low current interest rates, there is no interest rate risk.

The Foundation ensures that it has sufficient cash to meet expected operational expenses. In this way liquidity risk is managed.

During the reporting periods covered by these financial statements the Foundation has not issued any compound financial instruments, entered into hedge accounting or held derivative financial instruments.

Note 2 Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash and Cash Equivalents	124,710	114,539
Restricted cash – Donations for specific purpose	40,187	41,362
Total Cash and Cash Equivalents	164,897	155,901

Restricted cash is subject to external restrictions that limit amounts available for discretionary or future use.

Note 3 Intangible Assets

	2025	2024
	\$	\$
Software – purchased – Customer Relationship Management	16,000	16,000
Less Accumulated amortisation	(8,800)	(5,600)
Total	7,200	10,400

Movement Reconciliation
 Carrying amount at 1 July 2024 10,400
 Less – Amortisation expense (3,200)
 Carrying amount at 30 June 2025 7,200

The software relates to the development of a finite life tailored CRM system for the Foundation and is capitalised on the basis of the actual costs incurred to purchase the software. Amortisation of the software commenced in October 2022, when the asset was available for use, and will be on a straight-line basis over an estimated useful life of five years. Residual values, expected to be nil, and the useful life of the software will be reviewed at each reporting date.

Note 4 Auditor's Remuneration

Amounts paid or accrued in relation to the audit of the financial statements by the Auditor-General of Queensland.

	2025	2024
	\$	\$

Total audit fees for the Queensland Audit Office relating to the 2025 financial statements are \$7,100 (2023-24 \$6,500).

Under the funding agreement with Sunshine Coast Regional Council, the 2025 audit fees will be paid by the Council and are not an expense of the entity.

No other services were provided by the auditors.

Note 5 Key Management Personnel and Related Parties

Directors serve in an honorary capacity, refer Note 1e, and receive therefore no director fees. Out of pocket expenses are however reimbursed. The remuneration of the Executive Officers of the Foundation are paid under a contract and not employment arrangement and includes no post-employment or other long term employee benefits.

The only related parties of the Foundation relate to operational funding and other amounts paid by Sunshine Coast Regional Council. These amounts are disclosed in the Statement of Profit or Loss and Other Comprehensive Income and in Note 4.

The Foundation does from time to time use the facilities of Sunshine Coast Events Centre Pty Ltd, a controlled entity of Sunshine Coast Regional Council. These facilities are provided to the Foundation on an arm's length commercial basis with this basis being no more favourable than those available to other parties. In the 2024-25 financial year an amount of \$ Nil (2023-24 \$2,747) was paid or payable by the Foundation to Sunshine Coast Events Centre Pty Ltd. Similarly during 2024-25 the Foundation utilised the function facilities of Sunshine Coast Regional Council at City Hall, Maroochydore. The amount paid or payable to the Council by the Foundation, again on an arm's length commercial basis, was \$ 2,833 (2023-24 \$3,020).

Note 6 Economic Dependency and Going Concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Currently the ability of the Foundation to continue its operations at current levels is dependent upon the ongoing financial support of Sunshine Coast Regional Council - refer Note 7.

Note 7 Contingent Liabilities and Capital Commitments

In respect of contingent liabilities, the Foundation had a three-year funding agreement with Sunshine Coast Regional Council up to the conclusion of the 2024-25 financial year. This agreement required the Foundation to reimburse unused funds within 60 days after the expiry of the agreement. Sunshine Coast Regional Council has advised the Foundation that this reimbursement of unused funds will not be required.

Further in relation to contingent liabilities, in August 2025 the Foundation entered into another one-year funding agreement with Sunshine Coast Regional Council. This new agreement again requires the Foundation to reimburse unused funds at the expiry of the agreement.

The Foundation had no capital commitments at the reporting date (2024 \$ Nil).

Note 8 Events after the Reporting Date

There were no such events that arose after the reporting date.

Note 9 Climate Related Risk Disclosure

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate related risks impacting the Foundation.

Sunshine Coast Arts Foundation Ltd

Declaration by Directors of Company for the Year Ended 30 June 2025

In the opinion of the Directors of the Company the accompanying financial statements and notes comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to Financial Statements are in accordance with the *Corporations Act 2001* including:

- compliance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulations 2001*
- giving a true and fair view of the financial position of the Company as at 30 June 2025 and of its performance for the year ended on that date and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when those debts become due and payable.

This declaration is made and signed in accordance with a resolution of the Directors:



Professor Jennifer Radbourne, Chair
23 September 2025



Robert Forbes
23 September 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Coast Arts Foundation Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Arts Foundation Ltd.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2025, and its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

24 September 2025

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane