

Agenda

Ordinary Meeting
Thursday, 18 June 2026

commencing at 9:00am

Sunshine Coast City Hall Chamber, 54 First Avenue, Maroochydore

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NOTICE OF MEETING

ORDINARY MEETING 18 JUNE 2026

5 June 2026

Councillors,

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

The Ordinary Meeting will take place on 18 June 2026, commencing at 9.00am.

A handwritten signature in black ink that reads "John Baker".

John Baker | Chief Executive Officer

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1 DECLARATION OF OPENING

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

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

That the Minutes of the Ordinary Meeting held on 21 May 2026 and the Special Meeting held on 1 June 2026 be received and confirmed.

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

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

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

6.2 DECLARABLE CONFLICTS OF INTEREST

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

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

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

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

7 PRESENTATIONS / COUNCILLOR REPORTS

8 REPORTS DIRECT TO COUNCIL

8.1 OTHER CHANGE TO DEVELOPMENT APPROVAL - ARIA PROPERTY GROUP - 1 MOOLOOLABA ESPLANADE, MOOLOOLABA

File No: MCU19/0081.02

Author: Manager Development Services
Sustainable Growth and Planning

Appendices: App A - Conditions of Approval 5/278

Attachments: Att 1 - Detailed Assessment Report 41/278
Att 2 - Architectural Plans 85/278
Att 3 - Infrastructure Agreement 139/278
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Link to Development.i - MCU19/0081.02

PURPOSE

The purpose of this report is to seek Council’s determination of an application to make an “other change” to an existing Development Approval (MCU19/0081.01) for a Resort Complex comprising 151 units and ancillary facilities, a Multiple Dwelling and Short-term Accommodation component (46 units), and associated uses including a Food and Drink Outlet, Bar and Shop. In broad terms, the “other change” seeks to change the approval in the following ways:-

- provide 50 additional Resort Complex (hotel) rooms through an increase from 14 to 16 storeys;
- increase the overall building height by 11.45m; and
- undertake the Mooloolaba Southern Parklands (Stage 3 of the Mooloolaba Foreshore Revitalisation Project) in accordance with the *Placemaking Mooloolaba Master Plan* secured through an Infrastructure Agreement with Council.

The application is before Council because the estimated construction value of the proposed development exceeds \$100 million, and the applicant is proposing to undertake Stage 3 of the Mooloolaba Foreshore Revitalisation Project on behalf of Council.

EXECUTIVE SUMMARY

The applicant seeks to make an “other change” to an existing Development Approval (MCU19/0081.01) over the site located at 1 Mooloolaba Esplanade, Mooloolaba and known as “Club Eatery”. The “other change” to the approval primarily involves the provision of 50 additional Resort Complex (hotel) rooms through an increase from 14 to 16 storeys, and an increase to the overall building height by 11.45m.

The applicant also proposes to deliver the Mooloolaba Southern Parklands in accordance with the *Placemaking Mooloolaba Master Plan* and secured through an Infrastructure Agreement with Council.

The “other change” application is subject to impact assessment because the proposed building height exceeds the maximum height nominated on the relevant height overlay map. This increase in building height does not strictly comply with particular outcomes of the *Height of buildings and structures overlay code*. This non-compliance is a key planning consideration.

The *Planning Act 2016* requires that impact assessment be undertaken having regard not only to assessment benchmarks, but also to other relevant matters, including planning need, changed circumstances, and the broader planning merits of the proposal.

In this context, the assessment has demonstrated that while the increased height results in some additional visual prominence and incremental amenity impacts, these impacts are generally moderate and do not give rise to unacceptable adverse outcomes when considered in the context of the existing approval.

Furthermore, significant weight is given to “other relevant matters”. These include a demonstrated and well-supported planning need for additional hotel accommodation and the substantial economic and tourism benefits associated with delivering a five-star international standard hotel. The proposal addresses a recognised shortfall in hotel supply and will contribute to employment, visitation, and the broader regional economy.

Moreover, the applicant’s commitment to deliver key components of the *Placemaking Mooloolaba Master Plan*, secured through an Infrastructure Agreement, represents a significant public benefit. The delivery of high-quality foreshore parklands, streetscape upgrades and associated infrastructure at no cost to Council, and in advance of Council’s delivery program, is a matter that weighs heavily in favour of the proposal and provides strong planning justification for the additional height sought.

Public submissions have raised a range of matters, particularly in relation to height, character, amenity and precedent. On balance, the assessment concludes that the issues raised in opposition do not outweigh the demonstrated benefits of the proposal.

Having regard to the extent of non-compliance with the *Height of buildings and structures overlay code*, the nature of resulting impacts, the strong alignment with the Strategic Framework, the demonstrated planning need, and the significant public benefits arising from the proposal, it is considered that the application achieves an appropriate planning outcome overall.

Accordingly, on balance, the proposed development is considered to be in the public interest and warrants approval despite the identified non-compliance with building height provisions.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled “Other Change to Development Approval - Aria Property Group - 1 Mooloolaba Esplanade, Mooloolaba”
- (b) enter into the Infrastructure Agreement “Infrastructure Agreement - Mooloolaba Foreshore - Southern Parklands” as executed by the applicant on 28 May 2026 and direct the Chief Executive Officer to sign the Infrastructure Agreement on behalf of Council
- (c) **APPROVE** application no. MCU19/0081.02 for an Other Change to Development Approval and issue a Development Permit for Material Change of Use of Premises to Establish a Resort Complex (201 Units and Ancillary Facilities), Multiple Dwelling and Short-term Accommodation (46 Units), Food and Drink Outlet, Bar and Shop, subject to the imposition of the conditions of identified in Appendix A and
- (d) note all future requests for a negotiated decision notice and requested changes to the approval to be determined by delegated Council officers where the changes would not have a material impact on the outcome of the original decision.

FINANCE AND RESOURCING

An estimate of the infrastructure charge for Council networks for the changed proposal is in the order of \$2.55 million (at the March 2026 index), noting that this represents a preliminary estimate only, with a detailed calculation to be undertaken under the current Infrastructure Charges Resolution 9 in the event of any approval.

CORPORATE PLAN

Corporate Plan Goal: *Managing for growth*

Strategic Pathway: We serve our community by providing this great service

Operational Activity: S19 - Urban Planning and Development assessment - Providing strategic and statutory urban planning, infrastructure planning and charges, development assessment and compliance services.

CONSULTATION**Councillor Consultation**

All Councillors were advised of the application at the time of lodgement and have been notified that the application will be presented to an Ordinary Meeting of Council for a decision.

Internal Consultation

The application was referred to and/or discussed with the following internal Council specialists and their assessment or comments form part of this report:

- Senior Development Engineer, Development Services;
- Principal Environmental Management Officer, Development Services;
- Senior Architect, Development Services;

- 3D Project Officer, Development Services;
- Senior Landscape Officer, Development Services;
- Solicitor, Finance and Commercial Partnerships;
- Manager, Project Delivery;
- Project Manager, Infrastructure and Natural Assets;
- Principal, Urban Design, Infrastructure and Natural Assets;
- Coordinator, Planning Scheme and Projects; and
- Tourism Lead, Economic Development.

External Consultation

The application was referred to the State Assessment and Referral Agency (SARA) in accordance with the *Planning Act 2016* and the *Planning Regulation 2017*. The State Assessment and Referral Agency advised that it has no requirements in respect of the application.

Community Engagement

The change application was publicly notified between 11 February to 4 March 2026 in accordance with the requirements of the *Planning Act 2016*. A total of 540 submissions were received, of which 471 were determined to be 'properly made' in accordance with the *Planning Act 2016*. Of the properly made submissions, 398 were in support of the application, 71 were opposed, and 2 were uncertain or neutral in tone. A summary of the issues raised by submitters together with a response is provided in the officer's Detailed Assessment Report at **Attachment 1** and a map identifying the locations of where the submissions were received from is provided in **Attachment 5**.

The public submissions raised a range of matters, particularly in relation to height, character, amenity and precedent. These concerns are acknowledged and have been carefully considered in the assessment. However, it is also noted that a substantial majority of properly made submissions (398 out of 471) support the application, particularly in relation to the economic, tourism and public realm benefits.

PROPOSAL

Proposal Details

The applicant seeks to make an "other change" to an existing Development Approval (Council reference MCU19/0081.01) for a Resort Complex comprising 151 units and ancillary facilities, a Multiple Dwelling and Short-term Accommodation component (46 units), and associated uses including a Food and Drink Outlet, Bar and Shop. The existing development approval was originally issued in December 2019 and later changed via a minor change application in June 2022. The application for the existing development approval was subject to code assessment under the planning scheme at the time.

The "other change" to the approval primarily involves the provision of 50 additional Resort Complex (hotel) rooms through an increase from 14 to 16 storeys and an increase the overall building height by 11.45 metres (from the approved upper limit of RL 55m AHD to the proposed upper limit of RL 66.45m AHD). The application also proposes delivery of the

Mooloolaba Southern Parklands in accordance with the *Placemaking Mooloolaba Master Plan* secured through an Infrastructure Agreement with Council. The "other change" application is subject to impact assessment because the proposed building height exceeds the maximum height nominated on the relevant height overlay map.

During the application, the proposed building height was reduced by 3.5 metres from an upper limit of RL 69.95m AHD to RL 66.45m AHD (measured to the top of the lift overrun). The proposed increase in building height arises from the following changes:-

- Additional 2 x hotel floors (+6.1m);
- Raising of the ground floor podium to align with the proposed seawall and surrounding levels (+1.5m);
- Increased lobby and conference floor to ceiling heights (+0.69m);
- Increased floor-to-floor heights (+2.51m); and
- Increased rooftop bar and restaurant height to enable equitable access to rooftop pool facilities (+0.65m).

As outlined above, a substantial proportion of the additional building height sought relates to necessary adjustments such as raising the ground floor level in response to updated seawall requirements, achieving appropriate floor-to-ceiling heights consistent with contemporary expectations for high-quality hotel accommodation, and accommodating building services and acoustic separation.

Other aspects of the changed proposal, such as the number of multiple dwelling/short term (self-contained) accommodation units, the location and extent of commercial uses, site cover, setbacks and pedestrian and vehicle access remain generally consistent with the existing approval. The Architectural Plans for the development are provided at **Attachment 2**. Although the proposal reduces the total number of car parking basements from five (5) to four (4), the proposed parking supply is considered appropriate to meet the expected demand generated by the development, as discussed in the Detailed Assessment Report at **Attachment 1**.

A key component of the application is the applicant's proposal to undertake the Mooloolaba Southern Parklands (Stage 3 of the Mooloolaba Foreshore Revitalisation Project). The applicant's stated reasons for delivering these works include:-

- There is currently insufficient Council funding to complete the Mooloolaba Foreshore Revitalisation Project, specifically the Southern Parklands (Stage 3) which interfaces with Aria's development and the Mooloolaba Surf Club;
- Completion of these external public works is necessary to support delivery of the proposed 5-star international standard hotel, ensuring the surrounding public realm reflects the quality of the development; and
- The applicant requires certainty that these works will be completed prior to hotel opening, as construction during or after opening would negatively affect guest experience, public perception, tourism activity and local businesses, and undermine the success of the region's first 5-star hotel in 34 years.

Through this application, the applicant has voluntarily entered into an Infrastructure Agreement (refer to **Attachment 3**) to fund and deliver these works at an estimated value of approximately \$9 million, alongside an additional \$500,000 financial contribution toward

public infrastructure. These works include high-quality parkland, streetscape upgrades, pedestrian and cycle infrastructure, landscaping, and associated public realm improvements. The key components of the negotiated agreement include:-

1. Completion of the Mooloolaba Southern Parklands (Stage 3 of the Mooloolaba Foreshore Revitalisation Project) consistent with Council's Placemaking Mooloolaba Master Plan by the developer at no cost to Council, across three sub-stages.
2. Early completion of the first two sub-stages of the foreshore works, to occur prior to the proposed hotel construction progressing above ground level.
3. Completion of the third and final sub-stage of the foreshore works prior to completion and opening of the hotel development.
4. Staging, sequencing and duration of the foreshore works to minimise disruption to the public and to minimise Council exposure to default by the developer.
5. Provision of a refundable financial contribution of \$500,000 towards Council design and construction of a playground at the northern end of Central Meeting Place (Stage 2) of the Foreshore. The financial contribution is refundable in the event that Council does not commence construction of the playground within 2 years of payment.
6. All works and financial contributions are not creditable against Infrastructure Charges, meaning that these contributions are over and above the payment of standard Infrastructure Charges for the development.
7. Checkpoint design approval requirements prior to commencement of works, and Council inspection requirements at completion of the works.
8. Requirement for the developer to enter into a Hotel Management Agreement with a 5-Star hotel operator prior to commencement of works for the hotel development.
9. Requirement for a 5-Star hotel to be operated on the site for a minimum period of 20 years.

Planning Scheme Assessment

Notwithstanding the applicant's offer to undertake the Mooloolaba Southern Parklands, it is acknowledged that the proposed change application seeks approval for an increase in building height that exceeds the prescribed maximum under the *Height of buildings and structures overlay code* and therefore does not strictly comply with particular outcomes of this code. This non-compliance is a key planning consideration.

In this context, the assessment, as outlined in the Detailed Assessment Report at **Attachment 1**, has demonstrated that while the increased height results in some additional visual prominence and incremental amenity impacts, these impacts are generally moderate and do not give rise to unacceptable adverse outcomes when considered in the context of the existing approval. In particular, while the building will be more discernible in elevated and long-range views, including from Point Cartwright, and will present a moderately increased visual presence from Mooloolaba Spit and Mooloolaba Beach, these changes occur within a context where built form is already an established component of the coastal skyline. At the local level, the increased perception of scale for pedestrians, cyclists and motorists is primarily attributable to additional height rather than any expansion of the building footprint, which remains consistent with the approved development.

In terms of amenity, the development results in some incremental increases in shadowing when compared to the existing approval, including additional shadowing to nearby accommodation and public areas at certain times of the year. Overall, there is a modest increase in the extent and duration of shadowing, with impacts extending seasonally and predominantly occurring during mid-to-late afternoon periods. While a greater number of buildings experience some additional shadowing, the analysis indicates that the number of residential buildings subject to substantial sunlight loss does not increase.

To inform the assessment of visual and shadowing impacts, Council's 3D urban design specialist prepared illustrative comparisons using the applicant's 3D model. The comparison images are included at **Attachment 4**.

Additionally, no meaningful increase in privacy or overlooking impacts is anticipated, as the additional storeys are accommodated within the established building envelope. Accordingly, the development maintains an acceptable level of amenity for surrounding properties, having regard to its strategic location, design quality and the planned function of the area as a vibrant, mixed-use tourism precinct.

Furthermore, while the proposal exceeds the height parameters contemplated under both the overlay code and the *Mooloolaba/Alexandra Headland local plan code*, the development nonetheless achieves the key outcomes sought for the site in the local plan. It maintains a high standard of design, reinforces the coastal character of Mooloolaba, and delivers a landmark tourism development consistent with the intended function of Key Site 3. The proposal is also consistent with the intent of the Tourism Accommodation Zone, delivering a high-quality built form that is appropriate to its location and function.

The development also aligns strongly with the Strategic Framework, which supports increased intensity in appropriate, well-located areas, particularly within tourism focus areas such as Mooloolaba. The proposal delivers a high-quality, contemporary coastal built form that reinforces the role of the site as a landmark for the Esplanade and supports the ongoing evolution of the precinct.

Other Relevant Matters

The *Planning Act 2016* requires that impact assessment be undertaken having regard not only to assessment benchmarks, but also to "other relevant matters", including planning need, changed circumstances, and the broader planning merits of the proposal.

In this case, significant weight is given to other relevant matters. These include a demonstrated and well-supported planning need for additional hotel accommodation and the substantial economic and tourism benefits associated with delivering a five-star international standard hotel. The proposal addresses a recognised shortfall in hotel supply and will contribute to employment, visitation, and the broader regional economy. These outcomes are consistent with the Strategic Framework's "New Economy" intent, which supports tourism growth, investment, and the delivery of high-quality visitor experiences within designated tourism focus areas such as Mooloolaba.

Further, the applicant's commitment to deliver key components of the *Placemaking Mooloolaba Master Plan*, secured through an Infrastructure Agreement, represents a significant public benefit. The delivery of high-quality foreshore parklands, streetscape upgrades and associated infrastructure at no cost to Council, and in advance of Council's delivery program, has the potential to support integration between the development and

foreshore, and enhances the overall quality and usability of the public realm in this iconic location.

Having regard to the demonstrated planning need, strong economic and tourism benefits, and the significant public realm contributions offered through the Infrastructure Agreement, these "other relevant matters" weigh strongly in support of the proposed development. Collectively, they provide substantial justification for the proposed increase in building height and reinforce that the development will deliver a positive and enduring outcome for the Sunshine Coast community.

Legal

Council's decision can be appealed to the Planning and Environment Court by the applicant and any properly made submitter to the application. Council will proceed with any required actions resulting from any legal action.

The Infrastructure Agreement at **Attachment 3** has been prepared with the assistance of Council's Legal Services Branch.

Policy

The application has been assessed against the Sunshine Coast Planning Scheme 2014 and all relevant Council policies.

Risk

This matter can be appealed to the Planning and Environment Court by the applicant or any properly made submitters to the application. Council will proceed with any required actions resulting from any legal action. Advice on legal risks of the infrastructure agreement between the Developer and Council will be provided to Council in confidential session.

Previous Council Resolution

There is no previous Council resolution relevant to this report.

Related Documentation

A copy of the officer's Detailed Assessment Report is included as **Attachment 1** to this report. The Detailed Assessment Report contains all the specific assessment details under the Planning Scheme considered in Council's assessment of this application.

An extract of the submitted Architectural Plans is included as **Attachment 2** to this report.

The Infrastructure Agreement is included as **Attachment 3** to this report.

The 3D model comparison images are included at **Attachment 4**.

A map identifying the locations of where the submissions were received from is provided in **Attachment 5** to this report.

The recommended conditions of approval are provided as **Appendix A** to this report.

Critical Dates

The due date for a Council decision is the 19 June 2026 in accordance with the provisions of the *Planning Act 2016*.

Implementation

Should the recommendation be accepted by Council, Council officers will communicate the outcome of Council's resolutions to the applicant and submitters as appropriate.

8.2 MAY 2026 FINANCIAL PERFORMANCE REPORT

Report to be provided.

8.3 UPDATE AND AMENDMENT OF 2025-26 CONTRACTING PLAN

File No: Council Meetings

Author: Manager Business and Innovation
Finance and Commercial Partnerships

Appendices: App A - Amended 2025-26 Contracting Plan29 [↓](#)

PURPOSE

The purpose of this report is to:

- provide an update on progress of the Significant Contracts identified in the 2025-26 Contracting Plan and
- present for the consideration of Council amendments to the 2025-26 Contracting Plan to ensure it accurately reflects the Significant Contracts for the 2025-26 financial year.

EXECUTIVE SUMMARY

At the Ordinary Meeting of 17 May 2018, Council resolved to adopt the Strategic Contracting Procedures to empower Council to pursue improved contracting outcomes.

Having adopted the Strategic Contracting Procedures, the *Local Government Regulation 2012* requires Council to make and adopt a contracting plan each financial year. The contracting plan must include the contracts that Council considers will be significant.

Amendments to the list of Significant Contracts identified in the 2025-26 Contracting Plan are required to ensure the list accurately reflects the Significant Contracts that Council has, or will enter into, during the 2025-26 Financial Year.

Council can, by resolution, amend a contracting plan at any time before the end of the financial year to which the plan relates.

The amended 2025-26 Contracting Plan is provided for Council’s consideration as **Appendix A**.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Update and Amendment of 2025-26 Contracting Plan” and
- (b) adopt the amended 2025-26 Contracting Plan (Appendix A).

FINANCE AND RESOURCING

There are no financial or resourcing implications associated with the amendment of the 2025-26 Contracting Plan. The 2025-26 Budget includes provision for all contracts included in the amended 2025-26 Contracting Plan.

CORPORATE PLAN

Corporate Plan Goal:	<i>Our outstanding organisation</i>
Outcome:	We serve our community by providing this great service
Operational Activity:	S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council’s budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION**Councillor Consultation**

- Councillor T Landsberg – Resilient Economy Portfolio Councillor
- Councillor J Natoli – Resilient Economy Portfolio Councillor
- Councillor E Hungerford – Outstanding Organisation Portfolio Councillor
- Councillor J Broderick – Outstanding Organisation Portfolio Councillor

Internal Consultation

Consultation has been undertaken with the Chief Financial Officer on matters outlined in this report.

External Consultation

No external consultation was required in the preparation of this report.

Community Engagement

No community consultation was required in the preparation of this report.

PROPOSAL**Contracting Plan**

At the Ordinary Meeting of 24 July 2025, Council resolved to adopt the 2025-26 Contracting Plan.

The Contracting Plan is a document which outlines the types of contracts that Council proposes to enter into during the financial year, including principles and strategies for performing those contracts within the various markets being approached. The Contracting Plan must be consistent with, and support achievement of the strategic directions outlined in the Corporate Plan.

The Contracting Plan must include the contracts that Council considers will be significant together with a policy about the making of a Significant Contracting Plan.

Significant Contracts are contracts that:

- have an anticipated value of \$5 million or more and/or

- are deemed Significant Contracts following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator.

Table 1 below details the progress for each of the Significant Contracts listed in the 2025-26 Contracting Plan.

Contract	Procurement Strategy	Comments
Oval Avenue and Gosling St Upgrade	Public Tender	Tender Invited: March 2026 Tender Closed: May 2026 <i>Currently under evaluation</i>
Maintenance and Plant and Equipment - Aquatic Recreational Facilities	Public Tender	Tender Invited: August 2025 Tender Closed: September 2025 Contract Awarded: October 2025
Food Organic and Garden Organic Waste Processing Service	Public Tender	Tender Invited: February 2024 Tender Closed: April 2024 <i>Currently under evaluation</i>
Mooloolaba Foreshore Central Meeting Place	Public Tender	Tender Invited: October 2025 Tender Closed: November 2025 Contract Awarded: February 2026
Telecommunications and Related Services	Exception	Tender Invited: October 2025 Tender Closed: December 2025 Contract Awarded: June 2026
Kings Beach Surf Life Saving Facility	Public Tender	Tender Invited: November 2025 Tender Closed: December 2025 Contract Awarded: March 2026
Caloundra Aerodrome	Public Tender	No tender released in 2025-26
Honey Farm Road (program of works)	Public Tender	No significant tenders released in 2025-26.
Security Services	Public Tender	Tender Invited: April 2026 Tender Closed: April 2026 <i>Currently under evaluation</i>
Turf Maintenance	Public Tender	Tender Invited: January 2026 Tender Closed: March 2026 Contract Awarded: April 2026
Slashing Services	Public Tender	Tender Invited: February 2026 Tender Closed: March 2026 Contract Awarded: May 2026
Asset Management	Public Tender	No tender released in 2025-26
Holiday Park Management Services	Public Tender	No tender released in 2025-26
First Avenue Streetscape	Public Tender	Tender Invited: September 2025 Tender Closed: October 2025 Contract Awarded: December 2025

Contract	Procurement Strategy	Comments
Caloundra Centre Activation - Precinct	Public Tender	No tender released in 2025-26
Camp Flat Road Upgrades	Public Tender	No tender released in 2025-26
Upgrade of Kawana Sports Field Drainage System	Public Tender	No tender released in 2025-26
Computers and Peripherals	Exception	Tender Invited: May 2026 Tender Closed: June 2026 <i>Currently under evaluation</i>
Landfill Services	Public Tender	Tender Invited: June 2025 Tender Closed: November 2025 Contract Awarded: May 2026
Landfill Leachate Pre-Treatment	Public Tender	No tender released in 2025-26
Purchase of Landfill Equipment	Exception	Tender Invited: May 2025 Tender Closed: June 2025 Contract Awarded: July 2025
Construction of Coastal Path - Alex Bluff	Public Tender	Tender Invited: September 2025 Tender Closed: November 2025 Contract Awarded: December 2025

Table 1: 2025-26 Significant Contract Progress

Amendments to 2025-26 Contracting Plan

The Procurement Branch works closely with all stakeholders to deliver the Significant Contracts identified in the Contracting Plan. This engagement provides a considered approach to the procurement structure and strategy, together with timing to market for each of the Significant Contracts in order to deliver better outcomes for Council. As a result of this process, amendments to the adopted Contracting Plan have been identified. Table 2 below details the amendments required to the 2025-26 Contracting Plan.

Contract	Amendment Required	Justification
Oval Avenue and Gosling St Upgrade	Removal from Contracting Plan	Procurement activity is still current. Any resulting contract will be entered into during 2026-27.
Maintenance and Plant and Equipment - Aquatic Recreational Facilities	Removal from Contracting Plan	Resulting contract(s) did not meet the threshold for a Significant Contract.
Food Organic and Garden Organic Waste Processing Service	Removal from Contracting Plan	Procurement activity is still current. Any resulting contract will be entered into during 2026-27.

Contract	Amendment Required	Justification
Kings Beach Surf Life Saving Facility	Removal from Contracting Plan	Resulting contract did not meet the threshold for a Significant Contract.
Caloundra Aerodrome	Removal from Contracting Plan	No tender released in 2025-26.
Honey Farm Road (program of works)	Removal from Contracting Plan	No significant activities released to market in 2025-26. Significant procurement activities within this program of work proposed for release in 2026-27 financial year.
Security Services	Removal from Contracting Plan	Procurement activity is still current. Any resulting contract will be entered into during 2026-27.
Asset Management	Removal from Contracting Plan	No tender released in 2025-26. Procurement activity proposed for release in 2026-27 financial year.
Holiday Park Management Services	Removal from Contracting Plan	Existing contracts extended to ensure continuity of services whilst future strategy is considered.
Caloundra Centre Activation - Precinct	Removal from Contracting Plan	No tender released in 2025-26.
Camp Flat Road Upgrades	Removal from Contracting Plan	No tender released in 2025-26.
Upgrade of Kawana Sports Field Drainage System	Removal from Contracting Plan	No tender released in 2025-26. Procurement activity proposed for release in 2026-27 financial year.
Computers and Peripherals	Removal from Contracting Plan	Procurement activity is still current. Any resulting contract will be entered into during 2026-27.
Landfill Leachate Pre-Treatment	Removal from Contracting Plan	No tender released in 2025-26. Procurement activity proposed for release in 2026-27 financial year.
Construction of Coastal Path - Alex Bluff	Removal from Contracting Plan	Resulting contract did not meet the threshold for a Significant Contract.
Managed Cyber Security Services	Addition to Contracting Plan	Contract greater than \$5m anticipated to be entered into during 2025-26.

Contract	Amendment Required	Justification
Supplier Arrangement for Fleet Mechanical Repairs and Maintenance	Addition to Contracting Plan	Contract greater than \$5m anticipated to be entered into during 2025-26.
Quarry Crushing Services Wet Hire	Addition to Contracting Plan	Contract greater than \$5m anticipated to be entered into during 2025-26.

Table 2: Amendments to 2025-26 Contracting Plan

Legal

Section 220(2) of the *Local Government Regulation 2012* requires Council to make and adopt a contracting plan each financial year.

Section 220(7) of the *Local Government Regulation 2012* allows Council, by resolution to amend a contracting plan at any time before the end of the financial year to which the plan relates.

Human Rights Act 2019

There are no human rights implications relevant to Council's decision in this matter.

Policy

The Procurement Policy and procurement and disposal framework provide a structured framework for Council's procurement and disposal contracting activities and ensure compliance with the relevant legislation.

The amendments to the 2025-26 Contracting Plan do not conflict with the Procurement Policy or any other current policy positions or documents of Council.

Risk

The 2025-26 Contracting Plan is not reflective of the Significant Contracts that Council has or will enter into during the 2025-26 Financial Year. While a failure to adopt the Amended 2025-26 Contracting Plan will not impact any procurement activities, it is considered best practice to align the Contracting Plan with the Significant Contract activities that have occurred during the 2025-26 Financial Year.

Previous Council Resolution

Ordinary Meeting 24 July 2025 (OM25/65)

That Council:

- (a) receive and note the report titled "2025-26 Contracting Plan" and
- (b) adopt the 2025-26 Contracting Plan (Appendix A).

Related Documentation

Local Government Act 2009

Local Government Regulation 2012

Internal and External Audit Reports conducted on procurement and contracting activities.

Critical Dates

Section 220(7) of the *Local Government Regulation 2012* allows Council, by resolution to amend a contracting plan at any time before the end of the financial year to which the plan relates.

Implementation

There are no implementation details to include in this report.

Amended 2025-26 Contracting Plan

Amended Contracting Plan

DRAFT

Endorsed by Council:

Plan purpose

Contracting Activities are the processes by which Council forms contracts with suppliers for the provision of goods, services, and works, and through which it disposes of Valuable Non-Current Assets or Surplus Assets.

Plan scope

Council adopts the Strategic Contracting Procedures to its Contracting Activities in accordance with Part 2, Schedule 6 of the *Local Government Regulation 2012* (Qld).

The Procurement Policy, Contract Manual, and this Contracting Plan, provide the framework for Council to carry out Contracting Activities in:

- (a) an effective and efficient framework that delivers sound contracting outcomes
- (b) a manner that complies with the Procurement Policy, and
- (c) accordance with all applicable laws including the *Local Government Act 2009* (Qld) (LGA 2009) and the *Local Government Regulation 2012* (Qld) (LGR 2012).

Council Contracting Activities undertaken under the framework including this Contracting Plan, must be performed in a manner consistent with the following guidelines:

- Local Preference in Procurement Guideline
- Social Benefit Procurement Guideline
- First Nations Procurement Guideline
- Innovation and Market-Led Engagement Guideline, and
- Environment and Sustainability in Procurement Guideline.

Application of Contracting Plan

This Contracting Plan identifies:

- (a) the types of Contracts Council proposes to make in the 2025/26 financial year
- (b) the principles and strategies for performing the Contracts
- (c) a policy about proposed delegations for the Contracts
- (d) a market assessment for each type of Contract
- (e) the Contracts that Council considers will be significant having regard to the market assessment, and
- (f) a policy about the making of a Significant Contracting Plan.

Amended 2025-26 Contracting Plan

Types of Contracts

To service these categories, Council maintains a suite of template Contracts including:

- Design and Construction
- Construction
- Supply and Installation
- Services (including professional and consulting services)
- Supply of Goods, and
- Queensland Information Technology Framework Contracts.

To undertake Contracting Activities, Council has engaged a category procurement model.

Procurement Categories

For the 2024-25 financial year to 28 February 2025, Council spent \$365.5m across the six Procurement Categories as follows:

Categories	Total Spend
Engineering and Works	\$150.7m
Facilities	\$71.3m
Services	\$74.6m
Waste Services	\$34.4m
Fleet and Plant	\$21.5m
ICTS	\$12.9m

For the 2025-26 financial year, Council anticipates spending \$545m across the below categories:

Categories	Anticipated Total Spend
Engineering and Works	\$241m
Facilities	\$59m
Services	\$115m
Waste Services	\$116m
Fleet and Plant	\$6m
ICTS	\$8m

Amended 2025-26 Contracting Plan

Principles and Strategies

Council will have regard to the Sound Contracting Principles when undertaking Contracting Activities.

The Sound Contracting Principles are:

- (a) value for money
- (b) open and effective competition
- (c) the development of competitive local business and industry
- (d) environmental protection, and
- (e) ethical behaviour and fair dealing.

Strategies and Plans for Procurement Categories and individual procurements will be developed as per the Procurement Policy and Contract Manual.

Delegation

Council has delegated powers to the CEO relating to Contracting Activities. The CEO has in turn delegated these powers onto appropriately qualified Council Officers. These delegations are recorded in the Delegation of Authority No. 2 – Procurement and Contracting Activities and Payments maintained by the CEO.

The procurement process used to enter into Contracts differs depending on the type of Contract. The type of Contract is determined by considering the complexity of the Contract, the associated risks, the anticipated value, and by the category in which it falls.

Market Assessment

An assessment of the market for each category, based on Contracting Activities during the 2024-25 financial year can be found in Annexure A of this attachment.

Significant Contracts

Significant Contracts are Contracts that:

- have an anticipated value of \$5 million or more, and/or
- are deemed Significant Contracts by the Procurement and Contract Performance Team following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator, which includes an assessment of the market relating to the Contract.

Amended 2025-26 Contracting Plan

A list of the Contracts that Council considers will be Significant Contracts for the 2025-26 financial year are as follows:

Contract	Reason for Significant Contract	Proposed Procurement Strategy
Mooloolaba Foreshore Central Meeting Place	>\$5M	Public Tender
Telecommunications and Related Services	>\$5M	Exception - Arrangement
Turf Maintenance	>\$5M	Public Tender
Slashing Services	>\$5M	Public Tender
First Avenue Streetscape	>\$5M	Public Tender
Landfill Services	>\$5M	Public Tender
Purchase of Landfill Equipment	>\$5M	Exception - Arrangement
Managed Cyber Security Services	>\$5M	Public Tender
Supplier Arrangement for Fleet Mechanical Repairs and Maintenance	>\$5M	Public Tender
Quarry Crushing Services Wet Hire	>\$5M	Public Tender

Policy and the making of a Significant Contracting Plan

Significant Contracting Plans will be prepared for all Significant Contracts prior to the commencement of the Contract. They will state:

- the objectives of the Significant Contract
- how the objectives are to be achieved
- how achievement of the objectives will be measured
- any alternative ways of achieving the objectives, and why the alternative ways were not adopted
- proposed contractual arrangements for the activity, and
- a risk analysis of the market in which the Contract is to happen.

The Significant Contracting Plan will be prepared by the Business & Innovation Branch in consultation with the Contract Administrator and any other relevant stakeholders identified in the Procurement Plan.

The Significant Contracting Plan will be endorsed by the Manager of the Branch seeking the Significant Contract and their Group Executive.

The Significant Contracting Plan will be approved by the Chief Executive Officer prior to the commencement of the Contract to which it relates.

Amended 2025-26 Contracting Plan

Plan review

This plan will be reviewed annually.

Roles and responsibilities

Role	Responsibility
Council	Endorsement authority for this plan and for all changes to this plan.
Chief Executive Officer (CEO)	Responsible for ensuring that each contracting activity, which has a Significant Contracting Plan, is undertaken in a manner consistent with this plan.
Executive Leadership Team (ELT)	May provide advice to the CEO and/or Council on this plan and any proposed changes to this plan, as appropriate. Provides feedback to the GE and Manager regarding the scope of approaching reviews as appropriate.
Group Executive (GE), Business Performance	Responsible for overseeing all financial management systems and services, including Contracting Activities.
Manager, Business and Innovation	Responsible for plan review, development and reporting, including proposed changes to this plan.

Measurements of success

Measure	Outcome sought
Significant Contracting Plans in place	All identified Significant Contracts have a Significant Contracting Plan approved by the CEO prior to the commencement of the contract.

Definitions

The definitions in the *Procurement Policy* and *Contract Manual* apply to this Contracting Plan.

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Amended 2025-26 Contracting Plan

Appendix

Plan information					
Title	Amended 2025-26 Contracting Plan				
Purpose	Contracting Activities are the processes by which Council forms contracts with suppliers for the provision of goods, services, and works, and through which it disposes of Valuable Non-Current Assets or Surplus Assets.				
Document number	<Business Area to include Final EDDIE reference of document seeking endorsement.>				
Corporate Plan reference	<table border="1"> <tr> <td>Goal Pathway</td> <td>Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.</td> </tr> <tr> <td>Service Output</td> <td>Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.</td> </tr> </table>	Goal Pathway	Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.	Service Output	Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.
Goal Pathway	Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.				
Service Output	Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.				
Approved	<Corporate Governance to INSERT OM Reference>				
Approval date	<insert>				
Effective date	<insert>				
Review schedule	A full review must be undertaken annually.				
Last review	2024				
Next review	2026				
Plan holder	The Manager responsible for this policy is: Pr.				
Approval authority	Council has authority to endorse material changes.				
Related documents					
Legislation	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 (Qld) Local Government Act 2009 (Qld) Local Government Regulation 2012 (Qld) Statutory Bodies Financial Arrangements Act 1982 (Qld) Disaster Management Act 2003 (Qld) Human Rights Act 2019 (Qld) 				
Policy	<ul style="list-style-type: none"> 2025/26 Procurement Policy 2025/26 Contract Manual 2025/26 Contracting Plan Significant Contracting Plan/s 				

Amended 2025-26 Contracting Plan

	<ul style="list-style-type: none"> Sunshine Coast Council's Corporate Plan 2025-2030
Operational documents	<ul style="list-style-type: none"> Local Preference in Procurement Guideline Social Benefit Procurement Guideline First Nations Procurement Guideline Innovation and Market-Led Engagement Guideline Environment and Sustainability in Procurement Guideline Employee Code of Conduct Code of Conduct for Councillors Councillors Acceptable Request Guidelines Council's current delegations Purchase Cards Guideline

Version Control				
Version	Reason/Trigger	Change	Endorsed/Reviewed by	Date
1.0	Create new	N	Council OM25/65	24 July 2025
2.0	Review	Y	<insert>	<insert>

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Annexure A - Market Assessment

An assessment of the market for each category, based on Contracting Activities during the 2024-25 financial year to 28 February 2025, is as follows:

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
Engineering and Works	3,440	514	\$150.7M	<ul style="list-style-type: none"> Tender RFQ Exception 	<p>Council's Engineering and Works category of expenditure broadly covers products and services related to roads and construction and includes subcategories such as concrete, bitumen, emulsions & asphalt materials and services, technical and engineering consulting services, playground, open space and recreational infrastructure and traffic management services.</p> <p>According to ABS data, the value of construction done in Australia continued its upward trend, with an increase of 4.8% in Q4 2024 compared to the same period in the previous year. The increase in public sector construction was 9.6% (compared to 0.7% in the private sector).</p> <p>Residential Construction (+5.7%) and Engineering Construction (+4.6%) were the primary construction value drivers, while Non-Residential Construction saw a decrease (-9.6%). Engineering Construction continues to be fastest rising sector, which includes the increased level of renewable investment in the electricity generation, transmission, and distribution.</p> <p>NSW, VIC, QLD, and WA account for ~90% of the value of construction done in Australia. WA saw the biggest increase (+7.7%), followed by NSW and VIC (both +1.4%) and QLD (+0.6%).</p> <p>The ABS Producer Price Indexes (PPI) indicates that the input prices to the construction sector rose 1.1% over the past twelve months, despite a 0.1% fall in the last quarter of 2024 which was driven by discounting across key products, particularly timber and steel, in a competitive market. Most building material prices were stable.</p>

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
					<p>Output construction prices rose 2.9% over the same period, driven by increased labour costs, although to a lesser extent than recent quarters as labour shortages gradually ease and the impact of enterprise bargaining outcomes moderate. Ongoing activity in the non-residential market, coupled with pressure from the infrastructure sector continued to drive competition for limited resources such as labour and concrete, maintaining prices at elevated levels.</p> <p>Output prices of both Residential and Non-Residential Construction rose 3.9%, while output price of Engineering Construction rose 1.6%.</p> <p>The difficulty of security supply within this category is considered medium as the majority of products and services can be procured via existing panel arrangements and registers of pre-qualified suppliers available both regionally and locally.</p>
Facilities	1,605	256	\$71.3M	<ul style="list-style-type: none"> • Tender • RFQ • Exception 	<p>The Facilities category covers expenditure related to the construction, maintenance and operations of Council facilities excluding technical and engineering professional services. According to ABS data, changes in key price drivers are described below.</p> <ul style="list-style-type: none"> - Labour costs (as measured by Wage Price Index) rose 3.2% over the year 2024. The private sector saw a 3.3% increase while the public sector saw a 2.8% increase. Utilities and ICT industries saw the highest growth (>4%), while Professional Services and Health Care industries saw the lowest growth (>2%). - Rental prices rose 5.5%, although this was the weakest annual rise since 2023 and reflects recent increases in vacancy rates in most capital cities. - Insurance prices rose 11%, also the weakest annual rise since 2023. <p>Note on Facility Management:</p> <p>According to IBIS Industry Report, the facility management industry has experienced significant revenue shifts. Ongoing work-from-home policies, contract negotiations and increasing scrutiny of government spending have hindered growth and require businesses to deliver exceptional value to retain contracts. Overall, while the facility management</p>

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
					<p>industry has shown resilience despite challenging economic conditions, industry revenue is estimated to drop by an estimated 0.2%.</p> <p>Supply within this category is expected to continue to have a relatively low difficulty of being secured by Council due to sufficient availability of capable suppliers both regionally and locally and the relatively high level of market competition.</p>
Services	3,397	1,324	\$74.6M	<ul style="list-style-type: none"> • Tender • RFQ • Exception 	<p>RBA maintains a 2-3% target range of inflation as measured by ABS' Consumer Price Index (CPI). Over the twelve months of 2024, CPI rose 2.4%.</p> <p>Annual Services inflation was 4.3%. Higher prices for rents, medical services, and insurance services were the main contributors to Services inflation remaining elevated.</p> <p>Annual Goods inflation was 0.8%, the lowest since 2016. This was primarily due to large falls in electricity and automotive fuel prices.</p> <p>The Australian Industry Group Australian Industry Index has indicated contraction in business-oriented service activities. Businesses indicated that activity was constrained by staff shortages, internal delays in planning and procurement, and delays in government approvals.</p> <p>The NAB Quarterly Business Survey reported that business conditions held steady as businesses wrapped up a challenging year 2024. There was a slight improvement in business confidence, though confidence remains in negative territory. However, expected business conditions and capex plans for 2025 both improved – possibly boosted by the prospect of rate cuts and easing costs growth over 2025. Wage costs remained the top issue affecting business confidence. The share of businesses reporting availability of labour as a constraint was steady at 82%. By state, conditions eased slightly across all states except NSW and TAS. SA and VIC became more negative, while QLD and WA remained positive.</p> <p>Council will continue to seek to procure services competitively and leverage existing preferred supplier arrangements, register of pre-qualified supplier arrangements and</p>

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
					panel arrangements when possible to secure various types of services and achieve value for money outcomes.
Waste Services	138	22	\$34.4M	<ul style="list-style-type: none"> • Tender • RFQ • Exception 	<p>IBIS Industry Report indicates that growth in the waste services industry's revenue has slowed, and it's suffering from rising recycling rates. Despite the pandemic disrupting operations, manufacturing and food-service activity has increased, bolstering demand for waste treatment and disposal services. However, more recyclable and recoverable waste materials have been diverted to firms outside the industry, restricting revenue. This trend is partly due to government regulations encouraging recycling and raising landfill disposal costs.</p> <p>Market consolidation and acquisition activity is increasing. Major players like Cleanaway and Veolia Australia have acquired smaller companies to expand their market share, leading to significant changes in the competitive landscape and industry structure.</p> <p>The report indicates that the larger the size of local councils, the more likely it is that waste treatment and disposal services are contracted out to private operators. This is particularly the case in urbanised regions, like major capital cities.</p> <p>Internal competition is low due to waste treatment and disposal services' specialised nature, the need for economies of scale and geographic limitations. Waste disposal services are mostly confined to larger operators, particularly in urban areas.</p> <p>Changing waste disposal methods are shifting industry revenue. Waste disposal services are moving away from landfills towards recycling and alternative disposal methods, like energy generation. State governments have introduced policies to reduce waste sent to landfills and boost recycling rates. Recovery and recycling targets have diverted waste from the industry to materials recovery facilities, increasing external competition.</p>

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
Fleet and Plant	676	120	\$21.5M	<ul style="list-style-type: none"> Tender RFQ Exception 	<p>The Fleet & Plant category covers the purchase, hire and lease of various types of fleet, maintenance of fleet and plant and the purchase of fuel, gas and lubricants.</p> <p>According to ABS data, inflation in the transportation group fell 1.0% over the past 12 months. Automotive fuel (-5.1%), Motor Vehicles (-1.1%) and Urban transport fares (-3.8%) were the main contributors.</p> <p>An end to global supply shortages has elevated the automotive industry revenue. New passenger vehicle sales have increased due to an EV boom. Recovering global supply chains and government EV incentives have also pushed up industry revenue in recent years.</p> <p>Motor vehicle purchase prices remain elevated, this has supported demand for operating leases. Car rental prices saw an 8.6% increase in 2024, although the increase rate has softened in recent years, following a significant (~50%) jump after the COVID-19 pandemic.</p> <p>The motor vehicle rental industry displays low market share concentration. The industry's diverse service offerings and fragmented landscape prevent any single company from gaining significant market share.</p> <p>Favourable trends in construction have fuelled growth in heavy equipment hire. There is a heavy skew in industry activity towards Queensland, which accounts for one-quarter of all enterprises. Queensland's share is boosted by its many resource developments, along with infrastructure developments like the Cross River Rail project. The low market share concentration tends to strengthen buyers' bargaining power.</p> <p>Council is to continue to procure services competitively and leverage existing preferred supplier arrangements, register of pre-qualified supplier arrangements and panel arrangements when possible, to secure various types of services and achieve value for money outcomes.</p>

Category	Number of Contracts	Number of Suppliers	Total Spend	Procurement Processes	Comments
ICT	246	89	\$12.9M	<ul style="list-style-type: none"> Tender RFQ Exception 	<p>IBIS Industry Report indicates that adoption of As-a-Service distribution models continue to grow. Industry revenue from operating systems and productivity software segment has been growing in recent years. Greater adoption of remote working trends have contributed to this trend. The software industry revenue in Australia has increased at an annualised 6.8% over the past five years (2.9% last year).</p> <p>Eastern states like New South Wales, Victoria and Queensland attract software suppliers because of their population density and business opportunities. The presence of a skilled workforce and major corporations make these areas highly desirable for the industry.</p> <p>Online subscription-based SaaS models reduce costs for smaller suppliers, enhancing industry accessibility. It allows these smaller suppliers to focus on specific software niches, reducing larger suppliers' domination.</p> <p>The IT security consulting industry revenue has increased at an annualised 5.6% over the past five years. Cloud computing has changed how businesses access and use data, as it's now often stored in off-site cloud storage centres that can be accessed remotely. As data security becomes a growing concern, businesses will bring more IT security services in-house, weighing on revenue growth.</p> <p>The Deloitte/ACS Australia Digital Pulse 2024 report indicates that closing the gap in tech workers sourcing, cyber security, and AI skills and governance will be the industry's main challenges in the years ahead. The report estimates that there are currently 1 million tech workers in Australia, and an additional 300,000 workers are needed by 2030. This is expected to keep upward pressure on ICT professional services costs, including ICT contractors/consultants for the foreseeable future.</p> <p>Council will continue to seek to procure ICT services by going out to market; registering pre-qualified supplier arrangements and panel arrangements to secure various types of services and achieving value for money outcomes.</p>

8.4 2026-27 CONTRACTING PLAN

File No: Council Meetings

Author: Manager Business and Innovation
Finance and Commercial Partnerships

Appendices: App A - 2026-27 Contracting Plan 49 [↓](#)

PURPOSE

The purpose of this report is to present and have Council adopt the 2026-27 Contracting Plan in accordance with section 220 of the *Local Government Regulation 2012* (the Regulation).

EXECUTIVE SUMMARY

At the Ordinary Meeting of 17 May 2018, Council resolved to adopt the Strategic Contracting Provisions to empower Council to pursue improved contracting outcomes.

Having adopted the Strategic Contracting Provisions, the Regulation requires Council to make and adopt a contracting plan each financial year.

The 2026-27 Contracting Plan is provided for Council’s consideration as Appendix A.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “2026-27 Contracting Plan” and**
- (b) adopt the 2026-27 Contracting Plan (Appendix A).**

FINANCE AND RESOURCING

Council may only enter into a contract for the provision of goods and services if the funds for that contract have been provided for in the annual budget.

Budget for each of the projects to which a Significant Contracting Plan relates, was secured upon adoption of the Sunshine Coast Council 2026-27 budget.

CORPORATE PLAN

Corporate Plan Goal: *Organisational excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S31 - Financial Management - Strategic management of Council's finances, assets, procurement and contracts that support effective supplier relationship, resource allocation and financial sustainability.

CONSULTATION

Councillor Consultation

- Councillor T Landsberg – Resilient Economy Portfolio Councillor

- Councillor J Natoli – Resilient Economy Portfolio Councillor
- Councillor E Hungerford – Organisational Excellence Portfolio Councillor
- Councillor J Broderick – Organisational Excellence Portfolio Councillor

Internal Consultation

Consultation has been undertaken with the Chief Financial Officer and various officers from the following Branches:

- Project Delivery
- Asset Management
- Waste and Resource Management
- Digital and Information Services
- Regional Infrastructure Programs
- Arts Heritage and Libraries
- Transport Assets and Operations

External Consultation

No external consultation was required in the preparation of this report.

Community Engagement

No community consultation was required in the preparation of this report.

PROPOSAL

The Contracting Plan is a document which outlines the types of contracts that Council proposes to enter into during the financial year including principles and strategies for performing those contracts within the various markets being approached. The Contracting Plan must be consistent with, and support achievement of the strategic directions outlined in the Corporate Plan.

The Contracting Plan must include the contracts that Council considers will be significant together with a policy about the making of a Significant Contracting Plan.

Significant Contracts are contracts that:

- have an anticipated value of \$5 million or more; or
- have a proposed contract term of greater than ten (10) years; or
- are deemed Significant Contracts following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator, which includes an assessment of the market relating to the Contract.

Contracts with a proposed contract term of greater than ten (10) years being considered Significant Contracts is an additional criterion for 2026-27 in recognition of longer-term contracts potentially being considered to help mitigate the impacts of high costs and increasing difficulty securing supply.

The Regulation requires Council to make a Significant Contracting Plan for each significant contract before the contract starts.

Council has identified those Contracts which it considers will be Significant Contracts in the Contracting Plan. Each of these will require a Significant Contracting Plan to be prepared in accordance with the Contracting Plan prior to their commencement.

Table 1 below details each of the contracts identified as Significant Contracts in the 2026-27 Contracting Plan.

Category	Activity	Indicative Procurement Strategy
Engineering and Works	Caloundra Transport Corridor Upgrade (CTCU)	Public Tender
	Stormwater Upgrade, Sunshine Coast Stadium North	Public Tender
	Coolum District Sports Ground	Public Tender
	TC Alfred Road Repairs Program of Work	Public Tender
	Wave Program of Work	Exception
	Honey Farm Road Clubhouse Construction	Public Tender
	Sunshine Coast Nature Based Recreation Precinct	Public Tender
	Caloundra Centre Activation - Town Square	Public Tender
	Sugar Road and Maud Street Upgrade	Public Tender
	Diamond Head Seawall Reconstruction	Public Tender
	Honey Farm Road Field Establishment	Public Tender
	Drainage Upgrade Millwell Park	Public Tender
	Kawana Sports Precinct Program of Works	Exception
	Mooloolaba to University Active Transport Link	Public Tender
	Streetscape Upgrade - Mill and Currie Street, Nambour	Public Tender
Supplier Arrangement for Quarry Products	Public Tender	
Services	Cleaning and Maintenance of Stormwater Quality Improvement Devices	Public Tender
	Pavement Marking Services	Public Tender
	Cleaning of Amenities and Open Space	Public Tender
	Supply of Library Resources	Public Tender
	Security Services	Public Tender

Category	Activity	Indicative Procurement Strategy
	Provision of Recruitment Vendor Neutral Managed Services	Exception
Waste Services	Landfill Leachate Pre-Treatment	Public Tender
	Automated Waste Collection System Maroochydoore PDA	Exception
	Food Organic & Garden Organic Processing Services	Public Tender
Fleet and Plant	Supply of Card Fuel	Exception
ICTS	Human Resource Capital Management System	Public Tender
	Asset Management System	Public Tender
	Computers and Peripherals	Public Tender
	Microsoft Enterprise Agreement	Exception

Table 1: Significant Contracts identified for 2026-27

Legal

Section 220(2) of the *Local Government Regulation 2012* requires Council to make and adopt a contracting plan each financial year.

Human Rights Act 2019

There are no human rights implications relevant to Council's decision in this matter.

Policy

The Procurement Policy and Procurement and Disposal Framework will provide a structured framework for Council's procurement and disposal contracting activities and ensure compliance with the relevant legislation.

Risk

The Procurement Policy and procurement and disposal framework mitigates the risks associated with undertaking the contracting activities associated with the identified Significant Contracts.

Previous Council Resolution

Ordinary Meeting 24 July 2025 (OM25/65)

That Council:

- (a) receive and note the report titled "2025-26 Contracting Plan" and
- (b) adopt the 2025-26 Contracting Plan (Appendix A).

Related Documentation

Local Government Act 2009

Local Government Regulation 2012

Internal and External Audit Reports conducted on procurement and contracting activities.

Critical Dates

The *Local Government Regulation 2012* requires Council to adopt a Contracting Plan for each financial year.

The Contracting Plan and Significant Contracting Plans may only be adopted after the budget for the year is adopted.

Implementation

The Contracting Plan will come into effect upon adoption and remain in force until 30 June 2027.

The Chief Executive Officer will ensure that Council conducts its procurement and contracting activities in a manner consistent with the Procurement Policy and the procurement and disposal framework and each contracting activity, which has a Significant Contracting Plan, is undertaken in a manner consistent with the plan.

2026-27 Contracting Plan

Contracting Plan

Endorsed by Council:

Plan purpose

Contracting Activities are the processes by which Council forms contracts with suppliers for the provision of goods, services, and works, and through which it disposes of Valuable Non-Current Assets or Surplus Assets.

Plan scope

Council adopts the Strategic Contracting Procedures to its Contracting Activities in accordance with Part 2, Schedule 6 of the *Local Government Regulation 2012* (Qld).

The Procurement Policy, Contract Manual, and this Contracting Plan, provide the framework for Council to carry out Contracting Activities in:

- (a) an effective and efficient framework that delivers sound contracting outcomes
- (b) a manner that complies with the Procurement Policy, and
- (c) accordance with all applicable laws including the *Local Government Act 2009* (Qld) (LGA 2009) and the *Local Government Regulation 2012* (Qld) (LGR 2012).

Council Contracting Activities undertaken under the framework including this Contracting Plan, must be performed in a manner consistent with the following guidelines:

- Local Preference in Procurement Guideline
- Social Benefit Procurement Guideline
- First Nations Procurement Guideline
- Innovation and Market-Led Engagement Guideline, and
- Environment and Sustainability in Procurement Guideline.

Application of Contracting Plan

This Contracting Plan identifies:

- (a) the types of Contracts Council propose to make in the 2026-27 financial year
- (b) the principles and strategies for performing the Contracts
- (c) a policy about proposed delegations for the Contracts
- (d) a market assessment for each type of Contract
- (e) the Contracts that Council considers will be significant having regard to the market assessment, and
- (f) a policy about the making of a Significant Contracting Plan.

2026-27 Contracting Plan

Types of Contracts

Council's procurement spend can be broadly grouped into the following categories:

- Engineering and Works
- Facilities
- Services
- Waste Services
- Fleet and Plant
- Information and Communication Technologies (ICTS)

To service these categories, Council maintains a suite of template Contracts including:

- Design and Construction
- Construction
- Supply and Installation
- Services (including professional and consulting services)
- Supply of Goods, and
- Queensland Information Technology Framework Contracts.

To undertake Contracting Activities, Council has engaged a category procurement model.

Procurement Categories

For the 2025-26 financial year to 19 May 2026, Council spent \$435m across the six Procurement Categories as follows:

Categories	Total Spend
Engineering and Works	\$137m
Facilities	\$37m
Services	\$131m
Waste Services	\$104m
Fleet and Plant	\$7m
ICTS	\$19m

For the 2026-27 financial year, Council anticipates spending \$597m across the below categories:

Categories	Anticipated Total Spend
Engineering and Works	\$265m

2026-27 Contracting Plan

Facilities	\$59m
Services	\$134m
Waste Services	\$124m
Fleet and Plant	\$6m
ICTS	\$9m

Principles and Strategies

Council will have regard to the Sound Contracting Principles when undertaking Contracting Activities.

The Sound Contracting Principles are:

- (a) value for money
- (b) open and effective competition
- (c) the development of competitive local business and industry
- (d) environmental protection, and
- (e) ethical behaviour and fair dealing.

Strategies and Plans for Procurement Categories and individual procurements will be developed as per the Procurement Policy and Contract Manual.

Delegation

Council has delegated powers to the CEO relating to Contracting Activities. The CEO has in turn delegated these powers onto appropriately qualified Council Officers. These delegations are recorded in the Delegation of Authority No. 2 – Procurement and Contracting Activities and Payments maintained by the CEO.

The procurement process used to enter into Contracts differs depending on the type of Contract. The type of Contract is determined by considering the complexity of the Contract, the associated risks, the anticipated value, and by the category in which it falls.

Market Assessment

An assessment of the market for each category, based on Contracting Activities during the 2025-26 financial year can be found in Annexure B.

Significant Contracts

Significant Contracts are Contracts that:

- have an anticipated value of \$5 million or more; or
- have a proposed contract term of greater than ten (10) years; or

2026-27 Contracting Plan

- are deemed Significant Contracts by the Procurement and Contract Performance Team following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator, which includes an assessment of the market relating to the Contract.

Council has identified the Contracts detailed in Annexure A as Significant Contracts which Council proposes to enter into during the 2026-27 financial year.

Policy and the making of a Significant Contracting Plan

Where the Contracting Plan identifies a Significant Contract, Council must make a Significant Contracting Plan prior to the commencement of the Contract. They will state:

- the objectives of the Significant Contract
- how the objectives are to be achieved
- how achievement of the objectives will be measured
- any alternative ways of achieving the objectives, and why the alternative ways were not adopted
- proposed contractual arrangements for the activity, and
- a risk analysis of the market in which the Contract is to happen.

The Significant Contracting Plan will be prepared by the Procurement Branch in consultation with the Contract Administrator and any other relevant stakeholders identified in the Procurement Plan.

The Significant Contracting Plan will be endorsed by the Manager of the Branch seeking the Significant Contract and their Director.

The Significant Contracting Plan will be approved by the Chief Executive Officer prior to the commencement of the Contract to which it relates.

Plan review

This plan will be reviewed annually.

Roles and responsibilities

Role	Responsibility
Council	Endorsement authority for this plan and for all changes to this plan.
Chief Executive Officer (CEO)	Responsible for ensuring that each contracting activity, which has a Significant Contracting Plan, is undertaken in a manner consistent with this plan.
Executive Leadership Team (ELT)	May provide advice to the CEO and/or Council on this plan and any proposed changes to this plan, as appropriate. Provides feedback to the Director and Manager regarding the scope of approaching reviews as appropriate.
Chief Financial Officer	Responsible for overseeing all financial management systems and services, including Contracting Activities.
Manager Procurement	Responsible for plan review, development and reporting, including proposed changes to this plan.

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Measurements of success

Measure	Outcome sought
Significant Contracting Plans in place	All identified Significant Contracts have a Significant Contracting Plan approved by the CEO prior to the commencement of the contract.

Definitions

The definitions in the *Procurement Policy* and *Contract Manual* apply to this Contracting Plan.

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2026-27 Contracting Plan

Appendix

Plan information					
Title	2026-27 Contracting Plan				
Purpose	Contracting Activities are the processes by which Council forms contracts with suppliers for the provision of goods, services, and works, and through which it disposes of Valuable Non-Current Assets or Surplus Assets.				
Document number	<insert>				
Corporate Plan reference	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Goal Pathway</td> <td>Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.</td> </tr> <tr> <td>Service Output</td> <td>Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.</td> </tr> </table>	Goal Pathway	Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.	Service Output	Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.
Goal Pathway	Resilient economy / Outstanding Organisation High value economy of choice drives business performance, investment and enduring employment.				
Service Output	Maintain a contemporary governance framework that inspires trust and confidence in the operations of Council. Promote transparency in the decisions of Council and the information relied on to inform our decisions and actions.				
Approved	<insert>				
Approval date	<insert>				
Effective date	1 July 2026				
Review schedule	A full review must be undertaken annually.				
Last review	2025				
Next review	2027				
Plan holder	The Manager responsible for this policy is: Procurement.				
Approval authority	Council has authority to endorse material changes.				
Related documents					
Legislation	<ul style="list-style-type: none"> • <i>Public Sector Ethics Act 1994</i> (Qld) • <i>Local Government Act 2009</i> (Qld) • <i>Local Government Regulation 2012</i> (Qld) • <i>Statutory Bodies Financial Arrangements Act 1982</i> (Qld) • <i>Disaster Management Act 2003</i> (Qld) • <i>Human Rights Act 2019</i> (Qld) 				
Policy	<ul style="list-style-type: none"> • Procurement Policy • Contract Manual • 2026-27 Contracting Plan • Significant Contracting Plan/s • Sunshine Coast Council's Corporate Plan 2025-2030 				

2026-27 Contracting Plan

Operational documents	<ul style="list-style-type: none"> • Local Preference in Procurement Guideline • Social Benefit Procurement Guideline • First Nations Procurement Guideline • Innovation and Market-Led Engagement Guideline • Environment and Sustainability in Procurement Guideline • Employee Code of Conduct • Code of Conduct for Councillors • Councillors Acceptable Request Guidelines • Council's current delegations • Purchase Cards Guideline
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Version Control				
Version	Reason/Trigger	Change	Endorsed/Reviewed by	Date
1.0	Create new	N	<insert>	<insert>

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2026-27 Contracting Plan

Annexure A - Significant Contracts

The following list details the Contracts and programs of work that Council considers will be significant contracting activities for the 2026-27 financial year.

Category	Activity	Indicative Procurement Strategy
Engineering and Works	Caloundra Transport Corridor Upgrade (CTCU)	Public Tender
	Stormwater Upgrade, Sunshine Coast Stadium North	Public Tender
	Coolum District Sports Ground	Public Tender
	TC Alfred Road Repairs Program of Work	Public Tender
	Wave Program of Work	Exception
	Honey Farm Road Clubhouse Construction	Public Tender
	Sunshine Coast Nature Based Recreation Precinct	Public Tender
	Caloundra Centre Activation - Town Square	Public Tender
	Sugar Road and Maud Street Upgrade	Public Tender
	Diamond Head Seawall Reconstruction	Public Tender
	Honey Farm Road Field Establishment	Public Tender
	Drainage Upgrade Millwell Park	Public Tender
	Kawana Sports Precinct Program of Works	Exception
	Mooloolaba to University Active Transport Link	Public Tender
	Streetscape Upgrade - Mill and Currie Street, Nambour	Public Tender
Supplier Arrangement for Quarry Products	Public Tender	
Facilities	Cleaning of Amenities and Open Space	Public Tender
	Security Services	Public Tender
Services	Cleaning & Maintenance of Stormwater Quality Improvement Devices	Public Tender
	Pavement Marking Services	Public Tender
	Supply of Library Resources	Public Tender
	Provision of Recruitment Vendor Neutral Managed Services	Exception
Waste Services	Landfill Leachate Pre-Treatment	Public Tender
	Automated Waste Collection System Maroochydore PDA	Exception
	Food Organic & Garden Organic Processing Services	Public Tender

2026-27 Contracting Plan

Category	Activity	Indicative Procurement Strategy
Fleet and Plant	Supply of Card Fuel	Exception
ICTS	Human Resource Capital Management System	Public Tender
	Asset Management System	Public Tender
	Computers and Peripherals	Public Tender
	Microsoft Enterprise Agreement	Exception

2026-27 Contracting Plan

Annexure B - Market Assessment

An assessment of the market for each category, based on Contracting Activities during the 2025-26 financial year to 28 February 2026, is as follows:

Category	Relative Cost	Difficulty in Securing Supply	Comments
Engineering and Works	High	Medium	<p>Council's Engineering and Works category of expenditure broadly covers products and services related to roads and construction and includes subcategories such as concrete, bitumen, emulsions & asphalt materials and services, technical and engineering consulting services, playground, open space and recreational infrastructure and traffic management services.</p> <p>Continuing an upward trend in recent years, the value of construction done in Australia rose 3% in Q4 2025 compared to the same period in the previous year. This is mainly driven by 8.1% increase in building works, while engineering works fell by 2.7%.</p> <p>While NSW, VIC, QLD, and WA account for the majority of the construction done in Australia, SA saw the biggest increase (+19.9%), followed by QLD (+6.4%) and NSW (+3.4%).</p> <p>The fall in engineering works is contributed to by a 7.9% fall in public sector works in the same timeframe, while private sector works rose by 1.3%. This contraction in public sector works follows high levels of investment in previous years. While public sector work dipped, it remained a major component of national engineering activity.</p> <p>The ABS Producer Price Indexes (PPI) indicates that the input prices to the construction sector continued to rise 2.5% over the past twelve months. Prices for input materials used in house construction rose this quarter driven by increases in raw materials costs, particularly for manufactured construction products. Prices for other metal products experienced the largest rise, primarily due to material cost increases for copper and aluminium. The higher copper price also drove an increase in Electrical equipment, most notably electric cable and conduit.</p> <p>In terms of output of the construction industry, building construction prices rose 4.2%, driven by continued demand and ongoing labour cost increases. Ongoing activity in public sector non-residential infrastructure projects continued to drive competition for limited resources such as labour and concrete, with higher copper prices impacting electricals.</p>

2026-27 Contracting Plan

Category	Relative Cost	Difficulty in Securing Supply	Comments
Facilities	High	Low	<p>The Facilities category covers expenditure related to the construction, maintenance and operations of Council facilities excluding technical and engineering professional services.</p> <p>Changes in key price drivers, based on ABS data, are described below.</p> <ul style="list-style-type: none"> Labour costs (as measured by Wage Price Index) rose 3.4% over the year 2025, similar to the previous year. The private sector saw a 3.3% increase while the public sector saw a 3.9% increase. Healthcare, social assistance, and construction saw the largest growth. Wages in rental and real estate services saw minor changes in wage. The pace of growth in median rents has slowed across most states. Insurance prices rose 2.8%. <p>With regards to facilities management, as reported by IbisWorld, ongoing remote work policies, contract renegotiations and inflationary pressures have hindered revenue growth, leading to cautious outsourcing for services. Despite these challenges, the education, defence and healthcare markets have shown resilience due to infrastructure investments and the demand for specialised services. Government contracts have offered stability. However, inflation-related scrutiny of government spending requires firms to deliver value to retain essential agreements. Overall, revenue in the facilities management industry has fallen slightly at an annualised 0.6% over the past five years.</p>

2026-27 Contracting Plan

Category	Relative Cost	Difficulty in Securing Supply	Comments
Services	High	Low	<p>In the 12 months to March 2026, the Consumer Price Index (CPI) rose 4.6%, up from 3.7% in the 12 months to February 2026. The largest contributors to annual inflation were Transport (+8.9%), Housing (+6.5%), and Food and Beverages (+3.1%).</p> <p>Annual Services inflation was 3.6 per cent in the 12 months to March 2026. The main contributors were Rents (+3.7 per cent) and Medical and hospital services (+3.8 per cent).</p> <p>Annual Goods inflation was 5.5 per cent in the 12 months to March 2026. The main contributor was Automotive fuel, which rose 24.2 per cent in the 12 months to March 2026.</p> <p>The Australian Industry Group Australian Industry Index indicated that business services continued contraction. A high proportion of business-oriented services reported adverse effects on customer demand from increased fuel costs, and supply disruption, as customers delayed orders and considered alternatives.</p> <p>NAB's Q1 2026 Business Survey shows business confidence has weakened, while business conditions have broadly held up, suggesting activity has retained some momentum despite a more cautious outlook. Business confidence fell to -4 index points, its lowest level since December 2024 (15-month low).</p> <p>By industry, conditions fell in most sectors, with wholesale, manufacturing and construction the exceptions. Despite quarterly declines, conditions remained positive in five of eight industries, led by finance, property and business services. Conditions eased across all states but remained positive nationwide, with Tasmania and Queensland the strongest at 14 and 12 index points respectively. Wage costs were again cited as the biggest issue affecting business confidence, reinforcing a tight labour market into 2026.</p>
Waste Services	Medium	Low	<p>IBISWorld Waste Services Industry Report indicates that growth in industry revenue has slowed due to rising recycling rates. Manufacturing and food-service activity has increased, bolstering demand for waste treatment and disposal services. The volume of waste that requires collection and disposal determines industry growth and Australia is one of the world's largest producers of municipal waste per person. Rising activity in the agriculture and mining sectors has boosted demand for waste treatment and disposal services.</p> <p>Waste collection services industry has faced some challenges over the past five years. Australia's expanding population has increased waste volumes from households, supporting the industry's performance. However, dampened building activity has weighed on revenue. Weakening construction markets, driven by material shortages and bankruptcies, have constrained masonry waste volumes over the past few years. Commercial waste collection is priced higher owing to its complex nature, which has limited revenue despite rising</p>

2026-27 Contracting Plan

Category	Relative Cost	Difficulty in Securing Supply	Comments
			<p>household waste volumes. Overall, industry revenue is expected to have declined at an annualised 0.6% over the five years through 2025-26. This includes an anticipated decline of 1.8% in 2026, as a high-interest environment limits demand from construction.</p> <p>Internal competition remains low due to waste treatment and disposal services' specialised nature, the need for economies of scale and geographic limitations, and consolidation of the supplier market.</p>
Fleet and Plant	Medium	Medium	<p>The Fleet & Plant category covers the purchase, hire and lease of various types of fleet, maintenance of fleet and plant and the purchase of fuel, gas and lubricants.</p> <p>ABS data indicated that inflation in the transportation group rose 8.9% over the past 12 months, significantly up from the previous 12-month period. Automotive fuel (+24.2%) was the main contributor. In monthly terms prices for Automotive fuel rose 32.8% following a fall of 3.4% in February 2026. The significant rise in automotive fuel prices is due to conflict in the Middle East and was the strongest monthly rise since the series began in 2017. Average prices for regular unleaded petrol rose 33%, premium unleaded rose 30%, and diesel (which contributes 10% of the automotive fuel expenditure class) rose 41%.</p> <p>IBISWorld forecasted the motor vehicle price index to decline by 0.6% in 2025. An increase in the supply of used vehicles has helped facilitate this trend, marking the first decline in the index since 2018. However, while motor vehicle prices have declined slightly in 2025, they still remain significantly elevated over the past five years.</p> <p>The transport equipment and large vehicle rental industry has experienced a mixed but ultimately positive performance over the past five years. Tourism has been the strongest catalyst. A post-pandemic recovery in travel activity have lifted demand for rental vehicles, buses and aircraft leasing. Freight and merchandise trade volumes have expanded, despite year-to-year volatility, supporting demand for containers, rolling stock and other transport equipment. Profit margins have expanded over the past five years, supported by growing demand and fleet utilisation. Meanwhile, rapid technological advances in global transportation have made it difficult for local firms to match the fleet scale of large owners. Overall revenue is expected to have grown at an annualised 2.0% over the five years through 2025-26.</p>

2026-27 Contracting Plan

Category	Relative Cost	Difficulty in Securing Supply	Comments
ICTS	Medium	Medium-High	<p>IBISWorld Technology Reports provided the following key 2025-2026 insights:</p> <ul style="list-style-type: none"> • Cloud Hosting and Data Processing Services in Australia continues to expand (8.1% annual growth) due to remote work and AI adoption. • The Software Publishing in Australia industry has surged at an annualised 11% over the past five years, driven by Software-as-a-Service models. • Computer and Software Retailing in Australia is expected to decline by 3.1% annually through 2025–26 due to inflation and a strong shift towards digital services. <p>The Digital Transformation Agency's Digital Workforce Insights 2025 indicates that the Australian Public Service (APS) is facing a potential digital talent shortfall of more than 8,000 people in the next 5 years. A continuing digital transformation agenda and the evolution of emerging technology is placing even greater demand for digital roles than previously seen. If continued annual growth of 7% is assumed, the APS will have challenges in attracting, building and developing the workforce required in the future. With the added challenge of nearly 1 in 5 digital professionals expected to retire by 2030, the APS will likely need to fill more than 8,000 additional digital roles in the next five years. The APS will not be able to solely rely on the market to secure its digital workforce requirements for the digital future.</p> <p>Cybersecurity continues to be a critical area for growth. The ACS Digital Pulse 2026 highlights that Australia overall requires an additional 54,000 cybersecurity professionals to meet growing demand. The report underscores an urgent need for collaboration between industry, education, and government to bridge the skills gap, with potential for a \$25 billion economic boost by 2035 if gaps are addressed. Actionable insights include migration pathways (adding cybersecurity occupations in the Skills in Demand visa list), enhanced training focus and transitioning of mid-career ICT professionals into cybersecurity roles.</p>

8.5 APPLICATION OF NATIONAL COMPETITION POLICY 2026-27

File No: Council Meetings

Author: Coordinator Commercial Analysis
Finance and Commercial Partnerships

Appendices: App A - Public Benefit Assessment Sunshine Coast Holiday Parks 73 [↓](#)
App B - Justification for not applying the Code of Competitive Conduct..... 117 [↓](#)

Attachments: Att 1 - Legislative Requirements - 2026-2027 123 [↓](#)
Att 2 - Business Activity Identification 2026-2027..... 131 [↓](#)
Att 3 - Full Cost Performance 2025-2026..... 137 [↓](#)

PURPOSE

The purpose of this report is to make recommendations for the application of National Competition Policy reforms for the 2026-27 financial year.

EXECUTIVE SUMMARY

The key recommendations for the 2026-27 financial year resulting from the annual review of the application of National Competition Policy reforms to Council’s business activities are outlined in this report.

Sunshine Coast Holiday Parks has been identified as a new significant business activity and a public benefit assessment has been undertaken to determine the cost and benefits of applying competition reforms and the most effective way to achieve benefits from competitive neutrality for Sunshine Coast Holiday Parks for the 2026-27 financial year. The Public Benefit Assessment Report is provided in **Appendix A**.

The recommended business activity structure for 2026-27 is as follows:

- Apply Full Cost Pricing to the Waste & Resource Management and Sunshine Coast Holiday Parks significant business activities.
- Apply the Code of Competitive Conduct to the Quarries business activities.
- Do not apply the Code of Competitive Conduct to ten business activities. Justification for not applying the Code to these activities is detailed in **Appendix B**.

The current statutory requirements and key differences between Full Cost Pricing, Commercialisation, Corporatisation and the Code of Competitive Conduct are outlined in **Attachment 1**.

The annual review and identification of business activities is detailed in **Attachment 2**. Business activity full cost pricing performance for 2025-26 is shown in **Attachment 3**.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Application of National Competition Policy 2026-27”**
- (b) note the report titled “Public Benefit Assessment Sunshine Coast Holiday Parks” provided in Appendix A**
- (c) apply Full Cost Pricing to the Sunshine Coast Holiday Parks significant business activity for the 2026-27 financial year as recommended in the Public Benefit Assessment Report in accordance with section 44(1)(b) of the *Local Government Act 2009***
- (d) apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2026-27 financial year in accordance with section 44(1)(b) of the *Local Government Act 2009***
- (e) apply the Code of Competitive Conduct to the Quarries business activity for the 2026-27 financial year in accordance with section 47 of the *Local Government Act 2009*; and**
- (f) not apply the Code of Competitive Conduct to the following, in accordance with section 47 of the *Local Government Act 2009* for the reasons referred to in Appendix B justification for not applying the Code of Competitive Conduct to certain prescribed business activities:**
 - (i) Aquatic Centres**
 - (ii) Caloundra Indoor Stadium**
 - (iii) Caloundra Regional Gallery**
 - (iv) Cemeteries**
 - (v) Festivals**
 - (vi) Multisport Complexes and Showgrounds**
 - (vii) Off-street Parking**
 - (viii) Retail Electricity Strategy and Sunshine Coast Solar Farm**
 - (ix) Sunshine Coast Stadium and Kawana Sports Precinct; and**
 - (x) Altitude 9, Venue 114 and Community Spaces.**

FINANCE AND RESOURCING

The financial implications of applying the National Competition Policy reforms primarily relate to competitive neutrality and cost reflective pricing for Council’s business activities. They include:

- the application of competitive neutrality principle
- the pricing provisions
- the cost of performing community service obligations, less any revenue received from

carrying out those obligations, must be treated as revenue for the business activity when deciding what to charge for goods or services provided

- the competitive neutrality complaints process and
- budget, annual report and financial statement disclosures.

Management of the National Competition Policy reforms can be managed within current resource allocations.

CORPORATE PLAN

Corporate Plan Goal: *Organisational excellence*

Strategic Pathway: We serve our community by providing this great service

Operational Activity: S31 - Financial Management - Strategic management of Council's finances, assets, procurement and contracts that support effective supplier relationship, resource allocation and financial sustainability.

CONSULTATION

Councillor Consultation

Consultation was undertaken with Councillor E Hungerford and Councillor J Broderick.

Internal Consultation

- Executive Leadership Team
- Manager Arts Heritage & Libraries
- Contracts Manager (Holiday Parks)
- Coordinator Business Operations
- Coordinator Cemeteries
- Coordinator Financial Accounting
- Coordinator Financial Services
- Coordinator Healthy Places
- Coordinator Smart City Framework
- Coordinator Sports Venues & Development
- General Counsel
- Chief Economic Development Officer
- Head of Property & Commercial Partnerships
- Manager Procurement
- Manager Development Services
- Manager Regulatory Response Services
- Chief Information Officer
- Manager Environmental Operations

- Manager Parks & Gardens
- Manager Sport & Community Venues
- Manager Strategy & Policy
- Network Performance Services Manager
- Manager Transport Assets & Operations
- Parking and Transport Manager
- Quarry Manager.

Managers and coordinators were consulted on the application of National Competition Policy reforms to the activities in their branches. Input into justification for not applying the Code of Competitive Conduct to activities was a key area of consultation. The Director of Community Strengthening was consulted in relation to the justification for not applying the Code of Competitive Conduct to the business activities that fall under the Community Strengthening Directorate's remit. The results of the consultation have been included in this report.

External Consultation

Data Mashup Pty Ltd was engaged to conduct the public benefit assessment.

Community Engagement

Community engagement was undertaken for the Public Benefit Assessment for Sunshine Coast Holiday Parks. A range of organisations were directly invited to respond to a Stakeholder Issues paper on the Public Benefit Assessment process including industry bodies, major suppliers and contractors. Submissions received from a number of stakeholders assisted in informing the outcomes contained in the Public Benefit Assessment report.

PROPOSAL

In the mid to late 1990s, a suite of market and economic reforms were introduced to stimulate growth and job creation in Australia. For local governments in Queensland these reforms revolved around the following:

1. The extension of the trade practices laws prohibiting anti-competitive activities to all businesses including local government businesses.
2. The introduction of competitive neutrality so that private businesses could compete on an equal footing with those owned by local government.
3. The review and reform of all laws that restrict competition.
4. Specific reform and price monitoring of the water industry.

National Competition Policy reforms are applied to various identified 'business activities' of the Council.

Council must consider and resolve the application of National Competition Policy on an annual basis to comply with the *Local Government Act 2009*.

Under the competitive neutrality principle, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is a public sector entity.

The underlying assumption is that competition is generally desirable, unless it can be demonstrated, on a case-by-case basis, that it will not deliver socially beneficial outcomes. If Council undertakes a new significant business activity in a key market it must undertake a public benefit assessment to determine the costs and benefits of applying competition reforms. This assessment also determines the most effective way to achieve benefits from competitive neutrality.

Council is also required to use its discretion in deciding whether to apply the Code of Competitive Conduct to smaller, prescribed business activities that are not significant business activities. Should Council decide to *not* apply the Code of Competitive Conduct, then it is required to provide detail of the reasons for not doing so. This may include an assessment of the costs and benefits of applying competition reforms.

Additionally, under the *Local Government Act 2009* specific National Competition Policy disclosures of business activities are required in the Budget documents, Annual Report and Financial Statements.

Sunshine Coast Holiday Parks has been identified as a new significant business activity and a public benefit assessment has been undertaken to determine the cost and benefits of applying competition reforms and the most effective way to achieve benefits from competitive neutrality for Sunshine Coast Holiday Parks for the 2026-27 financial year.

The report titled "Public Benefit Assessment Sunshine Coast Holiday Parks" provided in **Appendix A** recommends Council apply Full Cost Pricing to the Sunshine Coast Holiday Parks significant business activity for the 2026-27 financial year in accordance with the *Local Government Act 2009*.

Attachment 1 outlines the legislative requirements, the reform options and the key differences between Full Cost Pricing, Commercialisation, and the Code of Competitive Conduct.

Attachment 2 sets out the process for annual business activity identification and threshold analysis of Council's business activities.

Attachment 3 shows business activity full cost pricing performance based on 2024-25 audited actual results.

Classification of Council's Business Activities

Business activities are classified against expenditure thresholds each financial year. For significant business activities, expenditure for this purpose is the operating expenditure less depreciation and any expenditure to achieve competitive neutrality which is not actually incurred plus loan redemption payments. For prescribed business activities, expenditure is the operating costs, administration and overhead costs, cost of resources and depreciation.

The 2026-27 thresholds are as follows:

- Significant business activities have expenditure over the \$9.7 million threshold.
- Business activities have expenditure over the \$340,000 threshold.

The classification of Council's significant business activities is listed in Table 1 below.

Table 1: Significant business activity

(Expenditure threshold \$9.7 million)

Group	Significant Business Activity	FY2026 Expenditure \$'000
Infrastructure and Natural Assets	Waste and Resources Management	
	Full Cost Pricing Reform	\$109,459
Finance & Commercial Partnerships	Sunshine Coast Holiday Parks	\$10,916
	Public Benefit Assessment	

Table 2: Prescribed business activities – reform option code of competitive conduct

(Expenditure threshold \$340,000)

Group	Branch	Business Activity	Code of Competitive Conduct	FY2026 Budget Expenditure \$'000
Infrastructure and Natural Assets	Transport Network Operations	Off-street Parking	x	\$5,149
	Transport Assets	Quarries	✓	\$8,786
Finance & Commercial Partnerships	Procurement	Retail Electricity Strategy and Sunshine Coast Solar Farm	x	\$10,916
Community Strengthening	Sport & Community Venues	Aquatic Centres	x	\$3,048
		Caloundra Indoor Stadium	x	\$1,123
		Multi-sport Complexes	x	\$7,993
		Showgrounds	x	\$1,399
		Sunshine Coast Stadium and Kawana Sports Precinct	x	\$3,202

Group	Branch	Business Activity	Code of Competitive Conduct	FY2026
				Budget Expenditure \$'000
		Altitude 9, Venue 114 & Community Spaces	x	\$2,930
	Arts Heritage and Libraries	Caloundra Regional Gallery	x	\$1,335
		Festivals (Horizon)	x	\$801
	Regulatory Response Services	Cemeteries	x	\$2,496

Note: For the threshold test for significant business activities the budget expenditure excludes depreciation and competitive neutrality costs that are not actually incurred plus loan redemption payments.

Council controlled entities

Council has 100% controlling interest of two corporatised entities. Sunshine Coast Events Centre Pty Ltd is a prescribed business activity. This company's financial statements are audited by Queensland Audit Office and Annual Report is published on both Council's and the company's websites and consolidated into Council's financial statements. Sunshine Coast Arts Foundation Ltd expenditure is below the prescribed business activity threshold.

Summary Outcomes of Business Activity Review

The recommended 2026-27 business activity structure based on the public benefit assessment and annual business activity review and identification conducted in accordance with the legislation is to:

- 1) apply the Full Cost Pricing to the Waste and Resource Management and Sunshine Coast Holiday Parks significant business activities in accordance with section 44(1)(b) of the *Local Government Act 2009*
- 2) apply the Code of Competitive Conduct to the Quarries business activity in accordance with sections 47 of the *Local Government Act 2009* and
- 3) not apply the Code of Competitive Conduct to the following business activities in accordance with sections 47 of the *Local Government Act 2009*.
 - i) Aquatic Centres
 - ii) Caloundra Indoor Stadium
 - iii) Caloundra Regional Gallery
 - iv) Cemeteries

- v) Festivals
- vi) Multi-sport Complexes and Showgrounds
- vii) Off-street Parking
- viii) Retail Electricity Strategy and Sunshine Coast Solar Farm
- ix) Sunshine Coast Stadium and Kawana Sports Precinct
- x) Altitude 9, Venue 114 and Community Spaces.

Council's Annual Budget

The intent of the legislation is to enhance transparency regarding the financial performance of business activities, requiring them to be reported separately from other Council activities in the budgeted financial reports. Income and expense statements are to be published in the budget separately for commercialised business units and significant business activities operating under full cost pricing. Details regarding community service obligations are also required to be published for each business activity.

The budget process for significant business activities and business activities under the code of competitive conduct includes the following key stages:

- Revenue requirements are determined from long term financial plans and full cost pricing models (that includes recovery of efficient operating costs, return of capital and return on capital).
- Activity based costing analysis is undertaken to determine outputs for products and services provided by each business activity.
- An overarching price strategy is determined regarding accepted level of cost recovery.
- Council is informed regarding price strategy for each business activity to achieve full cost recovery.
- Approved pricing strategy and activity-based costing outputs used to inform increases in utility charges/fees and charges.

Council's Annual Report

The annual report of Council must include information relating to the identification and performance of business activities. This information is contained in the body of the financial statements in line with legislative requirements, which in turn are published as part of Council's annual report.

Queensland Audit Office

The financial statements and the annual report of Council are audited by the auditor-general and contain the audit report.

Legal

In accordance with Chapter 3 of the *Local Government Act 2009* and the *Local Government Regulation 2012*, Council is required each year to identify any new 'financially significant' business activities and to identify its business activities.

Attachment 1 describes the current statutory requirements.

This report responds to the statutory obligation of Council in relation to the identification of business activities and the application of appropriate competition policy reform options.

Policy

The organisational policy on Competition Reform Compliance sets out a framework outlining annual compliance requirements in relation to the application of competition policy principles to Council's nominated business activities in accordance with applicable legislative requirements.

Risk

Failure to conduct the assessments required in the *Local Government Act 2009* and the *Local Government Regulation 2012* could leave Council exposed to competitive conduct complaints in respect of its business activities that are competing with the private sector, including potential legal and reputational risks for Council.

Previous Council Resolution**Ordinary Meeting 19 June 2025 (OM25/52)**

That Council:

- (a) *receive and note the report titled "Application of National Competition Policy 2025-26"*
- (b) *apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2025-26 financial year in accordance with section 44(1)(b) of the Local Government Act 2009*
- (c) *apply the Code of Competitive Conduct to the following business activities, for the 2025- 26 financial year, in accordance with section 47 of the Local Government Act 2009:*
 - (i) *Sunshine Coast Holiday Parks and*
 - (ii) *Quarries and*
- (d) *not apply the Code of Competitive Conduct to the following, in accordance with section 47 of the Local Government Act 2009 for the reasons referred to in Appendix A justification for not applying the Code of Competitive Conduct to certain prescribed business activities:*
 - (i) *Aquatic Centres*
 - (ii) *Caloundra Indoor Stadium*
 - (iii) *Caloundra Regional Gallery*
 - (iv) *Cemeteries*
 - (v) *Festivals*
 - (vi) *Multi-sport Complexes and Showgrounds*
 - (vii) *Off-street Parking*
 - (viii) *Retail Electricity Strategy and Sunshine Coast Solar Farm*
 - (ix) *Sunshine Coast Stadium and Kawana Sports Precinct and*
 - (x) *Venue 114 and Community Spaces.*

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

This recommendation needs to be adopted each financial year per legislative requirements.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will apply the revised National Competition Policy reforms for the 2026-27 financial year.

PLAYER 1

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Sunshine Coast Council

Holiday Parks Public Benefit Analysis

[PRESS START]

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SCC-E-1	2	May 2026	Final	Daniel Bower	Gary Kelly

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Definitions

Term / Abbreviation	Definition
CBU	Commercialised Business Unit
CN	Competitive Neutrality
CSO	Community Service Obligation
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax and Depreciation
FCP	Full Cost Pricing
NCP	National Competition Policy
NPV	Net Present Value
PBA	Public Benefit Assessment
SBA	Significant Business Activity
SCI	Statement of Corporate Intent
WACC	Weighted Average Cost of Capital
WDV	Written Down Value

1. Executive Summary

Sunshine Coast Council (Council) operates six holiday parks across prime coastal locations on the Sunshine Coast. For the 2025-26 financial year, the combined operating expenditure of these parks will exceed the threshold which classifies Holiday Parks as a Significant Business Activity (SBA) under the *Local Government Regulations 2012 (Section 19(2)(b))*.

Under the *National Competition Policy* and the *Local Government Act 2009* upon reaching this threshold Council is required to either:

- Apply competitive neutrality principles to the Holiday Parks operations, or
- Demonstrate through a Public Benefit Assessment (PBA) that applying competitive neutrality is not in the public interest.

Data-Mash-Up (DMU) was engaged by Council to undertake the modelling required to assess the current state and undertake the PBA. The first step in this process was to determine the existing financial operating position of Council's Holiday Parks and the financial impact of applying competitive neutrality principles.

Key Finding: Financial modelling on actual and future financials show that Council's Holiday Parks are effectively adopting competitive neutrality principles by operating above the 'Full Cost' benchmark. This means parks currently recover all operating, capital and overhead costs through the fees and charges being applied, including an allowance for commercial equivalents and returns. Hence, Council does not receive a competitive advantage in the delivery of Holiday Park services compared to commercial equivalents and does not need to materially change the current fee structure.

Because the parks are already essentially adopting full cost pricing, the question for the PBA shifts to identify whether further reform by adopting a commercialised or corporatised structure would deliver additional public benefit, or whether the current structure is optimum.

The three reform options assessed are:

- **Full Cost Pricing (Status Quo):** Council continues to operate the parks with no structural change. Fees recover all operating expenses, capital costs, overheads, and a return on assets.
- **Commercialisation:** The parks remain owned and operated by Council but operate under formalised commercial governance. This includes ring-fenced business finances, structured capital and dividend programs, formal performance targets, and clear management authority to make commercial decisions within agreed parameters. Council retains ownership and strategic control.
- **Corporatisation:** A new legal entity fully owned by Council is established, including an independent board to oversee operations of the parks. Operates under a full Commercial auspice including tax payments and corporate compliance. Council receives a return in the form of board mandated dividends but steps back from day-to-day management.

Each option has been modelled from a financial perspective, accounting for all revenues streams, capital and operational costs, and necessary commercial adjustments and transition costs to determine the overall expected financial position, and public benefit under each option.

While the modelling demonstrates that Council's Holiday Parks already operates at Full Cost Pricing (FCP) and is therefore compliant with National Competition Policy (NCP), stakeholder consultation and operational review identified limitations in governance, reinvestment certainty, and decision-making autonomy under the current structure.

Accordingly, **it is recommended that Council retain FCP as the primary operating model, while implementing enhanced commercial governance mechanisms consistent with elements of a commercialised business unit.** This approach delivers the benefit of improved accountability, reinvestment discipline and operational flexibility without introducing unnecessary cost, and complexity associated with commercialisation or corporatisation.

Under this approach, Holiday Parks would continue to operate within Council's organisational structure and maintain compliance with competitive neutrality requirements, while introducing:

- clearer delegation of operational decision-making to management within defined parameters
- structured capital planning and reinvestment pathways
- formalised performance monitoring and reporting; and
- explicit identification and funding of Community Service Obligations (CSOs).

This approach delivers improved transparency, accountability, and operational effectiveness, while avoiding additional cost and complexity associated with full commercialisation or corporatisation.

2. Introduction and Purpose

2.1 Purpose & Scope

The purpose of this report is to document the work undertaken by Data-Mash-Up (DMU) on behalf of the Sunshine Coast Council (Council) and report on the findings of the Public Benefit Assessment (PBA) for Council's Holiday Parks operations. The report provides a recommendation to Council on the application of competitive neutrality principles and has been prepared in accordance with the requirements of the *Queensland Local Government Act 2009*, the *Local Government Regulation 2012*.

2.2 Need for the Public Benefit Assessment

In accordance with the *Queensland Local Government Act 2009*, Council must annually identify whether it has any Significant Business Activities (SBA) for the purposes of applying *National Competition Policy* (NCP) reform. If any new significant business activities are identified, Council must conduct a PBA to determine the most appropriate business model to apply.

Council operates six holiday parks across prime coastal locations on the Sunshine Coast. For the 2025-26 financial year, the combined operating expenditure of these parks will exceed the threshold which classifies Holiday Parks as a SBA under the *Queensland Local Government Regulations 2012 (Section 19(2)(b))*.

Following *Federal National Competition Policy* and the *Queensland Local Government Act 2009* Council is then required to:

- Apply competitive neutrality principles to the Holiday Parks operations, or
- Demonstrate through a Public Benefit Assessment (PBA) that applying competitive neutrality is not in the public interest.

2.3 Scope of Assessment

The scope of this PBA covers all six Holiday Parks operated by Sunshine Coast Council:

- Coolum Beach Holiday Park
- Mudjimba Beach Holiday Park
- Cotton Tree Holiday Park
- Maroochydore Beach Holiday Park
- Mooloolaba Beach Holiday Park
- Dicky Beach Holiday Park

2.4 Methodology

The assessment has been conducted using a staged methodology encompassing legislation review, financial modelling, option specification, sensitivity analysis, stakeholder engagement and balanced assessment of financial, social, environmental and economic factors. The detailed methodology for each stage is set out in Section 6.

3. Competitive Neutrality Framework

3.1 What is Competitive Neutrality?

Competitive neutrality requires that government business activities should not enjoy net competitive advantages over private-sector competitors simply by virtue of their public-sector ownership. The objective is to ensure that resources are allocated efficiently and that government activities are not cross subsidised by ratepayers or taxpayers.

Competitive neutrality reforms are designed to ensure that, where appropriate, Council's business activities set prices on the same basis as the private sector by adjusting for the advantages and disadvantages of public ownership. This includes recognition of:

- Direct and indirect costs (e.g. wages, materials, consumables, superannuation)
- Administration and management costs
- Return of capital (depreciation)
- Return on capital or assets (resources, infrastructure, land, buildings, plant, equipment)
- Incorporation of tax equivalents including Council rates, land tax, payroll tax and income tax
- Adjustments for other advantages and disadvantages of public sector ownership
- Non-commercial activities directed by government funded separately through CSO payments

3.2 What is Full Cost Price (FCP)

The guiding principle underlying FCP Policy is that a government business should not enjoy any net competitive advantage in respect of its private sector counterparts simply because of its public sector ownership. That is, the policy aims to achieve competitive neutrality, or a 'level playing field', between public and private sector businesses. It does so by ensuring that prices charged by any SBA of Council are compared to, and at a minimum match the equivalent cost structure faced by a private sector competitor.

In setting prices under the FCP policy, the SBA must meet all fixed and variable costs and achieve an appropriate rate of return on all capital employed. This rate of return must be achieved over the medium term.

It is also worth noting that all SBAs are subject to the competitive neutrality complaints mechanism administered by the Queensland Competition Authority (QCA). This mechanism allows private and public sector organisations in competition with SBAs to lobby the QCA where an SBA is not complying with the principle of competitive neutrality. Several instances exist where the QCA have questioned the waste pricing decisions of a Queensland LGA and promoted a change in price, including the Waste business of Council.

3.3 Legislative Context

The key legislative instruments governing this assessment are:

- Queensland Local Government Act 2009 - Part 2, Division 2: Business Activities
- Queensland Local Government Regulation 2012 - Section 19: Significant Business Activities
- Federal Government National Competition Policy - Competitive Neutrality Principles
- Queensland Government Competitive Neutrality Policy

Under these instruments, Council has 12 months from identifying the SBA to complete a PBA and determine whether to apply competitive neutrality principles. A PBA involves assessing whether the benefit to the public, in terms of service quality of applying competitive neutrality, outweighs the cost.

3.3.1 National Competition Policy

In April 1995, the Commonwealth, State and Territory Governments agreed to implement nation-wide reform with the National Competition Policy ('NCP'). The NCP included the Competition Principles Agreement (CPA), a series of measures to promote more effective competition across the economy.

A core component of the CPA is the principal of competitive neutrality, a set of measures which aim to promote effective competition between government and private sector service providers that are operating in the same market. It is expected, under NCP that competitive neutrality will apply to all, significant government monopoly services.

Where council services are materially operating in a monopolistic or non-competitive marketplace, NCP and CPA necessitate the need for council to approximate a competitive price when setting Rates and Fees. The intention of this process is to:

- avoid price gouging by other monopoly providers.
- encourage full cost recovery, in turn promoting financial sustainability, and
- send price signals to the market of the true cost of delivering services, which is expected to result in economically efficient outcomes.

3.3.2 Queensland Local Government Act (2009)

Subordinate to the overarching guidelines of NCP is The Queensland Competition Authority (QCA) Act 1997, which placed the QCA in charge of implementing and monitoring the NCP in Queensland along with Queensland Treasury.

The Local Government Act (2009) ('The Act') then developed more specific guidance for local government about when and how to apply the requirements of the NCP.

Specifically, Part 2, Division 2 'Business reform, including competitive neutrality' of The Act under section 43 states the following:

43.1) This division (2) is about the application of the National Competition Policy Agreements in relation to the significant business activities of a local government.

43.2) This includes the application of the competitive neutrality principle if, in the circumstances, the public benefit (in terms of service quality and cost) outweighs the costs of implementation.

43.3) Under the competitive neutrality principle, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is in the public sector.

43.4) A significant business activity is a business activity of a local government that:

(a) is conducted in competition, or potential competition, with the private sector (including off-street parking, quarries, sporting facilities, for example); and

(b) meets the threshold prescribed under a regulation'

Section 44 then further talks about a method to apply the competitive neutrality principal as follows:

44.1) The competitive neutrality principle may be applied by:

(a) commercialisation of a significant business activity; or

(b) full cost pricing of a significant business activity.

44.2) Commercialisation involves creating a new business unit, that is part of the local government, to conduct the significant business activity on a commercial basis.

44.3) Full cost pricing involves pricing the significant business activity on a commercial basis, but without creating a new business unit.'

3.4 Comparison of Business Models Under Assessment

The primary differences between the three business models under assessment are outlined below. Detailed implications of each model are provided in Section 7.

Table 1: Comparison of Available Business Models

Business Model	Implications
Full Cost Pricing (FCP)	The activities of the business are essentially operated as a service delivery area within Council's organisational structure. Prices are set in accordance with commercial cost recovery, including a commercial return on assets employed in the business. Some minor compliance costs would be incurred.
Commercialised Business Unit (CBU)	A separate business unit (not a separate legal entity) within Council's corporate structure is created to manage the business, with a dedicated commercially focused business unit manager employed. The business unit manager has greater autonomy over operations. The business unit is subject to separate performance reporting. Prices are set in accordance with commercial cost recovery (as per FCP). Compliance costs will exceed those under the FCP model.
Corporation	A separate corporate entity is created by Council to manage the business, with Council acting as sole shareholder. A Board of Directors is appointed responsible for policy formulation and governance. Council retains ownership and ultimate control via its shareholder role and sets strategic direction through a Statement of Corporate Intent. Significant governance / compliance costs are incurred in the establishment and ongoing management of the Corporation.

Under the FCP and CBU business models, non-commercial activities undertaken by the business at the direction of Council, such as concessional rates for long-term residents, would be funded through Community Service Obligation (CSO) payments from Council to the business unit. This compensates the business for revenue foregone when providing services below commercial market rates or absent of a commercial imperative.

Under the Corporatisation model, Council cannot directly instruct the board to provide such services, as the board is independent with a fiduciary duty to operate commercially. If Council wished to maintain non-commercial services, it would need to either:

- **Formally contract the Corporation** to provide CSO services with appropriate funding compensation, or
- **Accept reduced dividends** as the Corporation absorbs the cost of below-market services, or
- **Discontinue such services** as commercially unviable

In practice, most Council-owned corporations eliminate CSO-type arrangements in favour of purely commercial operations. The most material of these is current long-term residential tenancies sold at below-market rates. Council has estimated a loss of revenue associated with these services, compared to the fair market rate or commercial equivalent of approximately \$900k per year. These services would need to be repriced under corporatisation or subsidised under contract by Council.

The estimated annual CSO value (revenue foregone) is not currently quantified in Council's financial reporting. Under all three proposed options, for commercial transparency CSOs must be identified, valued, and separately funded. It is recommended that Council undertake a detailed CSO assessment as part of the implementation phase.

Adoption of the above business models is intended to make the full costs and performance levels of Council business activities more transparent and accountable, thereby facilitating better decisions by Councillors, Chief Executive Officers and Managers within Council. The aim of the reforms is to encourage productivity improvement and best practice in the operations of the Council businesses, as well as providing for a level playing field between the public and private sectors in service provision.

It is also important to note that the reform options under consideration do not include privatisation or the 'selling off' of the business. In all instances, Council will retain ownership of the business. The primary differences between the three options pertain to the level of responsibility ascribed to Council (under FCP) versus the business manager (under CBU) or corporate Board (under Corporation) potentially responsible for the operation of the business.

4. Holiday Parks Business Profile

4.1 Summary

The Holiday Parks business profile is summarised in Table 2 with more detail in the subsequent sections.

Table 2: Summary of existing business profile

Issue	Business Profile Outcome
Regulation Responsibility	Holiday Parks is required to comply with the Queensland Local Government Act 2009, Local Government Regulation 2012 and all relevant Council local laws and policies.
Functions and Customers	Holiday Parks services a regional population of approximately 320,000 persons and provides an estimated c.490,000 available visitor nights per annum across 6 parks with 1,373 total sites. Of these, ~90% are visitors from out of Council LGA.
Governance & Structure	Organisationally situated within Finance and Commercial Partnerships, Holiday Parks operates under a competitive business model with outsourced operational management. To date Council has applied the Code of Competitive conduct.
Personnel	Holiday Parks currently employs 2 staff through Council and engages approximately 50 staff through outsourced operations contracts. The business also utilises Council's internal support services in areas such as financial services, customer service, governance, commercial and procurement services, ICT and human resources.
Overheads Services	Holiday Parks utilises several support services from Council via internal service level arrangements and is charged a fixed annual charge in accordance with estimated usage, based on activity-based costing methodology. Total internal consumption charges budgeted for FY2025–26 is c.\$2.2 million.
Competitive Landscape	The competitive landscape includes a mix of major branded chains (Big4, Ingenia, NRMA) and independent operators. Council is competitive on price compared to major operators and aligned with or above those of the independents. Council competes on location and service offering, targeting traditional caravan park operations over bells and whistles.
Business Assets	Total asset base of \$75.5M comprises \$36.7M in land and \$38.8M in depreciable assets (buildings, infrastructure, plant). Asset base is 36% depreciated with \$36M capital investment program planned (FY2026-2036) for renewals and strategic enhancements.
Financial Overview	Modelling indicates that the current state is performing at or above FCP requirements and is competitively neutral.

4.2 Regulatory Responsibilities

Holiday Parks is required to comply with the following key legislation and policies:

- Queensland Local Government Act 2009
- Queensland Local Government Regulation 2012
- Relevant Council local laws and policies

As National Competition Policy reforms have been applied to Holiday Parks, the full cost pricing principles in the Local Government Act 2009 must be met. There are also additional reporting obligations under the Code of Competitive Conduct.

4.3 Functions and Activities

The Holiday Parks support the local tourism precincts by providing an estimated c.490,000 available visitor nights per annum to the region. The parks offer a range of accommodation alternatives, including powered and unpowered sites for campers and caravanners, studio units, one and two bedroom villas and a beach house. All these include on-site parking, amenities and disabled facilities, communal kitchen, laundry, barbeque and entertainment areas.

Some of these parks offer complimentary amenities, such as swimming pools, tennis courts, playgrounds, TV rooms, play and leisure rooms, picnic and dog areas. Table 3 to Table 6 provide a snapshot of the accommodation, amenities and occupancy rates across the parks.

Table 3: Accommodation by Park and Type

Location	Powered	Permanent	Unpowered	Beach House	Cabins	Storage	Total
Dicky Beach	129	85	20		12	1	247
Mooloolaba	59						59
Cotton Tree	427	14	26	1	9	0	477
Maroochydore	107	5			6	1	119
Mudjimba	201	12	10		3	0	226
Coolum Beach	228	11	0		6	0	245
Total	1,102	135	79	1	36	17	1,373

Table 4: Amenities by Park

Location	Amenity Blocks	Laundry	WiFi	BBQs	Camp Kitchen	Pool	Tennis Court	Games Room
Dicky Beach	3	2	Yes	1	1	1	1	1
Mooloolaba	1	1	Yes	1	1	-	-	-
Cotton Tree	5	3	Yes	4	1	-	-	-
Maroochydore	1	1	Yes	1	1	-	-	-
Mudjimba	3	3	Yes	2	1	1	-	-
Coolum Beach	3	2	Yes	2	1	-	-	-
Total	16	12	N/A	11	6	2	1	1

Table 5: Occupancy Rates by Park

Location	Overall	Sites	Cabins
Dicky Beach	72%	74%	53%
Mooloolaba	97%	97%	N/A
Cotton Tree	79%	79%	83%
Maroochydore	78%	79%	67%
Mudjimba	72%	72%	68%
Coolum Beach	88%	88%	81%

Table 6: Visitor Breakdown by Location

Location	Guest Nights	Percentage
Queensland (Total)	424,742	69.11%
<i>Broader Queensland</i>	364,262	59.27%
<i>Sunshine Coast</i>	60,480	9.84%
New South Wales and A.C.T	61,326	9.98%
No region supplied	6,761	1.10%
Northern territory	1,066	0.17%
South Australia	8,712	1.42%
Tasmania	8,132	1.32%
Victoria	98,925	16.10%
Western Australia	4,967	0.81%

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4.4 Governance and Management Structure

Within Council's overall organisational structure, Holiday Parks currently resides within Finance and Commercial Partnerships. The Contracts Manager Holiday Parks reports to the Head of Property who reports to the Chief Financial Officer. Operational management of the facilities is outsourced to several external, third-party service providers.

Holiday Parks is responsible for recommending appropriate revenue targets, price structures and price paths to Council to ensure the ongoing viability of the business, with Council having final approval for the setting of annual prices. Charges are levied on the basic premise that costs should be equitably distributed to those who utilise the provision of the service. Holiday Parks is being run under a Code of Competitive business model for the 2025-2026 financial year.

The performance of Holiday Parks for the 2025-2026 financial year is reported quarterly to Council in accordance with Council's performance monitoring process. Quarterly reporting includes both results for the individual quarter as well as results on a year-to-date basis. Management reporting includes an explanation of cost allocations as well as any extraordinary events affecting performance against budget.

Financial delegation is provided to the Head of Property and Contracts Manager Holiday Parks in accordance with Council's delegation register. Council's procurement policy and the Queensland Local Government Act 2009 govern procurement arrangements. Within the business unit, key personnel assist the Contracts Manager Holiday Parks with day-to-day business operations

4.5 Business Personnel

Holiday Parks currently employs approximately 2 persons (FTE equivalent) within Council. Given the outsourcing of operational services to external contractors, most employee resources are directed towards management and oversight functions.

Holiday Parks employees are currently employed subject to Council's Enterprise Bargaining Agreement and the Local Government Employees (excluding Brisbane City Council) Award State.

4.6 Support Services Provided by Council

Holiday Parks utilises several support services from Council via internal service level arrangements and is charged a fixed annual charge in accordance with estimated usage, based on activity-based costing methodology. Total internal consumption charges budgeted for FY2025-26 is \$2.2 million.

4.7 Market in Which the Business Operates

Council's holiday parks operate in a highly competitive regional tourism accommodation market comprising approximately 36 established caravan and holiday parks across the Sunshine Coast region. Major private competitors operate around 8 of these parks and include BIG4, Ingenia Holidays, NRMA, and Discovery Parks with independent operators comprise the balance of the market. All operators offer comparable product mixes spanning powered and unpowered sites, cabins of varying configurations, and increasingly, glamping accommodation.

Council's parks compete primarily on location, with beachfront and waterfront sites at premium destinations including Mooloolaba, Cotton Tree, and Coolum providing a natural competitive advantage. Pricing benchmarking indicates Council rates are positioned competitively within the market, sitting below those of the major competitors, and in line with, or slightly above, independent operators. Council is planning to implement dynamic pricing, capped at 20% of the base fee, that will adjust any fee based on demand. This is a common industry practice, though the 20% cap remains below the pricing flexibility employed by major branded chains and prevents Council abusing any competitive advantage it may have.

The regional market is fragmented, with no single operator holding dominant share. However, branded chains (BIG4, Ingenia, Discovery Parks) have expanded their footprint over the past decade through acquisitions and greenfield developments. Larger operators typically command premium pricing through brand recognition, loyalty programs (BIG4 Holiday Perks+, VIPerks), and superior on-site amenities including resort-style pools, waterslides, jumping pillows, restaurants, and entertainment programs.

Demand drivers include domestic tourism growth, particularly from Brisbane and interstate drive markets within 2-3 hours, consumer preference for self-contained and pet-friendly accommodation, and rising expectations for digital booking convenience and facility quality. That said, stakeholder engagement with Caravan Parks Association of Queensland noted that while demand for caravan and RV accommodation is growing, supply remains limited and is not growing as quickly as demand.

The market exhibits pronounced seasonality, with peak demand during school holidays, public long weekends, and summer months (December-February), contrasted against weekday and off-peak softness.

4.8 Business Assets

The value of assets currently utilised by the business is set out below. Assets were recently revalued in accordance with Council's standard asset revaluation methodology.

Table 7: Asset Values in 2025-2026 Budget

Asset Category	Replacement Cost	Accumulated Depreciation	Written Down Value
Buildings	\$31.8M	\$9.9M	\$22.0M
Other Infrastructure	\$18.2M	\$8.5M	\$9.7M
Open Space	\$1.7M	\$0.6M	\$1.1M
Transportation Network	\$8.3M	\$2.9M	\$5.3M
P&E - General	\$0.0M	\$0.0M	\$0.0M
Stormwater Network	\$0.8M	\$0.1M	\$0.7M
Notional Land Value	\$36.7M	-	\$36.7M
Total	\$97.6M	\$22.0M	\$75.5M

Several holiday parks are on State Camping Reserve land under control of Council with State Heritage classification on the Queensland Heritage Register. As the reserves are not a Council asset and cannot be sold, a notional land value is incorporated for the purpose of calculating a competitive return on assets and all appropriate land taxes thereby removing one advantage of government ownership.

4.9 Financial Overview

Financial modelling indicates that Council's Holiday Parks are adopting competitive neutrality principles by operating at or above 'Full Cost'. This means the parks currently recover all operating, capital and overhead costs through the fees and charges already being applied, including any adjustments to rebase cost to those of a commercial equivalent. Hence, Council does not appear to receive a competitive advantage in the delivery of Holiday Park services compared to commercial equivalents.

Table 8: Forecast position under existing operations for FY ending 2027

Key Metric	FY2027 Forecast
EBIT (Pre CN Adjustments)	\$12.3M
Less: CN Adjustments	\$(1.0)M
Net Profit (Commercial Basis)	\$11.4M
Cash to Council:	
Cash from Operations	\$13.1M
Less: Tax (actual)	-
Less: Capex	\$(4.1)M
Free Cashflow	\$9.1M

Full detail on the financial analysis for the base case (or FCP) can be found in Section 7.2.

5. Stakeholder Consultation

5.1 Consultation Process

Discussions with Council nominated industry stakeholders were undertaken with an intent to enable two-way dialogue between Sunshine Coast Council and the holiday parks industry. The consultation process aimed to gather industry insights and feedback to inform the PBA and ensure the final operating model recommendation reflects real-world competitive and market considerations. Through engagement, we sought to:

- Better understand industry perspectives on how each operating model might impact the competitive landscape, market dynamics, and industry relationships
- Identify any concerns stakeholders may have regarding potential changes to pricing, service quality, market positioning, or business practices
- Gather feedback on any other considerations Council should consider in making this decision

The full details of these engagement sessions are outlined below with the stakeholder briefing document that was distributed in Appendix A: Stakeholder Consultation Briefing.

5.2 Consultation Outcomes Summary

Industry consultation revealed strong consensus on several critical themes. Stakeholders consistently identified governance constraints and underinvestment as the primary barriers to performance, rather than competitive neutrality concerns. There is broad support for reform that increases operational autonomy, ring-fences reinvestment, and establishes clear commercial accountability, while retaining Council ownership and strategic oversight. Commercialisation emerged as the preferred pathway, balancing the need for commercial discipline with public value and manageable transition risk. Stakeholders emphasised that any reform must address infrastructure sustainability, maintain social licence through careful management of pricing and access, and ensure long-term planning through appropriate tenure and contractual settings. The table below assesses how each operating model addresses these key requirements.

Table 9: Key Consultation Takeaways – Assessment against operating models

Key Takeaway / Requirement	Full Cost Pricing (Enhanced)	Commercialisation	Corporatisation
Governance structures must enable faster, more commercial decision-making	Strengthened frameworks with clearer delegations and defined commercial decision pathways.	Separate governance with commercial mandate	Independent board with full commercial autonomy
Reinvestment mechanisms must be transparent, ring-fenced, and certain	Formalise reserve and reinvestment framework	Ring-fenced dividends and capital program	Full earnings retention with structured dividend policy
Investment in infrastructure is critical and urgent	Dependent on annual budget cycles but improved by capital planning framework.	Structured capital planning with retained earnings	Full commercial investment capability
Operating model should balance commercial performance with public value	Retains public character but limits performance if underinvestment occurs	Balances investment autonomy and public ownership with established policy	Maximum performance potential but risks losing community connection
Tenure and contractual settings must incentivise long-term investment	Must comply with Council procurement policies	Must comply with Council procurement policies	Flexibility in procurement practices and policies
Community expectations and social licence must be carefully managed	Minimal change, low transition risk	Moderate change, manageable transition with limited public impact	Significant change, higher community concern and limited CSO opportunities beyond dividend policy
Parks should operate as standalone business units with clear accountability	Integrated within Council operations	Separate reporting and P&L	Fully independent entity
Competition and market positioning require investment and flexibility	Limited ability to rapidly respond to market trends. Subject to Council investment timeframes	Improved responsiveness within Council approved framework and dividend policy	Full commercial flexibility

Key Takeaway / Requirement	Full Cost Pricing (Enhanced)	Commercialisation	Corporatisation
Environmental and sustainability outcomes should be maintained or improved	Council-led sustainability standards	Council oversight with commercial delivery	Dependent on contractual requirements
Economic contribution to region should be maximised	Strengthened through structured reinvestment and long-term asset sustainability	Managed through structured reinvestment and growth	Maximum commercial economic growth potential, reduced direct contribution to Council CSOs and corporate costs

5.3 Detailed Consultation Feedback

Table 10: Consolidated Stakeholder Feedback

Theme	Consolidated Findings
Governance & Decision-Making	<ul style="list-style-type: none"> Current Council governance structures constrain commercial decision-making and investment responsiveness Limited control over P&L and reinvestment reduces ability to respond to market conditions Four-year political cycles create inconsistency in investment planning Need for clear performance benchmarks and reduced operational interference Strong contractual arrangements are needed under any reform
Investment & Asset Condition	<ul style="list-style-type: none"> There is a risk of underinvestment across parks, particularly in underground infrastructure Ageing utilities (electricity, water, sewer) present material operational and environmental risk for parks operated in SE Queensland with examples of infrastructure failures leading to prolonged closure Procurement inefficiencies may be adding to capital and maintenance costs Without increased investment, parks risk declining competitiveness and potential closure
Reinvestment & Financial Structure	<ul style="list-style-type: none"> Revenue generated by parks is not consistently reinvested in park development Need for ring-fenced reinvestment mechanisms or clear dividend models Ability to retain earnings for capital planning is critical to long-term sustainability Council should consider the net business contribution of parks, not just cost lines after consolidated revenue contributions
Operating Model Preferences	<ul style="list-style-type: none"> There is support for structures that increase autonomy while retaining Council ownership Corporatisation seen as highest purely commercial upside but also highest complexity and risk and not necessarily retaining broader public benefit compared to Council retained ownership No single model preference identified by all stakeholders, but a focus on outcomes was clear: reinvestment, long term planning, and park sustainability
Tenure & Contracting	<ul style="list-style-type: none"> Tenure length is critical: too short discourages investment, too long increases hand back risk Under any model, asset hand back arrangements and standards are needed at end of term where operational management is contracted out Commercial incentives and risk/return balance influence operator investment appetite and should be considered alongside Council operating structure, investment profile and contracting model Contract should align to Strategic Planning and limit risks in supply chain
Market Positioning & Competition	<ul style="list-style-type: none"> Council parks currently compete without the equivalent amenities of private parks in Sunshine Coast There are opportunities to reposition through alternative branding and improved product which support corporatisation or improved investment regime Increased / improved competition generally lifts standards across the sector There are risks in over-commercialisation (e.g. too many cabins) competing directly with private operators Investment should focus on core infrastructure and traditional strengths before luxury add-ons

Theme	Consolidated Findings
Customer & Community Impact	<ul style="list-style-type: none"> • Parks have strong multi-generational community attachment and high public visibility • Pricing increases will attract scrutiny regardless of operating model • Public will continue to view parks as community assets • Market has shifted beyond purely affordable holiday offerings • Tension exists between long-term occupancy, short-term tourism, and public expectation • Improved parks could attract higher-value customers and increase regional economic contribution
Social Licence & Public Expectations	<ul style="list-style-type: none"> • Parks will remain public assets in the eyes of ratepayers regardless of structure • Structural reform alone unlikely to trigger ratepayer revolt, but significant pricing changes will • Walk-through access and mixed-use sites create ongoing management challenges • To meet public expectation, there is a need maintain accessibility and traditional park character • It is important to consider park placement and customer base – local usage vs out of LGA usage and the economic implications of this
Economic Contribution	<ul style="list-style-type: none"> • Parks support local economy through visitor spend, employment, and contractor activity • Average visitor spend ~\$90/night with majority flowing to broader local economy • Broader economic value often not fully recognised in Council decision-making and should be informed / highlighted through reporting and governance forums and connected with KPIs • There is growing demand (5% increase in RV ownership) with limited new supply in Queensland
Environmental & Sustainability	<ul style="list-style-type: none"> • Ageing infrastructure creates environmental as well as operational risk • Opportunities for solar, batteries, embedded networks, and sustainability initiatives • Council better placed to lead sustainability outcomes than private operators as part of broader ESG policies • Different operator types bring different environmental approaches and compliance maturity, usually related to status and size of organisation in the market
Operational & Workforce Impacts	<ul style="list-style-type: none"> • Potential to shift workforce toward guest experience and hospitality functions • Use of technology, data, and booking systems could improve operations • Limited major workforce change expected under different models • Some reduction in Council shared services possible but minimal under Corporatisation due to retention of staff likely required or transition to new entity
Risk & Liability	<ul style="list-style-type: none"> • Council remains exposed to brand, operational, and reputational risk under any model • Liability likely to remain with Council regardless of structure • Current model creates concentration risk through reliance on single operator • Need for controls to mitigate over-reliance on operator

6. Modelling Methodology

6.1 Overview

This financial model projects how the Holiday Parks will perform over the next 20 years under different operating approaches.

The starting point (the “base case”) reflects how Council currently runs the parks — including pricing and how costs are recovered. This provides a financial benchmark to compare alternative approaches such as full cost pricing, commercialisation, and corporatisation.

The model looks at each park individually so we can clearly understand what’s driving revenue, costs, and investment needs at each location: Coolum Beach, Cotton Tree, Dicky Beach, Mooloolaba Beach, Mudjimba Beach, and Maroochydore Beach.

6.2 Model Structure and Data Sources

The model is built using a mix of actual results, budgets, and operational data. Key inputs include:

- FY2025 audited financial results
- FY2026 adopted budget
- Recent occupancy data (2024–2025) by park, accommodation type, and season
- Asset register information (values, useful lives, and renewal timing)
- Current pricing across all parks and accommodation types

6.3 How Costs Are Grouped

All income and expenditure are categorised into standardised groupings (e.g. revenue, labour, utilities, contracts, internal services) and allocated to each park using Council’s cost centre structure. Each category is then increased over time using an appropriate inflation assumption. For example:

- Revenue grows based on pricing assumptions
- Labour-related costs increase with wage growth
- Utilities and materials increase with typical market inflation
- Contract costs grow slightly faster due to market pressures

This ensures costs and revenues evolve realistically over the 20-year period. Costs and revenues are increased each year based on typical industry trends and the assumptions outlined in Section 6.9.

6.4 Revenue Forecasting

6.4.1 Occupancy

Revenue is built from the ground up using assumptions about occupancy levels. Each park is broken down by accommodation type (sites, cabins, long-term stays, storage), quality level (premium vs standard), and time of year (peak, off-peak weekends, off-peak weekdays)

We first calculate how many days each site is available, then estimate how many of those days are occupied based on historical data and expected trends. For modelling purposes, occupancy rates are held constant over time. Holding occupancy constant provides a conservative baseline, ensuring that forecast improvements in financial performance are not dependent on demand growth assumptions and instead reflect pricing, cost structure, and operational changes.

6.4.2 Pricing

Pricing is based on FY2026 adopted rates as the baseline and future fees are escalated annually by 3.0% in line with CPI assumptions.

Revenue is calculated by applying these rates to forecast occupied nights by park, accommodation type, and seasonality profile. This bottom-up approach ensures transparency in how pricing contributes to overall revenue performance across each scenario.

6.5 Operating Costs

Operating costs are forecast based on current cost structures, escalated using the assumptions outlined above, with additional adjustments applied depending on the operating model.

6.5.1 Additional Costs by Option

Some operating models require extra costs. For example:

- A more commercial business unit requires additional management capability
- A corporatised structure includes standalone corporate costs (e.g. board, audit, finance functions)

These are added on top of the base cost structure when relevant and details of these costs for each option are identified in Section 7.3 to 7.5.

6.6 Capital Investment and Assets

The capital program reflects both asset renewal requirements and strategic investment necessary to maintain competitiveness within the regional tourism market.

6.6.1 Asset Tracking

The model keeps track of the value of assets at each park over time. This reflects new investment (upgrades and renewals), annual depreciation and indexation of asset values. Land is tracked separately.

6.6.2 Capital Program

Future capital spending is based on planned renewals (e.g. replacing amenities, upgrading cabins), strategic improvements (e.g. new facilities, technology upgrades), and timing major investments as provided in Council's 10-year capital forecast.

6.7 Competitive Neutrality Adjustments

To enable comparison with private sector operators, the model incorporates competitive neutrality adjustments that reflect the cost and return expectations of a commercial entity.

These include:

- Operating adjustments: Notional costs such as council rates, tax equivalents, debt guarantee fees, and commercial insurance levels
- Return requirements: A commercial return on assets (based on WACC), inclusion of notional land value and a risk margin applied to outsourced services

These adjustments ensure that financial performance is assessed on a like-for-like basis with private sector benchmarks.

6.8 Profit and Loss

The model produces a full profit and loss statement under both Council and commercial scenarios. This indicates whether parks are generating a surplus or shortfall after accounting for all commercial costs and returns or how the business compares to private sector expectations.

For Council-operated models (FCP and CBU):

- Tax equivalents and certain competitive neutrality adjustments are notional and do not result in cash outflows
- Return on capital represents an economic return to Council rather than a cash payment

For the Corporatisation model:

- Tax, rates, and other charges become actual cash outflows and are not paid notionally or otherwise to Council
- Returns may be distributed as dividends or retained within the entity

This distinction is critical in assessing the true financial impact on Council.

6.9 Key Modelling Assumptions

6.9.1 Economic and Growth Assumptions

These assumptions drive how revenues and costs increase over time.

Assumption	What it means	Key values
GST	Applied to relevant revenues and costs	10% (constant)
CPI	General inflation used for most cost categories	3.0% reducing to 2.5% long-term
Employment Cost Growth	Wage growth applied to labour-related costs	3.0%–5.75% early, stabilising at 3.0%
Labour Index	Tracks cumulative wage growth over time	Increases steadily over forecast
Capital Growth	Escalation applied to asset replacement costs	5.0% per year
Contract Growth	Higher escalation reflecting external service pressures	5.0%–6.0% per year
Margin on Outsourced Contracts	Commercial margin applied to external services	10%
Fees Growth	Growth in Fees charged per night for accommodation	3.0%–3.7% per year

6.9.2 Operating Assumptions

These assumptions reflect how the business is expected to operate over time.

Assumption	What it means	Key values
FTE Increase	Growth in staffing levels over time	1%–4% early, 2.5% ongoing
Corporate Overhead	Allocation of Council corporate costs to the business	\$2.2M increasing with CPI over time
Management Contract Growth	Escalation of park management contracts	5.5% per year

6.9.3 Capital and Asset Assumptions

These assumptions underpin how asset values and investment are modelled.

Assumption	What it means	Key values
Capex Index	Tracks growth in capital costs over time	Based on 5.0% annual growth
Asset Values	Used to calculate returns and depreciation	Vary by year based on investment program
Average Asset Base	Used for return on capital calculations	\$19M–\$28M over forecast period

6.9.4 Financial Structure and Return Assumptions

These assumptions are used to calculate the required commercial return (WACC).

Assumption	What it means	Key values
Tax Rate	Corporate tax rate applied in commercial scenarios	25%
Debt / Equity Split	Assumed capital structure	50% debt / 50% equity
Risk-Free Rate	Based on long-term government bond yields	4.7%
Market Return	Long-term expected market return	10.7%
Market Risk Premium	Additional return above risk-free rate	6.0%
Beta	Measure of relative risk	1.0 (asset), 1.8 (equity)

6.9.5 Cost of Capital (Model Outputs)

These are calculated within the model based on the assumptions above.

Metric	What it means	Key values
Cost of Equity	Required return for equity investors	15.2%
Cost of Debt	Borrowing cost including Council adjustments	8.8%
Pre-Tax Nominal WACC	Blended cost of capital (nominal)	13.1%
Pre-Tax Real WACC	Inflation-adjusted cost of capital	9.8%–10.7%
Post-Tax Real WACC	Used for return on capital calculations	7.4%–8.0%

Notes:

- Growth rates are applied annually and compounded over the forecast period.
- Index values shown in the model represent the cumulative effect of these growth assumptions.
- Where ranges are shown, early years reflect transition assumptions, with long-term values representing steady state

The outputs of this modelling approach are presented in Section 7, which compares the financial performance of each operating model under a consistent set of assumptions where practical, or applied and identified adjustments in line with the above methodology.

The model and all relevant assumptions are included as Attachment 1: SCC HP PBA Model to support this report.

7. Modelling Analysis

This section presents the financial modelling results for the current operating position and each competitive neutrality reform option. For each option, it outlines:

- The operating model and key differences from the current base state
- Financial impacts over a 10-year outlook (FY2026–FY2035)
- Key compliance / governance implications
- Transition requirements (qualitative)

Unless otherwise stated, the underlying revenue, occupancy, pricing path, capital program and asset base assumptions are consistent with the Modelling Methodology (Section 6). Differences between options are driven by the incremental compliance and governance costs and the treatment of competitive neutrality adjustments and taxation under each structure.

7.1 Summary

The below tables provide a snapshot of the financial modelling undertaken, and compare each option, noting that the base case and FCP are financially the same.

Table 11: Summary of P&L and Free Cash Flow for all options (FY2027 Forecast)

Key Metric	Full Cost Price	Commercialisation	Corporatisation
EBIT (Pre CN Adjustments)	\$12.3M	\$12.0M	\$12.6M
Less: CN Adjustments	\$(1.0)M	\$(1.0)M	-
Net Profit (Commercial Basis)	\$11.4M	\$11.1M	\$12.6M
Cash to Council:			
Cash from Operations	\$13.1M	\$12.8M	\$13.4M
Less: Tax (actual)	-	-	\$(2.9)M
Less: Capex	\$(4.1)M	\$(4.1)M	\$(4.1)M
Free Cashflow	\$9.1M	\$8.8M	\$6.4M
10-Year NPV (Free Cash Flow)	\$101.1M	\$98.1M	\$77.9M

Note: Due to rounding, some figures may appear to have a slight discrepancy in totals.

The analysis indicates that:

- Commercialisation introduces a modest increase in operating costs (lower Net Profit), primarily driven by ongoing governance and transition requirements
- Corporatisation results in a lower overall cost base (higher Net Profit) however due to additional corporate costs associated with taxes, results in an overall reduction in free cashflow and reduced NPV, but this could be offset by setting fees more aggressively (c.15% higher) but requires maintaining existing occupancy rates.

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7.2 Base State

7.2.1 Financial Summary

The base state reflects current operations aligned to Full Cost Pricing (FCP) and competitive neutrality (CN) principles. The results indicate a sustained operating surplus and a positive net result after recognising commercial returns and risk margins.

Table 12: 10-Year FY Forecast – Current Operations (aligned to FCP and CN Principles)

Profit & Loss	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$24.8M	\$27.3M	\$28.3M	\$29.4M	\$30.5M	\$31.6M	\$32.8M	\$34.0M	\$35.2M	\$36.5M
Total Operating Expenses	\$(10.4)M	\$(10.9)M	\$(11.4)M	\$(11.9)M	\$(12.4)M	\$(12.9)M	\$(13.5)M	\$(14.1)M	\$(14.7)M	\$(15.3)M
EBITDA (Operating Profit)	\$14.4M	\$16.4M	\$17.0M	\$17.5M	\$18.1M	\$18.7M	\$19.3M	\$19.9M	\$20.5M	\$21.2M
Total EBITDA Adjustments	\$(3.8)M	\$(4.1)M	\$(4.4)M	\$(4.8)M	\$(5.9)M	\$(6.5)M	\$(7.0)M	\$(7.4)M	\$(7.8)M	\$(8.3)M
EBIT (Pre CN Adjustment)	\$10.6M	\$12.3M	\$12.5M	\$12.7M	\$12.2M	\$12.2M	\$12.3M	\$12.5M	\$12.8M	\$12.9M
CN Adjustments	\$(1.0)M	\$(1.0)M	\$(1.0)M	\$(1.0)M	\$(1.1)M	\$(1.1)M	\$(1.1)M	\$(1.1)M	\$(1.2)M	\$(1.2)M
EBIT (Post CN Adjustment)	\$9.7M	\$11.4M	\$11.5M	\$11.7M	\$11.1M	\$11.1M	\$11.2M	\$11.4M	\$11.6M	\$11.7M
Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Tax Equivalent	\$(2.2)M	\$(2.6)M	\$(2.6)M	\$(2.7)M	\$(2.4)M	\$(2.3)M	\$(2.3)M	\$(2.4)M	\$(2.4)M	\$(2.5)M
Profit after Tax ¹	\$6.5M	\$7.8M	\$7.9M	\$8.0M	\$7.1M	\$7.0M	\$6.9M	\$7.1M	\$7.3M	\$7.4M
Return On Capital	\$(3.8)M	\$(4.2)M	\$(4.5)M	\$(4.6)M	\$(5.0)M	\$(5.5)M	\$(5.7)M	\$(5.7)M	\$(5.5)M	\$(5.3)M
Contract Risk Margin	\$(0.6)M	\$(0.7)M	\$(0.7)M	\$(0.7)M	\$(0.8)M	\$(0.8)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.0)M
Net (Full Commercial Basis)	\$2.1M	\$2.9M	\$2.8M	\$2.7M	\$1.3M	\$0.7M	\$0.3M	\$0.5M	\$0.8M	\$1.0M

Note 1. Under Council ownership, tax is treated as a tax-equivalent / notional commercial adjustment (i.e., not an external cash outflow).

7.2.2 Cashflow Summary

To support assessment of Council’s capacity to reinvest and/or extract surplus, the model also presents a cashflow view. Under Council ownership, CN adjustments and tax equivalents are treated as notional (non-cash) for cashflow purposes.

Table 13: 10-Year FY Forecast – Base State / FCP model - cashflow

Cashflow / Reserves	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EBIT (Pre CN Adjustment) ¹	\$10.6M	\$12.3M	\$12.5M	\$12.7M	\$12.2M	\$12.2M	\$12.3M	\$12.5M	\$12.8M	\$12.9M
Add: Depreciation	\$1.5M	\$1.7M	\$2.0M	\$2.3M	\$3.4M	\$3.9M	\$4.4M	\$4.7M	\$5.0M	\$5.5M
Less: Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Cash from Operations	\$11.2M	\$13.1M	\$13.6M	\$14.1M	\$13.9M	\$14.3M	\$14.7M	\$15.3M	\$15.9M	\$16.5M
Less: Tax ²	-	-	-	-	-	-	-	-	-	-
Less: Capex	-	\$(4.1)M	\$(2.5)M	\$(2.5)M	\$(9.1)M	\$(4.4)M	\$(3.3)M	\$(2.0)M	\$(2.0)M	\$(3.0)M
Free Cashflow	\$11.2M	\$9.1M	\$11.1M	\$11.6M	\$4.9M	\$9.9M	\$11.4M	\$13.3M	\$13.9M	\$13.5M

Notes:

1. Cash from operations starts from EBIT (Pre CN Adjustment), effectively treating CN adjustments as notional costs that do not result in cash outflows. These amounts remain available to Council for reinvestment or dividend extraction.

2. Tax equivalent is not paid externally under Council ownership. Under a corporatised entity, company tax becomes an actual payment to the ATO.

7.2.3 Key Finding: Council Already Operates at Full Cost

The base-state modelling demonstrates that Council’s Holiday Parks already operate above Full Cost. The FY2025–26 budget shows:

- Total operating revenue of **\$24.8** million
- Total operating expenditure of **\$10.4** million
- EBIT (post CN Adjustment) of **\$9.7** million
- A net full commercial surplus of **\$2.1** million, after recognising tax-equivalents, return on capital, and contract risk margin.

This is significant because it indicates Holiday Parks does not appear to be receiving a material net competitive advantage from Council ownership. The key question for the PBA is therefore whether further reform (CBU or corporatisation) produces incremental public benefit relative to the additional cost, complexity, and risk.

7.3 Option 1: Full Cost Pricing (Formalised)

7.3.1 Description

Under this option, Council formalises the application of Full Cost Pricing (FCP) to Holiday Parks within Council’s organisational structure. Prices continue to be set on a commercial cost-recovery basis, including overheads, capital consumption, CN adjustments, and a return on assets employed.

In effect, this option is a continuation of the base state in Section 7.2., with additional formalisation of annual review processes and clearer identification and funding of any CSOs.

7.3.2 Compliance Requirements

Table 14: Implications of adopting the FCP Model

Requirement	Features and Issues	Difference to BAU
Identify all direct costs	All direct costs associated with Holiday Parks are identified within the business accounts.	No change: already appropriately identified
Identify all relevant indirect costs	Fixed and consumption-based internal charges are allocated by Council to Holiday Parks, with costs determined utilising activity-based costing methodology.	Enhanced: Internal charges now benchmarked annually to ensure arms-length pricing
Identify all relevant capital costs	The business has recently finalised the development of a consolidated financial model to ensure capital costs are appropriately recognised. Continual review of the full cost pricing position will be necessary.	New: Consolidated financial model recently developed; ongoing annual review process established to ensure capital costs remain accurate
Identify and adjust for tax equivalents	Tax equivalents are appropriately accounted for. Tax equivalent calculations need to occur annually during budget preparation given ongoing changes to the tax environment.	Formalised: Tax equivalent calculations now mandatory annual process during budget preparation (previously applied but not formally reviewed annually)
Adjust for other factors	Competitive neutrality adjustments are included in the financial model and provided for in the Holiday Parks budget.	No change: already appropriately separated and reported
Prepare cost budget and statement of assets	The budget for Holiday Parks is endorsed by Council as part of the annual budget adoption and separately reported. Council’s financial system and asset register recognises the assets of the business separately.	No change: already appropriately separated and reported
Develop appropriate pricing strategy	Charges are currently set to reflect the true costs of providing each service, except for certain subsidised services targeted as CSOs.	Formalised: Pricing strategy now explicitly documented with transparent cost-recovery methodology; CSO to be clearly identified and funded separately
Identify and recognise CSOs	All CSOs are identified and costed separately, included as a revenue line item for the business (once approved by Council), and funded via the general rate. CSO KPIs may need to be established.	New: CSOs not currently identified or separately funded by Council. Under FCP, implicit CSOs will be identified, costed, require Council approval, and be funded via general rate with KPIs established
Prepare revenue forecasts	Revenue forecasts in the consolidated financial model are set to ensure full cost recovery is achieved on an annual basis.	Formalised: Revenue forecasting now integrated into consolidated financial model with explicit full cost recovery target
Prepare governance reports	Holiday Parks currently reports quarterly on performance. An Annual Performance Plan may be prepared voluntarily to strengthen accountability.	Potential enhancement: Quarterly reporting maintained; Annual Performance Plan to be introduced to strengthen strategic oversight and accountability

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7.3.3 Financial Impact

No incremental impact relative to the base state, as this option reflects formalisation rather than a structural change.

7.3.4 Transition Requirements

- Identify and clearly disclose any CSOs (including valuation and funding mechanism)
- Formalise the annual FCP/CN review cycle (internal charges benchmarking, tax-equivalent update, and documentation)
- Confirm governance/reporting expectations for ongoing transparency

7.4 Option 2: Commercialised Business Unit (CBU)

7.4.1 Description

Under the CBU model, Holiday Parks remains within Council (not a separate legal entity) but is established as a formally commercialised business unit with ring-fenced reporting, enhanced performance planning, and clearer commercial accountability. Compliance costs exceed those under FCP due to additional governance, planning and assurance requirements.

7.4.2 Compliance Requirements

Table 15: Implications of adopting a CBU model

Requirement	Features and Issues	Difference to BAU
Business Management	Managerial control is devolved to a ring-fenced unit operating to defined commercial objectives and targets approved by Council. Policy/regulatory functions are separate from business management to reduce conflicts.	Enhanced: formalised commercial autonomy and ring-fenced accountability (beyond current quarterly reporting).
Financial	The unit operates with more formal notional tax and dividend-equivalent arrangements and clearer reserve/dividend/capital policies. A commercial capital structure assumption is documented and reviewed.	Enhanced: formalises treatment of returns, reserves and capital planning (currently implicit/less structured).
Corporate Plan	Council's Corporate Plan explicitly includes the CBU's objectives and the nature/scope of activities.	New / Enhanced: explicit inclusion and articulation of business objectives within corporate planning.
Operational Plan	Council's Operational Plan includes outcomes, strategies, outputs, activities and performance measures specific to the CBU.	New / Enhanced: more structured planning and performance measures than BAU.
Annual Performance Plan	An annual plan is prepared setting out financial/non-financial targets, CSOs (definition, costing, funding, KPIs), objectives/functions, main activities, capital structure, proposed investments, service levels, borrowing and autonomy.	New: formal annual performance plan requirement (material uplift from BAU).
Annual Statement of Operations	Annual reporting includes planned vs actual performance, changes to the plan, impact assessment, particulars of Council directions, and details of tax equivalents and guarantee adjustments.	New: formal annual public reporting package beyond BAU quarterly reporting.

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7.4.3 Financial Impacts

Table 16: Cost adjustments to annual budget under CBU compared to current state (FCP)

(Note: values represent additional annual costs.)

Natural Account Created	Description	Annual Adjustment
CB01 – CBU Governance Framework	Covers the additional governance arrangements required for a Commercialised Business Unit (CBU), including formal reporting, policy development and periodic independent review. While the business would remain within Council, a more commercial operating structure requires clearer accountability, performance oversight and decision-making frameworks. Typical annual costs include quarterly reporting, governance reviews, policy maintenance, external governance advice and ad-hoc support.	\$45,000
CB02 – CBU Business Planning & Analytics	Provides for the strategic planning and business intelligence capability required to operate the holiday parks on a more commercial basis. This includes market analysis, performance monitoring and customer insight activities not typically required under a standard Council operating model. Typical annual costs include strategic planning updates, market research, competitor analysis, dashboard reporting tools and customer analytics.	\$25,000
CB03 – CBU Dividend Administration	Covers the administrative and reporting effort associated with calculating, documenting and managing dividend or financial return arrangements between the business unit and Council. Typical annual costs include dividend calculations, reserve tracking, long-term sustainability assessments and reporting to Council.	\$8,000
CB04 – CBU Capital Pathway Administration	Reflects the additional planning and documentation required to support a more commercially focused capital investment process. Typical annual costs include business case preparation, financial modelling, options analysis, renewal forecasting and maintenance of long-term capital plans and reserve funding strategies.	\$12,000
CB05 – CBU Tax & External Audit Compliance	Reflects the additional financial assurance, taxation and compliance activities associated with operating as a Commercialised Business Unit. While the business would remain within Council, the structure may require standalone tax-equivalent reporting, enhanced audit procedures and independent financial review processes beyond standard Council operational reporting. Typical annual costs include external audit services, taxation compliance support, financial statement review and regulatory reporting assistance.	\$100,000
Total Impact / Adjustment		\$190,000

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7.4.4 Financial Summary

Table 17: 10-Year FY Forecast – CBU model

Profit & Loss	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$24.8M	\$27.3M	\$28.3M	\$29.4M	\$30.5M	\$31.6M	\$32.8M	\$34.0M	\$35.2M	\$36.5M
Total Operating Expenses	\$(10.7)M	\$(11.2)M	\$(11.7)M	\$(12.2)M	\$(12.7)M	\$(13.3)M	\$(13.8)M	\$(14.4)M	\$(15.0)M	\$(15.7)M
EBITDA (Operating Profit)	\$14.1M	\$16.1M	\$16.7M	\$17.2M	\$17.8M	\$18.3M	\$18.9M	\$19.6M	\$20.2M	\$20.9M
Total EBITDA Adjustments	\$(3.8)M	\$(4.1)M	\$(4.4)M	\$(4.8)M	\$(5.9)M	\$(6.5)M	\$(7.0)M	\$(7.4)M	\$(7.8)M	\$(8.3)M
EBIT (Pre CN Adjustment)	\$10.3M	\$12.0M	\$12.2M	\$12.4M	\$11.8M	\$11.8M	\$11.9M	\$12.2M	\$12.4M	\$12.6M
CN Adjustments	\$(1.0)M	\$(1.0)M	\$(1.0)M	\$(1.0)M	\$(1.1)M	\$(1.1)M	\$(1.1)M	\$(1.1)M	\$(1.2)M	\$(1.2)M
EBIT (Post CN Adjustment)	\$9.4M	\$11.1M	\$11.2M	\$11.4M	\$10.8M	\$10.7M	\$10.8M	\$11.0M	\$11.3M	\$11.4M
Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Tax Equivalent	\$(2.1)M	\$(2.5)M	\$(2.6)M	\$(2.6)M	\$(2.3)M	\$(2.2)M	\$(2.2)M	\$(2.3)M	\$(2.3)M	\$(2.4)M
Profit after Tax ¹	\$6.3M	\$7.6M	\$7.7M	\$7.8M	\$6.9M	\$6.7M	\$6.7M	\$6.8M	\$7.0M	\$7.1M
Return On Capital	\$(3.8)M	\$(4.2)M	\$(4.5)M	\$(4.6)M	\$(5.0)M	\$(5.5)M	\$(5.7)M	\$(5.7)M	\$(5.5)M	\$(5.3)M
Contract Risk Margin	\$(0.6)M	\$(0.7)M	\$(0.7)M	\$(0.7)M	\$(0.8)M	\$(0.8)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.0)M
Net (Full Commercial Basis)	\$1.9M	\$2.7M	\$2.5M	\$2.5M	\$1.1M	\$0.4M	\$0.1M	\$0.3M	\$0.6M	\$0.8M

Notes: 1. Tax equivalents remain notional under Council ownership (CBU is not a separate legal entity).

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7.4.5 Cashflow Summary

The cashflow under CBU remains a Council-owned cashflow (tax equivalents not paid externally). This table has been completed consistently using the same approach as the base state: cash from operations is derived from EBIT (Pre CN Adjustment) + depreciation – interest, with the same capital program applied.

Table 18: 10-Year FY Forecast - CBU model - cashflow

Cashflow / Reserves	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EBIT (Pre CN Adjustment) ¹	\$10.3M	\$12.0M	\$12.2M	\$12.4M	\$11.8M	\$11.8M	\$11.9M	\$12.2M	\$12.4M	\$12.6M
Add: Depreciation	\$1.5M	\$1.7M	\$2.0M	\$2.3M	\$3.4M	\$3.9M	\$4.4M	\$4.7M	\$5.0M	\$5.5M
Less: Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Cash from Operations	\$10.9M	\$12.8M	\$13.3M	\$13.8M	\$13.6M	\$13.9M	\$14.4M	\$14.9M	\$15.5M	\$16.1M
Less: Tax ²	-	-	-	-	-	-	-	-	-	-
Less: Capex	-	\$(4.1)M	\$(2.5)M	\$(2.5)M	\$(9.1)M	\$(4.4)M	\$(3.3)M	\$(2.0)M	\$(2.0)M	\$(3.0)M
Free Cashflow	\$10.9M	\$8.8M	\$10.8M	\$11.3M	\$4.6M	\$9.5M	\$11.0M	\$12.9M	\$13.5M	\$13.1M

Notes:

1. Cash from operations starts from EBIT (Pre CN Adjustment), effectively treating CN adjustments as notional costs that do not result in cash outflows. These amounts remain available to Council for reinvestment or dividend extraction.

2. Tax equivalent is not paid externally under Council ownership. Under a corporatised entity, company tax becomes an actual payment to the ATO.

7.4.6 Transition Requirements

Key transition requirements for implementing a CBU include:

- Establish ring-fenced reporting and performance dashboards for Holiday Parks
- Prepare Annual Performance Plan and Annual Statement of Operations
- Formalise dividend/reserve/capital pathway policies (including treatment of capital renewals and strategic upgrades)
- Formalise internal service agreements and benchmarking/arms-length validation for shared services
- Implement enhanced assurance arrangements (e.g., periodic independent review of pricing/FCP/CN compliance and tax-equivalent calculations)
- Identify, quantify and document CSOs and performance measures, and confirm funding arrangements

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7.5 Option 3: Corporation

7.5.1 Description

Under corporatisation, a new separate legal entity is established to operate Holiday Parks, with Council as the sole shareholder. A Board of Directors is appointed, and the entity operates under corporate governance and statutory compliance obligations. This model introduces standalone corporate functions and converts notional costs, such as tax-equivalent items into actual cash costs/outflows.

7.5.2 Principles of Corporatisation

Table 19: Principles and elements of corporatisation

Principle	Elements
Clarity of Objectives	Clear, non-conflicting objectives. Specific financial and non-financial performance targets. Separation of policy/regulatory responsibilities. CSOs clearly identified in Statement of Corporate Intent, separately costed and compensated. CSO performance targets set.
Management Autonomy and Authority	Board of Directors appointed on merit. Board required to use best endeavours to meet performance targets. Board given autonomy to make commercial decisions. Council's former power replaced with strategic monitoring procedures. Shareholder role clearly defined. Reserve powers exercised openly.
Strict Accountability for Performance	Board accountable to shareholder for performance. Statement of Corporate Intent forms basis for accountability. Shareholder monitoring compensates for absence of share market discipline.
Competitive Neutrality	Removal, wherever possible, of advantages and disadvantages accruing to the Corporation resulting from local government ownership.

7.5.3 Compliance Requirements

Table 20: Implications of adopting a corporate model

Requirement	Features and Issues	Difference to BAU
Legal structure & governance	Establish a separate legal entity (council-controlled corporation) with a Board. Council acts as shareholder and sets strategic direction via a Statement of Corporate Intent (SCI).	New / Material change: separate entity + Board replaces Council-direct management.
Accountability framework	Formal SCI, shareholder performance monitoring, corporate governance policies, board/committee cadence, delegations, and reporting regime.	New: governance and accountability uplift and increased complexity.
Financial management	Standalone statutory accounts, banking/treasury, budgeting, audit, internal controls, and entity-level financial reporting.	New: duplicate corporate functions vs BAU/CBU.
Tax & regulatory compliance	Company tax becomes an actual cash payment to the ATO (notional "tax equivalent" becomes real). Additional corporate compliance obligations apply.	New / Material change: introduces cash leakage and higher compliance overhead.
Corporate functions & overheads	Standalone (or contracted) corporate services: finance, HR/payroll, ICT, procurement, risk/compliance, legal, insurance, comms/brand, etc.	New / Increased cost: significant additional overhead compared with BAU/CBU.

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Requirement	Features and Issues	Difference to BAU
Internal service arrangements	Council-provided services shift to formal service agreements and are expected to move toward market-based pricing and commercial terms.	Changed: arms-length contracting replaces internal transfer pricing.
CSOs and social objectives	CSOs must be explicitly identified, costed, contracted and funded (or reflected in reduced dividends). Board fiduciary duties may constrain non-commercial decisions unless compensated.	Material change: Higher risk to CSO continuity vs BAU/CBU.
People & industrial relations	Staff transfer/change management required; potential changes to IR framework, entitlements, and workforce mobility; material transition/disruption risk.	Material change: significant HR/IR impacts vs BAU/CBU.
Council control & flexibility	Council retains strategic control via shareholder role but has reduced ability to intervene in day-to-day operational matters.	Changed: Reduced operational control compared with BAU/CBU.

7.5.4 Financial Impact

Corporatisation introduces material standalone corporate overheads (board/governance, executive leadership, standalone assurance, ICT, finance/HR, insurance, etc.). It also changes the nature of competitive neutrality items and taxation:

- Certain CN items that are notional under Council ownership may become actual operating costs under a company structure (e.g., rates)
- Tax is no longer a notional “equivalent” – it becomes an actual cash payment to the ATO, reducing cash retained within the Council group

The incremental annual cost build-up included in the model is summarised below.

Table 21: Cost adjustments to annual budget under Corporatisation compared to current state (FCP)

(Note: values are presented as per the model’s adjustment convention; negative values represent a reduction in annual costs.)

Natural Account Created	Description	Annual Adjustment
CP01 – Corporate Board & Governance	A standalone corporate entity would require an independent governance structure separate from Council. This includes establishment of a formal board, company secretariat support and compliance with corporate governance obligations. Typical annual costs include board remuneration, meeting administration, statutory reporting and governance support services.	\$135,000
CP02 – Corporate CEO / Managing Director	A corporatised entity would require dedicated executive leadership responsible for commercial operations, stakeholder management, strategic delivery and reporting to the Board. These responsibilities are currently absorbed within Council’s organisational structure. Typical annual costs include executive remuneration, employment on-costs, recruitment, professional development and reporting systems.	\$286,200
CP03 – Corporate Standalone Insurance	Reflects the increased cost of obtaining standalone insurance coverage outside of Council’s broader insurance portfolio arrangements. Councils typically benefit from scale and aggregated purchasing power that would not be available to an independent entity. Typical annual costs include public liability, professional indemnity, property, cyber and directors and officers insurance.	\$200,000
CP04 – Corporate Standalone IT Systems	A standalone corporation would require independent ICT systems and support arrangements rather than relying on Council’s shared systems and infrastructure. Typical annual costs include software licensing, finance and payroll systems, booking platforms, cloud services, cybersecurity tools, ICT support and system maintenance.	\$275,000
CP05 – Corporate Standalone HR & Payroll	Reflects the establishment of independent human resources and payroll capability for a standalone entity. Typical annual costs include payroll processing, recruitment, workforce management, employee relations support, training and HR compliance activities.	\$110,000

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Natural Account Created	Description	Annual Adjustment
CP06 – Corporate Standalone Finance Functions	A corporatised entity would require dedicated finance capability to support independent financial management, statutory reporting and compliance obligations. Typical annual costs include finance staff, accounts processing, annual financial reporting, taxation compliance and financial systems administration.	\$165,000
CP07 – Corporate Standalone Procurement	Covers procurement and supplier management capability required outside Council purchasing arrangements. Typical annual costs include procurement advisory support, tender administration, supplier management systems and procurement compliance activities. Additional indirect costs may also arise through reduced access to Council purchasing economies of scale.	\$60,000
CP08 – Corporate External Audits	A standalone corporation would require independent external financial audits in accordance with statutory obligations. Typical annual costs include annual financial audits, compliance testing and associated assurance services. Audit costs are expected to increase due to the requirement for standalone statutory reporting.	\$75,000
CP09 – Corporate Legal & Compliance	Reflects the broader legal and compliance obligations associated with operating as an independent corporate entity. Typical annual costs include commercial legal advice, employment law support, governance and regulatory compliance advice, contract reviews and dispute management.	\$70,000
CP10 – Corporate Tax Advisory	Unlike the current operating model, a corporatised entity would be subject to standalone taxation compliance and reporting obligations. Typical annual costs include company tax returns, BAS and PAYG lodgements, taxation advisory services and fringe benefits tax compliance.	\$42,000
CP11 – Corporate Treasury & Banking	Covers banking and treasury functions required for an independent corporate entity. Typical annual costs include transaction fees, merchant service fees, cash handling, banking facilities and treasury administration activities.	\$30,000
CP12 – Corporate Communications	Reflects the need for standalone communications and stakeholder management capability. Typical annual costs include media liaison, stakeholder engagement, reputation management, crisis communications support and digital communications activities.	\$45,000
CP13 – Corporate Risk Management	A standalone entity would require an independent risk management framework separate from Council systems. Typical annual costs include risk reviews, WHS audits, business continuity planning, policy updates and risk advisory support.	\$40,000
CP14 – Corporate Branding & Marketing	Covers branding and identity activities associated with operating as a standalone corporate entity. Typical annual costs include brand strategy, signage updates, marketing collateral refreshes and website or visual identity updates where required.	\$35,000
CP15 – Corporate Other Corporate Costs	Covers miscellaneous corporate operating costs associated with maintaining an independent entity. Typical annual costs include ASIC fees, memberships, board meeting expenses, AGM activities, strategic planning facilitation, office accommodation and general corporate administration costs.	\$125,000
CP16 – Corporate ISP Market Adjustment	Reflects the expectation that services currently provided internally by Council at transfer pricing rates would move toward market-based commercial pricing under a standalone corporate structure. This includes increased costs associated with formal service agreements, contract administration, commercial margins and reduced access to preferential internal pricing and scheduling arrangements. Typical annual costs reflect estimated uplifts across transport, waste and operational support services currently accessed through internal Council business units.	\$70,000
CP17 – Corporate Council Rates	A standalone corporate entity may become liable for Council rates and utility-style charges that are not currently applied under the existing operational structure. This reflects the removal of implicit internal ownership treatment currently available under direct Council operation. Typical annual costs include general rates, waste charges and other property-based statutory charges across the holiday park portfolio.	\$114,539
Total Impact / Adjustment – New Costs		\$1,877,739
Competitive Neutrality Adjustments	These costs included in the existing budgets for the current state have been removed under a corporatisation model and replaced by the additional costs noted above.	\$(961,072)
Corporate Overheads	As above.	\$(2,218,027)
Total Impact / Adjustment (cost/(benefit))		\$(1,301,361)

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7.5.5 Financial Summary

Table 22: 10-Year FY Forecast – Corporatisation model – P&L

Profit & Loss	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue	\$24.8M	\$27.3M	\$28.3M	\$29.4M	\$30.5M	\$31.6M	\$32.8M	\$34.0M	\$35.2M	\$36.5M
Total Operating Expenses	\$(12.4)M	\$(12.9)M	\$(13.5)M	\$(14.0)M	\$(14.6)M	\$(15.2)M	\$(15.8)M	\$(16.4)M	\$(17.1)M	\$(17.8)M
EBITDA (Operating Profit)	\$12.4M	\$14.4M	\$14.9M	\$15.4M	\$15.9M	\$16.4M	\$17.0M	\$17.6M	\$18.1M	\$18.8M
Total EBITDA Adjustments	\$(1.5)M	\$(1.8)M	\$(2.1)M	\$(2.4)M	\$(3.5)M	\$(4.0)M	\$(4.4)M	\$(4.8)M	\$(5.1)M	\$(5.6)M
EBIT (Pre CN Adjustment)	\$10.8M	\$12.6M	\$12.8M	\$12.9M	\$12.4M	\$12.4M	\$12.5M	\$12.8M	\$13.0M	\$13.2M
CN Adjustments	-	-	-	-	-	-	-	-	-	-
EBIT (Post CN Adjustment)	\$10.8M	\$12.6M	\$12.8M	\$12.9M	\$12.4M	\$12.4M	\$12.5M	\$12.8M	\$13.0M	\$13.2M
Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Tax	\$(2.5)M	\$(2.9)M	\$(3.0)M	\$(3.0)M	\$(2.7)M	\$(2.7)M	\$(2.7)M	\$(2.7)M	\$(2.8)M	\$(2.8)M
Profit after Tax	\$7.4M	\$8.7M	\$8.9M	\$9.0M	\$8.1M	\$8.0M	\$8.0M	\$8.2M	\$8.3M	\$8.5M
Return On Capital	\$(3.8)M	\$(4.2)M	\$(4.5)M	\$(4.6)M	\$(5.0)M	\$(5.5)M	\$(5.7)M	\$(5.7)M	\$(5.5)M	\$(5.3)M
Contract Risk Margin	\$(0.6)M	\$(0.7)M	\$(0.7)M	\$(0.7)M	\$(0.8)M	\$(0.8)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.0)M
Net (Full Commercial Basis)	\$3.0M	\$3.9M	\$3.7M	\$3.7M	\$2.3M	\$1.7M	\$1.4M	\$1.6M	\$1.9M	\$2.1M

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7.5.6 Cashflow Summary

Under corporatisation, company tax is treated as an actual cash outflow.

Table 23: 10-Year FY Forecast - Corporatisation model - cashflow

Cashflow / Reserves	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EBIT	\$10.8M	\$12.6M	\$12.8M	\$12.9M	\$12.4M	\$12.4M	\$12.5M	\$12.8M	\$13.0M	\$13.2M
Add: Depreciation	\$1.5M	\$1.7M	\$2.0M	\$2.3M	\$3.4M	\$3.9M	\$4.4M	\$4.7M	\$5.0M	\$5.5M
Less: Interest Paid	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(0.9)M	\$(1.6)M	\$(1.8)M	\$(1.9)M	\$(1.9)M	\$(1.9)M	\$(1.9)M
Cash from Operations	\$11.4M	\$13.4M	\$13.8M	\$14.3M	\$14.2M	\$14.5M	\$15.0M	\$15.5M	\$16.1M	\$16.7M
Less: Tax	\$(2.5)M	\$(2.9)M	\$(3.0)M	\$(3.0)M	\$(2.7)M	\$(2.7)M	\$(2.7)M	\$(2.7)M	\$(2.8)M	\$(2.8)M
Less: Capex	-	\$(4.1)M	\$(2.5)M	\$(2.5)M	\$(9.1)M	\$(4.4)M	\$(3.3)M	\$(2.0)M	\$(2.0)M	\$(3.0)M
Free Cashflow	\$8.9M	\$6.4M	\$8.4M	\$8.9M	\$2.4M	\$7.5M	\$9.0M	\$10.8M	\$11.3M	\$10.9M

7.5.7 Transition Requirements

Corporatisation requires the establishment of a new legal entity and associated governance, operational and workforce changes. Key transition requirements include:

- Establish the legal entity and foundational governance documents (constitution, shareholder arrangements)
- Appoint an appropriately qualified Board and establish board/committee structures, meeting cadence, delegations and governance policies
- Develop and adopt the inaugural Statement of Corporate Intent, including performance targets, dividend policy, capital/reinvestment plan, and CSO treatment
- Establish standalone (or market-priced) corporate functions and systems: finance, HR/payroll, ICT, procurement, risk/compliance, insurance, audit and reporting
- Implement service agreements between Council and the corporation for any ongoing shared services, with arms-length pricing and performance expectations
- Undertake staff consultation and transition planning (including industrial relations considerations), and implement change management and communications
- Formalise CSO contracts (if CSOs are to be retained), including costing, funding, performance measures and reporting
- Prepare the opening balance sheet and ensure asset/lease/land access arrangements are documented (including the treatment of state-controlled camping reserve land and heritage constraints)

Transition costs will depend on implementation design (standalone vs shared-service model), staff transfer approach, and systems design; however, the model reflects that corporatisation introduces significant ongoing corporate overheads and converts tax-equivalent treatment into actual cash tax payments. It is also worth noting that under corporatisation fees may be increased, leading to greater revenue and increase returns. Modelling indicates fees would require an increase of c.12% to achieve similar NPV as the FCP option if occupancy remain at the same levels as current. Any reduction in occupancy forecasts due to increased fees haven't been modelled, however logic dictates fees would subsequently need to increase (again) proportionally to balance any lost occupancy to achieve NPV equivalent on free cash flow.

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8. Public Benefit Assessment

This section assesses each option against the public interest criteria required under the legislative framework. The assessment considers both financial impacts (including cash retained within the Council group) and broader impacts across market, staff, customers, regional development, social equity and environmental outcomes.

For consistency with the Modelling Analysis (Section 7), quantitative comparisons below are primarily presented over a 10-year horizon (FY2026–FY2035), noting the underlying model forecasts over a longer period.

8.1 Financial Position of Holiday Parks

Assessment criteria: Pricing, non-commercial activities (CSOs), administration/compliance burden, cost structure and operational efficiency.

The modelling demonstrates that Holiday Parks is capable of operating at or above full cost recovery under all three structures. The key differentiator is not operating viability, but:

1. the incremental governance/compliance overhead introduced by each model, and
2. whether “commercial” items are notional (Council-owned models) or become actual external cash outflows (corporatisation, notably company tax).

Option comparison

- **Full Cost Pricing (FCP / BAU formalised):** Maintains current structure with minimal incremental overhead. Tax-equivalent items remain notional for cashflow purposes (i.e., do not leave the Council group). Provides the highest cash retained within the Council group under the base structure.
- **Commercialisation (CBU):** Introduces incremental governance/compliance costs (per Section 7.4.3) of **\$190,000 p.a.** to deliver improved transparency, accountability, and structured planning (Annual Performance Plan, Annual Statement of Operations). These costs remain within Council (no new external leakage). Financially, the impact is modest relative to scale of the business.
- **Corporatisation:** Introduces material standalone corporate overheads (balanced by a reduction in Council Overheads) (refer Section 7.5.4) and converts notional tax-equivalent treatment into actual company tax paid to the ATO, reducing cash retained within the Council group. While corporatisation may present strongly on some “commercial” profit measures, it results in lower free cashflow to Council and a materially lower NPV over the assessment horizon, assuming no increase in fees versus the alternative models.

Table 24: Summary Financial Metrics

Metric	Full Cost Pricing	Commercialisation	Corporatisation
10-Year NPV (Free Cashflow)	\$101.1M	\$98.1M	\$77.9M
Average Annual Surplus (Net – full commercial basis)	\$1.5M	\$1.3M	\$2.5M
Average annual free cashflow to Council (after capex)	\$11.0M	\$10.6M	\$8.4M
Transition Cost	Low (process/documentation)	Low–moderate (planning/reporting uplift)	High (entity establishment + workforce/governance transition)

Assumptions used for NPV: NPV calculated on Free Cashflow after capex (Tables in Section 7), discounted at 7.8% post-tax real WACC (Section 6.9.5). FY2026 treated as year 0 for discounting.

Assessment:

- FCP and CBU both produce a net financial benefit and retain cash within the Council group.
- Corporatisation produces a net financial cost relative to the Council-owned models due to external cash leakage (company tax), resulting in a materially lower NPV although this could potentially be offset by increasing fees and balancing fee increases with any impacts on occupancy forecasts. The modelling of this is beyond the scope of this report.

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8.2 Sunshine Coast Regional Council Budget

Assessment criteria: Community service provision, financial sustainability, ratepayer impact, compliance.

- **FCP:** maximises cash retained within Council to fund renewals and/or broader Council priorities.
- **CBU:** marginally reduces annual cash retained (incremental governance cost) but improves predictability and transparency of capital/dividend/reserve decisions through formal planning and reporting.
- **Corporatisation:** reduces Council-group cash retention due to actual corporate tax payments and standalone overheads; dividend streams may be less controllable/timely than direct cash retention under Council-owned models.

Assessment: FCP and CBU support Council budget sustainability; corporatisation materially weakens the net budget benefit.

8.3 Market Implications

Assessment criteria: Impact on competition in the relevant market(s), consistency with competitive neutrality principles; potential for market distortion or "crowding out" of private operators.

- **FCP:** Maintains the current market balance. By formalising CN adjustments and reporting, Council provides greater assurance to private competitors that it is not leveraging its ownership to undercut competitors on price.
- **CBU:** Enhances market transparency. The public availability of an Annual Performance Plan and Statement of Operations provides a "level playing field" benchmark, allowing private operators to see that Council is operating on a commercial basis.
- **Corporatisation:** While technically meeting CN requirements, the transition to a standalone commercial entity may be perceived by the market as a move toward more aggressive commercial expansion and associated pricing. This could lead to increased industry concern regarding Council's long-term intentions in the sector.

Assessment: FCP and CBU are neutral to beneficial for market confidence. Corporatisation carries higher perceived market risk.

8.4 Staff Implications

Assessment criteria: Employment conditions and security, industrial relations stability, workforce mobility and retention, change management and morale.

- **FCP:** Represents the status quo for staff. There is no change to employment contracts, reporting lines, or Council's integrated HR support systems. It presents the lowest industrial relations risk.
- **CBU:** Staff remain Council employees. While there may be a shift in "business culture" toward stronger performance targets, the underlying employment protections and benefits remain unchanged.
- **Corporatisation:** Presents a material risk to staff stability. Transitioning to a new entity requires significant consultation and potentially complex negotiations regarding the transfer of entitlements, noting that a new corporate entity may not maintain the existing operational contracts. The "limbo" period during entity establishment typically leads to increased turnover and morale risks.

Assessment: FCP and CBU deliver a net benefit through stability, corporatisation presents a net cost.

8.5 Customer Implications

Assessment criteria: Accessibility and affordability for the community and visitors; service quality and infrastructure standards; responsiveness to customer needs.

- **FCP:** Best protects affordability. Because this model has the lowest overhead burden, there is minimal pressure to increase fees beyond CPI to cover "corporate compliance" costs.
- **CBU:** Introduces a modest overhead (approx. \$190k p.a.), but this is offset by improved strategic planning and reinvestment discipline. This structure ensures that profit is systematically reinvested into park quality, benefiting the customer in the long term.
- **Corporatisation:** The high standalone overhead and the requirement to pay external company tax create significant upward pressure on pricing. To maintain historical returns to Council, a corporatised entity would likely need to aggressively increase fees or reduce service levels.

Assessment: CBU provides the best balance of commercial reinvestment and quality; corporatisation introduces high affordability risk.

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8.6 Regional Development and Economic Stability

Assessment criteria: Contribution to the regional visitor economy, stability of accommodation supply, support for local tourism ecosystems and supply chains.

- **FCP/CBU:** These models ensure that Holiday Parks remain a stable, Council-controlled anchor for the regional tourism sector. Profits generated are retained within the Sunshine Coast, allowing for reinvestment in local infrastructure that supports broader economic stability.
- **Corporatisation:** By paying a portion of cashflow via corporation tax to the Federal Government and increasing internal overhead, this model reduces the total capital available to the broader local Sunshine Coast economy.

Assessment: FCP/CBU provide a net benefit to regional stability; corporatisation results in a net leakage of regional wealth.

8.7 Social Welfare and Equity

Assessment criteria: Inclusion and social equity (CSOs), preservation of community access to public land, transparency in the use of public resources.

- **FCP:** Community benefits are delivered but are often implicit and not separately funded.
- **CBU:** Provides a major net benefit by forcing the explicit identification, costing, and transparent funding of Community Service Obligations (CSOs). This ensures social outcomes are protected and bought by Council through a clear contractual arrangement.
- **Corporatisation:** Creates a structural tension between the Board’s fiduciary duty to act in the best commercial interest of the company and the delivery of non-commercial social outcomes. Without heavy contracting, social equity may be eroded in favour of the bottom line.

Assessment: CBU provides the highest net benefit for social equity through transparency.

8.8 Environmental Implications

Assessment criteria: Compliance with environmental legislation; preservation of natural assets and heritage; alignment with Council’s sustainability and ESG goals.

- **FCP/CBU:** Keeps the parks under direct Council oversight. These structures ensure seamless alignment with Council’s broader sustainability strategies and environmental protection policies.
- **Corporatisation:** While a corporation must comply with environmental laws, it is a step removed from Council’s direct policy environment. Maintaining alignment with Council’s high-bar ESG standards would require complex and ongoing monitoring by the shareholder.

Assessment: FCP and CBU provide the highest assurance of environmental alignment.

8.9 Impact Assessment Summary

Table 25: Summary of Net Benefit Assessment

Impact Area	FCP Status Quo	Commercialisation	Corporatisation
Financial Position of Holiday Parks	Neutral	Net benefit (control)	Net cost
Council Budget	Neutral	Net cost (marginal)	Net cost (tax / dividend)
Market	Neutral	Net benefit (marginal)	Neutral / Detracting
Staff	Neutral	Neutral	Detracting (near term uncertainty)
Customers	Neutral	Net benefit	Mixed – perception risk
Regional Development	Neutral	Net benefit	Detracting
Social Welfare and Equity	Neutral	Net benefit (CSO transparency)	Detracting
Environment	Neutral	Neutral	Risk

9. Recommendation

9.1 Preferred Business Model Recommendation

The preferred approach is to **retain Full Cost Pricing as the core operating framework, supplemented by targeted commercial governance reforms to address these identified gaps**. This approach effectively establishes an “enhanced FCP” model, whereby the business continues to operate within Council while adopting selected characteristics of a Commercialised Business Unit. This includes:

- Clear delegation of day-to-day operational decision-making to the Holiday Parks manager within approved strategic and financial parameters
- Development of a structured capital and reinvestment framework, ensuring that funds generated by the business are transparently allocated between reinvestment and returns to Council
- Formalisation of performance expectations through annual planning, reporting, and accountability mechanisms
- Explicit identification, costing, and funding of Community Service Obligations (CSOs) to ensure transparency and sustainability of non-commercial outcomes
- Strengthened financial transparency to support informed decision-making by Council

This approach provides a balanced outcome by:

- retaining all financial elements within the Council
- improving operational responsiveness and commercial discipline
- maintaining alignment with Council’s broader strategic, social, and environmental objectives
- avoiding the cost, complexity, and implementation risk associated with establishing a separate legal entity

It is proposed to progressively introduce commercial governance elements without requiring formal structural separation and enables Council to achieve many of the functional benefits of commercialisation (including improved accountability, reinvestment certainty, and clearer business performance) without requiring a formal structural separation.

1. Strong financial performance with improved financial control

The enhanced FCP model maintains a strong financial position consistent with the current operating model, while avoiding the financial leakage associated with corporatisation or CBU options.

Importantly, the introduction of targeted commercial governance elements strengthens financial and transparency through:

- Clear separation of operating performance and retained earnings, enabling Council to understand the true commercial position of the business
- Structured management of reserves, allowing surpluses to be:
 - Retained for asset renewal and future capital investment, or
 - Distributed to Council in a controlled and transparent manner
- Establishment of a formalised financial framework (including reserve and return settings), providing:
 - Predictable and sustainable returns to Council, and
 - Protection against over-extraction of cash that could undermine long-term asset condition

This represents a material improvement on the current state, where reinvestment and returns are less formally defined.

2. Long-term strategic planning and asset stewardship

The enhanced FCP framework enables a shift from near-term budgeting to more structured, strategy-led asset management, including:

- Development of a 10–20-year Strategic Asset and Investment Plan for the Holiday Parks portfolio
- Alignment of capital investment with demand, lifecycle requirements, and tourism trends
- Improved ability to prioritise upgrades, expansions, and renewals based on commercial and community return

This ensures that the Holiday Parks are managed not just as an operational service, but as a strategic portfolio of community and economic assets.

3. Enhanced governance and accountability

The enhanced FCP model maintains and should aim to improve formal governance mechanisms that strengthen accountability without the complexity of corporatisation, including:

- Annual planning and performance reporting
- Clear performance metrics across financial, customer, asset, and community outcomes
- Transparent reporting of both commercial performance and non-commercial obligations

These measures provide confidence to Council and the community that the business is being managed in a disciplined, transparent, and outcome-focused manner.

4. Transparent and sustainable delivery of community outcomes (CSOs)

Consistent with stakeholder expectations, the enhanced FCP model enables:

- Explicit identification and costing of Community Service Obligations (CSOs)
- Clear funding arrangements through Council, rather than implicit cross-subsidisation
- Protection of accessibility and affordability outcomes while maintaining commercial integrity

This directly addresses a key weakness in the current model and ensures community benefits are deliberate, visible, and sustainable.

5. Alignment with stakeholder expectations

Stakeholder feedback indicates a consistent preference for:

- Transparency in financial performance and pricing decisions
- Confidence that revenue generated is reinvested into the parks network
- Retention of Council ownership and control of strategic assets
- Fair and visible competitive neutrality with private operators

The enhanced FCP model responds directly to these expectations by:

- Retaining full Council ownership and strategic control
- Refining existing governance and reporting frameworks
- Providing greater transparency around reinvestment and financial performance
- Demonstrating compliance with competitive neutrality in a structured and transparent way

6. Avoidance of structural inefficiencies and risks of corporatisation

The enhanced FCP model avoids the key drawbacks identified under corporatisation, including:

- Material financial leakage through external company tax
- Increased overhead and duplicated corporate functions
- Reduced flexibility in balancing commercial and community objectives
- Higher implementation and transition risk.

Conclusion

The enhanced FCP model provides a balanced outcome by:

- Preserving the financial strength and local benefit of the current operating model
- Introducing the governance, transparency, and strategic discipline typically associated with more commercial operating structures

Importantly, this approach enables Council to achieve many of the functional benefits of commercialisation – including improved accountability, reinvestment certainty, and operational clarity – without requiring a formal structural transition.

Accordingly, the enhanced FCP model is considered to deliver the highest net public benefit to the Sunshine Coast community.

9.2 Implementation Timetable

Phase	Timeline	Key Actions & Deliverables
1. Decision & Governance	Months 1-2	Council Resolution: Formal adoption of the FCP model.
		Oversight Structure: Confirm governance and oversight arrangements (including potential external advisory input).
		Governance Framework: Approve roles, responsibilities, and delegated authorities.
2. Commercial Framework Review	Months 2-6	Annual Performance Framework: Define objectives, targets, and service standards
		Financial Policy Design: Establish reserve management and return settings, including potential for a formalised Dividend Policy and Reserve Management framework.
		Accounting Setup: Configure systems and controls for financial management and transparency and forecasting
3. Strategic Planning & Implementation	Months 6-12	CSO Valuation: Formally identify and value all non-commercial services.
		Long-Term Strategic Plan: Develop a 10- to 20-year strategic and capital investment plan.
		Service Level Agreements (SLAs): Formalise internal service arrangements and costs
		Implement: Commence enhanced reporting and governance frameworks and complete first reporting cycle.

Appendix A: Stakeholder Consultation Briefing

SUNSHINE COAST COUNCIL Holiday Parks – Public Benefit Assessment Stakeholder Consultation Briefing

What We Are Doing and Why

Sunshine Coast Council operates six holiday parks across prime coastal locations on the Sunshine Coast. For the 2025-26 financial year, the combined operating expenditure of these parks is projected to exceed the threshold which classifies Holiday Parks as a Significant Business Activity (SBA) under the *Local Government Regulations 2012 (Section 19(2)(b))*.

Under the *National Competition Policy* and the *Local Government Act 2009* upon reaching this threshold Council is required to either:

- Apply competitive neutrality principles to the Holiday Parks operations, or
- Demonstrate through a Public Benefit Assessment (PBA) that applying competitive neutrality is not in the public interest.

The first step in this process was to determine the existing operating position of Councils Holiday Parks and whether competitive neutrality principles are already being met.

Key Finding: Financial modelling indicates that Council's Holiday Parks are adopting competitive neutrality principles by operating at or above 'Full Cost'. This means the parks currently recover all operating, capital and overhead costs through the fees and charges already being applied (including those of commercial equivalents). Council does not appear to receive a competitive advantage in the delivery of Holiday Park services compared to commercial equivalents.

Because the parks are already operating at Full Cost, the question for the PBA shifts to identify whether further reform – moving to a commercialised or corporatised structure – would deliver additional public benefit, or whether the current arrangements are already delivering an appropriate outcome.

Council is committed to transparency in this process and is seeking feedback from stakeholders before finalising its assessment and recommendation.

Purpose of Stakeholder Engagement

The purpose of this engagement is to enable two-way dialogue between Sunshine Coast Council and the holiday parks industry. This consultation process will support Council in gathering industry insights and feedback to inform the Public Benefit Assessment and ensure the final operating model recommendation reflects real-world competitive and market considerations.

We are seeking to:

- **Share the legislative requirement** for Council to assess competitive neutrality options and confirm that Holiday Parks currently operates at Full Cost Pricing;
- **Better understand industry perspectives** on how each operating model might impact the competitive landscape, market dynamics, and industry relationships;
- **Identify any concerns** stakeholders may have regarding potential changes to pricing, service quality, market positioning, or business practices; and
- **Gather feedback** on any other considerations Council should consider in making this decision.

This consultation is targeted at industry bodies and neighbouring holiday park operators. Engagement will be conducted through direct meetings and facilitated discussions rather than open public submissions. This allows for substantive dialogue on commercial and competitive matters.

Options Being Considered

As the next step, Council is assessing the following structural options for its Holiday Parks:

Option	What It Means in Simple Terms	Why Consider It
Full Cost Pricing (Status Quo)	Council continues to operate the parks with no structural change. Fees recover all costs – operating expenses, capital costs, overheads, and a return on assets.	Minimal disruption. No transition costs, staff changes, or new governance structures. Council retains maximum flexibility in operational and financial decisions. Works well if current informal arrangements are seen as adequate for business sustainability and competitive neutrality compliance.
Commercialisation	The parks remain owned and operated by Council but operate under formalised commercial governance. This includes ring-fenced business finances, structured capital and dividend programs, formal performance targets, and clear management authority to make commercial decisions within agreed parameters. Council retains ownership and strategic control.	Formalises financial protections aimed at ensuring longer-term business sustainability – business surpluses are retained for reinvestment, capital funding follows a structured program, and dividends to Council are predictable and transparent. This option provides the Holiday Parks manager with clearer authority to operate commercially and adapt to changing market conditions while Council maintains oversight. Moderate transition effort aimed at formalising policies and reporting frameworks.
Corporatisation	A new legal entity (e.g., council-controlled company) is established with its own board to operate the parks. Operates to full commercial standards including tax-equivalent payments and corporate compliance. Council retains ownership and receives dividends but steps back from day-to-day management.	Strongest competitive neutrality position. Independent board provides maximum commercial autonomy and may enable external partnerships or investment opportunities. However, involves highest transition complexity and cost including legal entity setup, staff transfers, board establishment, and ongoing corporate compliance (board fees, audit, tax regime). Council loses direct operational control and relies on contractual service agreements and board oversight to protect community interests.

A key consideration across these options are impacts on Community Service Obligations (CSOs). A CSO exists where Council chooses to provide a service or benefit that operates at a loss because it serves the community good. Because Holiday Parks currently operates profitably at Full Cost, business surpluses are available to Council for general use, including funding CSOs across other Council services. Under Commercialisation or Corporatisation, business surpluses would be ring-fenced or paid as structured dividends, reducing Council's flexibility to redirect Holiday Parks profits to other community priorities.

Questions for Consideration

Council values your input to ensure the final recommendation reflects the interests of all stakeholders. Please consider the following questions and provide your feedback in the discussions.

- Q1.** What impacts (positive or negative) would a move to Commercialisation or Corporatisation have on the market dynamics for holiday parks in the region or on the community?
- Q2.** Do you believe further formalisation of governance structures through Commercialisation or Corporatisation would be in the Public Interest? What risks, concerns, or opportunities do you see with any of these approaches?
- Q3.** Are there any other social, environmental, economic, or employment impacts that Council should consider in its assessment?

How to Provide Feedback

Feedback will be gathered through facilitated discussions with Council representatives. You may provide additional written feedback beyond the discussions via email to darrin.collins@sunshinecoast.qld.gov.au by 22/05/2026. All feedback received will be recorded and considered as part of the consultation process.

This document is issued by Sunshine Coast Council for the purpose of stakeholder consultation as part of the Public Benefit Assessment of Holiday Parks operations under the Local Government Act 2009 and the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010.

Attachment 1: SCC HP PBA Model

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Appendix B –

Justification for not applying the Code of Competitive Conduct to certain prescribed business activities

Prescribed business activity	Corporate Plan & Policy linkage	Reasons for not applying the Code of Competitive Conduct
Aquatic Centres	The Sunshine Coast Aquatic Plan 2011 - 2026 is an important contributor to the Strong Community goal of the Sunshine Coast Council Corporate Plan 2025-2030.	<p>Council's aquatic centres are a community service obligation delivering public health outcomes including reduced drowning risk, improved mental health, and accessible learn-to-swim programs for children. Private sector aquatic operators on the Sunshine Coast are predominantly fitness-focused and do not provide the same breadth of access, particularly for low-income households, school groups, seniors, and people with disability.</p> <p>Entry pricing is deliberately set below full cost to ensure equitable community access. Applying the Code would require full cost pricing that would deter participation from the groups the centres are designed to serve, undermining the public health outcomes that justify Council's operation of the facilities.</p>
Caloundra Indoor Stadium	The Sunshine Coast Sport and Active Recreation Plan 2011-2026 is an important contributor to the Strong Community goal of the Sunshine Coast Council Corporate Plan 2025-2030.	<p>Caloundra Indoor Stadium is provided by Council as a community service obligation to ensure equitable access to indoor sport for local clubs, schools, and community groups in the Caloundra area. No private sector operator provides equivalent multi-sport indoor facilities in this catchment on an accessible, community-use basis.</p> <p>Pricing is set to reflect community access objectives, not commercial returns. Applying the Code and its full cost pricing provisions would increase court hire fees to a level that would price out smaller clubs and community groups — the primary users — and would not generate private sector competition to replace them.</p>
Caloundra Regional Gallery	<p>The Sunshine Coast Creative Arts Plan 2023 - 2038 is an important contributor to outcomes of the Sunshine Coast Council Corporate Plan 2025-2030 including:</p> <ul style="list-style-type: none"> • A shared future that embraces culture, heritage and diversity; and • a creative identity that supports community, cohesiveness development and wellbeing 	<p>Caloundra Regional Gallery is provided by Council as a public cultural institution to achieve public benefit objectives. The Gallery's primary purpose is to advance public access to arts and culture through delivery of a curated exhibition program featuring leading local, national and First Nations artists, supported by professional curators and education staff. This serves the Sunshine Coast Creative Arts Plan 2023-2038 Goals 1, 2, 3 and 5: contributing to regional creative identity, First Nations expression, audience development, and community cohesion.</p>

Prescribed business activity	Corporate Plan & Policy linkage	Reasons for not applying the Code of Competitive Conduct
		<p>No private sector operator on the Sunshine Coast provides equivalent programming combining free public access, touring national exhibitions, education programs, and community cultural activation. Commercial galleries operate on a sales model and would not deliver these services on a cost-recovery or subsidised basis, nor with the same public accessibility mandate.</p> <p>Admission to exhibitions is free or heavily subsidised as a deliberate community service obligation to ensure equitable access across the community. Applying the Code of Competitive Conduct and its full cost pricing provisions would require pricing that undermines this objective and would deter participation from lower-income residents and school groups — directly contradicting the public benefit the Gallery delivers.</p>
Cemeteries	<p>The Cemetery Plan 2019-2028 informs the delivery of Sunshine Coast Council's cemetery network. The Plan contributes to the Sunshine Coast Council Corporate Plan 2025-2030, Sunshine Coast Community Strategy 2019-2041, Environment and Liveability Strategy 2017 and South East Queensland Regional Plan 2017.</p>	<p>Cemetery services are a community service obligation. Within the Sunshine Coast local government area, private providers offer cremation memorialisation but do not provide burial services. Council operates the only burial facilities in the region, the majority on State-entrusted land. There is no private sector market for burial services to apply competitive neutrality to.</p> <p>Burial pricing is set on a cost recovery basis, reflecting the essential and non-discretionary nature of the service. Memorial pricing is set commercially. Applying the Code's full cost pricing provisions to burial services would increase costs for bereaved families with no alternative provider available to them, generating no competitive benefit and imposing community harm.</p>
Festivals	<p>The Sunshine Coast Creative Arts Plan 2023 - 2038 is an important contributor to outcomes of the Sunshine Coast Council Corporate Plan 2025-2030 including:</p> <ul style="list-style-type: none"> A shared future that embraces culture, heritage and diversity; and 	<p>Council's festivals (Horizon Festival) are community service obligations delivering against the Sunshine Coast Creative Arts Plan 2023-2038 Goals 1, 2, 3 and 5: First Nations expression, creative sector development, audience growth, and regional identity.</p> <p>Council's festivals are not delivered as commercial activities and do not compete directly with private sector festivals. Rather they provide culturally</p>

Prescribed business activity	Corporate Plan & Policy linkage	Reasons for not applying the Code of Competitive Conduct
	<ul style="list-style-type: none"> a creative identity that supports community, cohesiveness development and wellbeing 	<p>specific, community-focused programming, and deliberately include free or subsidised access — objectives a commercial operator would not pursue or sustain on a for-profit basis.</p> <p>Council’s festivals also play a complementary role within the broader arts and events ecosystem, providing a platform that supports and strengthens private sector activity through audience development, artist opportunities, and destination promotion. Festival dates are published well in advance, allowing private organisers to schedule without conflict. Private sector festival organisers do not offer equivalent programming models, and do not compete directly with these events.</p> <p>Applying full cost pricing would increase ticket prices and remove free and equitable access, reducing participation by lower-income residents, school groups, and not-for-profit organisations that receive fundraising and volunteering opportunities. This would directly undermine the Arts Plan goals the festivals are designed to achieve.</p>
Multi-sport Complexes and Showgrounds	The Sunshine Coast Sport and Active Recreation Plan 2011 - 2026 is an important contributor to the Strong Community goal of the Sunshine Coast Council Corporate Plan 2025-2030.	<p>Multisport Complexes and Showgrounds are provided as a community service obligation to ensure equitable access to outdoor sport and community event infrastructure for local clubs, schools, agricultural groups, and community organisations. No private sector operator provides equivalent multi-use facilities for community-based groups in these catchments.</p> <p>Facilities are used predominantly by not-for-profit sporting clubs, schools, and community groups that operate on limited budgets. Pricing is set to reflect community access objectives. Applying full cost pricing would significantly increase hire fees for these groups, reducing participation and undermining the social cohesion, health, and community development outcomes the facilities deliver.</p>
Off-street Parking	<p>The Sunshine Coast Council Parking Management Plan is guided by a range of strategic and legislative documents including:</p> <ul style="list-style-type: none"> Sunshine Coast Council Corporate Plan 2025-2030 	<p>Council provides off-street parking to achieve the objectives of the Local Area Parking Plans.</p> <p>Council is providing services traditionally provided by a Local Government.</p> <p>If Council did not provide these services, there would be a clear gap in supply leading to negative</p>

Prescribed business activity	Corporate Plan & Policy linkage	Reasons for not applying the Code of Competitive Conduct
	<ul style="list-style-type: none"> • Sunshine Coast Sustainable Transport Strategy 2011-2031 • Sunshine Coast Smart City Framework • Sunshine Coast Planning Scheme 2014. 	<p>outcomes such as traffic congestion in major precincts.</p> <p>The market for parking services is heavily influenced by location (the market can generally be narrowly defined as the region in which the car park is located and the distance that people are willing to walk from their car to their destination). If there are no private off-street parking facilities within close proximity (e.g. within reasonable walking distance) to Council's parking facilities, it is arguable that private sector competition is currently low.</p> <p>While some private sector parking providers may provide off-street parking, they are at different locations provided for different purposes and/or provided for free.</p>
Retail Electricity and Sunshine Coast Solar Farm	<p>The Retail Electricity Strategy incorporating Sunshine Coast Solar Farm ensures affordable and reliable electricity supplies to Council operations which is essential to achieving the outcomes of the Sunshine Coast Council Corporate Plan 2025-2030.</p> <p>The Retail Electricity Strategy supports the policy positions on energy contained in Council's Environment and Liveability Strategy including: <i>"Renewable energy usage is maximised and underpins a transition to a clean energy future."</i></p>	<p>The Sunshine Coast Solar Farm is a cost replacement project being a mechanism to replace a portion of pre-existing committed electricity spend by offsetting Council's own electricity usage against the electricity generated by the Solar Farm.</p> <p>Excess generation is sold into, or any electricity requirement is purchased from, the wholesale electricity market as required.</p> <p>Council is not able to influence price setting and will take:</p> <ul style="list-style-type: none"> • the Queensland spot price for electricity generated • the market price for large-scale generation certificates.

Prescribed business activity	Corporate Plan & Policy linkage	Reasons for not applying the Code of Competitive Conduct
Sunshine Coast Stadium and Kawana Sports Precinct	The Sunshine Coast Sport and Active Recreation Plan 2011-2026 is an important contributor to the Strong Community goal of the Sunshine Coast Council Corporate Plan 2025-2030.	<p>Sunshine Coast Stadium and Kawana Sports Precinct are provided to serve both community sport and the regional and national events market. At the community level, facilities are used by local clubs and schools on a subsidised basis as a community service obligation. At the regional level, comparable facilities elsewhere in Queensland are predominantly government-owned and there is no private sector market to compete with.</p> <p>Community pricing does not recover full costs, reflecting the social and economic benefit of hosting regional sporting activity on the Sunshine Coast. Commercial and event hire is benchmarked against industry rates to avoid pricing advantage from government ownership.</p>
Altitude Nine, Venue 114 & Community Spaces	Access to community venues and spaces that meet their needs is an outcome within the Sunshine Coast Community Strategy 2019-2041 and an important contributor of the Strong Community goal of the Sunshine Coast Council Corporate Plan 2025-2030.	<p>Council's venues and community spaces are provided as a community service obligation to ensure accessible arts, entertainment, and community infrastructure across the Sunshine Coast. The mix of facilities from large performance venues to community meeting spaces, serves a range of users that the private market does not cater for, particularly community groups, not-for-profit organisations, and arts practitioners requiring affordable access.</p> <p>Community and not-for-profit hire pricing is below full cost to reflect community access objectives. Commercial hire is benchmarked against industry rates to avoid any pricing advantage from government ownership. Applying the Code's full cost pricing provisions to community hire would remove the accessibility that justifies Council's operation of these facilities and that the Sunshine Coast Community Strategy 2019-2041 is designed to support.</p>

NATIONAL COMPETITION POLICY

CURRENT STATUTORY REQUIREMENTS AND REFORM OPTIONS

In April 1995, the Australian Government and all states and territories agreed to the implementation of a National Competition Policy (NCP). The NCP represents a commitment from governments to reduce restrictions to competition to enhance the overall efficiency of Australia's economic performance.

At the local government level, the underlying philosophy is to improve service delivery efficiency and reduce costs to both government and the community through competitive neutrality, while removing any competitive advantage enjoyed by Council purely due to its nature.

Under the competitive neutrality principle, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is a public sector entity.

The underlying assumption is that competition is generally desirable, unless it can be demonstrated, on a case-by-case basis, that it will not deliver socially beneficial outcomes. If Council undertakes a new significant business activity in a key market with operational expenditure exceeding \$9.7 million it must undertake a public benefit assessment to determine the costs and benefits of applying competition reforms. This assessment also determines the most effective way to achieve benefits from competitive neutrality.

Council is also required to use its discretion in deciding whether to apply the Code of Competitive Conduct (the Code) to smaller, prescribed business activities that are not "significant" business activities, but which meet a \$340,000 expenditure threshold. Should Council decide to not apply the Code, then it is required to provide detail of the reasons for not doing so.

Additionally, under the *Local Government Act 2009* and *Local Government Regulations 2012*, specific National Competition Policy disclosures of business activities are required in the Budget documents, Annual Report and Financial Statements.

Current Statutory Requirements

Council must consider and resolve the application of the National Competition Policy on an annual basis to comply with the *Local Government Act 2009* and *Local Government Regulations 2012*.

Of note, it is intended that the National Competition Policy reforms apply to overall "activities" and not to individual or component parts such as the individual assets or services comprising that activity. For each "activity" the following must be considered:

- Whether the activity meets the definition of a "business activity" under the *Local Government Act 2009*. "Business activity" is defined as "trading in goods and services"
- If the activity meets this definition, then based on its expenditure for the previous financial year:
 - is it a "significant business activity", with expenditure exceeding the \$9.7 million threshold set out in the *Local Government Regulations 2012*? or

- is it a “prescribed business activity” with expenditure exceeding the \$340,000 threshold set out in the *Local Government Regulations 2012*?
- The threshold for significant business activities in operating expenditure excluding depreciation and competitive neutrality adjustments plus interest plus loan redemption. Refer section 19 & 20 *Local Government Regulations 2012*.
- The threshold for prescribed business activities in operating expenditure plus interest plus cost of sales plus depreciation. Refer section 39 *Local Government Regulations 2012*.
- If it does not meet the definition of business activity, then the National Competition Policy regime does not apply.

An activity is less likely to be a business activity within the meaning of the *Local Government Act 2009* if it:

- is predominantly a regulatory or policy-making function, particularly if revenue is derived from cost-recovery fees; or
- involves the provision of goods or services internally (i.e. to customers within Council) – such supplies are unlikely to meet the “trading” element of the definition of business activity;
- has, as its primary function, public benefit community service or social policy objectives. Of note, such an objective alone will not prevent the activity falling within the definition of business activity if it involves the trading of goods or services;
- does not meet the necessary “trading” requirements, such as where the relevant goods or services are supplied on a one-off basis, rather than repeatedly or the level of trading activity is so trivial that it is regarded as inconsequential and incidental to the primary activity and function of Council.

Ways to apply the competitive neutrality principle to business activities

- The competitive neutrality principle for significant business activities (over \$9.7 million expenditure) can be applied under the *Local Government Act 2009* by:
 - Full Cost Pricing;
 - Commercialisation; or
 - Corporatisation.
- The way to apply the competitive neutrality principle for prescribed business activities (expenditure over \$340,000) under the *Local Government Act 2009* is the Code of Competitive Conduct (the Code).
- The competitive neutrality principle is achieved by:
 - removing any competitive advantage or competitive disadvantage, wherever possible and appropriate.
 - promoting efficiency of the use of resources to ensure markets are not unnecessarily distorted; and

- if any net advantage over competitors remains, which exist only because Council is in competition with the private sector, and which cannot be eliminated, then:
 - Council must ensure that when setting the price of goods or services, the individual advantages and disadvantages that make up the net advantage are taken into account in deciding the required revenue in relation to the pricing provisions.
- The pricing provisions.
- The cost of performing community service obligations, less any revenue received from carrying out those obligations, must be treated as revenue for the business activity when deciding what to charge for goods or services provided.
- Budget, annual report and financial statement disclosures.
- The competitive neutrality complaints process.

Pricing Provisions

- The pricing provisions require that:
 - The projected Total Revenue from conducting the business activity must cover the projected Total Costs of conducting the activity over a projected period.
 - for significant business activities the projected period is each financial year
 - for prescribed business activities the projected period is more than one year but not more than five years
 - Total Costs includes:
 - operational costs
 - administration and overhead costs
 - cost of resources
 - depreciation
 - equivalent amounts for taxes that Council is not liable to pay
 - equivalent amounts for any cost of funds advantage that Council obtains over commercial interest rates because of State guarantees on borrowings; and
 - return on capital which must be determined using the rate at which, in the Council's opinion, a comparable private sector business conducting the activity would be able to obtain the capital in the market.
 - Goods or services may be priced at an amount that could reasonably be charged by an entity conducting the activity with the primary object of making a profit.

Discretion on whether to apply the Code

While Council has discretion to *not* apply the code of competitive conduct to a prescribed business activity, it is recommended that any decision to not apply the code is:

- Reasonable;
- Defensible;
- Takes into account competition with the private sector; and
- Considers principles similar to the public benefit assessment:
 - Competition generally leads to better, more efficient organisations, giving consumers lower prices, greater choice and higher quality services
 - The underlying assumption is that competition is generally desirable for significant business activities that operate in key markets, unless it can be demonstrated, on a case-by-case basis, that it will not deliver socially beneficial outcomes.
 - In smaller, prescribed business activities:
 - The benefits from competition are likely to be more limited
 - the costs of competition reforms may exceed the benefits and detract from the delivery socially beneficial outcomes.

Should Council decide to not apply the Code the resolution must state the reasons for not doing so.

Significant Business Activities

The significant business activity expenditure threshold is \$9.7 million. Competition reforms may be applied to significant business activities via Full Cost Pricing or Commercialisation.

Full Cost Pricing

- Reform option applied via public benefit assessment process.
- Retention of the business activity within Council's current organisational structure.
- Setting prices in accordance with commercial full cost recovery principles, including recovery of:
 - Efficient operating expenses;
 - A return of capital (i.e. depreciation expense); and
 - A return on capital (i.e. cost of debt plus return on equity invested in the business).
- Full cost pricing reform implies the application of competitive neutrality principles.

Commercialised Business Unit

- Reform option applied via public benefit assessment process.

- The key principles of commercialisation include for example that the commercial business unit has:
 - clear objectives;
 - maintains management autonomy and authority;
 - is accountable for its performance; and
 - complies with the competitive neutrality principle.
- Creation of a commercialised business unit (not a separate legal entity) to manage the business.
- Setting prices in accordance with commercial full cost recovery principles, including recovery of:
 - Efficient operating expenses;
 - A return of capital (i.e. depreciation expense); and
 - A return on capital (i.e. cost of debt plus return on equity invested in the business).
- Increased managerial autonomy for day-to-day operations.
- Greater ability to source inputs from outside of Council.
- Own business and operating plan.
- More commercial orientation than full cost pricing.
- Additional reporting obligations such as annual tax equivalent returns, annual performance plan and separate reporting of performance in Council's annual report.

Corporatisation

The corporatisation processes within the *Corporations Act 2001 (Cwlth)* applies to local governments seeking to establish corporations. Creation of separate legal entity to manage a business results in the corporation being subject to National Competition Policy through the *Competition and Consumer Act 2010 (Cwlth)*.

Public Benefit Assessment

If Council identifies a new significant business activity (in its annual report), (which would include a scenario where the expenditure of an existing business activity exceeds the \$9.7 million financial year threshold such that it becomes a significant business activity), it must conduct a public benefit assessment of that activity before the end of the financial year in which the significant business activity is first identified.

This involves making an assessment of whether the benefit to the public (in terms of service quality and cost) of applying the competitive neutrality principle in relation to the significant business activity will outweigh the costs of applying the competitive neutrality principle.

If applicable, Council must:

- prepare a report on the public benefit assessment that contains its recommendations about the application of the competitive neutrality principle in relation to the significant business activity;
- consider the report, and decide (by resolution) whether or not to apply the competitive neutrality principle in relation to the significant business activity; and
- provide the Minister with a copy of the report and all resolutions made in relation to the report.

If the local government resolves not to apply the competitive neutrality principle, it must:

- provide a statement of supporting reasons; and
- repeat the public benefit assessment process described above in within three years after making the decision.

Community consultation is an essential component of the PBA and steps must be taken to engage the local community and other stakeholder groups. The consultation program may include:

- Inviting written submissions via direct letter approach (useful for industry groups) and via web (useful for general public)
- One-on-one briefing/discussion sessions (useful for industry groups, unions, environmental groups and recreation groups)
- Staff meetings/notices (employees)
- Meetings with other key stakeholders (Council representatives) and
- Liaison with other Government departments.
- Generally, it is found that the general public will have minimal input into the PBA process and ways of encouraging further input can be discussed at project inception. However, it is important to note that their concerns will generally revolve around pricing level and structure which is often a separate issue from business structure. The most responses will likely be received from unions and environmental groups, in addition to input from Council management and other representatives.

The PBA report would include:

- Assessment of the 'base case', i.e. continuing with the existing corporate structure and organisational, regulatory and pricing arrangements, with reference to enabling performance comparison over time; and
- Assessment of the reform options under consideration, i.e. corporatisation, commercialisation and full cost pricing, with reference to the incremental benefits and costs from the 'base case'.

- A statement on whether or not and, if so, to what extent, the benefits that would be realised from implementation of any of the reforms would outweigh the costs; and
- Details of those costs and benefits; and
- Preparation of a draft report including a recommendation on whether any of the reforms should be implemented for the significant business activity and why; and
- If reform is recommended:
 - A statement of which reform should be implemented, and
 - A timetable for its implementation; and
- A summary of all consultation outcomes provided as an appendix to the report; and
- Making the draft report available for public comment prior to the report being finalised

1. Code of Competitive Conduct Business Activities

- The business activity expenditure threshold is \$340,000.
- Reform option applied via annual Council resolution.
- Retention of the business activity within Council's current organisational structure.
- Setting prices in accordance with commercial full cost recovery principles, including recovery of:
 - Efficient operating expenses;
 - A return of capital (i.e. depreciation expense); and
 - A return on capital (i.e. cost of debt plus return on equity invested in the business).
- Code of competitive conduct implies the application of competitive neutrality principles.
- Automatic application of the code of competitive conduct to building certification and competitive roads activities.

2. No Reforms Elected to Be Applied

Cost Recovery Pricing Principles

- Retention of the activity within Council's current organisational structure.
- Setting prices to reflect the cost of providing non-competitive services including recovery of:
 - Efficient operating expenses; and
 - A return of capital (i.e. depreciation expense).

ATTACHMENT 2

BUSINESS ACTIVITY IDENTIFICATION

1. Annual Review and Identification of Business Activities

To identify activities that may be a business activity within the meaning of the *Local Government Act 2009*, Council officers undertook a review of the:

- *Register of General Cost-recovery Fees and Commercial Charges 2025/26* and the
- *Development Services Register of Cost-recovery Fees and Commercial Charges 2025/26*.

Of note, it is intended that National Competition Policy reforms apply to overall "activities" and not to individual or component parts such as the individual assets or services comprising that activity. For each "activity" the following must be considered:

- Whether the activity meets the definition of a business activity under the *Local Government Act 2009*. Business activity is defined as trading in goods and services.
- If the activity meets this definition, then based on its expenditure for the previous financial year:
 - is it a "significant business activity", with expenditure exceeding the \$9.7 million threshold set out in the *Local Government Regulations 2012*? or
 - is it a "prescribed business activity" with expenditure exceeding the \$340,000 threshold set out in the *Local Government Regulations 2012*? or
- If it does not meet the definition of business activity, then the National Competition Policy regime does not apply.

Generally changes to the status of a business activity may arise due to the following:

- New business activities are established as a result in a change in Council's structure or as a result of the establishment of new business ventures.
- Existing businesses are divested.
- Annual expenditure threshold levels are reached or not (generally impacting on significant business activities).

Once the process of reviewing current business activities and identifying potential new significant business activities and all other types of business activities has been completed, it is necessary to apply the appropriate reforms to ensure legislative compliance.

2. Business Activity Threshold Analysis 2026-2027

Threshold analysis is based on the 2025-2026 budget operating expenditure data.

Table 1: Significant business activities and reform options

(Expenditure threshold \$9.7 million)

Group	Significant Business Activity	FY2026 Expenditure \$'000
Infrastructure and Natural Assets	Waste and Resources Management	
	Full Cost Pricing Reform	\$109,459
Finance & Commercial Partnerships	Sunshine Coast Holiday Parks	\$10,916
	Public Benefit Assessment	

Table 2: Prescribed business activities – reform option code of competitive conduct

(Expenditure threshold \$340,000)

Group	Branch	Business Activity	Code of Competitive Conduct	FY2026 Budget Expenditure \$'000
Infrastructure and Natural Assets	Transport Network Operations	Off-street Parking	×	\$5,149
	Transport Assets	Quarries	✓	\$8,786
Finance & Commercial Partnerships	Business and Innovation	Retail Electricity Strategy and Sunshine Coast Solar Farm	×	\$3,379
		Aquatic Centres	×	\$3,048
Community Strengthening	Sport & Community Venues	Caloundra Indoor Stadium	×	\$1,123
		Multi-sport Complexes		\$7,993
		Showgrounds	×	\$1,399
	Arts, Heritage and Libraries	Sunshine Coast Stadium and Kawana Sports Precinct	×	\$3,202
		Altitude 9, Venue 114 & Community Spaces	×	\$2,930
	Regulatory Response Services	Caloundra Regional Gallery	×	\$1,335
		Festivals (Horizon)	×	\$801
	Cemeteries	×	\$2,496	

Note: For the threshold test for significant business activities the budget expenditure excludes depreciation and competitive neutrality costs that are not actually incurred plus loan redemption payments.

Council controlled entities

Table 3 below lists corporatised entities which Council has 100% controlling interests. Their financial statements are audited by Queensland Audit Office and Annual Reports published on both Council's and the companies' websites. Sunshine Coast Events Centre Pty Ltd is

consolidated into Council’s financial statements. Sunshine Coast Arts Foundation Ltd had expenditure of \$110,000 in FY 2025 which is below the prescribed business activity threshold.

Table 3: Prescribed business activities – corporatisation reform

Company	FY2025 Operating Expenditure \$'000
Sunshine Coast Events Centre Pty Ltd	\$5,372

Non-business activities

Table 4 below lists activities that are **not** considered business activities as these are activities that have one or more of the following attributes:

1. Have a predominantly regulatory or policy-making role issuing licences or permits that are issued pursuant to the statutory functions of Council or applicable laws including local laws or levy cost-recovery fees (under *Local Government Act 2009* section 97).
 - o A cost-recovery fee must not be more than the cost to the local government of taking the action for which the fee is charged
 - o The constrained cost base of these activities is not consistent with the competitive neutrality adjustments required by the pricing provisions
 - o The pricing provisions sets the total revenue requirement of business activities to include costs which Council does not actually incur such as tax equivalents, equivalents for the costs of funds advantage and return on capital at market rates experienced by the private sector. A profit margin is also envisioned by the pricing provisions.
2. Involve the provision of goods or services internally (i.e. to customers within Council) – such supplies are unlikely to meet the “trading” element of the definition of business activity.
3. Have, as their primary function, responsibility for providing public benefit, community service or social policy functions. Total revenue for these activities may include a small proportion of fees and charges with the majority of funding from general rates, environment and heritage levies or grants from other levels of government.
4. Do not meet the necessary “trading” requirements, such as where the relevant goods or services are supplied on a one-off basis, rather than repetitively or the level of trading activity is so trivial as to be inconsequential and incidental to the primary activity and functions of Council.

Table 4: Non-business activities

Group	Activity	Attributes above	FY2026 Opex \$'000
Infrastructure and Natural Assets	Fleet Management	2	\$5,754
	Transport Network Operations	3, 4	\$165,567
	Parks & Gardens	3, 4	\$71,499
	Natural Areas Management	3, 4	\$38,417
Finance & Commercial Partnerships	Property Information	1	\$10,965
	Property Management	2, 3	\$42,012
Business Transformation & Performance	Right to Information	1	\$6,299
Community Strengthening	Healthy Places, Response Services, Community Land Permits and Parking	1	\$19,781
	Arts, Heritage and Libraries	3, 4	\$28,181
Sustainable Growth & Planning	Development Services	1	\$23,955

Note: FY2026 Operating expenditure is for the Branch of Council or Team that provides that activity. This not the cost of the delivering specific services for which cost recovery fees are charged.

Roads

Council road works activities are predominantly non-competitive activities focused on internal construction and maintenance rather than external tendering for contract works. Road maintenance and construction activities are undertaken by a combination of day labour force and contract services.

Council does not actively submit competitive tenders for works on state-controlled roads or other roads in neighbouring Council areas. Council undertakes minor works for Main Roads based on negotiated shared cost arrangements.

Accordingly, road works has not been identified as a business activity of Council.

Applying National Competition Policy reforms for FY2026/2027

Council Officers have assessed Council's activities and recommend the following business activity classifications and National Competition Policy applications:

- Waste and Resources Management and Sunshine Coast Holiday Parks are significant business activities and competitive neutrality is achieved through Full Cost Pricing.
- Quarries is a prescribed business activity and competitive neutrality is achieved through applying the Code of Competitive Conduct.
- Council uses its discretion not to apply the Code of Competitive Conduct to the following prescribed business activities for the reasons as set out in Appendix B:
 - Aquatic Centres
 - Caloundra Leisure Centre
 - Caloundra Regional Gallery
 - Cemeteries
 - Festivals
 - Multisport Complexes
 - Showgrounds
 - Off-street Parking
 - Retail Electricity Strategy and Sunshine Coast Solar Farm
 - Sunshine Coast Stadium and Kawana Sports Precinct
 - Altitude 9, Venue 114 and Community Spaces
- Sunshine Coast Events Centre Pty Ltd is a prescribed business activity and competitive neutrality is achieved through corporatisation.

Attachment 3 Full Cost Performance 2024-2025

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
Pre-tax nominal weighted average cost of capital %	9.70%	12.60%	11.40%
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

8.6 QUEENSLAND AUDIT OFFICE: FIRST INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

File No:	Council Meetings
Author:	Coordinator Financial Accounting Finance and Commercial Partnerships
Attachments:	Att 1 - Queensland Audit Office 2026 Interim Report..... 145 ↓ Att 2 - Appendix 1: Queensland Audit Office 2026 Interim Report - <i>Confidential</i>

PURPOSE

This report informs Councillors of the results of the Queensland Audit Office's First Interim Audit for 2025–26, conducted in March 2026, and provides the *Queensland Audit Office: First Interim Management Report for the Financial Year Ended 30 June 2026 (Attachment 1)* and associated summary. The report is required to be presented at the next Ordinary Meeting of Council in accordance with section 213(3) of the *Local Government Regulation 2012*.

In preparing this report, after discussions with the Queensland Audit Office, the Chief Executive Officer advises that Attachment 2, contains confidential information which should be considered and discussed in a closed session of the Council meeting in accordance with Section 254J(3)(e) and (f) of the *Local Government Regulation 2012* (Qld). Attachment 2 contains details which, if made public, may expose systems and information to externalised risks. For these reasons, it is recommended that should Councillors wish to discuss the confidential information in **Attachment 2** (Appendix 1 to the Queensland Audit Office 2026 First Interim Report), Council resolve to close the meeting under section 254J(3)(e) and (f) of the *Local Government Regulation 2012* (Qld).

EXECUTIVE SUMMARY

Council is required to prepare annual General Purpose Financial Statements, with audit certification in October prior to inclusion in the Annual Report. The Queensland Audit Office audits these statements to confirm they present a true and fair view of Council's financial position, performance and cash flows, and comply with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards. To date, Council has consistently received an unmodified audit opinion.

The 2025–26 audit program includes planning in January, interim audits in March and June, and a final audit in September, followed by the Closing Report, Certification and Final Management Report in October. Results are also reported in the Auditor-General's report to Parliament.

The *Queensland Audit Office: First Interim Management Report for the Financial Year Ended 30 June 2026* (Attachment 1) outlines the results of the First Interim Audit completed in March 2026. This phase reviewed key financial processes to February 2026, including controls, transaction accuracy and accounting estimates. The report identifies four significant deficiencies and thirteen control deficiencies, predominantly relating to information system

controls, along with twelve unresolved items from prior years. These findings have increased audit testing but are not expected to delay completion.

Council is progressing remediation actions, with several prior-year issues resolved or pending audit clearance and others in progress.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Queensland Audit Office: First Interim Management Report for the Financial Year Ended 30 June 2026".

FINANCE AND RESOURCING

Queensland Audit Office proposed audit fee for 2025-26 is \$382,500 and sufficient budget is available, however the increased level of testing required may impact the final cost of the audit.

CORPORATE PLAN

Corporate Plan Goal: *Organisational excellence*

Strategic Pathway: We serve our community by providing this great service

Operational Activity: S31 - Financial Management - Strategic management of Council's finances, assets, procurement and contracts that support effective supplier relationship, resource allocation and financial sustainability.

CONSULTATION

Councillor Consultation

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

Internal Consultation

The following branches were involved in the 1st Interim Audit

- Finance
- People and Culture
- Ethical Standards
- Waste and Resource Management
- Development Services
- Strategic Planning
- Asset Management
- Transport Network Operations
- Strategic Property

- Customer Response
- Sport and Community Venues
- Digital and Information Services

External Consultation

- Queensland Audit Office
- SunCentral Maroochydore Pty Ltd

Community Engagement

There is no community engagement required for this report.

PROPOSAL**1) Queensland Audit Office First Interim Report for 2025-26 (Attachment 1)**

The *Queensland Audit Office: First Interim Management Report for the Financial Year Ended 30 June 2026* outlines the results of the First Interim Audit completed in March 2026 and provides an assessment of Council's key financial processes and internal control environment up to February 2026. This phase reviewed controls, transaction accuracy and accounting estimates, and focused on the design, implementation and operating effectiveness of controls that the Queensland Audit Office intends to rely on in forming its audit opinion on Council's financial statements.

The report identifies four significant deficiencies and thirteen control deficiencies, with all but one relating to information systems, along with three other matters for management consideration. It also notes twelve unresolved deficiencies from prior years, with a number of prior-year issues either resolved or pending audit clearance. These findings have increased the level of audit testing required but are not expected to impact the overall audit timetable.

Key audit focus areas are also identified based on the risk of material misstatement. These include asset valuation, revenue recognition, procurement and expenditure classification, accounting for investments, and depreciation. Initial procedures have been undertaken in these areas, with further detailed testing to be completed during the Final Audit phase.

Internal control observations are categorised as significant deficiencies, deficiencies or other matters, reflecting their level of risk and required management response. In total, Council currently has eight significant deficiencies and twenty-one deficiencies in progress, with four prior-year deficiencies now resolved, along with three other matters in progress. Council is progressing remediation actions across all items.

A summary of a current and prior-year issues, including their status, is set out below, with detailed findings and recommendations provided in the attached report.

Year	Item	Status
Current year	4 significant deficiencies	In progress
	11 deficiencies	In progress
	2 deficiencies	Resolved pending audit clearance
	3 other matters	In progress
Prior year/s	4 significant deficiencies	In progress
	3 deficiencies	In progress
	5 deficiencies	Resolved pending audit clearance
	4 deficiencies	Resolved

a) Milestones

Key financial audit milestones are on track with the next audit visit commencing 8 June 2026.

b) Audit Fees

Audit fees are currently on track however may increase due to increased level of testing required.

Legal

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

Policy

There are no policy implications associated with this report.

Risk

Queensland Audit Office has identified the items and areas with the highest risk of material misstatement, based on both likelihood and financial impact and these are included in the attached report.

Previous Council Resolution

There is no previous Council resolution relevant to this report.

Related Documentation

The Queensland Audit Office 2026 External Audit Plan

Critical Dates

Queensland Audit Office will conduct the Second Interim Audit in June 2026 and the Final Audit in September 2026. Council certification of the 2025–26 financial statements and sustainability statement is due by 26 October 2026, ahead of the statutory submission deadline to the Auditor-General of 31 October 2026.

Implementation

All identified issues will be stored in Council’s corporate reporting system with implementation to be monitored by the Audit Committee.



2026 INTERIM REPORT

Sunshine Coast Regional Council

Draft 24 April 2026

Final 28 May 2026



OFFICIAL

Councillor R Natoli
 Mayor
 Sunshine Coast Regional Council

Dear Councillor Natoli

2026 Interim report for Sunshine Coast Regional Council

The purpose of this report is to update you on the progress of the Queensland Audit Office’s (QAO) external audit on your financial statements for the financial year ending 30 June 2026.

We recently completed our first phase of testing, which focused on gaining assurance over your council’s key financial processes up to February 2026. These procedures focused on confirming if key controls operate effectively, transactions are accurate, and accounting estimates are appropriately treated. We also consulted management, internal audit, and legal advisors on significant or emerging matters affecting the financial statements.

The audit is progressing in line with the original external audit plan and timelines, with no delays. However, we expect notable changes to the scope of our audit in the area of property, plant and equipment as it relates to contributed assets and infrastructure charges. This may result in additional audit costs to the council. We will discuss this further with your management once we have reviewed the respective position papers and have finalised revising our audit strategy.

Key observations from the audit

In this phase, we identified:

- 4 significant deficiencies relating to information systems security. These are matters that require prompt management attention. If not addressed quickly, weaknesses could result in unauthorised access to council’s financial and non-financial information
- 13 control deficiencies (12 in information systems and 1 in payment processing). While these issues do not currently affect our overall audit opinion, addressing them is important for strengthening your entity’s financial management and for demonstrating good stewardship of public resources.

There are also 12 unresolved significant deficiencies/ deficiencies from prior years.

Your management’s responses and their proposed time frames for rectifying the above issues are detailed in [section 2](#) of this report. If these actions are completed on time, the associated risks will be reduced.

The significant deficiencies and control deficiencies have affected our audit by increasing the level of testing we need to undertake. This may impact the cost for the audit but will not impact our timeline for completing the audit.

Other emerging matters

Council is in the process of transitioning the operations of Suncentral Maroochydore Pty Ltd into council operations. The extent to which this will impact the form and content of the Council and Suncentral Maroochydore Pty Ltd financial statements is yet to be determined. We are expected to undertake the review of the final transition position determined by council management and will provide an update in our next interim report.

Next steps

We will discuss this report with your Chief Financial Officer. We will also present this report to the audit committee on 16 June 2026, providing it with an overview of our findings, recommendations, and any emerging matters.

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

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

2026 First interim report

During our next phase of testing in June 2026, we will follow up with your management on their corrective actions for the audit issues we have identified in prior years. During that testing, our audit will focus on information systems, asset valuations, procurement and additional testing over revenue, expenditure and payroll.

Please note, as per section 213 of the Local Government Regulation 2012, you must present a copy of this report at your council's next ordinary meeting.

I thank your team for their positive engagement over our interim testing. If you have any questions or would like to discuss this report, please contact me on 3149 6211 or Mwauluka Mubano on 0447 510 514.

Yours sincerely



David Adams
Engagement Leader

Enc.
cc. Mr J Baker, Chief Executive Officer
Mr M Petrie, Chair of the Audit Committee

1. Areas of audit focus

In our external audit plan, we identified those items and areas with highest risk of material misstatement, based on both likelihood and financial impact. The table below outlines these areas of audit focus and our progress in addressing these risks.

Risk short description	Inherent risk	Control reliance	Audit progress
<p>Procurement and classification of expenses</p> <p>Risk of expenditure not being appropriately procured in line with legislative requirements and sound contracting principles. Risk of inappropriate cost allocation between capital and operating.</p>	Moderate	N	<p>We have tested a sample of invoices to verify that these have been appropriately recorded as capital or expense. No significant exceptions were identified.</p> <p>We have commenced testing a sample of new tender contracts, progress payments, contract variations, and adherence to expenditure delegations. We will provide an update in our second interim report.</p> <p>During our second interim visit we will also perform procedures to address the risks in relation to public sector specific risks – these were identified in our external audit plan.</p> <p>During our year end visit we will also audit work in progress for any long outstanding or discontinued projects which should be written off.</p>
<p>Valuation of infrastructure, land and buildings</p> <p>Risk that infrastructure, land and buildings asset valuations are misstated due to incorrect valuation input data, assumptions, estimates or calculations.</p>	Significant	N	<p>We have updated our understanding of all key risks, processes and controls in relation to valuation of infrastructure assets and the associated depreciation charge.</p> <p>We are due to review asset valuations as part of our second interim visit in June 2026.</p>
<p>Completeness and accuracy of infrastructure charges and contributed assets</p> <p>Risk of infrastructure charges revenue and developer contributed assets not being recognised in the correct periods and for the appropriate amounts.</p>	Significant	N	<p>We have updated our understanding of all key risks, processes and controls in relation to infrastructure charges and developer contributed assets.</p> <p>Additional testing will be completed during our second interim. This will include a sample of capitalised developer contributed assets to verify the asset and related revenue have been recorded in the correct period. Any findings from this additional testing and the exceptions already identified will be discussed with management to ensure the appropriate financial statement disclosures are made.</p> <p>We have commenced work on reviewing the position papers in respect of contributed assets. We will provide an update as part of our feedback on the position paper which is due by 31 July 2026.</p> <p>At year end we will also review infrastructure charge notices, review their completion dates and determine whether the assets donated by the developer and related revenue are recorded in the correct period.</p>
<p>Consolidation and valuation of investment in associates</p> <p>Risk that the investment in associate (Unitywater), which is equity accounted, may be impacted by different measurement methods of property, plant and equipment between the Council and the associate.</p>	Moderate	N	<p>We have updated our understanding of all key risks, processes and controls in relation to consolidation and investment in associate.</p> <p>We are due to evaluate the loss of control assessment for Suncentral Maroochydore Pty Ltd and the consequential accounting implications as part of our second interim visit in June 2026.</p>

OFFICIAL

2026 First interim report

Risk short description	Inherent risk	Control reliance	Audit progress
Depreciation and amortisation Risk that depreciation and amortisation may be inaccurate due to incorrect useful lives or valuation amounts	Significant	N	We have updated our understanding of all key risks, processes and controls relation to valuation infrastructure assets and the associated depreciation charge. We are due to audit asset valuations as part of our second interim visit in June 2026.

Public sector audit objectives

The *Auditor-General Act 2009* and *Auditor-General Auditing Standards* provide the overarching public sector audit objectives we apply to our financial audits. While our audit focus may change year-to-year, we assess the broader public sector objectives of probity, propriety, and compliance, to give parliament assurance that there is appropriate stewardship over public sector entities.

2. Status of audit issues

Internal control issues

The following table identifies the number of deficiencies in internal controls and other matters we have identified. Details of the deficiencies we identified during our interim audit are outlined further in this section.

Details of information system specific issues have been included in Appendix 1 of this report.

Refer to [section 3 Matters previously reported](#) for the status of previously raised issues.

Year and status	Significant deficiencies	Deficiencies	Other matters*
New non-information system issues raised in this report	-	1	-
New information system issues raised (see appendix)	4	12	3
Information system issue previously reported and now elevated from the prior classification of "other matter" to deficiency	-	1	-
Matters previously reported – work in progress or resolved pending audit clearance	4	7	-
Total open Issues	8	21	3
Matters previously reported – resolved in this report	-	4	-
Total resolved issues	-	4	-

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

The following section details non-information system related control deficiencies and other matters identified since our last report dated 31 October 2026. It includes a response from those charged with governance.

OFFICIAL

2026 First interim report

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



D Deficiency

26IML-1 Large Payment Report not reviewed by an appropriate senior employee before processing payment

Observation

QAO identified one instance where the required review of the Large Payments Report was not appropriately performed. The Large Payments Report is a key control performed by Accounts Payable (AP) to confirm that vendor bank account details on invoices match those recorded in the system for all payments greater than \$50,000. This report is prepared by the AP Team Leader and should be independently reviewed by the Coordinator Financial Accounting prior to the weekly payment run being processed.

For the week ending 30 January 2026, the review was completed by an employee who did not hold an appropriate position to perform this control. The Coordinator Financial Accounting had delegated the task due to planned leave; however, the delegate was an Assistant Accountant outside the AP team. Given that the report is prepared by the AP Team Leader, review by an Assistant Accountant is considered inadequate. While the procedure specifies that the Coordinator Financial Accounting should perform the review, in circumstances where this is not possible, the review should be undertaken by an employee in a more senior or equivalent “one up” position to the preparer.

Implication

Inadequate or untimely review of the Large Payments Report increases the risk that incorrect or fraudulent bank account details may go undetected, potentially resulting in unauthorised or erroneous payments. Allowing inappropriate delegates to perform this review weakens the effectiveness of the control. Failure to complete the review prior to payment processing also increases the risk of fraud, potentially exposing the organisation to financial loss, reputational damage, and non-compliance with internal payment procedures. This control has historically been critical in detecting attempted fraud, which further heightens the importance of ensuring it is performed adequately, independently and on time.

QAO recommendation

It is recommended that council ensure that the Large Payments Report is reviewed by an appropriately senior and independent employee in accordance with documented procedure guidelines. Where the usual control owner is unavailable, delegation should only be given to an employee in a suitable “one up” or equivalent supervisory position to the preparer. Consideration could also be given to implementing monitoring or exception reporting to detect and prevent future instances of non-compliance.

Management response

The Weekly Key Controls coversheet has been updated to ensure it is reviewed by a Coordinator. This will ensure the review of the large payments report is not delegated to an inappropriate position while the approver is on leave. The Coordinator will also ensure that any further planned leave is backfilled appropriately.

Responsible officer: Finance Manager

Status: Resolved pending audit clearance

Action date: 21 April 2026

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3. Matters previously reported

This table summarises the status of deficiencies and other matters previously reported to you.

Year and status	Significant deficiencies	Deficiencies	Other matters*
Matters previously reported – work in progress or resolved pending audit clearance	4	7	-
Information system issue previously reported and now elevated from the prior classification of “other matter” to deficiency	-	1	-
Total open previously reported matters	4	8	-
Matters previously reported – resolved in this report	-	4	-

Ref.	Rating	Issue	Status
25FML-1	D	<p>Scope to improve the process for estimating accrued expenses at year end</p> <p>Council’s current year-end accrual process is limited to invoices received up to 25 July and does not sufficiently consider goods or services received prior to 30 June where invoices are received after this date. This approach increases the risk that liabilities and expenses incurred at year-end are not fully captured, potentially resulting in an understatement of accrued expenses and non-compliance with accrual accounting requirements.</p>	<p>Work in progress</p> <p>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.</p> <p>Responsible officer: Chief Financial Officer Action date: 31 August 2026</p>
25IR2-1	D	<p>Users with passwords set to never expire</p> <p>Three Active Directory (AD) accounts, including one administrator, had passwords set to never expire. One was an approved emergency Azure service account secured by the council’s password manager. The other two were employee accounts not aligned with policy; council has requested the setting be disabled, and neither had high-risk privileges.</p>	<p>Resolved</p> <p>The identified user accounts are configured for their passwords to be changed per the configured password policy.</p>
25IR2-2	D	<p>Inappropriate domain level administrator access</p> <p>One privileged Active Directory account was identified as inappropriate. It was a service account for network security management and reporting, without high-risk privileges. Council has confirmed actions are underway to disable it in line with policy.</p>	<p>Resolved</p> <p>Domain Administrator privileges were removed from the service account. Separately, the service account has been disabled as no longer in use.</p>
25IR2-3	D	<p>Lack of manual and automated disabling of inactive users</p> <p>No process exists to disable inactive accounts, though council advised Active Directory accounts are disabled 30 days after termination and removed after 90 days, with no users inactive beyond 90 days.</p>	<p>Resolved pending audit clearance</p> <p>The impacted accounts’ expiry has been rectified. Regular AD audits for disallowed settings have been actioned, with regular reporting mechanisms enacted.</p> <p>Responsible officer: Chief Information Officer Action date: 14/08/2025 Audit comment: QAO plans to test actions taken by management during the interim phase of the FY2026 audit.</p>



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25IR2-4		<p>Lack of regular user access reviews performed</p>	<p>Resolved</p>
<p>User access reviews are not performed in TechnologyOne CiA and are only conducted annually in SAP Employee Central. Compensating controls were in place and found effective, including monthly privileged user activity reviews in CiA and appropriate provisioning and approval processes in SAP Employee Centra</p>			
25IR2-5		<p>Lack of segregation of duties over developers and migrators of setting changes</p>	<p>Resolved pending audit clearance</p>
<p>One managed service provider user had access to both develop and migrate setting changes in SAP Employee Central and Payroll, breaching segregation of duties policy. No changes were made by the user during the year, and compensating controls were in place with council approvals and audit testing confirming effective change management.</p>		<p><i>Management update:</i> Council's business partner, Deloitte have confirmed with QAO that segregation of duties exists within the Deloitte AMS team in relation to the transport of changes from SAP development and test systems through to the production system.</p> <p>Responsible officer: Head of People Action date: 31/07/2025</p> <p><i>Audit comment:</i> QAO plans to test actions taken by management during the interim phase of the FY2026 audit.</p>	
25IR2-6		<p>Access changes performed not aligned with ticket requests</p>	<p>Resolved</p>
<p>Three user accounts had access changes requested but not processed correctly. Two Active Directory accounts remained active despite termination requests; new termination tickets were later raised. One user did not attempt to log in, while another attempted after 14 days, though no high-risk access was identified. In TechnologyOne CiA, one account received an access profile different from the request, but council confirmed the granted access was appropriate and not high-risk.</p>			
25IR2-7		<p>Policy, procedure, and process guideline documentation are missing controls and pending review.</p>	<p>Resolved pending audit clearance</p>
<p>Eight user access and change management policies, procedures, and guidelines had not been reviewed in the past 12 months, with no defined review cycle. Better practice recommends reviews at least annually or biannually. Additionally, four controls lacked documented requirements: password management, user access reviews, inactive user expiration, and batch/scheduled job monitoring.</p>		<p><i>Management update:</i> A dedicated IT Policy Framework Working Group has been instituted for quarterly review for all document control processes. DIS will aid business partners to support the currency and accuracy of companion business stakeholder documents that are related to IT controls. All noted documents are currently in the process of review, either ad hoc or within a cadence of regular review cycles – by the business area or via the vendor who manages the SAP documents.</p> <p>Responsible officer: Chief Information Officer Action date: 31/07/2025</p> <p><i>Audit comment:</i> QAO plans to test actions taken by management during the interim phase of the FY2026 audit. This issue has been elevated from the prior classification of “other matter” to a deficiency on the basis that similar matters have recurred in FY26, and management is now expected to take timely action to resolve this matter.</p>	

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24CR-1		<p>Comprehensive PP&E revaluations and techniques</p> <p>We recommended that management:</p> <p>(a) accelerate the program to align Council asset data and information between CONFIRM and FAR systems and increase the number of assets that are valued using more precise valuation techniques</p> <p>(b) review the programming of comprehensive revaluations by asset class, so that in any given financial year, only one major class is subject to comprehensive revaluation techniques.</p> <p>We further noted that Council has adopted a range of measurement techniques to revalue Property, Plant & Equipment (PP&E) that were planned to be comprehensively revalued as at 30 June 2024. Our understanding is that varying techniques are required to align asset data in the Corporate Asset Management System (CONFIRM) and the FAR before proceeding to apply a comprehensive revaluation technique in the FAR. Complexities, data completeness and accuracy, resource allocation and time constraints impeded Council from achieving its original objective. While a material proportion of assets in the FAR were comprehensively revalued there remains assets in each class where indexation has been applied because of an absence of sufficient appropriate data to validate the completeness and accuracy of the attributes of these.</p>	<p>(a) Work in progress – Work continues to progress under the Asset Management Program. The scope of this work has been defined through the development of the Master Data Dictionary, which establishes consistent asset information standards and is targeted for completion by April 2026. Reference is made to Significant deficiency 23CR-1 Comprehensive Valuation Process, which provides further detail on the data quality and alignment activities being progressed under the Asset Management Program that are relevant to this recommendation.</p> <p>(b) Resolved pending audit clearance This has been implemented and the forward plan for annual comprehensive asset revaluations is: 2026 – Land 2027 – Stormwater 2028 – Transportation 2029 – Other Infrastructure Responsible officer: Chief Financial Officer Revised Action date: 31/12/2027</p>
24IR-1		<p>Unknown reason for parking revenue reconciliation discrepancies between parking meter management system and TechOne general ledger</p> <p>Our review of the reconciliations between parking revenue (per the TechOne general ledger) and the parking meter management system identified unreconciled amounts.</p>	<p>Resolved pending audit clearance <i>Management update:</i> Underlying reasons for discrepancies in parking meter revenue between the two systems were identified, and the parking meter software has since been updated. The reconciliation issue has been resolved Responsible officer: Manager Transport Network Management Revised Action date: 31/12/2025 <i>Audit comment:</i> QAO plans to test actions taken by management during the interim phase of the FY2026 audit.</p>
24IR-3		<p>Controls and processes to mitigate risks arising from incomplete/inaccurate data in Corporate Asset Management Systems</p> <p>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.</p>	<p>Work in progress <i>Management update:</i> Management have provided a more fulsome update for the audit and risk committee through its position paper: Update on Queensland Audit Office Significant Deficiencies. <i>Audit update:</i> Management have established a plan to resolve this significant deficiency. While work has progressed per managements plan, mitigating actions are still not complete hence the issue remains open. Responsible officer: Asset Information Manager Revised Action date: 31/10/2026</p>
23CR-1		<p>Comprehensive valuation process</p> <p>Planned Comprehensive revaluation of Stormwater and Other Infrastructure classes of Property, Plant &</p>	<p>Work in progress <i>Management update:</i></p>

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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*.

The comprehensive revaluation of the Stormwater asset class was complete in 2023–24, as evidenced by the finalised external valuation reports and associated accounting entries in the Financial Asset Register.

The comprehensive revaluation of the Other Infrastructure asset class was mostly complete in 2023–24, with a further portion completed in 2024–25, supported by external valuation reports and management review documentation. The remaining assets requiring comprehensive revaluation require significant work on data quality/alignment between the 2 assets register and will be attended to as part of resolution of issue 22IR-8.

The Other Infrastructure asset class is next due for comprehensive revaluation in 2029, and these will be attended to as part of resolution of issue 22IR-8. The next scheduled comprehensive revaluation of the Other Infrastructure asset class is planned for 2028–29, at which time the remaining assets will be fully revalued in line with Council's Non-Current Asset Accounting Policy.

Responsible officer: Chief Financial Officer
Revised Action date: 31/01/2028

23CR-2



Delays in recognising contributed assets

- a) revisit current reconciliation process between the development application numbering and the on-maintenance letters and aim to develop processes and measures to better ensure that the on-maintenance letters are reconciled to the appropriate development applications
- b) ensure the timely recording of contributed assets information into Council's systems to ensure revenue, assets and depreciation expense are not materially misstated in the financial report
- c) consider year-end adjusting entries to avoid prior period errors

Work in progress

Management update:

Management have provided a more fulsome update for the audit and risk committee through its position paper: Update on Queensland Audit Office Significant Deficiencies.

Audit update:

Management have established a plan to resolve this significant deficiency. While work has progressed per management's plan, mitigating actions are still not complete hence the issue remains open

Responsible officer: Chief Financial Officer
Revised Action date: 31/03/2027

23CR-3



Assets not previously recognised

- a) continue with the existing improvements plans to progress the quality of asset information in the system
- b) ensure that capitalisation process for assets is performed regularly throughout the financial year
- c) ensure that cost effective stocktakes are performed to verify the completeness and existence of assets

Work in progress

Management update:

Management have provided a more fulsome update for the audit and risk committee through its position paper: Update on Queensland Audit Office Significant Deficiencies.

Audit update:

Management have established a plan to resolve this significant deficiency. While work has progressed per managements plan, mitigating actions are still not complete, hence the issue remains open.

Responsible officer: Chief Financial Officer
Revised Action date: 30/10/2026

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23CR-4



Delays in classifying project costs to operating expense

Council performs its capitalisation analysis processes monthly to determine whether the classification of capital costs to a project is appropriate and or whether costs failing to satisfy recognition criteria should be classified as operating expenditure. There are issues with the timeliness of these processes and as a result the recognition of reclassified expenses in their correct reporting period.

Resolved pending audit clearance

Management update:

Operating costs incorrectly charged to capital are routinely identified as part of the asset capitalisation process. However, due to Council's backlog in capitalising Work in Progress (WIP), many of the operating costs identified relate to prior years, resulting in the need for prior-period adjustments.

Mitigation strategies include early identification and budgeting of operating costs, staff education, manual reviews, implementation of automated processes, and the expedited clearance of the WIP backlog.

These actions are expected to result in material transfers from capital to operating expenditure in 2025–26, with the amounts decreasing in subsequent years as the benefits of the mitigation activities are realised

A documented plan has been provided to QAO on 31 March 2026.

Responsible officer: Chief Financial Officer
Revised Action date: 31/3/2026

22IR-8



Other infrastructure asset class – comprehensive

Complete the comprehensive revaluation of the remaining 43% of other infrastructure that was unable to be finalised during FY24

Work in progress

The remaining asset types unable to be comprehensively revalued amount to \$130 million WDV out of a total of \$976 million (13 %) of the Other Infrastructure Asset Class or 2% of Council's total asset base (as at 30 June 2025).

These assets require significant work on the data quality/alignment between the 2 asset registers before they can be valued. Incomplete asset attribute information has created limitations on performing an accurate and reliable comprehensive valuation for those assets not comprehensively revalued. A plan has been incorporated to work on completing the missing asset data and/or agree to assumptions used allowing for revaluation. Assumption rules include allocating unknown attributes such as size, material and quantity to the asset details.

The plan for resolution is as follows:

- (a) Update the Non-Current Asset Accounting Policy to reflect current practice incorporating updates to valuation and capitalisation thresholds.
Action date 31 March 2026.

Draft reviewed by CFO by 31 March 2026. Final to be signed off by CFO following ELT consultation on 12 May 2026.

- (b) Review the Other infrastructure asset class to identify:

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- i. assets to be transferred to the Plant & Equipment General asset class – complete. Refer to Position Paper 31 March 2026 – Significant Deficiencies – 23CR-1
 - ii. asset types below the valuation threshold – action cancelled; no official valuation threshold position; the whole asset class will be comprehensively revalued when next scheduled in 2028–29.
Action date 31/5/26 – Completed 1/4/26
 - (c) In conjunction with the reconciliation work being carried out by the Asset Management Program, complete the Confirm to FAR reconciliation of these assets
Action date 31 December 2027
 - (d) Organise data completion/ refinement/ augmentation as necessary to enable valuation of remaining assets.
Action date 30 June 2028
 - (e) Conduct comprehensive revaluation of the complete Other Infrastructure asset class as scheduled in 2028–29.
Revised Action date: 30 June 2029
-

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4. Key financial audit milestones

The following table details the current status of milestones for key financial reporting and audit deliverables as at 30 April 2026.

During the outlined audit visit dates below, we have agreed to work on-site with your finance team. Working together in-person helps us ensure an efficient and timely audit process.

Planning	Agreed date	Completed date
QAO planning visit	12 –16 January 2026	16 January 2026
QAO issues external audit plan to client	3 February 2026 (draft) 13 March 2026 (final)*	3 February 2026 (draft) 13 March 2026 (final)*
Interim		
QAO interim testing visit	9 March–3 April 2026	9 March–3 April 2026
QAO issues interim report outlining preliminary audit findings to client, excluding the key papers discussed below	27 April 2026 (draft)	24 April 2026 (draft) 27 May 2026 (final)
SCRC issues position papers on known accounting to audit	See below	Not due yet
SCRC issues proforma financial statements to audit	18 May 2026	18 May 2026
SCRC issues comprehensive asset valuations to audit	9 June 2026	Not due yet
QAO second interim visit	8 June–26 June 2026	Not due yet
QAO General IT Controls testing visit	16 February 2026– 10 March 2026	28 April 2026 (draft) 28 May 2026 (final)
QAO issues feedback on proforma financial statements to client	12 June 2026	Not due yet
QAO audit reviews asset valuations	26 June 2026	Not due yet
QAO feedback provided to the client on position papers, excluding the key papers discussed below	26 June 2026	Not due yet
SCRC issues assessment on identified contributed assets	31 July 2026	Not due yet
Final		
QAO year-end visit	31 August– 25 September 2026	Not due yet
SCRC issues draft prior period note and asset note	31 August 2026	Not due yet
SCRC issues working draft financial statements to audit	4 September 2026	Not due yet
SCRC complete draft financial statements to audit	11 September 2026	Not due yet
QAO issues feedback on draft financial statements to client	18 September 2026	Not due yet
QAO issues closing report summarising the audit findings to client	25 September 2026	Not due yet
Audit committee clearance	22 October 2026	Not due yet
SCRC management signs financial statements	26 October 2026	Not due yet
QAO issues audit report including our audit opinion to client	26 October 2026	Not due yet
QAO issues final management report outlining the final audit findings to client	26 October 2026	Not due yet

Key: Deliverables prepared by Sunshine Coast Regional Council management.

If there are any issues/concerns in meeting these time frames, which were agreed at the planning phase, please discuss this with me and engagement manager Mwauluka Mubano.

* Time lag was due to a request by the Audit Committee to revise some of the preliminary agreed dates.

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In conjunction with management, we have identified the following key position papers and 4 significant deficiencies that will be required to be actioned this year.

Position Paper title	Details	Position paper due date	
		Agreed Date	Completed Date
Resolution of significant deficiencies	There are 4 outstanding significant deficiencies that relate to assets. Management has committed to actioning these by 31 March 2026.	31 March 2026	31 March 2026
Land Comprehensive Valuation	Position paper valuation movement on land. Paper to be signed off by CFO.	9 June 2026	Not due yet
Contributed Assets Prior Period Errors (if required).	Position paper highlighting recognition of any contributed assets which have caused prior year errors. Include actuals vs accrual for TMR/EDQ	31 July 2026	Not due yet
WIP Clearance Project Stage 1	Position paper highlighting adjusting accrued assets to actual fair value. This will be an interim draft outlining methodology for QAO approval.	18 May 2026	18 May 2026
WIP Clearance Project Stage 2	Position paper highlighting finalised figures for processing into fixed asset register.	31 July 2026	Not due yet
QRA analysis	Prior period operating cost analysis and formalised cost allocation methodology.	11 May 2026	6 May 2026
Interim indexation of assets held at Fair Value	Position paper summarising interim indexation movement on asset classes which are not being comprehensively valued this year. Paper to be signed off by CFO.	11 May 2026	11 May 2026
Useful life Assessment Paper	Position Paper summarising the methodology and data applied to perform useful life assessment. To be signed off by council's internal experts.	18 May 2026	18 May 2026
Suncentral Maroochydore Pty Limited Transition Process	Position paper summarising salient features of the Suncentral Maroochydore Pty Ltd transition process and impact on the financial reporting.	17 April 2026	14 April 2026

8.7 DELEGATION TO THE CHIEF EXECUTIVE OFFICER - ANNUAL REVIEW

File No: Council Meetings

Author: Governance Policy Lead
Office of the CEO

Appendices: App A - DEL001 v1 Delegation to the Chief Executive Officer 165 [↓](#)

Attachments: Att 1 - DEL001 v1 Delegation to the Chief Executive Officer -
Tracked Changes..... 191 [↓](#)

PURPOSE

The purpose of this report is to satisfy the requirement of section 257 (5) of the *Local Government Act 2009* (Qld) to annually review and update Council’s delegation instrument to the Chief Executive Officer (CEO).

EXECUTIVE SUMMARY

Council performs many functions and exercises authority under a wide range of legislation, associated subordinate legislation and its own local laws. Council can delegate its powers to the Chief Executive Officer to implement and enforce some of these responsibilities under section 257 of the *Local Government Act 2009* (the Act), where it is lawful for Council to delegate that authority.

Under section 257 (3) of the Act, Council must not delegate authority to decide or determine a matter where the matter is expressly required by an Act to be determined by resolution of Council.

Section 257(5) of the Act requires the local government to review all delegations to the Chief Executive Officer annually. The last review and adoption of the Sunshine Coast Council’s Delegation to the Chief Executive Officer occurred at the Ordinary Meeting of 19 June 2025.

To comply with section 257 (5) of the Act and ensure the currency of the Delegation to the Chief Executive Officer, a review has been conducted to ensure consistency between the Local Government Association of Queensland’s (LGAQ) delegations register (informed by King and Company Solicitors) and Council’s delegations register.

Recommended updates to Council’s current Instrument of Delegation to the Chief Executive Officer, based on the review, are identified and tracked in the proposed Instrument of Delegation at **Attachment 1**.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Delegation to the Chief Executive Officer - Annual Review”
- (b) adopt DEL001, Delegation to the Chief Executive Officer (Appendix A), noting that this Delegation replaces and supersedes Delegation 2016-73 (v10) Delegation to the Chief Executive Officer adopted by Council on 19 June 2025, and
- (c) note that all other specific and individual delegations of authority to the Chief Executive Officer which have been authorised by Council through previous resolutions, are retained.

FINANCE AND RESOURCING

The cost of conducting the review of the Instrument of Delegation and the preparation of this report has been funded through existing operational budget allocation.

CORPORATE PLAN

Corporate Plan Goal:	<i>Organisational excellence</i>
Strategic Pathway:	We serve our community by providing this great service
Operational Activity:	S30 - Corporate Governance - Provision of corporate governance, legal, audit and risk management services that builds adaptation, resilience and supports transparent, ethical and informed decision making.

CONSULTATION**Councillor Consultation**

The Outstanding Organisation Portfolio Councillors, E Hungerford and J Broderick have been consulted regarding the annual review of CEO delegations and the recommendations proposed in this report.

All Councillors were also consulted on the process for actioning State Facilitated Development applications proposed to be included as a condition in the Delegation to the Chief Executive Officer.

Internal Consultation

Internal consultation occurred with the following officers:

- Executive Manager Office of the CEO
- Director Sustainable Growth and Planning
- Manager Development Services

External Consultation

Consultation was undertaken with the Local Government Association of Queensland (LGAQ) to obtain their most current advice regarding statutory delegation review documentation from King and Company Solicitors.

Community Engagement

No community engagement is required for the preparation of this report as it relates to an internal administrative activity and the conduct of the operational responsibilities of Council.

PROPOSAL

The Local Government Association of Queensland, together with King and Company Solicitors, bi-annually provides updates of local government statutory delegations of authority under relevant legislation. This includes advice on those matters which cannot be delegated by a local government, due to the requirement for those matters to be determined by resolution of Council.

As part of Council's annual review of delegations, an analysis was undertaken of the legislation identified in Council's existing Delegation to the Chief Executive Officer, the Local Government Association of Queensland's delegation register (informed by King and Company Solicitors), and Council's delegation register. This work helps to facilitate the currency, consistency, and completeness of Council's delegation framework.

The following additional or updated legislation has been identified for inclusion in the Delegation to the Chief Executive Officer:

- *Property Law Act 2023* (Qld)

The *Property Law Act 2023* replaces the 1974 Act and was introduced via staged commencement, with most provisions commencing 1 August 2025. The Act imposes increased obligations on Councils as a landowner, infrastructure custodian and commercial counterpart.

The Act increases compliance obligations under the mandatory seller disclosure regime and modernises leasing and electronic conveyancing frameworks.

- *Queensland Competition Authority Act 1997*:

This Act establishes the Queensland Competition Authority and outlines its role in overseeing pricing practices for monopoly services, ensuring competitive neutrality, regulating access to essential infrastructure and services, and performing related regulatory functions.

Relevant local government powers pertain to consulting the Minister regarding declaration of a significant government business activity as a monopoly business, and compliance with relevant administrative actions associated with a declaration.

- *Queensland Productivity Commission Act 2025*:

The Act establishes the Queensland Productivity Commission to carry out inquiries and research to provide independent advice to the Minister. This advice focuses on economic and social issues, regulation and legislation, with an emphasis on improving productivity, supporting economic growth and raising living standards for Queensland communities.

Local government, as a relevant entity, must comply with a notice given by the Commission pursuant to section 35 - Power to require information for inquiries and research.

- *Residential Tenancies and Rooming Accommodation Regulation 2025* (Qld)

The *Residential Tenancies and Rooming Accommodation Regulation 2025* replaces the 2009 Regulation and commenced on 1 September 2025. It has practical implications where Council is a Lessor or Housing Provider. Primarily the Regulation consolidates and operationalises recent rental law reforms.

Relevant responsibilities for local government pertain to contacting a person entitled to goods left on a premise, and the sale of those goods at auction.

- *Telecommunications Act 1997* (Cth); *Telecommunications Consumer Protection and Service Standards Act 1999* (Cth); and *Telecommunications (Regional Broadband Scheme) Charge Act 2020*

Council has an active telecommunications carrier licence issued under the *Telecommunications Act 1997* (Cth) which is the primary legislative basis underpinning Council's carrier operations and associated regulatory obligations.

The *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth) and *Telecommunications (Regional Broadband Scheme) Charge Act 2020*, including associated levy and reporting frameworks, remain operationally relevant as part of Council's ongoing carrier compliance activities.

While operational authority is already in place, inclusion within the CEO delegation framework would provide clearer governance alignment, formal consolidation of existing operational arrangements, and consistency with Council's broader delegations framework.

State Facilitated Development Applications

On 20 March 2026, the Queensland Government amended the Planning Regulation via the *Planning (State Facilitated Development) Amendment Regulation 2026*. These amendments broaden the types of residential development that can access the State Facilitated Development assessment pathway. The pathway is intended to support the delivery of development that is a State priority and enables the Planning Minister to declare certain development applications as State Facilitated Developments, provided they meet the criteria set out in the Planning Regulation.

State Facilitated Developments require coordination between State agencies and local governments collaborating to resolve key planning matters prior to an application being declared. The process can only proceed where Council provides written endorsement during the early (pre-application) stage.

The Delegation to the Chief Executive Officer currently sets criteria that applies to the *Planning Act 2016* and includes the administrative procedure to be applied when exercising those powers. The introduction of State Facilitated Development requires that Council expand the delegation administrative procedure by endorsing a process for considering these new types of applications.

Consequently, the proposed process for State Facilitated Development applications has been included in the reviewed Delegation to the Chief Executive Officer.

Legal

Section 257 of the *Local Government Act 2009* authorises a local government to make a resolution to delegate its powers to:

- the Mayor
- Chief Executive Officer
- a standing committee, or
- a joint standing committee.

While delegations provide expediency to facilitate the daily operations of a local government, a delegation is revocable and does not prevent Council at any time, from acting on a matter that is the subject of a delegation of authority. In such cases, the delegate must not act under the authority of the delegation where Council has elected to exercise its authority itself. A delegation of authority from Council is not an abrogation of Council's legal authority to make a decision or determine a matter that is the subject of a delegation.

Section 257(5) of the *Local Government Act 2009* requires the local government to review all delegations to the Chief Executive Officer annually.

Section 259 (Delegation by the Chief Executive Officer) of the *Local Government Act 2009* allows the Chief Executive Officer of a local government to delegate the Chief Executive Officer's powers (including powers delegated to the Chief Executive Officer by the local government) to other employees of the local government. The Chief Executive Officer is the only Council Officer able to sub-delegate their powers.

To comply with section 257(3) of the Act, provisions of an Act or subordinate legislation not capable of delegation are identified in Schedule 2 of the proposed new Delegation to the Chief Executive Officer in **Appendix A** to this report. A delegation is not permissible if the relevant Act specifically provides that the power must be exercised by a resolution of the local government. This restriction applies where legislation uses the specific words 'by resolution'. Moreover, by virtue of the definition of 'adopt' the same limitation applies to a number of statutory provisions where that term is used, and as such, the authority must be exercised by the elected Council.

Where legislation simply gives Council the ability to act or make a decision without using the words 'resolution' or 'adopt' or a word of the same derivation, and so long as the context does not clearly indicate otherwise, then the power may be delegated.

Facilitating appropriate delegations to the Chief Executive Officer is consistent with the *Human Rights Act 2019* (Qld). Actions and decisions which seek to maintain the operational efficiency and effectiveness of the local government contribute to the protection of the right of an individual to take part in public life (section 23).

Policy

There are no policy implications.

Risk

The proposed amendment to the Instrument of Delegation has been prepared to mitigate the risk of any gaps in delegated powers and to ensure the Chief Executive Officer has

appropriate authority to manage the operational activities of Council under relevant legislation. Where operationally required, the Chief Executive Officer can subdelegate certain authorities to appropriately qualified officers, which occurs separately through the Delegations of Authority from the Chief Executive Officer under Section 259 of the Act.

All delegated officers are required to complete mandatory delegation awareness training to ensure they are aware of their delegated responsibilities and apply the principles of good decision making when exercising delegated powers.

Previous Council Resolution

Ordinary Meeting 19 June 2025 (OM25/53)

That Council:

- (a) *receive and note the report titled "Delegation to the Chief Executive Officer - Annual Review"*
- (b) *adopt Delegation 2016-73 (V10), Delegation to the Chief Executive Officer (Appendix A), noting that this Delegation replaces and supersedes Delegation 2016-73 (v9) Delegation to the Chief Executive Officer adopted by Council on 20 June 2024 and*
- (c) *note that all other specific and individual delegations of authority to the Chief Executive Officer which have been authorised by Council through previous resolutions, are retained.*

Related Documentation

Council's Instrument of Delegations and associated Schedules are available in the Delegations Register.

Critical Dates

It is important that Council considers this report as soon as possible to ensure compliance with section 257 of the *Local Government Act 2009* which requires annual review of the Delegation to the Chief Executive Officer. The Delegation to the Chief Executive Officer was last endorsed by Council on 19 June 2025 (OM25/53).

Implementation

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

- update Council's Delegation Register, and
- update relevant section 259 Delegations of Authority from the Chief Executive Officer to Council officers.

Delegation to the Chief Executive Officer

Instrument of Delegation

Delegation no. DEL001 v1

Delegation from: Council to Chief Executive Officer

Source of Authority: *Local Government Act 2009* (Qld)
Refer Schedule 1
Refer Schedule 2

Delegated Power:

Council resolves, pursuant to section 257(1)(b) of the *Local Government Act 2009* (Qld), to delegate to the Chief Executive Officer all of the powers of the local government conferred under:

- a) Council's Local Laws;
- b) the Acts and Subordinate Legislation listed in Schedule 1 of this delegation.

Interpretation

1. To the extent that this delegation confers a power to take any action, including making a decision, the power extends to doing anything which is necessary or convenient to perform that action, make that decision or give effect to a decision made by the local government or the local government's delegate such as:
 - a. considering factual and legal matters and issues in order to:
 - i. form any belief which is required; and
 - ii. be satisfied about any matter or thing;
 - b. consulting with any person who is required to be consulted with;
 - c. issuing any notices including publishing any notice in the gazette, newspaper or on the local government's website;
 - d. approving any forms;
 - e. filing any document;
 - f. extending any period;
 - g. providing reasons; and
 - h. making or refunding any payment.

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2. Under this delegation, the words used are to take their meaning from the Queensland legislation conferring the authority or to the extent that no meaning is prescribed, the words will take their ordinary meaning unless otherwise specified in this delegation.
3. Under this delegation, the words used have the meanings set out below:
 - a. 'Act' has the meaning given to that term under the *Acts Interpretation Act 1954* (Qld);
 - b. 'Queensland legislation' has the meaning given to that term under the *Acts Interpretation Act 1954* (Qld);
 - c. 'powers of the local government' means all powers conferred on the local government under Queensland legislation which is the subject of this delegation including any Subordinate Legislation and Statutory Instrument made under that legislation or which has taken effect under that legislation even if not expressly mentioned in this delegation;
 - d. 'Subordinate Legislation' has the meaning given to that term under the *Statutory Instruments Act 1992* (Qld);
 - e. 'Statutory Instrument' has the meaning given to that term under the *Statutory Instruments Act 1992* (Qld);
 - f. 'Local Law' has the meaning given to that term under the *Local Government Act 2009* (Qld) and a reference to a local law in this delegation includes a reference to:
 - i. an 'interim local law' as defined by the *Local Government Act 2009* (Qld);
 - ii. a 'subordinate local law' as defined by the *Local Government Act 2009* (Qld); and
 - iii. a local law that incorporates a 'model local law' as defined by the *Local Government Act 2009* (Qld).
4. To the extent of any inconsistency between the conferral of this delegation of powers and any earlier delegation of powers to the Chief Executive Officer, this delegation prevails.

Delegation Conditions and Guiding Principles

5. The powers conferred by this delegation must be exercised in accordance with the Queensland legislation conferring the authority, including any obligations which are imposed in exercising the power.
6. The powers conferred by this delegation must not be exercised in circumstances where the power is not capable of delegation (refer to schedule 2 of this delegation).
7. The delegated officer must make and keep a register of all instances of where this delegation has been exercised.

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8. Unless compliance would be contrary to any law, the policies of the local government and codes of conduct must be complied with in exercising the powers conferred by this delegation.
9. The following guiding principles apply:
 - a. The powers conferred by delegation to the Chief Executive Officer must be exercised in a manner that is consistent with *Local Government Act 2009* (Qld), *Local Government Regulation 2012* (Qld) and in accordance with any other legislation that may specifically confer authority to exercise the delegated power.
 - b. When making a decision to exercise a delegated power, the Chief Executive Officer must have due regard to the strategic direction and priorities set by Council including the Corporate Plan, Operational Plan, Annual Budget and financial delegation.
 - c. In the performance of a delegated function or in the exercise of a delegated power, the Chief Executive Officer may do anything that is lawfully and reasonably incidental to the delegated function or power.
 - d. Delegations made by Council are made to the position of Chief Executive Officer and unless excluded in the terms of appointment extend to persons acting in that position from time to time.
 - e. The Chief Executive Officer is not obliged to exercise a delegation.
 - f. The Chief Executive Officer must avoid exercising any delegation where it can fairly be concluded that to do so would give rise to material claims of the delegate having an actual or perceived conflict of interest, whether financial or otherwise.
 - g. As a matter of practice, the Chief Executive Officer must consult with the Mayor and relevant Portfolio Councillor prior to exercising a delegated power in instances where the exercise of the delegations may reasonably be expected to:
 - i. generate significant community concern; and/or
 - ii. result in significant financial, resource or policy implications for Council

Delegation Criteria - *Planning Act 2016*

10. The delegated officer may exercise the powers of the local government under the *Planning Act 2016* (Qld) for an application other than the following:
 - a. an application where, in the opinion of the delegated officer, the estimated construction value of the proposed development exceeds \$100 million (excluding land content);

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- b. under the transitional provisions set out in Chapter 8 of the *Planning Act 2016* (Qld)- an application for the approval of a master plan for a master planned area;
 - c. an application for a variation request as defined in the *Planning Act 2016* (Qld);
 - d. an application for a proposed development where a substantial number of submissions have been received during the notification part objecting to the proposed development.
11. In exercising the powers delegated, where a development application has been decided by Council the delegated officer must give due consideration to the materiality of the changes sought through a negotiated decision notice and consult with the divisional councillor where those changes would have a material impact on the outcome of the original decision.
12. However, even if paragraph 10 (a), the delegated officer may exercise the powers of the local government under the *Planning Act 2016* (Qld) without that limitation for an application where the application has the potential for “deemed approval”.

Delegation Administration Procedure – *Planning Act 2016*:

13. The following procedure is to be undertaken for any powers exercised under the *Planning Act 2016* (Qld) and *Planning Regulation 2017* (Qld) unless compliance would be contrary to any law:
- a. The policies of the local government must be complied with and in particular any policy related to entering into an infrastructure agreement.
 - b. The policies and codes of conduct of the local government must be complied with and in particular:
 - i. a development application is to be referred to the Chief Executive Officer for decision where a councillor has a material personal interest in the development application.
14. State Facilitated Development (SFD) - the following procedure is to be applied for State Facilitated Development applications allowable under the *Planning Regulation 2017* (Qld):
- a. Stage 1A: Pre-application -
 - i. Upon receipt of notification from the State of an SFD pre-application request, all councillors will be formally notified via email confirming receipt of the pre-application. All councillors will be invited to express an interest in the application and/or request regular updates.
 - ii. Prior to finalising the officer recommendation for consideration by the CEO, a formal briefing note will be circulated to all councillors, summarising the proposal, key issues/considerations and officer recommendation. Each

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individual councillor will be invited to provide feedback and/or formally request that the matter be determined at a Council meeting.

- iii. Following determination of Council’s position in relation to the pre-application, a copy of the final decision will be provided to all councillors for information.
- b. Stage 2: State Facilitated Development Application Assessment (where the SFD is declared):
 - i. Upon Council receiving the declared State Facilitated Development application, all councillors will be formally notified via email confirming receipt of the declared application. All councillors will be invited to express an interest in the application and/or request regular updates.
 - ii. Following determination by the State, a copy of the final decision will be provided to all councillors for information.

Version Control			
Version	Change	Endorsed/Reviewed by	Date
V1	New format - updated from 2016-73 (v10)		

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Schedule 1

Acts

No.	Name of Act
1	<i>Aboriginal Cultural Heritage Act 2003 (Qld)</i>
2	<i>Acquisition of Land Act 1967 (Qld)</i>
3	<i>Acquisition of Land Regulation (2014) (Qld)</i>
4	<i>Aged Care Act 1997 (Cth)</i>
5	<i>Animal Care and Protection Act 2001 (Qld)</i>
6	<i>Animal Care and Protection Regulation 2012 (Qld)</i>
7	<i>Animal Management (Cats and Dogs) Act 2008 (Qld)</i>
8	<i>Animal Management (Cats and Dogs) Regulation 2019 (Qld)</i>
9	<i>Anti-Discrimination Act 1991 (Qld)</i>
10	<i>Auditor-General Act 2009 (Qld)</i>
11	<i>Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (Cth)</i>
12	<i>Biosecurity Act 2014 (Qld)</i>
13	<i>Biosecurity Regulation 2016 (Qld)</i>
14	<i>Body Corporate and Community Management (Accommodation Module) Regulation 2020 (Qld)</i>
15	<i>Body Corporate and Community Management (Commercial Module) Regulation 2020 (Qld)</i>
16	<i>Body Corporate and Community Management (Small Schemes Module) Regulation 2020 (Qld)</i>
17	<i>Body Corporate and Community Management (Specified Two-lot Schemes Module) Regulation 2011 (Qld)</i>
18	<i>Body Corporate and Community Management (Standard Module) Regulation 2020 (Qld)</i>
19	<i>Body Corporate and Community Management Act 1997 (Qld)</i>
20	<i>Building Act 1975 (Qld)</i>
21	<i>Building Fire Safety Regulation 2008 (Qld)</i>
22	<i>Building Regulation 2006 (Qld)</i>
23	<i>Building Regulation 2021 (Qld)</i>
24	<i>Coastal Protection and Management Act 1995 (Qld)</i>
25	<i>Corporations Act 2001 (Cth)</i>
26	<i>Coexistence Queensland Act 2013 (Qld)</i>
27	<i>Crime and Corruption Act 2001 (Qld)</i>
28	<i>Development Assessment Rules (Qld)</i>
29	<i>Disaster Management Act 2003 (Qld)</i>
30	<i>Disaster Management Regulation 2014 (Qld)</i>
31	<i>Economic Development Act 2012 (Qld)</i>

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No.	Name of Act
32	<i>Electricity Act 1994 (Qld)</i>
33	<i>Electricity Regulation 2006 (Qld)</i>
34	<i>Electrical Safety Act 2002 (Qld)</i>
35	<i>Electrical Safety Regulation 2013 (Qld)</i>
36	<i>Environmental Offsets Act 2014 (Qld)</i>
37	<i>Environmental Offsets Regulation 2014 (Qld)</i>
38	<i>Environmental Protection (Water and Wetland Biodiversity) Policy 2019 (Qld)</i>
39	<i>Environmental Protection Act 1994 (Qld)</i>
40	<i>Environmental Protection Regulation 2019 (Qld)</i>
41	<i>Evidence Act 1977 (Qld)</i>
42	<i>Fire and Emergency Service Act 1990 (Qld)</i>
43	<i>Fisheries Act 1994 (Qld)</i>
44	<i>Food Act 2006 (Qld)</i>
45	<i>Food Production (Safety) Act 2000 (Qld)</i>
46	<i>Forestry Act 1959 (Qld)</i>
47	<i>Fossicking Act 1994 (Qld)</i>
48	<i>Gaming Machine Act 1991 (Qld)</i>
49	<i>Geothermal Energy Act 2010 (Qld)</i>
50	<i>Greenhouse Gas Storage Act 2009 (Qld)</i>
51	<i>Heavy Vehicle (Mass, Dimension and Loading) National Regulation (Qld)</i>
52	<i>Heavy Vehicle National Law Act 2012 (Qld)</i>
53	<i>Heavy Vehicle National Law (Queensland)</i>
54	<i>Heavy Vehicle National Law Regulation 2014 (Qld)</i>
55	<i>Housing Act 2003 (Qld)</i>
56	<i>Housing Regulation 2015 (Qld)</i>
57	<i>Human Rights Act 2019 (Qld)</i>
58	<i>Industrial Relations Act 2016 (Qld)</i>
59	<i>Industrial Relations Regulation 2018 (Qld)</i>
60	<i>Information Privacy Act 2009 (Qld)</i>
61	<i>Instrument of Delegation and Direction – Economic Development Act 2012 (Minister for Economic Development Queensland) 17 October 2019</i>
62	<i>Integrity Act 2009 (Qld)</i>
63	<i>Integrated Planning Act 1997 (Qld)</i>

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No.	Name of Act
64	<i>Integrated Resort Development Act 1987 (Qld)</i>
65	<i>Justices Act 1886 (Qld)</i>
66	<i>Judicial Review Act 1991 (Qld)</i>
67	<i>Labour Hire Licensing Act 2017 (Qld)</i>
68	<i>Land Access Ombudsman Act 2017 (Qld)</i>
69	<i>Land Act 1994 (Qld)</i>
70	<i>Land Regulation 2020 (Qld)</i>
71	<i>Land Title Act 1994 (Qld)</i>
72	<i>Land Valuation Act 2010 (Qld)</i>
73	<i>Libraries Act 1988 (Qld)</i>
74	<i>Liquor Act 1992 (Qld)</i>
75	<i>Local Government Act 2009 (Qld)</i>
76	<i>Local Government Electoral Act 2011 (Qld)</i>
77	<i>Local Government Regulation 2012 (Qld)</i>
78	<i>Manufactured Homes (Residential Parks) Act 2003 (Qld)</i>
79	<i>Marine Parks Act 2004 (Qld)</i>
80	<i>Medicines and Poisons (Pest Management Activities) Regulation 2021 (Qld)</i>
81	<i>Medicines and Poisons (Poisons and Prohibited Substances) Regulation 2021 (Qld)</i>
82	<i>Medicines and Poisons Act 2019 (Qld)</i>
83	<i>Mineral & Energy Resources (Common Provisions) Act 2014 (Qld)</i>
84	<i>Mineral Resources Act 1989 (Qld)</i>
85	<i>Mining and Quarrying Safety and Health Act 1999 (Qld)</i>
86	<i>Mining and Quarrying Safety and Health Regulation 2017 (Qld)</i>
87	<i>Minister’s Guidelines and Rules Under the Planning Act 2016 (Qld)</i>
88	<i>Mixed Use Development Act 1993 (Qld)</i>
89	<i>Nature Conservation (Administration) Regulation 2017 (Qld)</i>
90	<i>Nature Conservation (Animals) Regulation 2020 (Qld)</i>
91	<i>Nature Conservation (Plants) Regulation 2020 (Qld)</i>
92	<i>Nature Conservation (Protected Areas Management) Regulation 2024 (Qld)</i>
93	<i>Nature Conservation (Wildlife Management) Regulation 2006 (Qld)</i>
94	<i>Nature Conservation Act 1992 (Qld)</i>
95	<i>Neighbourhood Disputes (Dividing Fences and Trees) Act 2011 (Qld)</i>
96	<i>Peaceful Assembly Act 1992 (Qld)</i>

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No.	Name of Act
97	<i>Petroleum and Gas (Production and Safety) Act 2004 (Qld)</i>
98	<i>Petroleum and Gas (Production and Safety) Regulation 2018 (Qld)</i>
99	<i>Planning Act 2016 (Qld)</i>
100	<i>Planning Regulation 2017 (Qld)</i>
101	<i>Planning Act 2016 – Development Assessment Rules (Qld)</i>
102	<i>Planning and Environment Court Act 2016 (Qld)</i>
103	<i>Planning and Environment Court Rules 2018 (Qld)</i>
104	<i>Plumbing and Drainage Act 2002 (Qld)</i>
105	<i>Plumbing and Drainage Regulation 2019 (Qld)</i>
106	<i>Plumbing and Drainage Act 2018 (Qld)</i>
107	<i>Plumbing and Drainage Regulation 2019 (Qld)</i>
108	<i>Property Law Act 2023 (Qld)</i>
109	<i>Prostitution Act 1999 (Qld)</i>
110	<i>Public Health (Infection Control for Personal Appearance Services) Act 2003 (Qld)</i>
111	<i>Public Health Act 2005 (Qld)</i>
112	<i>Public Health Regulation 2018 (Qld)</i>
113	<i>Public Interest Disclosure Act 2010 (Qld)</i>
114	<i>Public Records Act 2023 (Qld)</i>
115	<i>Public Sector Ethics Act 1994 (Qld)</i>
116	<i>Queensland Building and Construction Commission Act 1991 (Qld)</i>
117	<i>Queensland Competition Authority Act 1997</i>
118	<i>Queensland Heritage Act 1992 (Qld)</i>
119	<i>Queensland Productivity Commission Act 2025</i>
120	<i>Queensland Reconstruction Authority Act 2011 (Qld)</i>
121	<i>Rail Safety National Law (Qld)</i>
122	<i>Regional Planning Interests Act 2014 (Qld)</i>
123	<i>Residential Services (Accreditation) Act 2002 (Qld)</i>
124	<i>Residential Tenancies and Rooming Accommodation Act 2008 (Qld)</i>
125	<i>Residential Tenancies and Rooming Accommodation Regulation 2025 (Qld)</i>
126	<i>Retail Shop Leases Act 1994 (Qld)</i>
127	<i>Retail Shop Leases Regulation 2016 (Qld)</i>
128	<i>Right to Information Act 2009 (Qld)</i>
129	<i>River Improvement Trust Act 1940 (Qld)</i>

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No.	Name of Act
130	<i>Security of Critical Infrastructure Act 2018 (Cth)</i>
131	<i>Safety in Recreational Water Activities Act 2011 (Qld)</i>
132	<i>Soil Conservation Act 1986 (Qld)</i>
133	<i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (Qld)</i> <i>Delegation by Northern SEQ Distributer Retailer Authority (Unitywater) to Moreton Bay Regional Council, Sunshine Coast Regional Council and Noosa Shire Council – 30 June 2014</i>
134	<i>Standard Plumbing and Drainage Regulation 2003 (Qld)</i>
135	<i>State Development and Public Works Organisation Act 1971 (Qld)</i>
136	<i>State Emergency Service Act 2024 (Qld)</i>
137	<i>State Penalties Enforcement Act 1999 (Qld)</i>
138	<i>State Penalties Enforcement Regulation 2014 (Qld)</i>
139	<i>Statutory Bodies Financial Arrangements Act 1982 (Qld)</i>
140	<i>Statutory Bodies Financial Arrangements Regulation 2019 (Qld)</i>
141	<i>Stock Act 1915 (Qld)</i>
142	<i>Stock Route Management Act 2002 (Qld)</i>
143	<i>Stock Route Management Regulation 2003 (Qld)</i>
144	<i>Strong and Sustainable Resource Communities Act 2017 (Qld)</i>
145	<i>Summary Offences Act 2005 (Qld)</i>
146	<i>Summary Offences Regulation 2016 (Qld)</i>
147	<i>Survey and Mapping Infrastructure Act 2003 (Qld)</i>
148	<i>Sustainable Planning Act 2009 (Qld)</i>
149	<i>Sustainable Planning Regulation 2009 (Qld)</i>
150	<i>Telecommunications Act 1997 (Cth)</i>
151	<i>Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth)</i>
152	<i>Telecommunications (Interception and Access) Act 1979 (Cth)</i>
153	<i>Telecommunications (Regional Broadband Scheme) Charge Act 2020 (Cth)</i>
154	<i>Tobacco and Other Smoking Products Act 1998 (Qld)</i>
155	<i>Torres Strait Islander Cultural Heritage Act 2003 (Qld)</i>
156	<i>Transport Infrastructure (Busway) Regulation 2002 (Qld)</i>
157	<i>Transport Infrastructure (Public Marine Facilities) Regulation 2023 (Qld)</i>
158	<i>Transport Infrastructure (Rail) Regulation 2006 (Qld)</i>
159	<i>Transport Infrastructure (State Controlled Roads) Regulation 2017 (Qld)</i>
160	<i>Transport Infrastructure Act 1994 (Qld)</i>

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No.	Name of Act
161	<i>Transport Operations (Marine Pollution) Act 1995 (Qld)</i>
162	<i>Transport Operations (Marine Safety) Act 1994 (Qld)</i>
163	<i>Transport Operations (Marine Safety) Regulation 2016 (Qld)</i>
164	<i>Transport Operations (Passenger Transport) Act 1994 (Qld)</i>
165	<i>Transport Operations (Road Use Management) Act 1995 (Qld)</i>
166	<i>Transport Operations (Road Use Management – Accreditation and Other Provisions) Regulation 2015 (Qld)</i>
167	<i>Transport Operations (Road Use Management—Road Rules) Regulation 2009 (Qld)</i>
168	<i>Transport Operations (Road Use Management—Vehicle Registration) Regulation 2021 (Qld)</i>
169	<i>Transport Planning and Coordination Act 1994 (Qld)</i>
170	<i>Trusts Act 1973 (Qld)</i>
171	<i>Waste Reduction and Recycling Act 2011 (Qld)</i>
172	<i>Waste Reduction and Recycling Regulation 2023 (Qld)</i>
173	<i>The Waste Reduction and Recycling (Local Government) Delegation (No. 1) 2015</i>
174	<i>Water Act 2000 (Qld)</i>
175	<i>Water Regulation 2016 (Qld)</i>
176	<i>Water Supply (Safety and Reliability) Act 2008 (Qld)</i>
177	<i>Work Health and Safety Act 2011 (Qld)</i>
178	<i>Work Health and Safety Regulation 2011 (Qld)</i>
179	<i>Workers Compensation and Rehabilitation Act 2003 (Qld)</i>
180	<i>Workers Compensation and Rehabilitation Regulation 2014 (Qld)</i>
181	<i>Working with Children (Risk Management and Screening) Act 2000 (Qld)</i>

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Schedule 2

Matters that require a resolution from Council.

The powers of Sunshine Coast Regional Council which cannot be delegated are set out in the tables below

<i>Animal Management (Cats and Dogs) Act 2008 (Qld) (AMCDA)</i>	
Section	Cannot be delegated
12 – Identification devices under Act	Council may, by resolution, nominate a device to assist in identifying a dog.
50 – Duration of registration	Council may, by resolution, fix the period for registration of a dog. However, the period must not be more than 3 years.
74 – Requirements for application (Restricted Dog Permits) and 83 – Requirements for renewal application	Restricted dog permits and renewals must be accompanied by the fee fixed by resolution of Council.
113 – Approval of inspection program authorising entry	Council may, by resolution, approve a program (an approved inspection program) under which an authorised person may enter a place to monitor compliance with the AMCDA or an aspect of the AMCDA.

<i>Biosecurity Act 2014</i>	
Section	Cannot be delegated
235 - Authorising and carrying out biosecurity program	A program authorisation must be authorised by a resolution of the local government.

<i>Building Act 1975 (Qld)</i>	
Section	Cannot be delegated
32 - Local laws, local planning instruments and local government resolutions that may form part of the building assessment provisions	Council may make resolutions about an aspect of, or matter related or incidental to, building work prescribed under a regulation.

<i>Building Regulation 2021 (Qld)</i>	
Section	Cannot be delegated
8 – Designation of area liable to flooding	Council may, by resolution: <ul style="list-style-type: none"> (a) designate part of its area as a flood hazard area; and (b) declare the following for all or part of a flood hazard area: <ul style="list-style-type: none"> (i) the defined flood level; (ii) the maximum flow velocity of water;

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<i>Building Regulation 2021 (Qld)</i>	
Section	Cannot be delegated
	(iii) an inactive flow or backwater area; (iv) a freeboard that is more than 300mm; (v) the finished floor level of class 1 buildings built in all or part of the flood hazard area. If the local government makes a designation or declaration, the local government must state in the planning scheme, temporary local planning instrument under the Planning Act or resolution, that the designation or declaration is made under this section.
45 – Local governments may exempt particular assessable building work from particular stages of inspection	Council may, by resolution, declare localities and forms of buildings or structures in its area exempt from inspection at a stage of assessable building work if the work: (a) is, or is an alteration to, a single detached class 1a building or a class 10 building or structure; and (b) is not for a swimming pool or fencing around it.

<i>Economic Development Act 2012 (Qld)</i>	
Section	Cannot be delegated
169 – Delegations	Council may not subdelegate a function or power of the Minister for Economic Development Queensland (MEDQ) delegated to it where MEDQ has, when delegating the function or power to Council, directed that the function or power cannot be subdelegated.

<i>Environmental Protection Act 1994 (Qld) (EPA)</i>	
Section	Cannot be delegated
514 – Devolution of powers	(a) Council may make a resolution about the fees payable to it for the administration and enforcement of a matter devolved to it by the Governor in Council, which may include prescribing a different fee, whether higher or lower.
518 – Delegation by administering authority	Where Council is an administering authority, it may, by resolution, delegate its powers under the Environmental Protection Act to an appropriately qualified entity.

<i>Food Act 2006 (Qld) (Food Act)</i>	
Section	Cannot be delegated
31 – Fees payable to local governments	Council may make a resolution about the fees payable to it for providing a service or taking action under the Food Act.

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Land Act 1994 (Qld)	
Section	Cannot be delegated
56 – Model by-laws	Decide where the local government is trustee of trust land to adopt a model by-law.

Libraries Act 1988 (Qld)	
Section	Cannot be delegated
55 – Library committees	Council may direct, by resolution, the functions, powers and duties to be fulfilled by a library committee.

Liquor Act 1992 (Qld)	
Section	Cannot be delegated
173N – Suspension of designation	Council may, by resolution, suspend the designation of a public place as a public place where permitted liquor may be consumed for a period of not more than 10 days if it reasonably believes it is in the best interests of the residents of the area to do so.

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
25C – Establishment of joint local governments	A joint local government is established for an area if 2 or more local governments approve, by resolution, the constitution for the joint local government.
25H – Chairperson and deputy chairperson	A joint local government must appoint a chairperson and deputy chairperson from its members, by resolution.
25I - Disbursement from operating fund of joint local government for purposes other than exclusive jurisdiction	A joint local government may only make a disbursement from its operating fund if the joint local government has, by resolution, decided the amount of the disbursement is not required for exercising its exclusive jurisdiction.
25J – Winding up joint local governments	A joint local government may, by resolution, decide to wind up the joint local government.
29 – Local law making process	A local law must be made by resolution of Council.
32 – Consolidated versions of local laws	Council may prepare and adopt, by resolution, a consolidated version of a local law.
46 – Assessing public benefit	Council must conduct a public benefit assessment of any new significant business activity that is identified in the annual report. Council must prepare a report on the public benefit assessment that contains its recommendations about the application of the competitive neutrality principle in relation to the significant business activity.

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Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
	Council must consider the report and decide, by resolution, whether or not to apply the competitive neutrality principle in relation to the significant business activity.
47 – Code of competitive conduct	Council must decide each financial year, by resolution, whether to apply the code of competitive conduct to a business activity prescribed under regulation.
48 – Competitive neutrality complaints	Council must adopt, by resolution, a process for resolving competitive neutrality complaints. A competitive neutrality complaint is a complaint: <ul style="list-style-type: none"> (a) relating to a failure of Council to conduct a business activity in accordance with the competitive neutrality principle; and (b) is made by an affected person as defined in section 48(3) of the Local Government Act.
74 – Roads map and register	Council may, by resolution or local law, fix a fee for a copy of a map or register of roads within the local government area.
80A – Malls	Council may decide by resolution to pay compensation to a person because of the establishment, modification or closing of a mall by the local government
84 – Meetings about trust land generally open to the public	All meetings relating to trust land must be open to the public, unless the trustee council decides, by resolution, that the meeting be closed to the public.
93 – Land on which rates are levied	Land, primarily used for showgrounds or horseracing or charitable purposes may be exempted from rating by resolution of Council.
94 – Power to levy rates and charges	The rates and charges to be levied in a financial year must be decided by resolution at Council’s budget meeting for that financial year
97 – Cost-recovery fees	Council may, under a local law or a resolution, fix a cost-recovery fee. An application for the issue or renewal of a licence, permit, registration or other approval under a local government Act may also include a tax if Council decides, by resolution, that the purpose of the tax benefits its local government area.
99 – Fees on occupiers of land below the high-water mark	Council may, by resolution, levy a fee on the occupier of land below the high-water mark for the use of Council’s roads and other infrastructure.
110 – Councillors liable for improper disbursements	Councillors will be liable in accordance with section 110 for any disbursement of Council funds which is: <ul style="list-style-type: none"> (a) not provided for in Council’s budget; and (b) made without the approval, by resolution, of Council.
134 – Approving an inspection program	Council may, by resolution, approve a systematic or a selective inspection program allowing an authorised person to enter and inspect certain properties within Council’s local government area.
150G 150AE 150AF 150ES 150EU Conduct of Councillors	Adoption of the model procedures or other procedures for the conduct of the local government’s meetings and meetings of its committees; Adoption of an investigation policy about dealing with suspected inappropriate conduct of councillors referred by the assessor to the local government; Decision to investigate a councillor’s conduct in another way than as provided above;

Delegation to the Chief Executive Officer DEL001 v1

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
	<p>Decision, where a councillor has a declarable conflict of interest, to allow the Councillor to participate in a decision about the matter or to leave the place where the meeting is being held;</p> <p>Decision, where there is no quorum for deciding matter because of the prescribed conflicts of interest or declarable conflicts of interest, to deter the matter to a later meeting;</p> <p>Decision, where there is no quorum for deciding matter because of the prescribed conflicts of interest or declarable conflicts of interest, not to decide the matter and take no further action in relation to the matter.</p>
164 - Filling vacancy in office of mayor	Decision to appoint a councillor to the office of mayor if the office becomes vacant during the final part of the local government's term
165 – Acting mayor	<p>Council may, by resolution, appoint an acting mayor from its councillors in certain circumstances.</p> <p>Council may also, by resolution, declare that the office of deputy mayor is vacant, in which case it must immediately appoint another deputy mayor from its councillors.</p>
166 – Filling a vacancy in the office of another councillor (other than the Mayor)	<p>If the office of a councillor who is not the mayor becomes vacant during the beginning or middle of Council's term, Council must, by resolution, fill the vacant office by either:</p> <p>(a) a by-election; or</p> <p>(b) by following the procedure under section 166A.</p> <p>If the former councillor's office becomes vacant during the final part of Council's term, the vacant office must be filled by Council appointing, by resolution, a person who is:</p> <p>(a) qualified to be a councillor; and</p> <p>(b) if the former councillor was elected or appointed to office as a political party's nominee—the political party's nominee.</p>
170A – Requests for assistance or information	<p>'Acceptable requests guidelines' are guidelines of Council regarding:</p> <p>(a) the way in which a councillor may ask a local government employee for advice to help the councillor carry out his or her responsibilities under the Local Government Act; and</p> <p>(b) reasonable limits on requests that a councillor may make.</p> <p>Acceptable requests guidelines must be adopted by resolution by Council.</p>
175 – Post-election meetings	<p>Council must, by resolution, appoint a deputy mayor from its councillors (other than the mayor) at:</p> <p>(a) a meeting held within 14 days after the conclusion of each quadrennial election and the conclusion of a fresh election of its councillors; and</p> <p>(b) at the first meeting after the office of the councillor who is the deputy mayor becomes vacant.</p>
196 – Appointing other local government employees	Council must, by resolution, adopt an organisational structure that is appropriate to the performance of Council's responsibilities.
197A – Councillor advisors	Council must, by resolution, allow a councillor to appoint one or more appropriately qualified persons (each a councillor advisor) to assist the councillor in performing responsibilities under the Act.

Delegation to the Chief Executive Officer DEL001 v1

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
202 – Appointing authorised persons	A person is qualified to be an authorised person of Council if: (a) the person is an authorised person for another local government; and (b) Council has, by resolution, decided that authorised persons of the other local government may be appointed as authorised persons of Council.
257 – Delegation of local government powers	Council may only delegate certain powers under the Local Government Act or another Act by resolution. Council must not delegate a power that an Act states must be exercised by resolution.
257A – Delegation of joint local government’s powers	A joint local government may, by resolution, delegate its powers to certain persons or bodies. However it must not delegate a power that an Act states must be exercised by resolution.
259 – Delegation of chief executive officer powers	Council’s CEO must not delegate the following powers: (a) a power delegated by the local government, if the local government has directed the chief executive officer not to further delegate the power; and (b) a power to keep a register of interests.
268 – Process for administrative action complaints	Council must adopt, by resolution, a process for resolving complaints about an administrative action of Council by a person who is apparently directly affected by the administrative action.
276 – Local laws	Council may proceed in adopting or making a local law in accordance with the relevant process.
324 Process if no investigation policy	Decision about the procedure for investigating a councillor’s inappropriate conduct if an investigation policy has not been adopted under section 150AE; Decision to deal with a councillors inappropriate conduct in another way than as recommended by the assessor under Section 150AC(3)

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
29 – Converting a business unit to a commercial business unit	Council must make the decision to convert a business unit to a commercial business unit by resolution.
30 – Creating a commercial business unit	Council must make the decision to create a commercial business unit by resolution.
55 – Local government response to competition authority’s report	Council must decide, by resolution, whether to implement the recommendations in a report by the competition authority.

Delegation to the Chief Executive Officer DEL001 v1

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
74 – Rateable value of land	When calculating the rateable value of land, Council may use the value of the land averaged over a number of financial years only if it decides, by resolution, to do so.
81 – Categorisation of land for differential general rates	Council must decide the different categories of rateable land in its local government area by resolution at its budget meeting, before Council levies differential general rates.
94 – Levying special rates or charges	Council may, by resolution, decide to levy special rates and charges. Council may amend an overall plan or an annual implementation plan regarding the special rates or charges at any time by resolution.
97 – Surplus special rates or charges after plan is cancelled	Where: (a) Council decides to cancel an overall plan before it is carried out; and (b) Council has not spent all the special rates or charges; and (c) the overall plan identifies the beneficiaries of the plan, Council may decide, by resolution, the proportions that it must pay the current owners of the land on which the special rates or charges were levied.
102 – Reading meters for utility charges	Council may, by resolution, decide a meter is taken to have been read during the period that starts 2 weeks before, and ends 2 weeks after, the day on which the meter is actually read.
116 – Limitation of increase in rates or charges levied	Council may resolve to limit the increase in rates or charges when it resolves to levy rates or charges.
118 – When rates or charges must be paid	Council must decide, by resolution at its budget meeting, the date by which, or the period within which, rates or charges must be paid.
122 – Resolutions for granting concession	Council may only grant a ratepayer a concession for rates or charges for land by resolution.
129 – Paying rates or charges by instalments	Council may decide, by resolution at its budget meeting, to allow ratepayers to pay rates or charges by instalments.
130 – Discount for prompt payment of rates or charges	Council may decide, by resolution at its budget meeting, to allow a discount for payment of rates or charges before the due date for payment. Council may change the due date for payment and the discount period to end on a later day by resolution.
133 - Interest on overdue rates or charges	Decision about the rate of interest payable on overdue rates or charges under 133 (3)(b)
140 – Notice of intention to sell land for overdue rates or charges	Council may, by resolution, decide to sell land on which there are overdue rates or charges in the circumstances set out in section 140 of the Local Government Regulation.
149 – Requirements for notice of intention to acquire land	Council may decide to acquire land by resolution for overdue rates or charges.
165 – Preparation of 5-year corporate plan	Council must prepare a 5-year Corporate Plan and must adopt its 5-year Corporate Plan. Council may also amend its 5-year corporate plan at any time by resolution.

Delegation to the Chief Executive Officer DEL001 v1

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
167 – Preparation of long term asset management plan	Council must prepare and adopt a long-term asset management plan.
170 – Adoption and amendment of budget	Council must adopt a budget and may amend the budget for a financial year by resolution any time before the end of the financial year.
173 – Unauthorised spending	Adopting an annual budget amended in compliance with Sect 173A. Council may spend money which is not authorised in its budget for genuine emergency or hardship if it makes a resolution about spending the money before, or as soon as practicable after, the money is spent.
174 – Preparation and adoption of annual operational plan	Council must adopt an annual operational plan and may, by resolution, amend its annual operational plan at any time before the end of the financial year.
182 – Preparation of annual report	Council must adopt its annual report within one month after the day the auditor-general gives their report about the local government’s financial statement.
191- Investment policy	Council must adopt an investment policy.
192 – Debt policy	Council must adopt a debt policy for a financial year.
195 – Community grants policy	Council must adopt a policy about local government grants to community organisations (including eligibility criteria).
196 – Entertainment and hospitality	Council must adopt a policy about the local government’s spending on entertainment or hospitality.
197 – Advertising spending	Council must adopt a policy about the local government’s spending on advertising.
198 – Procurement policy	Council must adopt a policy about procurement.
201- Transferring money to or from a trust fund	Council may, by resolution, transfer money from the trust fund if the purpose for which it was credited to the fund no longer exists.
206 – Valuation of non-current physical assets	Council must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.
218 – Power to choose strategic approach	Council may decide to apply Strategic contracting procedures to its contracts by resolution. Council may also decide that Chapter 6, Part 2 no longer applies to its contracts by a later resolution.
219 - Effect of choice	Decision that Chapter 6 Part 2 (strategic contracting procedures) no longer applies to local government contracts.
220 – Contracting plans	Council must make and adopt a contracting plan each financial year by resolution, but must not do so before it adopts an annual budget for a financial year. Council may, by resolution, amend a contracting plan at any time before the end of the financial year to which the plan relates.

Delegation to the Chief Executive Officer DEL001 v1

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
221 – Significant contracting plans	Council may, by resolution, amend a significant contracting plan at any time before the end of the financial year to which the plan relates.
222 – Contracting manual	Council must make and adopt a contract manual.
228 – Tender process	Council may invite expressions of interest under section 228(5) only if it decides by resolution that it would be in the public interest to invite expressions of interest before inviting written tenders.
230 – Exception if quote or tender consideration plan prepared	Council may enter into a medium-sized or large-sized contractual arrangement without first inviting written quotes or tenders if it decides, by resolution, to prepare a quote or tender consideration plan and prepares and adopts the plan.
235 – Other exceptions	Council may enter into a medium-sized or large-sized contractual arrangement without first inviting written quotes or tenders if it decides, by resolution, that: <ul style="list-style-type: none"> (a) there is only one supplier who is reasonably available; or (b) because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.
236 – Exceptions for valuable non-current asset contracts	Before disposing of a valuable non-current asset other than by tender or auction in accordance with section 236, Council must decide by resolution that the exceptions allowing such disposal apply to Council.
247 – Remuneration payable to councillors	Council may decide, by resolution, that the maximum amount of remuneration payable to a councillor under the remuneration schedule is not payable to the councillor. If this occurs, Council must also decide, by resolution, the amount of remuneration payable to the councillor.
250 – Requirement to adopt expenses reimbursement policy or amendment	Council must adopt and may amend its expenses reimbursement policy at any time by resolution.
254 - Exemption of minutes and close a meeting	Council may exempt an advisory committee from the requirement to take minutes of its proceedings by resolution. Council or a committee may decide by resolution that a meeting be closed to the public if the councillors or members of the committee consider it necessary to close the meeting to discuss certain matters.
257 – Frequency and place of meetings	Council must meet at least once in each month either at one of its public offices or at another place fixed by Council by resolution for the meeting.
306 – Process for resolving administrative actions complaints	Council must adopt a complaints management process and written policies and procedures supporting the process.

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Minister's Guidelines and Rules for amending a planning scheme for section 20 of the <i>Planning Act 2016</i>	
Section	Cannot be delegated
Chapter 2, Part 1, 3.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister's rules), adoption of a proposed administrative amendment to a planning scheme.
Chapter 2, Part 2, 6.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister's rules), adoption of a proposed minor amendment to a planning scheme.
Chapter 2, Part 3, 14.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister's rules), adoption of a proposed qualified state interest amendment to a planning scheme approved and notified by the Minister under section 13.5.
Chapter 2, Part 4, 22.1	For the purposes of section 20 of the Planning Act (amending planning schemes under the Minister's rules), adoption of a proposed major amendment to a planning scheme approved and notified by the Minister under section 21.5.
Chapter 3, Part 1, 5.1	For the purposes of section 22 of the Planning Act (making or amending planning scheme policies), adoption of a proposed planning scheme policy or amendment.
Chapter 3, Part 2, 9.1	For the purposes of section 23 of the Planning Act (making or amending temporary local planning instruments), adoption of a proposed temporary local planning instrument or temporary local planning instrument amendment approved and notified by the Minister under section 8.5.
Chapter 5, Part 2, 6.1	For the purposes of section 25(3) of the Planning Act (reviewing a local government infrastructure plan) and making or amending an LGIP, or making an interim LGIP amendment, adoption of a proposed LGIP or amendment approved and notified by the Minister under section .7.9

<i>Planning Act 2016</i>	
Section	Cannot be delegated
9 – Temporary local planning instruments	Resolution that the local government give a temporary local planning instrument or amendment, and the request for an earlier effective day, to the Minister for approval.
24 – Repealing TLPs or planning scheme policies	Council may repeal a TLPI, or planning scheme policy, by resolution.
113 – Adopting Charges by Resolution	Council may by resolution (a charges resolution) adopt charges (each an adopted charge) for providing trunk infrastructure for development.
175 – Proceedings brought in a representative capacity	A person may bring offence proceedings in a representative capacity if the person has the consent of the members of its controlling or governing body where the proceedings are being brought on behalf of a body of persons or a corporation (e.g. Council).
Schedule 2 – Required fee	Fixing of a fee for an application or referral to a local government.

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<i>Planning Regulation 2017</i>	
Section	Cannot be delegated
Part 1 - Division 3 – Superseded Planning Schemes – s 11(3)	Council may, by resolution, set a fee for considering a superseded planning scheme request.
Schedule 6 Part 2 – Material change of use for particular buildings or structures – s 3(b)	For a class 1(a) building made up of not more than 2 attached dwellings – the local government for the local government area in which the premises are located may decide by resolution that this subsection will apply to that class of building.
Schedule 9 - Division 2 – Local Government as referral agency (Table 1)	Council may declare in its planning scheme, or by resolution, that building work for a building or structure is in a locality and of a form that may: <ul style="list-style-type: none"> (a) have an extremely adverse effect on the amenity or likely amenity of the locality; (b) or be in extreme conflict with the character of the locality.
68D - Provisions in relation to economic support instruments	Adopt an economic support instrument for its local government area
68G - Provisions in relation to economic support instruments	Revoke an economic support instrument for its local government area

<i>Plumbing and Drainage Regulation 2019 (Qld)</i>	
Section	Cannot be delegated
39 – Fast-track work declaration for a local government area	Council may decide, by resolution, to declare permit work of a stated type to be fast-track permit work for its local government area (a fast-track work declaration).
40 - Fast-track opt-out declaration for local government area	Council may decide, by resolution, to declare that it will not deal with any applications relating to permits for work to be carried out in its local government area as fast-track applications (a fast-track opt-out declaration).
71 - Local government declarations about remote areas and eligible work	Council may decide, by resolution to declare part of its local government area to be a remote area because of the area’s remoteness from the local government’s public office (a remote area declaration).
71 - Local government declarations about remote areas and eligible work	Council may decide, by resolution, to declare particular permit work carried out in a remote area to be eligible work if the local government considers the work is of a type that, even if not inspected, will not be likely to adversely affect public health or safety, or the environment.

<i>Public Health (Infection Control for Personal Appearance Services) Act 2003 (Qld) (PHICPASA)</i>	
Section	Cannot be delegated
9 – Local government to administer Act	Council may make a resolution about the fees payable to it for providing a service or taking action under the PHICPASA.

Delegation to the Chief Executive Officer DEL001 v1

<i>Queensland Heritage Act 1992 (Qld)</i>	
Section	Cannot be delegated
119 – Local government resolution to enter place in, or remove place from, local heritage register	Council may, by resolution, add or remove a place from its local heritage register in certain circumstances.

<i>Residential Services (Accreditation) Act 2002 (Qld)</i>	
Section	Cannot be delegated
29 – Notice of compliance with prescribed building requirements	Council may, by resolution, prescribe a fixed fee for a written application to Council by a person conducting, or who proposes to conduct, a residential service for a notice stating whether the relevant premises comply with the prescribed building requirements.

<i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (Qld)</i>	
Section	Cannot be delegated
28 – Power to amend by agreement	If Council is a participant in a participation agreement for a distributor-retailer, Council may agree to an amendment of the agreement only if it has passed a resolution to that effect.
34 – Councillor members	A councillor-member's appointment to the board of a distributor-retailer ends if Council (and all other participating local governments) have agreed as such by resolution.

<i>Stock Route Management Act 2002</i>	
Section	Cannot be delegated
110 – Adopting a stock route network management plan	If the Minister is satisfied of the matters mentioned in section 109(2), the Minister must advise the local government that it may, by resolution, adopt the plan.
114 – Amending a stock route management plan	After considering the amended plan the Minister must advise the local government that the local government may by resolution amend the plan.

<i>Sunshine Coast Regional Council Local Law No. 1 (Administration) 2011</i>	
Section	Cannot be delegated
35 – Rewards	The amount of any reward offered for information leading to the conviction of a person for an offence and the conditions on which the reward is payable must be decided by resolution of Council.
42 – Fees	If a local law provides for payment of a fee, and does not itself fix the amount of the fee, the fee is to be fixed by resolution under Chapter 4, Part 2 of the Local Government Act. Such resolution may provide for the reimbursement of the fee in certain circumstances.

Delegation to the Chief Executive Officer DEL001 v1

Sunshine Coast Regional Council Local Law No. 2 (Animal Management) 2011	
Section	Cannot be delegated
4A – Registration device	Council must decide, by resolution, registration devices to be used to assist in identifying a cat (e.g. collar tags).
4H – Duration of registration	Council must prescribe a fixed period, by resolution, for the registration of cats.

Sunshine Coast Regional Council Local Law No. 3 (Community Health and Environmental Management) 2011	
Section	Cannot be delegated
7 – Emergency declarations	Council may, by resolution, declare an animal or plant to be a local pest if it is satisfied that urgent action is needed to avoid or minimise an immediate risk of environmental harm posed by the relevant plant or animal.

Sunshine Coast Regional Council Local Law No. 4 (Local Government Controlled Areas, Facilities, Infrastructure and Roads) 2011	
Section	Cannot be delegated
9 – Power to close a local government controlled area, facility or infrastructure	Council may, by resolution, temporarily (and for a maximum of 6 months) close a Council controlled area or road to public access in certain circumstances.
11 – Protected areas	Council may, by resolution, delegate a Council controlled area or road or any part thereof as a protected area for the cultivation of vegetation or the protection of fauna or flora.

<i>Sustainable Planning Act 2009</i>	
Section	Cannot be delegated
92 – Action local government may take after review	After reviewing its planning scheme, Council may, by resolution: <ul style="list-style-type: none"> (a) propose to prepare a new scheme; or (b) propose to amend the scheme; or (c) if Council is satisfied that the scheme is suitable to continue without amendment, decide to take no further action.
123 – Repealing temporary local planning instruments	Council may, by resolution, repeal a temporary local planning instrument.
124 – Repealing planning scheme policies	Council may, by resolution, repeal a planning scheme policy, other than a planning scheme policy that is replaced by another planning scheme policy.
399 – Who may carry out compliance assessment	Council may nominate, by resolution, a suitable qualified entity to carry out compliance assessment for Council.
590 – Giving enforcement notices	If Council is the assessing authority, it may not delegate its power to give an enforcement notice ordering the demolition of a building.

Delegation to the Chief Executive Officer DEL001 v1

<i>Sustainable Planning Act 2009</i>	
Section	Cannot be delegated
598 – Proceeding brought in a representative capacity	Where a proceeding is brought in the Magistrates Court to prosecute a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
602 – Proceeding brought in a representative capacity	Where a proceeding is brought in the court in relation to an enforcement order or interim enforcement order on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
630 – Power to adopt charges by resolution	Council may, by resolution, adopt charges for providing trunk infrastructure for development. This is defined as a 'charges resolution'.

<i>Sustainable Planning Regulation 2009</i>	
Section	Cannot be delegated
Schedule 7 (Item 17) – Amenity and aesthetic impact of particular building work	Council may declare in its planning scheme or by resolution that building work for a building or structure is in a locality and of a form that may: <ul style="list-style-type: none"> (a) have an extremely adverse effect on the amenity, or likely amenity, of the locality; or (b) be in extreme conflict with the character of the locality.

<i>Transport Operations (Road Use Management) Act 1995 (Qld)</i>	
Section	Cannot be delegated
103 – Examples of how parking may be regulated	Council may, by local law or resolution, specify parking fees for a place or traffic area of the fee for: <ul style="list-style-type: none"> (a) a disabled or other parking permit issued by Council; and (b) a commercial vehicle identification label allowing a vehicle to park in a loading zone.

<i>Waste Reduction and Recycling Act 2011 (Qld)</i>	
Section	Cannot be delegated
125 – Adoption of plan following consultation 127 - Amendment of a plan	Council must adopt, by resolution, a waste reduction and recycling plan, or an amendment of a waste reduction and recycling plan, before the plan or amendment is implemented in its local government area.

<i>Waste Reduction and Recycling Regulation 2023 (Qld)</i>	
Section	Cannot be delegated
5 – Designation of areas	Council may, by resolution, designate areas within its local government area in which Council may conduct general waste or green waste collection.

Delegation to the Chief Executive Officer DEL001 v1

<i>Water Supply (Safety and Reliability) Act 2008 (Qld) (Water Supply Act)</i>	
Section	Cannot be delegated
161 – Declaration of service area if Council supplies a reticulated water service or sewerage service in all or part of the local government area	<p>Council may declare by resolution:</p> <ul style="list-style-type: none"> (a) all or part of its local government area to be a service area for a retail water service or a sewerage service; and (b) the service provider for the service area. <p>Council may also amend the declaration, by resolution, to add an area to, or remove an area from, the service area (with the written agreement of the service provider).</p>
476 – Proceeding started in a representative capacity	Where a proceeding for an enforcement order is commenced by a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
498 – Proceeding brought in a representative capacity	Where a proceeding for an offence against the Water Supply Act is commenced by a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.

Delegation to the Chief Executive Officer

Instrument of Delegation

Delegation No:	DEL001 v1
Delegation Title:	Delegation to the Chief Executive Officer
Source of Authority:	<i>Local Government Act 2009</i> (Qld) Refer Schedule 1 Refer Schedule 2

Delegated Power:

Council resolves, pursuant to section 257(1)(b) of the *Local Government Act 2009* (Qld), to delegate to the Chief Executive Officer all of the powers of the local government conferred under:

- a. Council's Local Laws;
- b. the Acts and Subordinate Legislation listed in Schedule 1 of this delegation.

Interpretation

1. To the extent that this delegation confers a power to take any action, including making a decision, the power extends to doing anything which is necessary or convenient to perform that action, make that decision or give effect to a decision made by the local government or the local government's delegate such as:
 - a. considering factual and legal matters and issues in order to:
 - i. form any belief which is required; and
 - ii. be satisfied about any matter or thing;
 - b. consulting with any person who is required to be consulted with;
 - c. issuing any notices including publishing any notice in the gazette, newspaper or on the local government's website;
 - d. approving any forms;
 - e. filing any document;
 - f. extending any period;
 - g. providing reasons; and
 - h. making or refunding any payment.

2. Under this delegation, the words used are to take their meaning from the Queensland legislation conferring the authority or to the extent that no meaning is prescribed, the words will take their ordinary meaning unless otherwise specified in this delegation.
3. Under this delegation, the words used have the meanings set out below:
 - a. 'Act' has the meaning given to that term under the *Acts Interpretation Act 1954* (Qld);
 - b. 'Queensland legislation' has the meaning given to that term under the *Acts Interpretation Act 1954* (Qld);
 - c. 'powers of the local government' means all powers conferred on the local government under Queensland legislation which is the subject of this delegation including any Subordinate Legislation and Statutory Instrument made under that legislation or which has taken effect under that legislation even if not expressly mentioned in this delegation;
 - d. 'Subordinate Legislation' has the meaning given to that term under the *Statutory Instruments Act 1992* (Qld);
 - e. 'Statutory Instrument' has the meaning given to that term under the *Statutory Instruments Act 1992* (Qld);
 - f. 'Local Law' has the meaning given to that term under the *Local Government Act 2009* (Qld) and a reference to a local law in this delegation includes a reference to:
 - i. an 'interim local law' as defined by the *Local Government Act 2009* (Qld);
 - ii. a 'subordinate local law' as defined by the *Local Government Act 2009* (Qld); and
 - iii. a local law that incorporates a 'model local law' as defined by the *Local Government Act 2009* (Qld).
4. To the extent of any inconsistency between the conferral of this delegation of powers and any earlier delegation of powers to the Chief Executive Officer, this delegation prevails.

Delegation Conditions and Guiding Principles

5. The powers conferred by this delegation must be exercised in accordance with the Queensland legislation conferring the authority, including any obligations which are imposed in exercising the power.
6. The powers conferred by this delegation must not be exercised in circumstances where the power is not capable of delegation (refer to schedule 2 of this delegation).
7. The delegated officer must make and keep a register of all instances of where this delegation has been exercised.
8. Unless compliance would be contrary to any law, the policies of the local government and codes of conduct must be complied with in exercising the powers conferred by this delegation.
9. The following guiding principles apply:
 - a. The powers conferred by delegation to the Chief Executive Officer must be exercised in a manner that is consistent with *Local Government Act 2009* (Qld), *Local Government Regulation 2012* (Qld) and in accordance with any other legislation that may specifically confer authority to exercise the delegated power.

- b. When making a decision to exercise a delegated power, the Chief Executive Officer must have due regard to the strategic direction and priorities set by Council including the Corporate Plan, Operational Plan, Annual Budget and financial delegation.
- c. In the performance of a delegated function or in the exercise of a delegated power, the Chief Executive Officer may do anything that is lawfully and reasonably incidental to the delegated function or power.
- d. Delegations made by Council are made to the position of Chief Executive Officer and unless excluded in the terms of appointment extend to persons acting in that position from time to time.
- e. The Chief Executive Officer is not obliged to exercise a delegation.
- f. The Chief Executive Officer must avoid exercising any delegation where it can fairly be concluded that to do so would give rise to material claims of the delegate having an actual or perceived conflict of interest, whether financial or otherwise.
- g. As a matter of practice, the Chief Executive Officer must consult with the Mayor and relevant Portfolio Councillor prior to exercising a delegated power in instances where the exercise of the delegations may reasonably be expected to:
 - i. generate significant community concern; and/or
 - ii. result in significant financial, resource or policy implications for Council

Delegation Criteria - *Planning Act 2016*

10. The delegated officer may exercise the powers of the local government under the *Planning Act 2016* (Qld) for an application other than the following:
 - a. an application where, in the opinion of the delegated officer, the estimated construction value of the proposed development exceeds \$100 million (excluding land content);
 - b. under the transitional provisions set out in Chapter 8 of the *Planning Act 2016* (Qld)- an application for the approval of a master plan for a master planned area;
 - c. an application for a variation request as defined in the *Planning Act 2016* (Qld);
 - d. an application for a proposed development where a substantial number of submissions have been received during the notification part objecting to the proposed development.
11. In exercising the powers delegated, where a development application has been decided by Council the delegated officer must give due consideration to the materiality of the changes sought through a negotiated decision notice and consult with the divisional councillor where those changes would have a material impact on the outcome of the original decision.
12. However, even if paragraph 10 (a), the delegated officer may exercise the powers of the local government under the *Planning Act 2016* without that limitation for an application where the application has the potential for “deemed approval”.

Delegation Administration Procedure – *Planning Act 2016*:

13. The following procedure is to be undertaken for any powers exercised under the *Planning Act 2016* (Qld) and *Planning Regulation 2017* (Qld) unless compliance would be contrary to any law:



- a. The policies of the local government must be complied with and in particular any policy related to entering into an infrastructure agreement.
 - b. The policies and codes of conduct of the local government must be complied with and in particular:
 - i. a development application is to be referred to the Chief Executive Officer for decision where a councillor has a material personal interest in the development application.
14. State Facilitated Development (SFD) - the following procedure is to be applied for State Facilitated Development applications allowable under the *Planning Regulation 2017* (Qld):
- a. Stage 1A: Pre-application -
 - i. Upon receipt of notification from the State of an SFD pre application request, all councillors will be formally notified via email confirming receipt of the pre-application. All councillors will be invited to express an interest in the application and/or request regular updates.
 - ii. Prior to finalising the officer recommendation for consideration by the CEO, a formal briefing note will be circulated to all councillors, summarising the proposal, key issues/considerations and officer recommendation. All councillors will be invited to provide feedback and/or formally request that the matter be determined at a Council meeting.
 - iii. Following determination of Council’s position in relation to the pre application, a copy of the final decision will be provided to all councillors for information.
 - b. Stage 2: State Facilitated Development Application Assessment (where the SFD is declared)
 - i. Upon Council receiving the declared State Facilitated Development application, all councillors will be formally notified via email confirming receipt of the declared application. All councillors will be invited to express an interest in the application and/or request regular updates.
 - ii. Following determination by the State, a copy of the final decision will be provided to all councillors for information.

Version Control			
Version	Change	Endorsed/Reviewed by	Date
V1	New Format - updated from 2016-73 (v10)		



Schedule 1

Acts

No.	Name of Act
1	<i>Aboriginal Cultural Heritage Act 2003 (Qld)</i>
2	<i>Acquisition of Land Act 1967 (Qld)</i>
3	<i>Acquisition of Land Regulation (2014) (Qld)</i>
4	<i>Aged Care Act 1997 (Cth)</i>
5	<i>Animal Care and Protection Act 2001 (Qld)</i>
6	<i>Animal Care and Protection Regulation 2012 (Qld)</i>
7	<i>Animal Management (Cats and Dogs) Act 2008 (Qld)</i>
8	<i>Animal Management (Cats and Dogs) Regulation 2019 (Qld)</i>
9	<i>Anti-Discrimination Act 1991 (Qld)</i>
10	<i>Auditor-General Act 2009 (Qld)</i>
11	<i>Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (Cth)</i>
12	<i>Biosecurity Act 2014 (Qld)</i>
13	<i>Biosecurity Regulation 2016 (Qld)</i>
14	<i>Body Corporate and Community Management (Accommodation Module) Regulation 2020 (Qld)</i>
15	<i>Body Corporate and Community Management (Commercial Module) Regulation 2020 (Qld)</i>
16	<i>Body Corporate and Community Management (Small Schemes Module) Regulation 2020 (Qld)</i>
17	<i>Body Corporate and Community Management (Specified Two-lot Schemes Module) Regulation 2011 (Qld)</i>
18	<i>Body Corporate and Community Management (Standard Module) Regulation 2020 (Qld)</i>
19	<i>Body Corporate and Community Management Act 1997 (Qld)</i>
20	<i>Building Act 1975 (Qld)</i>
21	<i>Building Fire Safety Regulation 2008 (Qld)</i>
22	<i>Building Regulation 2006 (Qld)</i>
23	<i>Building Regulation 2021 (Qld)</i>
24	<i>Coastal Protection and Management Act 1995 (Qld)</i>
25	<i>Corporations Act 2001 (Cth)</i>
26	<i>Coexistence Queensland Act 2013 (Qld)</i>
27	<i>Crime and Corruption Act 2001 (Qld)</i>
28	<i>Development Assessment Rules (Qld)</i>
29	<i>Disaster Management Act 2003 (Qld)</i>
30	<i>Disaster Management Regulation 2014 (Qld)</i>
31	<i>Economic Development Act 2012 (Qld)</i>

No.	Name of Act
32	<i>Electricity Act 1994 (Qld)</i>
33	<i>Electricity Regulation 2006 (Qld)</i>
34	<i>Electrical Safety Act 2002 (Qld)</i>
35	<i>Electrical Safety Regulation 2013 (Qld)</i>
36	<i>Environmental Offsets Act 2014 (Qld)</i>
37	<i>Environmental Offsets Regulation 2014 (Qld)</i>
38	<i>Environmental Protection (Water and Wetland Biodiversity) Policy 2019 (Qld)</i>
39	<i>Environmental Protection Act 1994 (Qld)</i>
40	<i>Environmental Protection Regulation 2019 (Qld)</i>
41	<i>Evidence Act 1977 (Qld)</i>
42	<i>Fire and Emergency Service Act 1990 (Qld)</i>
43	<i>Fisheries Act 1994 (Qld)</i>
44	<i>Food Act 2006 (Qld)</i>
45	<i>Food Production (Safety) Act 2000 (Qld)</i>
46	<i>Forestry Act 1959 (Qld)</i>
47	<i>Fossicking Act 1994 (Qld)</i>
48	<i>Gaming Machine Act 1991 (Qld)</i>
49	<i>Geothermal Energy Act 2010 (Qld)</i>
50	<i>Greenhouse Gas Storage Act 2009 (Qld)</i>
51	<i>Heavy Vehicle (Mass, Dimension and Loading) National Regulation (Qld)</i>
52	<i>Heavy Vehicle National Law Act 2012 (Qld)</i>
53	<i>Heavy Vehicle National Law (Queensland)</i>
54	<i>Heavy Vehicle National Law Regulation 2014 (Qld)</i>
55	<i>Housing Act 2003 (Qld)</i>
56	<i>Housing Regulation 2015 (Qld)</i>
57	<i>Human Rights Act 2019 (Qld)</i>
58	<i>Industrial Relations Act 2016 (Qld)</i>
59	<i>Industrial Relations Regulation 2018 (Qld)</i>
60	<i>Information Privacy Act 2009 (Qld)</i>
61	<i>Instrument of Delegation and Direction – Economic Development Act 2012 (Minister for Economic Development Queensland) 17 October 2019</i>
62	<i>Integrity Act 2009 (Qld)</i>
63	<i>Integrated Planning Act 1997 (Qld)</i>

No.	Name of Act
64	<i>Integrated Resort Development Act 1987 (Qld)</i>
65	<i>Justices Act 1886 (Qld)</i>
66	<i>Judicial Review Act 1991 (Qld)</i>
67	<i>Labour Hire Licensing Act 2017 (Qld)</i>
68	<i>Land Access Ombudsman Act 2017 (Qld)</i>
69	<i>Land Act 1994 (Qld)</i>
70	<i>Land Regulation 2020 (Qld)</i>
71	<i>Land Title Act 1994 (Qld)</i>
72	<i>Land Valuation Act 2010 (Qld)</i>
73	<i>Libraries Act 1988 (Qld)</i>
74	<i>Liquor Act 1992 (Qld)</i>
75	<i>Local Government Act 2009 (Qld)</i>
76	<i>Local Government Electoral Act 2011 (Qld)</i>
77	<i>Local Government Regulation 2012 (Qld)</i>
78	<i>Manufactured Homes (Residential Parks) Act 2003 (Qld)</i>
79	<i>Marine Parks Act 2004 (Qld)</i>
80	<i>Medicines and Poisons (Pest Management Activities) Regulation 2021 (Qld)</i>
81	<i>Medicines and Poisons (Poisons and Prohibited Substances) Regulation 2021 (Qld)</i>
82	<i>Medicines and Poisons Act 2019 (Qld)</i>
83	<i>Mineral & Energy Resources (Common Provisions) Act 2014 (Qld)</i>
84	<i>Mineral Resources Act 1989 (Qld)</i>
85	<i>Mining and Quarrying Safety and Health Act 1999 (Qld)</i>
86	<i>Mining and Quarrying Safety and Health Regulation 2017 (Qld)</i>
87	<i>Minister’s Guidelines and Rules Under the Planning Act 2016 (Qld)</i>
88	<i>Mixed Use Development Act 1993 (Qld)</i>
89	<i>Nature Conservation (Administration) Regulation 2017 (Qld)</i>
90	<i>Nature Conservation (Animals) Regulation 2020 (Qld)</i>
91	<i>Nature Conservation (Plants) Regulation 2020 (Qld)</i>
92	<i>Nature Conservation (Protected Areas Management) Regulation 2024 (Qld)</i>
93	<i>Nature Conservation (Wildlife Management) Regulation 2006 (Qld)</i>
94	<i>Nature Conservation Act 1992 (Qld)</i>
95	<i>Neighbourhood Disputes (Dividing Fences and Trees) Act 2011 (Qld)</i>
96	<i>Peaceful Assembly Act 1992 (Qld)</i>

No.	Name of Act
97	<i>Petroleum and Gas (Production and Safety) Act 2004 (Qld)</i>
98	<i>Petroleum and Gas (Production and Safety) Regulation 2018 (Qld)</i>
99	<i>Planning Act 2016 (Qld)</i>
100	<i>Planning Regulation 2017 (Qld)</i>
101	<i>Planning Act 2016 – Development Assessment Rules (Qld)</i>
102	<i>Planning and Environment Court Act 2016 (Qld)</i>
103	<i>Planning and Environment Court Rules 2018 (Qld)</i>
104	<i>Plumbing and Drainage Act 2002 (Qld)</i>
105	<i>Plumbing and Drainage Regulation 2019 (Qld)</i>
106	<i>Plumbing and Drainage Act 2018 (Qld)</i>
107	<i>Plumbing and Drainage Regulation 2019 (Qld)</i>
108	<i>Property Law Act 1974 (Qld)</i> <i>Property Law Act 2023 (Qld)</i>
109	<i>Prostitution Act 1999 (Qld)</i>
110	<i>Public Health (Infection Control for Personal Appearance Services) Act 2003 (Qld)</i>
111	<i>Public Health Act 2005 (Qld)</i>
112	<i>Public Health Regulation 2018 (Qld)</i>
113	<i>Public Interest Disclosure Act 2010 (Qld)</i>
114	<i>Public Records Act 2023 (Qld)</i>
115	<i>Public Sector Ethics Act 1994 (Qld)</i>
116	<i>Queensland Building and Construction Commission Act 1991 (Qld)</i>
117	<i>Queensland Competition Authority Act 1997</i>
118	<i>Queensland Heritage Act 1992 (Qld)</i>
119	<i>Queensland Productivity Commission Act 2025</i>
120	<i>Queensland Reconstruction Authority Act 2011 (Qld)</i>
121	<i>Rail Safety National Law (Qld)</i>
122	<i>Regional Planning Interests Act 2014 (Qld)</i>
123	<i>Residential Services (Accreditation) Act 2002 (Qld)</i>
124	<i>Residential Tenancies and Rooming Accommodation Act 2008 (Qld)</i>
125	<i>Residential Tenancies and Rooming Accommodation Regulation 2025 (Qld)</i>
126	<i>Retail Shop Leases Act 1994 (Qld)</i>
127	<i>Retail Shop Leases Regulation 2016 (Qld)</i>
128	<i>Right to Information Act 2009 (Qld)</i>
129	<i>River Improvement Trust Act 1940 (Qld)</i>

No.	Name of Act
130	<i>Security of Critical Infrastructure Act 2018 (Cth)</i>
131	<i>Safety in Recreational Water Activities Act 2011 (Qld)</i>
132	<i>Soil Conservation Act 1986 (Qld)</i>
133	<i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (Qld)</i> <i>Delegation by Northern SEQ Distributer Retailer Authority (Unitywater) to Moreton Bay Regional Council, Sunshine Coast Regional Council and Noosa Shire Council – 30 June 2014</i>
134	<i>Standard Plumbing and Drainage Regulation 2003 (Qld)</i>
135	<i>State Development and Public Works Organisation Act 1971 (Qld)</i>
136	<i>State Emergency Service Act 2024 (Qld)</i>
137	<i>State Penalties Enforcement Act 1999 (Qld)</i>
138	<i>State Penalties Enforcement Regulation 2014 (Qld)</i>
139	<i>Statutory Bodies Financial Arrangements Act 1982 (Qld)</i>
140	<i>Statutory Bodies Financial Arrangements Regulation 2019 (Qld)</i>
141	<i>Stock Act 1915 (Qld)</i>
142	<i>Stock Route Management Act 2002 (Qld)</i>
143	<i>Stock Route Management Regulation 2003 (Qld)</i>
144	<i>Strong and Sustainable Resource Communities Act 2017 (Qld)</i>
145	<i>Summary Offences Act 2005 (Qld)</i>
146	<i>Summary Offences Regulation 2016 (Qld)</i>
147	<i>Survey and Mapping Infrastructure Act 2003 (Qld)</i>
148	<i>Sustainable Planning Act 2009 (Qld)</i>
149	<i>Sustainable Planning Regulation 2009 (Qld)</i>
150	<i>Telecommunications Act 1997 (Cth)</i>
151	<i>Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth)</i>
152	<i>Telecommunications (Interception and Access) Act 1979 (Cth)</i>
153	<i>Telecommunications (Regional Broadband Scheme) Charge Act 2020 (Cth)</i>
154	<i>Tobacco and Other Smoking Products Act 1998 (Qld)</i>
155	<i>Torres Strait Islander Cultural Heritage Act 2003 (Qld)</i>
156	<i>Transport Infrastructure (Busway) Regulation 2002 (Qld)</i>
157	<i>Transport Infrastructure (Public Marine Facilities) Regulation 2023 (Qld)</i>
158	<i>Transport Infrastructure (Rail) Regulation 2006 (Qld)</i>
159	<i>Transport Infrastructure (State Controlled Roads) Regulation 2017 (Qld)</i>
160	<i>Transport Infrastructure Act 1994 (Qld)</i>

No.	Name of Act
161	<i>Transport Operations (Marine Pollution) Act 1995 (Qld)</i>
162	<i>Transport Operations (Marine Safety) Act 1994 (Qld)</i>
163	<i>Transport Operations (Marine Safety) Regulation 2016 (Qld)</i>
164	<i>Transport Operations (Passenger Transport) Act 1994 (Qld)</i>
165	<i>Transport Operations (Road Use Management) Act 1995 (Qld)</i>
166	<i>Transport Operations (Road Use Management – Accreditation and Other Provisions) Regulation 2015 (Qld)</i>
167	<i>Transport Operations (Road Use Management—Road Rules) Regulation 2009 (Qld)</i>
168	<i>Transport Operations (Road Use Management—Vehicle Registration) Regulation 2021 (Qld)</i>
169	<i>Transport Planning and Coordination Act 1994 (Qld)</i>
170	<i>Trusts Act 1973 (Qld)</i>
171	<i>Waste Reduction and Recycling Act 2011 (Qld)</i>
172	<i>Waste Reduction and Recycling Regulation 2023 (Qld)</i>
173	<i>The Waste Reduction and Recycling (Local Government) Delegation (No. 1) 2015</i>
174	<i>Water Act 2000 (Qld)</i>
175	<i>Water Regulation 2016 (Qld)</i>
176	<i>Water Supply (Safety and Reliability) Act 2008 (Qld)</i>
177	<i>Work Health and Safety Act 2011 (Qld)</i>
178	<i>Work Health and Safety Regulation 2011 (Qld)</i>
179	<i>Workers Compensation and Rehabilitation Act 2003 (Qld)</i>
180	<i>Workers Compensation and Rehabilitation Regulation 2014 (Qld)</i>
181	<i>Working with Children (Risk Management and Screening) Act 2000 (Qld)</i>

Schedule 2

Matters that require a resolution from Council.

The powers of Sunshine Coast Regional Council which cannot be delegated are set out in the tables below.

<i>Animal Management (Cats and Dogs) Act 2008 (Qld) (AMCDA)</i>	
Section	Cannot be delegated
12 – Identification devices under Act	Council may, by resolution, nominate a device to assist in identifying a dog.
50 – Duration of registration	Council may, by resolution, fix the period for registration of a dog. However, the period must not be more than 3 years.
74 – Requirements for application (Restricted Dog Permits) and 83 – Requirements for renewal application	Restricted dog permits and renewals must be accompanied by the fee fixed by resolution of Council.
113 – Approval of inspection program authorising entry	Council may, by resolution, approve a program (an approved inspection program) under which an authorised person may enter a place to monitor compliance with the AMCDA or an aspect of the AMCDA.

<i>Biosecurity Act 2014</i>	
Section	Cannot be delegated
235 - Authorising and carrying out biosecurity program	A program authorisation must be authorised by a resolution of the local government.

<i>Building Act 1975 (Qld)</i>	
Section	Cannot be delegated
32 - Local laws, local planning instruments and local government resolutions that may form part of the building assessment provisions	Council may make resolutions about an aspect of, or matter related or incidental to, building work prescribed under a regulation.

<i>Building Regulation 2021 (Qld)</i>	
Section	Cannot be delegated
8 – Designation of area liable to flooding	Council may, by resolution: <ul style="list-style-type: none"> (a) designate part of its area as a flood hazard area; and (b) declare the following for all or part of a flood hazard area: <ul style="list-style-type: none"> (i) the defined flood level; (ii) the maximum flow velocity of water; (iii) an inactive flow or backwater area;

<i>Building Regulation 2021 (Qld)</i>	
Section	Cannot be delegated
	(iv) a freeboard that is more than 300mm; (v) the finished floor level of class 1 buildings built in all or part of the flood hazard area. If the local government makes a designation or declaration, the local government must state in the planning scheme, temporary local planning instrument under the Planning Act or resolution, that the designation or declaration is made under this section.
45 – Local governments may exempt particular assessable building work from particular stages of inspection	Council may, by resolution, declare localities and forms of buildings or structures in its area exempt from inspection at a stage of assessable building work if the work: (a) is, or is an alteration to, a single detached class 1a building or a class 10 building or structure; and (b) is not for a swimming pool or fencing around it.

<i>Economic Development Act 2012 (Qld)</i>	
Section	Cannot be delegated
169 – Delegations	Council may not subdelegate a function or power of the Minister for Economic Development Queensland (MEDQ) delegated to it where MEDQ has, when delegating the function or power to Council, directed that the function or power cannot be subdelegated.

<i>Environmental Protection Act 1994 (Qld) (EPA)</i>	
Section	Cannot be delegated
514 – Devolution of powers	(a) Council may make a resolution about the fees payable to it for the administration and enforcement of a matter devolved to it by the Governor in Council, which may include prescribing a different fee, whether higher or lower.
518 – Delegation by administering authority	Where Council is an administering authority, it may, by resolution, delegate its powers under the Environmental Protection Act to an appropriately qualified entity.

<i>Food Act 2006 (Qld) (Food Act)</i>	
Section	Cannot be delegated
31 – Fees payable to local governments	Council may make a resolution about the fees payable to it for providing a service or taking action under the Food Act.

<i>Land Act 1994 (Qld)</i>	
Section	Cannot be delegated
56 – Model by-laws	Decide where the local government is trustee of trust land to adopt a model by-law.

<i>Libraries Act 1988 (Qld)</i>	
Section	Cannot be delegated
55 – Library committees	Council may direct, by resolution, the functions, powers and duties to be fulfilled by a library committee.

<i>Liquor Act 1992 (Qld)</i>	
Section	Cannot be delegated
173N – Suspension of designation	Council may, by resolution, suspend the designation of a public place as a public place where permitted liquor may be consumed for a period of not more than 10 days if it reasonably believes it is in the best interests of the residents of the area to do so.

<i>Local Government Act 2009 (Qld) (Local Government Act)</i>	
Section	Cannot be delegated
25C – Establishment of joint local governments	A joint local government is established for an area if 2 or more local governments approve, by resolution, the constitution for the joint local government.
25H – Chairperson and deputy chairperson	A joint local government must appoint a chairperson and deputy chairperson from its members, by resolution.
25I - Disbursement from operating fund of joint local government for purposes other than exclusive jurisdiction	A joint local government may only make a disbursement from its operating fund if the joint local government has, by resolution, decided the amount of the disbursement is not required for exercising its exclusive jurisdiction.
25J – Winding up joint local governments	A joint local government may, by resolution, decide to wind up the joint local government.
29 – Local law making process	A local law must be made by resolution of Council.
32 – Consolidated versions of local laws	Council may prepare and adopt, by resolution, a consolidated version of a local law.
46 – Assessing public benefit	<p>Council must conduct a public benefit assessment of any new significant business activity that is identified in the annual report.</p> <p>Council must prepare a report on the public benefit assessment that contains its recommendations about the application of the competitive neutrality principle in relation to the significant business activity.</p> <p>Council must consider the report and decide, by resolution, whether or not to apply the competitive neutrality principle in relation to the significant business activity.</p>
47 – Code of competitive conduct	Council must decide each financial year, by resolution, whether to apply the code of competitive conduct to a business activity prescribed under regulation.
48 – Competitive neutrality complaints	<p>Council must adopt, by resolution, a process for resolving competitive neutrality complaints. A competitive neutrality complaint is a complaint:</p> <ul style="list-style-type: none"> (a) relating to a failure of Council to conduct a business activity in accordance with the competitive neutrality principle; and (b) is made by an affected person as defined in section 48(3) of the Local Government Act.

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
74 – Roads map and register	Council may, by resolution or local law, fix a fee for a copy of a map or register of roads within the local government area.
80A – Malls	Council may decide by resolution to pay compensation to a person because of the establishment, modification or closing of a mall by the local government
84 – Meetings about trust land generally open to the public	All meetings relating to trust land must be open to the public, unless the trustee council decides, by resolution, that the meeting be closed to the public.
93 – Land on which rates are levied	Land, primarily used for showgrounds or horseracing or charitable purposes may be exempted from rating by resolution of Council.
94 – Power to levy rates and charges	The rates and charges to be levied in a financial year must be decided by resolution at Council’s budget meeting for that financial year
97 – Cost-recovery fees	Council may, under a local law or a resolution, fix a cost-recovery fee. An application for the issue or renewal of a licence, permit, registration or other approval under a local government Act may also include a tax if Council decides, by resolution, that the purpose of the tax benefits its local government area.
99 – Fees on occupiers of land below the high-water mark	Council may, by resolution, levy a fee on the occupier of land below the high-water mark for the use of Council’s roads and other infrastructure.
110 – Councillors liable for improper disbursements	Councillors will be liable in accordance with section 110 for any disbursement of Council funds which is: (a) not provided for in Council’s budget; and (b) made without the approval, by resolution, of Council.
134 – Approving an inspection program	Council may, by resolution, approve a systematic or a selective inspection program allowing an authorised person to enter and inspect certain properties within Council’s local government area.
150G 150AE 150AF 150ES 150EU Conduct of Councillors	Adoption of the model procedures or other procedures for the conduct of the local government’s meetings and meetings of its committees; Adoption of an investigation policy about dealing with suspected inappropriate conduct of councillors referred by the assessor to the local government; Decision to investigate a councillor’s conduct in another way than as provided above; Decision, where a councillor has a declarable conflict of interest, to allow the Councillor to participate in a decision about the matter or to leave the place where the meeting is being held; Decision, where there is no quorum for deciding matter because of the prescribed conflicts of interest or declarable conflicts of interest, to deter the matter to a later meeting; Decision, where there is no quorum for deciding matter because of the prescribed conflicts of interest or declarable conflicts of interest, not to decide the matter and take no further action in relation to the matter.
164 - Filling vacancy in office of mayor	Decision to appoint a councillor to the office of mayor if the office becomes vacant during the final part of the local government’s term
165 – Acting mayor	Council may, by resolution, appoint an acting mayor from its councillors in certain circumstances.

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
	Council may also, by resolution, declare that the office of deputy mayor is vacant, in which case it must immediately appoint another deputy mayor from its councillors.
166 – Filling a vacancy in the office of another councillor (other than the Mayor)	<p>If the office of a councillor who is not the mayor becomes vacant during the beginning or middle of Council’s term, Council must, by resolution, fill the vacant office by either:</p> <p>(a) a by-election; or</p> <p>(b) by following the procedure under section 166A.</p> <p>If the former councillor’s office becomes vacant during the final part of Council’s term, the vacant office must be filled by Council appointing, by resolution, a person who is:</p> <p>(a) qualified to be a councillor; and</p> <p>(b) if the former councillor was elected or appointed to office as a political party’s nominee—the political party’s nominee.</p>
170A – Requests for assistance or information	<p>‘Acceptable requests guidelines’ are guidelines of Council regarding:</p> <p>(a) the way in which a councillor may ask a local government employee for advice to help the councillor carry out his or her responsibilities under the Local Government Act; and</p> <p>(b) reasonable limits on requests that a councillor may make.</p> <p>Acceptable requests guidelines must be adopted by resolution by Council.</p>
175 – Post-election meetings	<p>Council must, by resolution, appoint a deputy mayor from its councillors (other than the mayor) at:</p> <p>(a) a meeting held within 14 days after the conclusion of each quadrennial election and the conclusion of a fresh election of its councillors; and</p> <p>(b) at the first meeting after the office of the councillor who is the deputy mayor becomes vacant.</p>
196 – Appointing other local government employees	Council must, by resolution, adopt an organisational structure that is appropriate to the performance of Council’s responsibilities.
197A – Councillor advisors	Council must, by resolution, allow a councillor to appoint one or more appropriately qualified persons (each a councillor advisor) to assist the councillor in performing responsibilities under the Act.
202 – Appointing authorised persons	<p>A person is qualified to be an authorised person of Council if:</p> <p>(a) the person is an authorised person for another local government; and</p> <p>(b) Council has, by resolution, decided that authorised persons of the other local government may be appointed as authorised persons of Council.</p>
257 – Delegation of local government powers	Council may only delegate certain powers under the Local Government Act or another Act by resolution. Council must not delegate a power that an Act states must be exercised by resolution.
257A – Delegation of joint local government’s powers	A joint local government may, by resolution, delegate its powers to certain persons or bodies. However it must not delegate a power that an Act states must be exercised by resolution.
259 – Delegation of chief executive officer powers	Council’s CEO must not delegate the following powers:

Local Government Act 2009 (Qld) (Local Government Act)	
Section	Cannot be delegated
	(a) a power delegated by the local government, if the local government has directed the chief executive officer not to further delegate the power; and (b) a power to keep a register of interests.
268 – Process for administrative action complaints	Council must adopt, by resolution, a process for resolving complaints about an administrative action of Council by a person who is apparently directly affected by the administrative action.
276 – Local laws	Council may proceed in adopting or making a local law in accordance with the relevant process.
324 Process if no investigation policy	Decision about the procedure for investigating a councillor’s inappropriate conduct if an investigation policy has not been adopted under section 150AE; Decision to deal with a councillor’s inappropriate conduct in another way than as recommended by the assessor under Section 150AC(3)

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
29 – Converting a business unit to a commercial business unit	Council must make the decision to convert a business unit to a commercial business unit by resolution.
30 – Creating a commercial business unit	Council must make the decision to create a commercial business unit by resolution.
55 – Local government response to competition authority’s report	Council must decide, by resolution, whether to implement the recommendations in a report by the competition authority.
74 – Rateable value of land	When calculating the rateable value of land, Council may use the value of the land averaged over a number of financial years only if it decides, by resolution, to do so.
81 – Categorisation of land for differential general rates	Council must decide the different categories of rateable land in its local government area by resolution at its budget meeting, before Council levies differential general rates.
94 – Levying special rates or charges	Council may, by resolution, decide to levy special rates and charges. Council may amend an overall plan or an annual implementation plan regarding the special rates or charges at any time by resolution.
97 – Surplus special rates or charges after plan is cancelled	Where: (a) Council decides to cancel an overall plan before it is carried out; and (b) Council has not spent all the special rates or charges; and (c) the overall plan identifies the beneficiaries of the plan, Council may decide, by resolution, the proportions that it must pay the current owners of the land on which the special rates or charges were levied.
102 – Reading meters for utility charges	Council may, by resolution, decide a meter is taken to have been read during the period that starts 2 weeks before, and ends 2 weeks after, the day on which the meter is actually read.

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
116 – Limitation of increase in rates or charges levied	Council may resolve to limit the increase in rates or charges when it resolves to levy rates or charges.
118 – When rates or charges must be paid	Council must decide, by resolution at its budget meeting, the date by which, or the period within which, rates or charges must be paid.
122 – Resolutions for granting concession	Council may only grant a ratepayer a concession for rates or charges for land by resolution.
129 – Paying rates or charges by instalments	Council may decide, by resolution at its budget meeting, to allow ratepayers to pay rates or charges by instalments.
130 – Discount for prompt payment of rates or charges	Council may decide, by resolution at its budget meeting, to allow a discount for payment of rates or charges before the due date for payment. Council may change the due date for payment and the discount period to end on a later day by resolution.
133 - Interest on overdue rates or charges	Decision about the rate of interest payable on overdue rates or charges under 133 (3)(b)
140 – Notice of intention to sell land for overdue rates or charges	Council may, by resolution, decide to sell land on which there are overdue rates or charges in the circumstances set out in section 140 of the Local Government Regulation.
149 – Requirements for notice of intention to acquire land	Council may decide to acquire land by resolution for overdue rates or charges.
165 – Preparation of 5-year corporate plan	Council must prepare a 5-year Corporate Plan and must adopt its 5-year Corporate Plan. Council may also amend its 5-year corporate plan at any time by resolution.
167 – Preparation of long term asset management plan	Council must prepare and adopt a long-term asset management plan.
170 – Adoption and amendment of budget	Council must adopt a budget and may amend the budget for a financial year by resolution any time before the end of the financial year.
173 – Unauthorised spending	Adopting an annual budget amended in compliance with Sect 173A. Council may spend money which is not authorised in its budget for genuine emergency or hardship if it makes a resolution about spending the money before, or as soon as practicable after, the money is spent.
174 – Preparation and adoption of annual operational plan	Council must adopt an annual operational plan and may, by resolution, amend its annual operational plan at any time before the end of the financial year.
182 – Preparation of annual report	Council must adopt its annual report within one month after the day the auditor-general gives their report about the local government’s financial statement.
191- Investment policy	Council must adopt an investment policy.
192 – Debt policy	Council must adopt a debt policy for a financial year.
195 – Community grants policy	Council must adopt a policy about local government grants to community organisations (including eligibility criteria).

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
196 – Entertainment and hospitality	Council must adopt a policy about the local government’s spending on entertainment or hospitality.
197 – Advertising spending	Council must adopt a policy about the local government’s spending on advertising.
198 – Procurement policy	Council must adopt a policy about procurement.
201- Transferring money to or from a trust fund	Council may, by resolution, transfer money from the trust fund if the purpose for which it was credited to the fund no longer exists.
206 – Valuation of non-current physical assets	Council must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.
218 – Power to choose strategic approach	Council may decide to apply Strategic contracting procedures to its contracts by resolution. Council may also decide that Chapter 6, Part 2 no longer applies to its contracts by a later resolution.
219 - Effect of choice	Decision that Chapter 6 Part 2 (strategic contracting procedures) no longer applies to local government contracts.
220 – Contracting plans	Council must make and adopt a contracting plan each financial year by resolution, but must not do so before it adopts an annual budget for a financial year. Council may, by resolution, amend a contracting plan at any time before the end of the financial year to which the plan relates.
221 – Significant contracting plans	Council may, by resolution, amend a significant contracting plan at any time before the end of the financial year to which the plan relates.
222 – Contracting manual	Council must make and adopt a contract manual.
228 – Tender process	Council may invite expressions of interest under section 228(5) only if it decides by resolution that it would be in the public interest to invite expressions of interest before inviting written tenders.
230 – Exception if quote or tender consideration plan prepared	Council may enter into a medium-sized or large-sized contractual arrangement without first inviting written quotes or tenders if it decides, by resolution, to prepare a quote or tender consideration plan and prepares and adopts the plan.
235 – Other exceptions	Council may enter into a medium-sized or large-sized contractual arrangement without first inviting written quotes or tenders if it decides, by resolution, that: (a) there is only one supplier who is reasonably available; or (b) because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.
236 – Exceptions for valuable non-current asset contracts	Before disposing of a valuable non-current asset other than by tender or auction in accordance with section 236, Council must decide by resolution that the exceptions allowing such disposal apply to Council.
247 – Remuneration payable to councillors	Council may decide, by resolution, that the maximum amount of remuneration payable to a councillor under the remuneration schedule is not payable to the councillor. If this occurs, Council must also decide, by resolution, the amount of remuneration payable to the councillor.

Local Government Regulation 2012 (Qld) (Local Government Regulation)	
Section	Cannot be delegated
250 – Requirement to adopt expenses reimbursement policy or amendment	Council must adopt and may amend its expenses reimbursement policy at any time by resolution.
254 - Exemption of minutes and close a meeting	Council may exempt an advisory committee from the requirement to take minutes of its proceedings by resolution. Council or a committee may decide by resolution that a meeting be closed to the public if the councillors or members of the committee consider it necessary to close the meeting to discuss certain matters.
257 – Frequency and place of meetings	Council must meet at least once in each month either at one of its public offices or at another place fixed by Council by resolution for the meeting.
306 – Process for resolving administrative actions complaints	Council must adopt a complaints management process and written policies and procedures supporting the process.

Minister’s Guidelines and Rules for amending a planning scheme for section 20 of the Planning Act 2016	
Section	Cannot be delegated
Chapter 2, Part 1, 3.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister’s rules), adoption of a proposed administrative amendment to a planning scheme.
Chapter 2, Part 2, 6.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister’s rules), adoption of a proposed minor amendment to a planning scheme.
Chapter 2, Part 3, 14.1	For the purposes of section 20 of the Planning Act (amending planning schemes under Minister’s rules), adoption of a proposed qualified state interest amendment to a planning scheme approved and notified by the Minister under section 13.5.
Chapter 2, Part 4, 22.1	For the purposes of section 20 of the Planning Act (amending planning schemes under the Minister’s rules), adoption of a proposed major amendment to a planning scheme approved and notified by the Minister under section 21.5.
Chapter 3, Part 1, 5.1	For the purposes of section 22 of the Planning Act (making or amending planning scheme policies), adoption of a proposed planning scheme policy or amendment.
Chapter 3, Part 2, 9.1	For the purposes of section 23 of the Planning Act (making or amending temporary local planning instruments), adoption of a proposed temporary local planning instrument or temporary local planning instrument amendment approved and notified by the Minister under section 8.5.
Chapter 5, Part 2, 6.1	For the purposes of section 25(3) of the Planning Act (reviewing a local government infrastructure plan) and making or amending an LGIP, or making an interim LGIP amendment, adoption of a proposed LGIP or amendment approved and notified by the Minister under section .7.9



<i>Planning Act 2016</i>	
Section	Cannot be delegated
9 – Temporary local planning instruments	Resolution that the local government give a temporary local planning instrument or amendment, and the request for an earlier effective day, to the Minister for approval.
24 – Repealing TLPIs or planning scheme policies	Council may repeal a TLPI, or planning scheme policy, by resolution.
113 – Adopting Charges by Resolution	Council may by resolution (a charges resolution) adopt charges (each an adopted charge) for providing trunk infrastructure for development.
175 – Proceedings brought in a representative capacity	A person may bring offence proceedings in a representative capacity if the person has the consent of the members of its controlling or governing body where the proceedings are being brought on behalf of a body of persons or a corporation (e.g. Council).
Schedule 2 – Required fee	Fixing of a fee for an application or referral to a local government.

<i>Planning Regulation 2017</i>	
Section	Cannot be delegated
Part 1 - Division 3 – Superseded Planning Schemes – s 11(3)	Council may, by resolution, set a fee for considering a superseded planning scheme request.
Schedule 6 Part 2 – Material change of use for particular buildings or structures – s 3(b)	For a class 1(a) building made up of not more than 2 attached dwellings – the local government for the local government area in which the premises are located may decide by resolution that this subsection will apply to that class of building.
Schedule 9 - Division 2 – Local Government as referral agency (Table 1)	Council may declare in its planning scheme, or by resolution, that building work for a building or structure is in a locality and of a form that may: <ul style="list-style-type: none"> (a) have an extremely adverse effect on the amenity or likely amenity of the locality; (b) or be in extreme conflict with the character of the locality.
68D - Provisions in relation to economic support instruments	Adopt an economic support instrument for its local government area
68G - Provisions in relation to economic support instruments	Revoke an economic support instrument for its local government area

<i>Plumbing and Drainage Regulation 2019 (Qld)</i>	
Section	Cannot be delegated
39 – Fast-track work declaration for a local government area	Council may decide, by resolution, to declare permit work of a stated type to be fast-track permit work for its local government area (a fast-track work declaration).
40 - Fast-track opt-out declaration for local government area	Council may decide, by resolution, to declare that it will not deal with any applications relating to permits for work to be carried out in its local government area as fast-track applications (a fast-track opt-out declaration).

<i>Plumbing and Drainage Regulation 2019 (Qld)</i>	
Section	Cannot be delegated
71 - Local government declarations about remote areas and eligible work	Council may decide, by resolution to declare part of its local government area to be a remote area because of the area's remoteness from the local government's public office (a remote area declaration).
71 - Local government declarations about remote areas and eligible work	Council may decide, by resolution, to declare particular permit work carried out in a remote area to be eligible work if the local government considers the work is of a type that, even if not inspected, will not be likely to adversely affect public health or safety, or the environment.

<i>Public Health (Infection Control for Personal Appearance Services) Act 2003 (Qld) (PHICPASA)</i>	
Section	Cannot be delegated
9 – Local government to administer Act	Council may make a resolution about the fees payable to it for providing a service or taking action under the PHICPASA.

<i>Queensland Heritage Act 1992 (Qld)</i>	
Section	Cannot be delegated
119 – Local government resolution to enter place in, or remove place from, local heritage register	Council may, by resolution, add or remove a place from its local heritage register in certain circumstances.

<i>Residential Services (Accreditation) Act 2002 (Qld)</i>	
Section	Cannot be delegated
29 – Notice of compliance with prescribed building requirements	Council may, by resolution, prescribe a fixed fee for a written application to Council by a person conducting, or who proposes to conduct, a residential service for a notice stating whether the relevant premises comply with the prescribed building requirements.

<i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (Qld)</i>	
Section	Cannot be delegated
28 – Power to amend by agreement	If Council is a participant in a participation agreement for a distributor-retailer, Council may agree to an amendment of the agreement only if it has passed a resolution to that effect.
34 – Councillor members	A councillor-member's appointment to the board of a distributor-retailer ends if Council (and all other participating local governments) have agreed as such by resolution.

Stock Route Management Act 2002	
Section	Cannot be delegated
110 – Adopting a stock route network management plan	If the Minister is satisfied of the matters mentioned in section 109(2), the Minister must advise the local government that it may, by resolution, adopt the plan.
114 – Amending a stock route management plan	After considering the amended plan the Minister must advise the local government that the local government may by resolution amend the plan.

Sunshine Coast Regional Council Local Law No. 1 (Administration) 2011	
Section	Cannot be delegated
35 – Rewards	The amount of any reward offered for information leading to the conviction of a person for an offence and the conditions on which the reward is payable must be decided by resolution of Council.
42 – Fees	If a local law provides for payment of a fee, and does not itself fix the amount of the fee, the fee is to be fixed by resolution under Chapter 4, Part 2 of the Local Government Act. Such resolution may provide for the reimbursement of the fee in certain circumstances.

Sunshine Coast Regional Council Local Law No. 2 (Animal Management) 2011	
Section	Cannot be delegated
4A – Registration device	Council must decide, by resolution, registration devices to be used to assist in identifying a cat (e.g. collar tags).
4H – Duration of registration	Council must prescribe a fixed period, by resolution, for the registration of cats.

Sunshine Coast Regional Council Local Law No. 3 (Community Health and Environmental Management) 2011	
Section	Cannot be delegated
7 – Emergency declarations	Council may, by resolution, declare an animal or plant to be a local pest if it is satisfied that urgent action is needed to avoid or minimise an immediate risk of environmental harm posed by the relevant plant or animal.

Sunshine Coast Regional Council Local Law No. 4 (Local Government Controlled Areas, Facilities, Infrastructure and Roads) 2011	
Section	Cannot be delegated
9 – Power to close a local government controlled area, facility or infrastructure	Council may, by resolution, temporarily (and for a maximum of 6 months) close a Council controlled area or road to public access in certain circumstances.
11 – Protected areas	Council may, by resolution, delegate a Council controlled area or road or any part thereof as a protected area for the cultivation of vegetation or the protection of fauna or flora.

<i>Sustainable Planning Act 2009</i>	
Section	Cannot be delegated
92 – Action local government may take after review	After reviewing its planning scheme, Council may, by resolution: <ul style="list-style-type: none"> (a) propose to prepare a new scheme; or (b) propose to amend the scheme; or (c) if Council is satisfied that the scheme is suitable to continue without amendment, decide to take no further action.
123 – Repealing temporary local planning instruments	Council may, by resolution, repeal a temporary local planning instrument.
124 – Repealing planning scheme policies	Council may, by resolution, repeal a planning scheme policy, other than a planning scheme policy that is replaced by another planning scheme policy.
399 – Who may carry out compliance assessment	Council may nominate, by resolution, a suitable qualified entity to carry out compliance assessment for Council.
590 – Giving enforcement notices	If Council is the assessing authority, it may not delegate its power to give an enforcement notice ordering the demolition of a building.
598 – Proceeding brought in a representative capacity	Where a proceeding is brought in the Magistrates Court to prosecute a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
602 – Proceeding brought in a representative capacity	Where a proceeding is brought in the court in relation to an enforcement order or interim enforcement order on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
630 – Power to adopt charges by resolution	Council may, by resolution, adopt charges for providing trunk infrastructure for development. This is defined as a ‘charges resolution’.

<i>Sustainable Planning Regulation 2009</i>	
Section	Cannot be delegated
Schedule 7 (Item 17) – Amenity and aesthetic impact of particular building work	Council may declare in its planning scheme or by resolution that building work for a building or structure is in a locality and of a form that may: <ul style="list-style-type: none"> (a) have an extremely adverse effect on the amenity, or likely amenity, of the locality; or (b) be in extreme conflict with the character of the locality.

<i>Transport Operations (Road Use Management) Act 1995 (Qld)</i>	
Section	Cannot be delegated
103 – Examples of how parking may be regulated	Council may, by local law or resolution, specify parking fees for a place or traffic area of the fee for: <ul style="list-style-type: none"> (a) a disabled or other parking permit issued by Council; and (b) a commercial vehicle identification label allowing a vehicle to park in a loading zone.

Waste Reduction and Recycling Act 2011 (Qld)	
Section	Cannot be delegated
125 – Adoption of plan following consultation 127 - Amendment of a plan	Council must adopt, by resolution, a waste reduction and recycling plan, or an amendment of a waste reduction and recycling plan, before the plan or amendment is implemented in its local government area.

Waste Reduction and Recycling Regulation 2023 (Qld)	
Section	Cannot be delegated
5 – Designation of areas	Council may, by resolution, designate areas within its local government area in which Council may conduct general waste or green waste collection.

Water Supply (Safety and Reliability) Act 2008 (Qld) (Water Supply Act)	
Section	Cannot be delegated
161 – Declaration of service area if Council supplies a reticulated water service or sewerage service in all or part of the local government area	Council may declare by resolution: (a) all or part of its local government area to be a service area for a retail water service or a sewerage service; and (b) the service provider for the service area. Council may also amend the declaration, by resolution, to add an area to, or remove an area from, the service area (with the written agreement of the service provider).
476 – Proceeding started in a representative capacity	Where a proceeding for an enforcement order is commenced by a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.
498 – Proceeding brought in a representative capacity	Where a proceeding for an offence against the Water Supply Act is commenced by a person on behalf of Council, Council must first provide its consent by resolution to the commencement of proceedings on its behalf.

8.8 TRANSFER OF COUNCIL OWNED LAND IN BATTERY HILL TO UNITYWATER

File No: F24/00322
Author: Principal Property Officer
Finance and Commercial Partnerships
Attachments: Att 1 - Confidential Attachment 1 - *Confidential*

PURPOSE

This report seeks Council approval to transfer Council owned land located in Battery Hill to the Northern SEQ Distribution-Retail Authority (**Unitywater**).

EXECUTIVE SUMMARY

Three properties located in Battery Hill were purchased by Council in Financial Year 2025-26 to widen the overland flow path and construct new culverts across Buderim Street, which is currently scheduled to commence in Financial Year 2029-30. Based on a comprehensive options analysis, the plan for stormwater upgrades involves:

- initial works to improve overland flow by lowering the existing footpath from Careen Street to Buderim Street and removal of the adjacent road median at Buderim Street
- acquiring land to provide an effective overland flow path from Careen Street via Elinya Street to Buderim Street
- the future construction of underground stormwater infrastructure within Council owned land to service growth and network needs of the broader Battery Hill area

Unitywater made a financial contribution to Council to acquire one property located in Battery Hill for the stormwater upgrades. As outlined in a Cost Sharing Agreement between Council and Unitywater, once the property has been demolished, the land must be transferred to Unitywater, at no additional cost apart from any assessed transfer duty (for which Unitywater will be responsible). The property was demolished in April 2026.

Unitywater will then grant an easement in gross to Council for drainage purposes over the land. Council will be responsible for the preparation and registration of this easement and the ongoing maintenance of the land.

Details of the property is included in **Confidential Attachment 1**.

In preparing this report, the Chief Executive Officer recommends that **Confidential Attachment 1** be considered confidential in accordance with section 254J(3)(g) of the *Local Government Regulation 2012* as it contains information in relation to a commercial matter involving the local government for which a public discussion would likely prejudice the interests of the local government and recognising that, until Council makes a decision and the land transfer has occurred, the land transfer has no certainty.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled "Transfer of Council owned land in Battery Hill to Unitywater"
- (b) resolve that, pursuant to section 236(2) of the *Local Government Regulation 2012*, Council is satisfied that the exception in section 236(1)(b)(i) of the *Local Government Regulation 2012* applies and approves the disposal of the land in Battery Hill identified in this report to the Northern SEQ Distribution-Retail Authority (Unitywater), other than by tender or auction, on the basis that the disposal is to a government agency
- (c) note that Northern SEQ Distribution-Retail Authority (Unitywater) is a "government agency" as that term is defined in the *Local Government Regulation 2012* and
- (d) authorise the Chief Executive Officer to publicly release details in relation to the transfer of land, once the transfer of ownership of land has registered with Titles Queensland.

FINANCE AND RESOURCING

As outlined in a Cost Sharing Agreement entered into between Council and Unitywater, Unitywater made a financial contribution to Council to acquire one property located in Battery Hill for the stormwater upgrades.

Details of the financial contribution are included in **Confidential Attachment 1**.

CORPORATE PLAN

Corporate Plan Goal: *Organisational excellence*

Strategic Pathway: We serve our community by providing this great service

Operational Activity: S32 - Council Land, Property and Leasing - Provision of strategic property, leasing, property and facility management for Council's land and buildings.

CONSULTATION**Councillor Consultation**

- Councillor T Landsberg - Division 2 Councillor
- Councillor J Broderick - Organisational Excellence Portfolio Councillor
- Councillor E Hungerford - Organisational Excellence Portfolio Councillor

Internal Consultation

- Chief Financial Officer, Finance and Commercial Partnerships
- Head of Property and Commercial Partnerships, Finance and Commercial Partnerships
- Coordinator Strategic Property, Finance and Commercial Partnerships

- Solicitor, Finance and Commercial Partnerships
- Principal Engineer, Director Sustainable Growth & Planning
- Coordinator Media, Business Transformation & Performance

External Consultation

Council's Legal Services team will be instructed to facilitate the land transfer, should capacity allow. Alternatively, an external law firm will be engaged to assist Council.

Community Engagement

No community engagement has been undertaken in relation to this report as it gives effect to a pre-existing contractual obligation under the Cost Sharing Agreement with Unitywater rather than a new project decision. Future works, including construction of the underground stormwater infrastructure scheduled to commence in Financial Year 2029-30 will be subject to appropriate community engagement at the relevant project stage.

PROPOSAL

Three properties located in Battery Hill were purchased by Council in Financial Year 2025-26 to widen the overland flow path and construct new culverts across Buderim Street, which is currently scheduled to commence in Financial Year 2029-30. Based on a comprehensive options analysis, the plan for stormwater upgrades involves:

- initial works to improve overland flow by lowering the existing footpath from Careen Street to Buderim Street and removal of the adjacent road median at Buderim Street;
- acquiring land to provide an effective overland flow path from Careen Street via Elinya Street to Buderim Street; and
- the future construction of underground stormwater infrastructure within Council owned land to service growth and network needs of the broader Battery Hill area.

Unitywater made a financial contribution to Council to acquire one property located in Battery Hill for the stormwater upgrades. As outlined in a Cost Sharing Agreement entered into between Council and Unitywater, once the property has been demolished, the land must be transferred to Unitywater, at no additional cost apart from any assessed transfer duty (for which Unitywater will be responsible). The property was demolished in April 2026. Unitywater will then grant an easement in gross to Council for drainage purposes. Council will be responsible for the preparation and registration of this easement and the ongoing maintenance of the land.

Details of the property and the financial contribution are included in **Confidential Attachment 1**.

Legal

Council's Legal Services team have been consulted in relation to this report and will be instructed to facilitate the land transfer, should capacity allow. Alternatively, Council will engage an external law firm to assist Council with the land transfer process.

Policy

There is no policy relevant to this report.

Risk

If the recommendation in this report is not endorsed by Council, Council will be in breach of its obligations under the Cost Sharing Agreement entered into between Council and Unitywater.

Previous Council Resolution**Ordinary Meeting 24 October 2024 (OM24/101)**

That Council:

- (a) *delegate to the Chief Executive Officer authority to negotiate, execute and finalise the negotiated acquisition in relation to stormwater upgrades at Battery Hill*
- (b) *place property conditions and notations on the properties undergoing acquisition for the stormwater upgrades at Battery Hill and*
- (c) *authorise the Chief Executive Officer to publicly release details in relation to the site locations for the stormwater upgrade at Battery Hill once the negotiations have been finalised and the transfer of ownership of land to Sunshine Coast Regional Council has been registered with Titles Queensland.*

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

The parties have agreed to take all action necessary to give effect to the actions following acquisition listed in the Cost Sharing Agreement, in a timely manner and no later than 27 June 2026 (unless otherwise agreed to between the parties).

Implementation

If the recommendation in this report is endorsed by Council, it is noted that the Chief Executive Officer will delegate the land transfer process to Council's Strategic Property team in accordance with the delegation power under the *Local Government Act 2009*.

8.9 DISPOSAL (LEASE) OF COUNCIL OWNED LAND - MAROOCHYDORE**File No:** F26/000016**Author:** Coordinator Strategic Property
Finance and Commercial Partnerships**Attachments:** Att 1 - Lease Agreement Terms - *Confidential*

PURPOSE

The purpose of this report is to seek a Council resolution that, in accordance with section 236(1)(c)(iii) of the *Local Government Regulation 2012*, an exception applies to the Council disposing of a valuable non-current asset (grant of a lease) other than by tender or auction on the basis that the disposal is for the purpose of renewing the lease to an existing tenant of the land.

EXECUTIVE SUMMARY

In October 2023, Council acquired land located at 71 Sugar Road, in Maroochydore (more particularly described as Lot 336 on RP88443) for the Maud Street and Sugar Road Upgrade project. The property is fitted out for use as a commercial office which will ultimately need to be demolished to accommodate the future works. Under current planning, the property will be required to facilitate commencement of early works in Financial Year 2029.

The existing tenant originally entered into a Commercial Tenancy Agreement with the former landowner and has continued to occupy the premises following the transfer of ownership to Council. The Council is the existing Lessor. The lease expired on 3 January 2026 and is currently holding over on a month-to-month basis under the same terms and conditions that applied immediately prior to expiry.

This report seeks Council's approval, in accordance with section 236(1)(c)(iii) of the *Local Government Regulation 2012*, to enter into a new lease with the existing tenant for a new term. The terms of the proposed lease are included in **Confidential Attachment 1**.

In preparing this report, the Chief Executive Officer recommends that **Confidential Attachment 1** be considered confidential in accordance with section 254J(3)(g) of the *Local Government Regulation 2012* as it contains information in relation to a commercial matter involving the local government for which a public discussion would likely prejudice the interests of the local government and recognising that, until Council makes a decision and the contract is entered into, the lease has no certainty.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled "Disposal (lease) of Council Owned Land - Maroochydore "
- (b) resolve that, in accordance with section 236(1)(c)(iii) of the *Local Government Regulation 2012*, an exception applies to disposing of a valuable non-current asset (described as a grant of a lease over the premises at Lot 336 on RP88443, 71 Sugar Road, Maroochydore) on the basis that the disposal is for the purpose of renewing the lease to the existing tenant; and
- (c) authorise the Chief Executive Officer to publicly release details in relation to the lease, once the lease has commenced.

FINANCE AND RESOURCING

Section 236(4) of the *Local Government Regulation 2012* prescribes that Council must only dispose of an interest in land if the consideration for the disposal is equal to, or greater than, the market value of the interest in the land. A market rental assessment was commissioned by Council in December 2025 from an independent and registered valuer assessing the market rent for the lease.

The property was acquired from Local Government Infrastructure Plan (LGIP) funds and any leasing revenue will be directed back to LGIP funds.

CORPORATE PLAN

Corporate Plan Goal:	<i>Organisational excellence</i>
Strategic Pathway:	We serve our community by providing this great service
Operational Activity:	S32 - Council Land, Property and Leasing - Provision of strategic property, leasing, property and facility management for Council's land and buildings.

CONSULTATION**Councillor Consultation**

- Councillor J Natoli - Division 4 Councillor
- Councillor J Broderick - Organisational Excellence Portfolio Councillor
- Councillor E Hungerford - Organisational Excellence Portfolio Councillor
- Councillor W Johnston - Managing for Growth Portfolio Councillor
- Councillor C Dickson - Managing for Growth Portfolio Councillor

Internal Consultation

- Chief Financial Officer, Finance and Commercial Partnerships
- Head of Property and Commercial Partnerships, Finance and Commercial Partnerships

- Transport Network Manager, Sustainable Growth and Planning
- Senior Transport Planning Engineer, Sustainable Growth and Planning
- Project Manager, Civil Projects, Infrastructure and Natural Assets
- Solicitor, Legal Services, Finance and Commercial Partnerships
- Coordinator Media, Business Transformation and Performance

External Consultation

A market rental assessment was commissioned by Council in December 2025 from an independent and registered valuer, *Acumentis*, to assess the market rent for the lease.

Community Engagement

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

There has been extensive public consultation for transport infrastructure improvements in Maroochydore, including for the Maud Street and Sugar Road Upgrade project for which the subject property has been acquired.

PROPOSAL

In October 2023, Council acquired land located at 71 Sugar Road in Maroochydore (more particularly described as Lot 336 on RP88443) for the Maud Street and Sugar Road upgrade project shown in **Figure 1** below. The property has been fitted out for use as a commercial office and the building will ultimately need to be demolished to accommodate the future works. Under current planning, the property will be required to facilitate commencement of early works in Financial Year 2029.



Figure 1. 71 Sugar Road, Maroochydore

The existing tenant originally entered into a Commercial Tenancy Agreement with the former landowner and has continued to occupy the premises following the transfer of ownership to Council. The lease expired on 3 January 2026 and is currently holding over on a month-to-month basis under the same terms and conditions that applied immediately prior to expiry.

The purpose of this report is to seek a Council resolution that, in accordance with section 236(1)(c)(iii) of the *Local Government Regulation 2012*, the Council may enter into a new lease with the existing tenant for a new term, other than by tender or auction. The terms of the proposed lease are included in **Confidential Attachment 1**.

Legal

Council's Legal Services team have been consulted in relation to this report and will be instructed to prepare the lease, should capacity allow. Alternatively, the preparation of a new lease will be outsourced to an external solicitor.

Policy

There is no policy relevant to this report.

Risk

Vacant property is an inefficient use of Council assets. The property will be required for the Maud Street and Sugar Road upgrade project in future. The purpose of this report is to ensure the property remains occupied in the interim.

Previous Council Resolution**Ordinary Meeting 21 September 2022 (OM22/86)**

That Council:

- (a) Endorse the finalised transport planning approach including a comprehensive corridor planning Maroochydore outcomes as discussed in this report*
- (b) Delegate to the Chief Executive Officer authority to negotiate, execute and finalise the negotiated acquisition of the properties identified in this report and*
- (c) Authorise the Chief Executive Officer to publicly release details in relation to the site location and contract price for the acquisition of the land parcels identified in this report once negotiations have been finalised and the transfer of ownership of land to Sunshine Coast Regional Council has been registered with Titles Queensland.*

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

The existing tenancy is currently holding over as a monthly tenancy on the same basis as at the last day of the lease term, therefore, a new lease should be entered into as soon as possible.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will delegate completion of the leasing process to Council's Strategic Property team in accordance with the delegation power under the *Local Government Act 2009*.

9 NOTIFIED MOTIONS

10 TABLING OF PETITIONS

Petitions only eligible for submission if:

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

11 CONFIDENTIAL SESSION**11.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - ACQUISITION OF LAND - MAROOCHY RIVER****File No: F25/00045****Author: Principal Property Officer
Finance and Commercial Partnerships**

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

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

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

12 NEXT MEETING

The next Ordinary Meeting will be held on 23 July 2026.

13 MEETING CLOSURE