

Sunshine Coast Council
Annual report
2018-19



Acknowledgement of Traditional Owners

Sunshine Coast Council acknowledges the Traditional Owners of this region, the Kabi Kabi and Jinibara peoples. Council commits to working in partnership with the Traditional Owners and the broader First Nations community to support self-determination through economic and community development.

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www.sunshinecoast.qld.gov.au
mail@sunshinecoast.qld.gov.au
T 07 5475 7272 F 07 5475 7277
Locked Bag 72 Sunshine Coast Mail Centre Qld 4560

Acknowledgements

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

Disclaimer

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Welcome

Welcome to the Sunshine Coast Council (Council) Annual Report 2018-19. This report describes Council's performance in delivering services to our community and demonstrates how Council has progressed the actions from the Corporate Plan 2018-2022 and Operational Plan 2018-2019.

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

- communicate what we deliver for our residents
- show Council's commitment to achieving our vision for the region
- demonstrate our transparency and effectiveness.



Introduction



Message from the Mayor



Mark Jamieson
Mayor

There is no better place to be at this time than the Sunshine Coast. While there are many factors that are contributing to the continuing strength of our region, our Council's clear plans and commitment to serving our community has played no small part in this outcome.

Our ability to do so is underpinned by Council's strong financial position and prudent fiscal management, which has enabled us to ensure we are providing the services and infrastructure which our community needs today. At the same time, Council is supporting major investments in the future prosperity and liveability of our region.

Our strong financial sustainability rating again this year from the Queensland Treasury Corporation, coupled with our eighth consecutive unmodified audit opinion since 2012, is testament to responsible stewardship of Council's resources and finances. This enables our Council to invest in a wide range of services and facilities for our community as well as to pursue an innovative infrastructure investment program that is unparalleled for local government in this state - if not the nation.

In the course of the last year, our Council has continued to deliver on our clear commitments to the Sunshine Coast - by supporting and connecting our communities, preserving and nurturing our natural assets, developing our economy, and above all, remaining focused on maintaining a lifestyle that is so highly valued by our residents.

When you develop a clear plan and commit to seeing it delivered, you will inevitably produce results - and we are seeing the results of our efforts in this regard.

The Sunshine Coast is experiencing strong economic and employment

growth that exceeds national and state averages; continuing high levels of business confidence; a renewed focus on the arts, cultural experiences and events; nationally recognised programs and an expansive agenda to preserve and expand our natural assets; and commitments to ensure the region is well placed to respond to the challenges presented by a changing climate.

Council's new Corporate Plan 2019-2023 sets clear goals and pathways, and provides a comprehensive blueprint to take our region into the future. We know the Sunshine Coast will continue to grow over the next 25 years. Our new corporate plan will help to ensure our services remain focussed on responding to the needs and expectations of our growing population.

In everything that our Council does, we seek a balance between community, environmental and economic outcomes, consistent with our aspirational vision for the Sunshine Coast to be Australia's most sustainable region - healthy, smart, creative. Getting that balance right remains our Council's focus, as this imperative reflects the broader interests and priorities of our community.

In the past year, Council has advanced the development of a new Sunshine Coast Community Strategy 2019-2041, which will provide the blueprint for our communities to thrive over the course of the next 20 years. Through an extensive process of community engagement, our Council has worked with our residents and other stakeholders on devising a strategy that reflects their hopes and aspirations and also serves as a companion to our Sunshine Coast Environment and Liveability Strategy and our Regional Economic Development Strategy. Council expects to adopt the new Community Strategy before the end of 2019.

Our Council has also worked closely with our community to honour our yesterday, celebrate today, and build our tomorrow. Our new Sunshine Coast Reconciliation Action Plan has helped better focus our efforts on engagement and involvement with our First Nation peoples and I have been delighted with the commitments we have made to help preserve, share and promote their important cultural heritage. Much of our outstanding natural landscape has a deep historical and cultural significance to our Kabi Kabi and Jinibara First Nation peoples and it is incumbent on us to ensure this is well understood, supported and reflected in many of our decisions.

Our new Sunshine Coast Arts Plan 2018-2038 has also been put in place, providing a 20-year roadmap to ensure an exciting future for the arts in the region. This will include the creation of a dedicated network of places and spaces for artists to connect, create and collaborate, and to advocate and facilitate access to affordable spaces for making, exhibiting and performing.

Our Sunshine Coast Environment and Liveability Strategy continues to provide the platform for how Council and our community manages, preserves and nurtures our natural environment and the liveability of our region. An extensive program of work has been delivered in the last year under the auspices of this innovative Strategy and supported by our community's Environment Levy. This is without doubt, one of the strongest and most compelling investments that our Council is making in the future of our region and it is rewarding for our Council to be recognised leaders in the local government landscape in terms of our environmental credentials and leading edge programs and services.

A centrepiece in our environment and liveability agenda has continued to



‘When you develop a clear plan and commit to seeing it delivered, you will inevitably produce results - and we are seeing the results of our efforts in this regard.’

be Council's conservation estate, which now comprises some 6900 hectares and is understood to be the largest local government owned conservation estate in south east Queensland. In the last year, Council acquired a further 100 hectares of land with important ecological values and which contributes to providing connected habitat corridors for our native wildlife.

Likewise, Council continued to support its nation-leading Land for Wildlife program, with more than 1100 private landowners now participating in this program. Importantly, through the support Council provides through this program, we have been able to facilitate over 8000 hectares of privately owned land being managed with conservation objectives in mind.

Of particular significance - and yet another Australian first for our Council - has been the establishment of a tripartite agreement between the Queensland Government, Unitywater and Council to put in place an innovative blue carbon partnership for approximately 5000 hectares on the Maroochy River floodplain. Over one quarter of this area is already in public ownership and this initiative - known as the "Blue Heart" - will provide voluntary, sustainable options for existing private landholders in terms of blue carbon farming and encourage more sustainable land management practices within this important catchment area. This initiative is already attracting national and international interest and is yet another significant legacy that Council is putting in place to preserve the liveability and natural landscape of our region for current and future generations. The Blue Heart is also another component of Council's extensive array of real actions to further strengthen the region's response to climate change.

Our Sunshine Coast's reputation for leadership in innovation was showcased on a global stage this year, when our region was the only location in the Southern Hemisphere named as one of the world's Top7 Intelligent Communities by the Global Intelligent Communities Forum. This is an outstanding achievement for our community and recognises the creativity, collaboration and entrepreneurialism that we have successfully nurtured and grown in our region. This includes the exceptional talent we are developing in our schools, with young people like the participants in the Mayor's Telstra Innovation Awards who are well connected to, and focussed on, innovation and the opportunities that it delivers for the future.

Connectivity is also at the heart of our continuing efforts to build a stronger, smarter and more resilient economy, with two of our transformational projects designed to ensure the combination of our physical and global connectivity makes our Sunshine Coast the ideal location in Australia in which to live, work, play and invest.

In September 2018, after a journey of some eight years, Council entered into commercial agreements that will see an international broadband submarine cable come ashore on the Sunshine Coast and be in service by mid-2020. This international network will provide the fastest data and telecommunications transmissions from the eastern seaboard of Australia to Asia and help to position our region as a future Digital Trade Hub. Conservatively forecast to deliver an economic benefit of \$927 million for Queensland and over 860 new jobs, this network will provide the basis for a wide range of new employment options and a standard of global connectivity

that is currently only available in Australia in Sydney and Perth. Whilst benefitting the whole region, the international broadband network will also help to position our new city centre in Maroochy as one of Australia's leading smart cities.

Throughout the year, work also continued on the delivery of the new runway and associated infrastructure at the Sunshine Coast Airport. When completed and fully in service by the end of 2020, the new runway will provide a direct gateway to the Sunshine Coast from a wider range of Australian and international locations, as well as providing new freight opportunities for our region's exporters. Forecast to deliver an economic benefit to the region of \$4.1 billion and 2230 new jobs between now and 2040, the expanded Airport is one of the region's most important economic assets and one that will continue to play a critical role in the future prosperity of our Sunshine Coast.

It has certainly been both a rewarding and eventful year for the Sunshine Coast and our Annual Report is just one way in which our Council seeks to keep our community informed on what we are delivering on their behalf. There is an old saying that the whole is only ever as good as the sum of its parts - and with this in mind, I want to acknowledge and thank my fellow Councillors and our Council staff whose commitment, enthusiasm, passion and ingenuity has helped to deliver another year of exceptional results for the residents of our Sunshine Coast.

Working together delivers these outcomes and makes our community a better place. In essence, this is what our healthy, smart, creative region is all about.

Mark Jamieson
Mayor

'In everything that our Council does, we seek a balance between community, environmental and economic outcomes, consistent with our aspirational vision for the Sunshine Coast to be Australia's most sustainable region - healthy, smart, creative. Getting that balance right remains our Council's focus, as this imperative reflects the broader interests and priorities of our community.'



Message from the Chief Executive Officer



Michael Whittaker
Chief Executive Officer

This year Council has continued to work collaboratively with our community, business, industry and other tiers of government to fulfill our vast and growing service delivery commitments. I am extremely proud of what we have achieved together, and how we are creating a strong future for the Sunshine Coast.

With our population reaching almost 330,000 during 2018-19, and forecast to grow to over 500,000 by 2041, the Sunshine Coast has the second highest predicted growth rate of any region in Queensland.

We recognise this presents exciting opportunities and challenges. Council is very focused on ensuring we can effectively plan for growth, while considering the impacts on infrastructure, the needs of our communities, and the preservation of our much-valued natural assets and lifestyle.

During the year, Council adopted the Corporate Plan 2019–2023 that sets clear goals and provides a comprehensive blueprint to realise our healthy, smart, creative vision. The corporate plan pursues five key goals:

- fostering a strong community
- maintaining a healthy environment
- creating a smart economy
- a commitment to service excellence
- all underpinned by an outstanding organisation.

As one of the Sunshine Coast's largest employers, with around 2000 employees, we have focussed on being an outstanding and high-performing organisation which delivers for our community.

We are an inclusive and diverse workplace, where our skilled people are the driving force behind the services we provide. They are not only part of our community but they go above and beyond for our community—professional, hard-working, innovative and committed to our vision.

Our responsibilities are vast—from maintaining 2446 kilometres of sealed roads and 526 kilometres of unsealed roads; improving the health and quality of our 12,000 kilometres of waterways, and 60 kilometres of coastline; to managing our 1213 parks and gardens.

Across all Council's services, the focus of our people is on excellence in all we do. This year we assisted over 262,000 customers through our contact centres, via phone, email and live chat facility. Our customers rated our service 4.48 out of 5 for ease of doing business.

Council hosted 63 major events which attracted over 150,000 visitors from outside the region.

Our lifeguards conducted 436 rescues across our beaches, and kept over 8 million visitors to our beaches safe. Over 250,000 guests stayed at Council's holiday parks during the year.

Council's waste management services ensured that 40 percent of waste was diverted from landfill while servicing over 200,000 bins each week.

Council delivered 98 percent of the core capital works program this year, with delivery of 1325 projects over the 12 months with a total value of \$328 million. This equates to 25 projects per week, and represents

a 12.5 percent productivity increase on the previous year. This is almost double the 715 projects we delivered four years ago. The Sunshine Coast is growing and, as an organisation and community, we are responding.

We will continue on our path as an outstanding organisation with our clear purpose, great leadership and great people, backed by a genuine commitment to building stronger relationships with our customers.

We want them to know they are at the centre of our organisation and integral to us setting and delivering the future directions for our region. The key foundations we are pursuing for positive customer experience are a customer focused culture, clearly defined with sustainable service offerings, and supported by effective systems and processes.

We are establishing a new customer experience management program that will focus on how we can improve business relationships and processes with our customers to provide a seamless experience, no matter how or when they engage with Council. This includes implementation of a customer relationship management system with the capability to provide a more holistic view of our customers and deliver a better experience for them.

We have implemented a new asset management solution that is providing the necessary tools to manage our growing asset base in a sustainable and effective way. We currently manage more than 320,000 different assets with a total value exceeding \$5 billion.

‘Council delivered 98 percent of the core capital works program this year, with delivery of 1325 projects over the 12 months.’



We are also rolling out a new integrated human resource system to ensure we have the foundations in place to create positive employee experiences that attract and retain the right people.

Council remains committed to good governance, being recognised by Local Government Managers Australia for our Making Governance Innovative program, which reinforces the professionalism and integrity of our organisation and our people.

As Council prepares for the future, we will transform our workplaces and the way we work. The SCC Workplaces program is about having the right people, providing the right services from the right location, while delivering value for money for our ratepayers.

The program focuses on employee locations throughout the region, the infrastructure and fitout requirements for administration and depot accommodation, the activation required at Caloundra and Nambour, and the delivery of the Sunshine Coast City Hall.

The City Hall will be located within the first stage of the business precinct of the new Maroochydore city centre. I was pleased to see the design coming to life and being endorsed by Council and Economic Development Queensland this year, with construction due to commence in mid-2020.

When completed, the City Hall will be home to about 600 Council employees. This investment reinforces Council's commitment to the Maroochydore city centre and provides both economic and broader community engagement opportunities for the region.

Consistent with our vision, Maroochydore's new city centre has been designed for the 21st Century, breaking new ground with our

extensive use of technology to create a cleaner, greener, more liveable, dynamic city centre. Australia's first CBD-scale high-tech automated underground waste system has been installed in Stage 1 of the Maroochydore city centre. Smart data wi-fi points have also been installed to deliver the data-driven intelligence that will define the city.

Council's airport expansion project is a necessary and timely upgrade to a critical piece of the community's infrastructure. We are on track to complete the expansion by December 2020 as planned, and this will bring significant economic benefits to the region through tourism, business travel, and exports.

This year we also commenced work on the Sunshine Coast International Broadband Network project. This project is set to deliver the fastest international communication connection from the east coast of Australia to Asia, from here on our Sunshine Coast. This region-shaping project will provide unprecedented opportunities to stimulate new investment and diversify the employment market for our residents into the future and will be operational in the second half of 2020.

Another Australian first was the launch of Development.i, a development application tracking system that provides users with quick and easy access to development information in their street, suburb, division or across the region. This provides a proactive approach where users can set their areas of interest and receive email alerts—empowering the community to be informed.

The Maroochydore city centre automated waste collection system, the Sunshine Coast International Broadband Network,

and Development.i have added to Council's proud record of Australian firsts, including the first local government to offset over 100 percent of its electricity consumption with energy from a renewable source, and the first to build a greenfield city centre within an existing urban area.

This report details Council's performance and highlights some of the most significant achievements for the year. I particularly want to extend my gratitude to Council's skilled, innovative and dedicated employees. Our one-team approach, and the magnificent contribution of our volunteers, contractors, citizens, business leaders, community and neighbourhood associations, sporting organisations and many others, have made these achievements possible.

I feel privileged to be part of the wonderful Sunshine Coast, an involved and spirited community who truly care about our region. I am optimistic about our continued journey.

I would also like to acknowledge and thank the Mayor and Councillors for their vision and strong leadership, together with the dedication and support of Council's executive group.

We look forward to continuing our work together to create a healthy, smart and creative region, now and into the future.

Michael Whittaker
Chief Executive Officer

‘The Maroochydore city centre automated waste collection system, the Sunshine Coast International Broadband Network, and Development.i have added to Council’s proud record of Australian-firsts.’



About our region

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

Located in South East Queensland (SEQ), with our southern boundary just 53 kilometres north of Brisbane, the Sunshine Coast local government area covers an area of 2291 square kilometres and is considered a major urban and economic centre and an emerging city-region.

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

Our local government serves a population of 328,030¹ and includes 140,514 rateable properties. Throughout the year, the region has seen an increase of 8108 people choosing to make the Sunshine Coast home.

The majority of residents live within established urban centres along the coast. While all age groups are well represented within the Sunshine Coast's population, the most common age group is those 45 to 49 years and their children.

The Sunshine Coast economy (\$18.5 billion) is one of the largest regional economies in Australia and has achieved an average growth rate of over four percent, well above the national rate of economic growth (National Institute of Economic and Industry Research, 2019; ABS, 2018).

Building activity continued to contribute to the economy with \$1.6 billion in building approvals issued.

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



60 kilometres of coastline



1046 hectares of recreational land



2972 kilometres of roads



More than 12,000 kilometres total length of waterways



6909 hectares of environmental reserves



1280 kilometres of pathways

¹ Sunshine Coast Council Population Forecast, 2019

Our Council

Sunshine Coast Council is served by 11 elected officials comprising the Mayor and 10 Councillors. Their primary role is to put in place the policies, programs and local laws that enable the delivery of outcomes for the community, now and into the future.

Sunshine Coast local government area divisions



Councillors

The role of Councillors is to represent the community. They make decisions that benefit their divisions as well as the whole Sunshine Coast region, now and into the future.



Mayor

Cr Mark Jamieson

Portfolio: Region Making Projects, Regional Advocacy and Intergovernmental Relations



Division 1

Cr Rick Baberowski

Portfolio: Transport, the Arts and Heritage



Deputy Mayor
Division 2

Cr Tim Dwyer

Portfolio: Corporate Strategy and Finance; and Councillor Assisting on Economic Development and Innovation



Division 3

Cr Peter Cox

Portfolio: Place Development and Design



Division 4

Cr John Connolly

Portfolio: Councillor Assisting on Planning and Development; and Councillor Assisting on Tourism, Events and Sport



Division 5

Cr Jenny McKay

Portfolio: Community and Environment; and Councillor Assisting the Mayor on International Relations



Division 6

Cr Christian Dickson

Portfolio: Planning and Development



Division 7

Cr Ted Hungerford

Portfolio: Governance and Customer Service; and Councillor Assisting on Local Infrastructure Delivery



Division 8

Cr Jason O'Pray

Portfolio: Tourism, Events and Sport



Division 9

Cr Steve Robinson

Portfolio: Economic Development and Innovation



Division 10

Cr Greg Rogerson

Portfolio: Local Infrastructure Delivery; and Councillor Assisting on Tourism, Events and Sport

Our corporate structure

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



Implementation of the corporate and operational plans



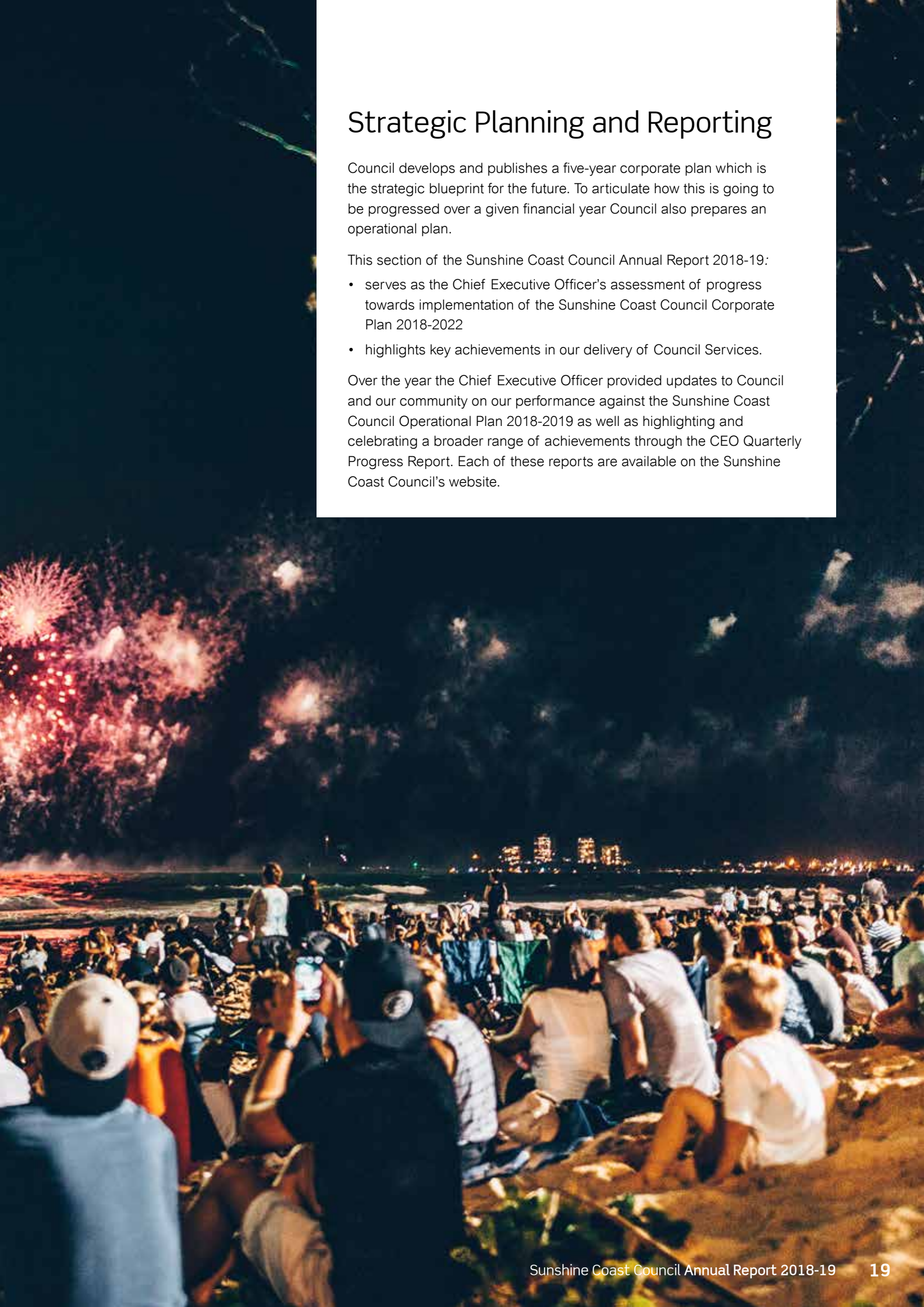
Strategic Planning and Reporting

Council develops and publishes a five-year corporate plan which is the strategic blueprint for the future. To articulate how this is going to be progressed over a given financial year Council also prepares an operational plan.

This section of the Sunshine Coast Council Annual Report 2018-19:

- serves as the Chief Executive Officer's assessment of progress towards implementation of the Sunshine Coast Council Corporate Plan 2018-2022
- highlights key achievements in our delivery of Council Services.

Over the year the Chief Executive Officer provided updates to Council and our community on our performance against the Sunshine Coast Council Operational Plan 2018-2019 as well as highlighting and celebrating a broader range of achievements through the CEO Quarterly Progress Report. Each of these reports are available on the Sunshine Coast Council's website.



Sunshine Coast Council **Corporate Plan 2018-2022**

Our vision

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

Our values

Respect for each other | Being our best | Working as one team
High standards | Service excellence

Our goals



A smart economy

A prosperous, high-value economy of choice for business, investment and employment.



A strong community

In all our communities, people are included, treated with respect and opportunities are available to all.



A healthy environment

Maintaining and enhancing the region's natural assets, liveability and environmental credentials.

Strategic pathways

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

- Safe and healthy communities
- Resilient and engaged communities
- A shared future that embraces culture, heritage, diversity
- People and places are connected
- A creative identity that supports community cohesiveness, development and wellbeing.

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

Our communities: Your Council team (our elected representatives, staff, contractors and volunteers)

Service excellence



Positive experiences for our customers, great services to our community.

Delivery pathways

- Respecting and valuing our customers
- Flexible and customised solutions for our customers
- Regular and relevant engagement with our community
- Service quality assessed by our performance and value to customers
- Assets meet endorsed standards for sustainable service delivery.

An outstanding organisation



A high performing, customer-focused organisation marked by great people, good governance and regional leadership.

Performance pathways

- A collaborative workplace culture with engaged, energised and skilled people professionally ready for the future
- Investment in core capabilities and opportunities for staff to lead, learn and grow
- Strong and accountable leadership enabling Councillors, individuals and teams to be their best
- A financially sustainable organisation
- Collaborative, proactive partnerships with community, business and government
- A reputation for implementing innovative and creative solutions for future service delivery
- Information, systems and process underpin quality decisions and enhance the customer experience.

Council services

- Airport Expansion
- Beaches, foreshores, coastal infrastructure and canals
- Bushland conservation and habitat
- Cemeteries
- Community and cultural development and partnerships
- Community venues
- Customer and community relations
- Development services
- Disaster management
- Economic development
- Elected Council
- Holiday parks
- Libraries
- Lifeguards
- Local amenity and local laws
- Public health
- Public lighting
- Recreation parks, trails and facilities
- Rivers, streams, estuaries and water bodies
- Road network management
- Roads, cycleways and pathways
- Sporting facilities
- Stormwater drainage
- Sustainable growth and network planning
- Waste and resource management

Corporate services

- Financial and procurement services
- Fleet management
- Governance
- Human resource management
- Information and communication technology
- Property management.

A smart economy

To work towards becoming a prosperous, high-value economy of choice for business, investment and employment, Council focusses on the strategic pathways of:

- new capital investment in the region
- investment and growth in high value industries
- a natural, major and regional event destination
- strong local to global connections
- strong economic leadership, collaboration and identity
- a regional hub for innovation, entrepreneurship and creativity.



Top7 Intelligent Communities of 2019
Global Intelligent Community

2018-19 Goal measures

Measure	Target	2018-19 result
Estimated economic benefit from Council supported major and regional events	\$70 million	\$67.7 million
Value of construction from building approvals.	\$1.4 billion	\$1.6 billion
Support the local economy through spending available procurement spend with local businesses	70%	72%
Satisfaction with industry and business programs to support the growth of the regional economy	80%	84%

Highlights for 2018-19

Regional Economic Development Strategy 2013-2033 (REDS)

This strategy has driven a significant shift in the performance of the Sunshine Coast economy. Since 2013 the local economy has grown by almost \$5 billion, there are now more than 23,500 additional jobs in our high-value industries, more than 500 new businesses opening annually, and average household incomes have increased by 25 percent.

In addition, the region has \$12.5 billion in public and private investment underway or in the pipeline. This is fuelling growth in a number of industries across the region that are expected to generate increased long-term careers for the local community.

This year Council developed and launched the second five-year implementation phase (2019-2023) for the strategy.

Sunshine Coast International Broadband Network

The \$35 million Sunshine Coast International Broadband Network (SCIBN) project, which is set to future-proof our region, is well underway and will be ready for service by mid-2020. It will provide the fastest data connectivity from the east coast of Australia to Asia and the second fastest to the United States.

Construction of the cable landing station at Maud Street Maroochydore has commenced and the 550 kilometres of undersea fibre optic cable, to be laid or buried under the sea floor from the Sunshine Coast, has been manufactured.



Image: Artist Impression

Caloundra Centre Activation project

The Caloundra Centre Activation Project is an exciting project to encourage new investment and deliver a world-class centre for Caloundra, through the implementation of the Caloundra Centre Master Plan.

The master plan seeks to capitalise on opportunities to redevelop the city centre, attract new businesses, increase residential and visitor accommodation and improve vehicle and pedestrian access.

Key project components include: a new town square providing a central civic park, delivery of a new contemporary library in the current administration building, a new showpiece stand-alone Caloundra Regional Gallery and delivery of streetscape and place making projects to create strong pedestrian and active transport linkages from Bulcock Beach to the heart of Caloundra and the surrounding city centre precinct.

'In 2019, RoboCoast has been enabled to provide leading robotics, coding and graphics workshops for over 1500 students and 250 staff from 45 schools as a result of funding from the Sunshine Coast Council.

The increased capacity building in robotics and engineering education on the Coast has also helped forge world-class robotics teams to travel to Houston, Texas to represent Australia at the World Championships, placing second in one of the most prestigious categories.'

Simon Richardson
RoboCoast Co-Founder

Sunshine Coast Airport expansion

The Sunshine Coast Airport is a critical piece of community infrastructure. The \$334 million Airport Expansion Project, comprising construction of a new 2450 metre runway, apron expansion and related infrastructure development, is on target for completion by the end of 2020.

The cost of the Sunshine Coast Airport Expansion project is fully funded from the proceeds that Council will receive from Palisade Investment Partners under the terms of the contractual arrangements for the commercial operation of the Sunshine Coast Airport.

The expansion will benefit the whole community through access to new markets in Asia, the Pacific and Australia, enabling tourism, connecting people, facilitating export growth and creating more work and business opportunities.

Growing the sports economy

In conjunction with Tourism Events Queensland, Council increased our region's presence in the NRL and secured a three-year partnership with the South Sydney Rabbitohs.

The first game, played in April 2019 at the Sunshine Coast Stadium, attracted 11,912 people, a record crowd for a sporting event on the Sunshine Coast.

The Sunshine Coast also secured the prestigious Sports Medicine Australia conference which hosts some of the brightest minds in the fields of sports medicine, sport science, physical activity, health promotion and injury prevention, and became home to Australia's largest netball competition, Netfest.

Council also continued its sponsorship of the Sunshine Coast Lightning, who became back-to-back premiers by winning the 2018 Suncorp Super Netball series.

A Top7 Intelligent Community

The Sunshine Coast was the only location in the southern hemisphere recognised by the global Intelligent Community Forum (ICF) as one of the world's Top7 Intelligent Communities of 2019.

This outstanding achievement recognises the region's strengths as a healthy, smart, creative place to live, work and play, and profiles the region's growing reputation as a high-value economy of choice for business, investment, and employment.

Sunshine Coast Exhibition and Convention Facility

With the support of \$636,363 from the Queensland Government under the Maturing the Infrastructure Pipeline Program, Council finalised and submitted to the Queensland Government a detailed business case for the proposed Sunshine Coast Exhibition and Convention Facility.

The detailed business case demonstrates an affordable, value-for-money facility would increase business tourism and attract economic value through large scale events.

It will be used to inform subsequent stages of the project, as well as assist Council in seeking funding from the Queensland Government and the federal government to enable the Exhibition and Convention Facility to be built.

Local procurement

Council spent \$244 million, representing 72 percent of its procurement, locally. This supports the growth and development of local businesses.

Council endorsed strategic contracting procedures and guidelines for its goods and services procurement contracts which ensures focus on buying local, Indigenous procurement, and innovative and market-led solutions.



Nambour activation

Council and the federal government supported the community-led Reimagine Nambour project which unites governments, community and business in efforts to activate Nambour. Council has endorsed additional resourcing to help steer and deliver this exciting project.

Council supported the Nambour Heritage Tramway and Visitor Information Centre project. With support from a range of stakeholders, this project will reactivate the heritage-listed tramline that runs through the centre of Nambour.

Maroochydore intersection upgrade

Major upgrades to road infrastructure were completed at Aerodrome Road, an important entrance to the new Maroochydore city centre.

More than 14,000 trees and plants were planted along Aerodrome Road and the new four lane city centre entrance. New bus shelters and streetscape features have also been installed.

These works will accommodate future growth, including a potential mass transit corridor.



\$244 million

spent with local businesses,
which is **72%** of Council's
available procurement spend

Maroochydore City Centre project

The Maroochydore city centre project is being built for the digital age from day one and from the ground up to create a 21st century smart city centre. The project's Stage 1A civil works have reached practical completion and this first stage will be opened in August 2019. These works have included smart city infrastructure such as extensive telecommunications and services installed underground, smart data Wi-Fi points and an underground vacuum pipeline network for Australia's first high-tech automated waste collection system (AWCS). Works on the AWCS transfer station off Carnaby Street, Maroochydore also commenced. Other significant works within Stage 1A have included new streets, cycleways, footpaths, landscaping and the Foundation Square park.

A number of buildings are already set to shape the early stages of the city centre, including a commercial building, an apartment development, a 167 room business hotel and Council's City Hall.



Image: Artist Impression



A strong community

To ensure that in our communities, people are included, treated with respect and opportunities are available to all, Council focusses on the strategic pathways of:

- safe and healthy communities
- resilient and engaged communities
- a shared future that embraces culture, heritage, diversity
- people and places are connected
- a creative culture that supports community cohesiveness, development and wellbeing.



**\$4.8 million
in community
grants awarded**

2018-19 Goal measures

Measure	Target	2018-19 result
Increase annual patronage at Council owned community facilities and events, inclusive of major venues, aquatic facilities, libraries and the gallery	5%	5%
Customer satisfaction with Council venues provided for hosting community events and programs	80%	97%
Investment in community facility projects for every \$1 contributed from Council's grants program	3:1	4:1
Customer satisfaction with library and cultural programs	80%	83%

Highlights for 2018-19

Sunshine Coast Community Strategy

The development of a Sunshine Coast Community Strategy for our region is well underway. The strategy will provide a 20-year vision for the region and ensure that the Sunshine Coast community continues to thrive by:

- strengthening connections, inclusion and opportunities for all people in our communities
- building capacity of the community to respond to local issues
- empowering the community to live healthy, active and engaged lifestyles
- nurturing creativity and innovation
- working with our community to measure outcomes and progress.

Community engagement has shaped the strategy development with more than 1600 people providing input.

Sunshine Coast Arts Plan 2018-2038

Council endorsed the region's first arts plan. This 20 year plan has artists and the sector at its very heart. Some standout milestones have been achieved in its first year:

- establishment of the region's first Sunshine Coast Arts Foundation Pty Ltd
- Refinery program – a collaborative effort to deliver the region's first creative incubator program
- Creative Spaces initiative – a digital platform that brings together available spaces and residencies for artists to access
- 14 new works valued at \$248,500 added to the Public Art Collection - making a total of 234 works valued at more than \$3 million
- Horizon Festival – a premier multi-arts festival.

Horizon Festival

In its third year, the 2018 Horizon Festival attracted more than 38,500 people to 160+ free and ticketed events across the region.

The festival is jointly delivered by more than 500 artists, arts workers, volunteers and event managers, and spans across the region from the Glass House Mountains to Eumundi, and Nambour to Maroochydore.

Held across 10 days in August and September, the festival connects artists, industries and communities. The festival has developed a curatorial framework that puts the spotlight on local, national and international arts and cultural producers, highlights First Nations arts and delights audiences of all ages.



Image: ben vos productions

Innovate Reconciliation Action Plan 2017-2019

Council proudly delivered all of the actions within its 'Innovate' Reconciliation Action Plan 2017-2019. Actions included:

- establishing the First Peoples Advisory Committee
- celebrating NAIDOC Week with a range of events
- engaging employees in cultural learning and development
- ongoing engagement with Jinibara and Kabi Kabi peoples on current and future projects
- holding a Mabo Day event at Coolum Library.

Sunshine Coast Youth Action Plan

Fifteen Sunshine Coast youth hold positions on the 2019 Speak Up Engage – Youth Advisory Group (YAG).

The YAG provides Council with a perspective on youth related matters, heightening Council's ability to respond to enquiries specific to the needs of young people.

The Speak Up and Engage podcast, aimed at 12 to 25 year olds, explores life issues and aims to empower our youth with the knowledge and inspiration to improve their mental and physical wellbeing.

Baringa Community Centre

Set to become a vibrant haven for events, meetings, cultural activities and learning, the new environmentally sustainable Baringa Community Centre opened in June 2019.

The venue includes three multi-purpose rooms, an art and office space, meeting rooms, a kitchen, reception, covered entry and foyer along with outdoor activity spaces.

endED

Alongside local philanthropy, community and federal government assistance, Council supported the establishment of this Mooloolah-based not-for-profit service that assists people suffering from an eating disorder. This year Council funded the purchase of a 12 seater mini-bus and the production of an eating disorder awareness raising documentary.

The Events Centre

The Sunshine Coast's premier performing arts and conference centre, the Events Centre at Caloundra, underwent a \$6.85 million redevelopment.

Supported by \$3 million from the federal government, the redevelopment included:

- main entrance and foyer refurbishment
- box office, bar counters and function room upgrades
- acoustic upgrades
- café upgrade
- air-conditioning and heating
- new toilets for people with a disability
- new kitchen and service systems.

The community has positively responded to the improvements with a surge in ticket sales for performances.

Disability-friendly bus stops

The Transport Levy provided \$583,864 towards upgrading 19 bus stops across the region to meet the needs of community members with disabilities, further connecting our people and places.



Sunshine Coast volunteers

Through our volunteer programs, Council works with a diverse range of Sunshine Coast community members and organisations to deliver vital services and programs to build a stronger, healthier and connected community. Areas of contribution include community and major events, environment and wildlife protection, regional heritage, libraries and arts. Without the time, skill and passion of our volunteers, the scale of many initiatives would not be possible. Some examples include:

- 46 community groups and partners participated in Community Nature Conservation contributing 15,055 volunteer hours, planting more than 42,081 trees and removing more than 3001 wheelie bins of weeds.
- More than 240 library volunteers provided Justice of the Peace Services, one-on-one tech support, literacy tutoring, home library, and genealogy support to customers.

Mobility maps

In partnership with the Queensland Government, Council launched a series of mobility maps during the 2018 Queensland Seniors Week celebrations.

The mobility maps provide a range of information including the gradient of pathways, crossing points, and key services such as libraries, shopping areas and post offices. The maps cover five areas within the region; Maleny, Nambour, Mooloolaba, Maroochydore and Caloundra.

These maps are an important resource for the region, creating a more accessible and inclusive community for people of all ages, including parents with prams, children and people with a disability or mobility challenge.

Community sports infrastructure

A number of sporting groups have benefitted from investment and upgrades to their local sports facilities this year.

Stage 2 of the Sunshine Coast Regional Tennis Centre at Caloundra commenced, providing a \$3.7 million investment into a new clubhouse and car park.

The \$3.1 million upgrade to the Maroochydore Multi Sports Complex has delivered two new buildings - the new home of the Sunshine Coast Netball Association and a brand new facility to assist with the growth in Australian Football League (AFL).

In addition, two new AFL fields and associated infrastructure were constructed at Meridan Plains (\$4.1 million) while improvements were made to aquatic infrastructure and amenities at the Beerwah Aquatic Centre (\$1.7 million).



Disaster management

During the 2018-19 wet season, Council coordinated the planning and preparation for a number of weather events, including severe storms, king tides and Tropical Cyclone Oma. While the region held up quite well, Tropical Cyclone Oma resulted in turtle nest relocations, coastal rectification work, and general repairs to restore coastal infrastructure which sustained damage.

Council also supported the Richmond and Flinders Shires after the North Queensland flooding disaster, sending three employees to assist these communities conduct damage assessments and initiate recovery efforts.

Community grants

In total, more than \$4.8 million was awarded to more than 1100 applicants for one-off projects, events and activities that benefit our region and for partnerships with organisations that support the delivery of Council's priorities.

Council grant programs include:

- the Mayoral and Councillor discretionary funding program
- grants to not-for-profit organisation
- grants to individuals, such as land environment grants.



More than
**240,000 people attended
events at community venues**

Preserving our history

Established in 1868, Bankfoot House is the oldest residence in the Glass House Mountains area. Now a Heritage listed house museum, Council spent \$276,862 on restoring the buildings and two acre property during its 150th anniversary.

Council also spent \$97,000 on the Gatehouse Cottage relocation at Yandina.

Men's sheds

A shed in the backyard has long been part of our culture. Council recognises the importance of men maintaining access to places to unite, be productive, and share skills and stories. Council supported a range of improvements to men's sheds right across the region including Cooloom, Buderim, Mapleton and Mooloolah.

Transport services

Fully funded by the Transport Levy, Council Link provides an affordable, door-to-door transport service for people aged 60 and over and for people with disabilities or mobility impairment. This program serviced 59 suburbs across the Sunshine Coast, improving community connectedness and reducing social isolation.

Council was also able to trial a range of transport services for areas with limited access to public transport services. The Peachester to Beerwah Flexilink service and the Conondale to Maleny (via Witta) Flexilink service delivered more than 4000 passenger trips.

The Kenilworth Community Transport Service trial was also launched. It provides affordable, reliable and accessible transport for Kenilworth residents to give them better access to Maleny, Nambour, Mapleton, Eumundi and Yandina.



Caloundra Music Festival

The Caloundra Music Festival has cemented itself as an all-ages, family-friendly music festival for the Sunshine Coast community. More than 400 volunteers contributed to the event, which attracted 33,386 people over four days.

In its 12th year, the festival generated direct and incremental expenditure of \$4 million for the Sunshine Coast region and an additional \$1 million to the broader Queensland economy.



Image: ben vos productions



A healthy environment

To maintain and enhance the region's natural assets, liveability and environmental credentials, Council focusses on the strategic pathways of:

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



\$845k invested in coastal dune rehabilitation and shoreline erosion management

2018-19 Goal measures

Measure	Target	2018-19 result
Maintain the regional Inter-urban Break at its 2017 extent	32,034 ha	32,034 ha
Hectares of land per 1000 residents acquired through environment levy for conservation and preservation purposes maintained	9.6 ha	10.7 ha
Hectares of land per 1000 residents for sport and recreation purposes maintained	4.74 ha	4.22 ha
Renewable energy capacity increased (MW – Megawatts)	124.8 MW	194.1 MW
Council's greenhouse gas emissions reduced (tCO ₂ e – Tonnes of carbon dioxide equivalent)	0.59 tCO ₂ e per resident*	0.63 tCO ₂ e per resident

* To comply with the National Greenhouse Gas Protocol, additional emission sources have been measured since 2017-18 and incorporated into this figure as the new baseline year (2017-18)

Highlights for 2018-19

Environment and Liveability Strategy 2017

The strategy provides long-term direction to guide growth, protect our environment and shape the region for future generations. Some achievements for the year include:

- securing more than 100 hectares of new land for conservation and recreation purposes, bringing the total area of environmental reserve managed by Council to 6909 hectares
- delivering Queensland's first Disaster Resilience Plan to enhance the safety of the community
- progressing the Coastal Hazard Adaptation Strategy in partnership with the community - a long-term strategy to help manage the impacts of coastal hazards
- established a Blue Heart partnership agreement with the Queensland Government's Department of Environment and Science and Unitywater to support project implementation
- gaining community support to pursue a United Nations Educational, Scientific and Cultural Organisation (UNESCO) Biosphere nomination to have the region's sustainability story internationally recognised.

Sunshine Coast Council Integrated Transport Strategy

Mindful that all levels of government have a vital role to play in the delivery of transport infrastructure and services, Council developed and adopted the Sunshine Coast Council Integrated Transport Strategy to shape stakeholders' efforts on developing the region's transport system as one network.

The 20-year strategy focuses on improving connectivity, enshrining economic viability, maintaining the environment, and supporting the region's liveability. It seeks to bring about a sustainable shift to alternative modes of transport and adoption of new technology-driven mobility options that will reduce the current over-reliance on car transport.



8839ha
of private land is
being managed for
conservation under
land for wildlife



Adventure Sunshine Coast

Council launched the Adventure Sunshine Coast interactive website and mobile app as a resource and planning tool for residents and visitors to access the great recreation trails across the Sunshine Coast.

With 3D views of trails and more than 150 free self-guided walking, cycling, mountain biking, horse riding and canoeing activities, the site is the ultimate guide to the great outdoors of the Sunshine Coast.

Environment Levy land acquisition

Council continues to expand and connect its land holdings for environmental purposes through its Land Acquisition Program.

This year the Environment Levy contributed \$2.28 million to purchase three new properties totalling 56 hectares to expand wildlife and native plant conservation corridors. This brings the total holding of Environment Levy funded conservation land to 3510 hectares. The total area of environment reserve managed by Council totals 6909 hectares.

Inter-urban Break protection

Council continues to advocate for the protection of the Inter-urban Break, the 32,034 hectares of scenic land that separates greater Brisbane from the Sunshine Coast.

Council, in partnership with the Queensland Government, HQPlantations, and Moreton Bay Regional Council, led a project to recognise and strategically plan for the coordinated management of a broad spectrum of appropriate, responsible and sustainable outdoor recreation activities supported across the Inter-urban Break.

Sunshine Coast Design Strategy development

From September 2018 to February 2019 significant engagement took place with a range of professionals including designers, planners, developers, professional bodies, community groups and the wider community to determine four key values that are at the heart of what the community believes makes the Sunshine Coast a great place to live - our climate, the natural environment, our ocean and waterways, and our community of communities.

Council has embarked on further consultation to use these values to shape design principles that can be reflected in the future development of our places and spaces.

Land for Wildlife

The Sunshine Coast Council region continues to have the largest Land for Wildlife membership of any Council in Queensland with 1121 landowners currently registered within the program.

Celebrating the 20th Anniversary of Land for Wildlife during 2018-19, Council is proud to have achieved a total combined area of registered properties in the Sunshine Coast Council region exceeding 8839 hectares.



3240
native trees
planted

Conservation estate management

The Environment Levy has contributed \$714,000 to maintain the Environment Levy conservation land and a further \$570,000 in establishing newly acquired reserves.

This investment assists to build our knowledge on our reserve values to inform our management strategies ensuring that we continue to protect and enhance our natural environment and preserve habitat for native plants and animals.

Place Making projects

Council has a Place Making Charter that makes a commitment to take an integrated approach to working with communities to protect the quality of life and strengthen the identity of the region. This covers a broad range of projects from infrastructure delivery to town centre management. Key projects that commenced in 2018-19 include:

- The \$5.2 million Sippy Downs Drive Upgrade (Tanawah to Stringybark Roads) which widened this busy section of road to four lanes and added a new intersection, improving the connectivity of this area.
- \$2.3 million on Stage 4 of the Bulcock Street Streetscape project.
- \$2.1 million on Mooloolaba Spit Boardwalk Renewal Stage 1, supported by Queensland Government through the Local Government Grants and Subsidies Program.
- \$1.3 million on aquatic centres throughout the region, including Kawana, Buderim, Beerwah, Coolool, Caloundra, Nambour, Cotton Tree, and Eumundi.
- \$914,000 on road planning and beautification of Yandina town centre at Farrell Street.
- \$455,000 on Stages 6 and 7 of the Buderim Village Park.



Glass House Mountains Regional Trail

In partnership with Queensland Parks and Wildlife Service, Council undertook \$227,000 of works to connect the township of Beerburrum to the national parks to provide a rail to trail experience for the Glass House Mountains region.

Council also spent a further \$335,000 on the Glass House Mountains District Park, adding to the recreation facilities for the hinterland community.

Sunshine Coast solar farm

Renewable energy generated by the solar farm increased by 18 percent (4411 MWh) from 2017-18 – partly due to reaching full production and grid export compared to the previous year.

With an average seven hours of sunlight per day, the Sunshine Coast solar farm now offsets 109 percent of Council's total electricity consumption, continuing to safeguard against rising electricity costs.

Sunshine Coast Council is Australia's first local government to offset its entire electricity consumption across all its facilities and operations from renewable energy it generates.

Reduction in council waste

Council achieved a nine percent decrease (727 tonnes) in waste it generated from its activities this year.

Reflecting Council's direct reuse of waste streams in capital works and maintenance activities, the volume of Council waste that was recycled and recovered at our landfills also decreased by 13 percent (586 tonnes).



Sunshine Coast Mass Transit – Draft Strategic Business Case

Council has continued to build its case for development of an efficient and integrated public transport solution for the Sunshine Coast. A major investment in mass transit will facilitate the next region-shaping project for the region, being the backbone of the integrated public transport system. It will define the connectivity of the region and reduce our present high dependence on private car transport.

Council invested \$2 million into the initial phases of the business case which includes mapping out a public transport system to meet the needs of the region as it grows into Queensland's third largest city over the next two decades.

This foundational strategic work has attracted a \$7.5 million commitment from the Queensland Government to progress a detailed business case which will give this project a sound basis for seeking the funding necessary to build it.



Service excellence

To create positive experiences for our customers and provide great services to our community, Council focusses on the delivery pathways of:

- respecting and valuing our customers
- flexible and customised solutions for our customers
- regular and relevant engagement with our community
- service quality assessed by our performance and value to customers
- assets meet endorsed standards for sustainable service delivery.



Council assisted over **262,000** customers through our contact centres, and were rated a **4.48 out of 5** for ease of business

2018-19 Goal measures

Measure	Target	2018-19 result
Positive overall customer satisfaction with Council services	80%	88%
Development applications decided within statutory decision timeframes	90%	91%
Percentage of total waste collected diverted from landfill	40%	40%
Percentage of waste services collected on schedule	99%	99%
Capital works program delivered on time and within the adopted budget	90%	98%

Highlights for 2018-19

Project delivery

Responding to the growth demands across the Sunshine Coast, Council delivered 1325 capital projects this year, representing a 12.5 percent productivity increase on the previous year.

Sunshine Coast Waste Strategy

This year Council diverted 40 percent of the region's waste from landfill, a five percent improvement from our 35 percent baseline measure in 2013-14. This is well on the way to the 55 percent reduction target by 2025 set within the Sunshine Coast Waste Strategy 2015-2025.

Council provided domestic kerbside waste and recycling collection services to 132,143 premises across the region, equating to approximately 10.6 million waste bin collections over the year. Council achieved a 'waste services collected on schedule' rate of 99 percent, with the remaining collections commonly addressed within 24 hours.

Road reseal rehabilitation program

Council is committed to providing and maintaining local roads across the region. The road reseal rehabilitation program delivers works to provide new roads capable of many years of performance, and to restore existing roads to a safe and serviceable condition.

Through this program, Council manages 2446 kilometres of sealed road network using best practice asset management. Over the year 54 kilometres of roads were resurfaced and/or rehabilitated, requiring 47,000 tonnes of asphalt costing a total of \$19.7 million. Significant works occurred on the following roads:

- Coonowrin Street, Battery Hill
- Valdora Road, Valdora
- Maud Street, Maroochydore
- Wisers Road, Buderim
- Coonowrin Road, Glass House Mountains
- The Esplanade, Caloundra.



More than
1.4 million
visitors to
our local libraries





10.6 million
domestic waste bins collected 99% on time

Smart Cities initiatives

Council continues to focus on initiatives that connect people to information and services that improve quality of life, stimulate economic growth and ensure sustainability.

Data-driven intelligence systems developed and deployed throughout the region include:

- smart data Wi-Fi points
- smart irrigation
- connected LED lighting
- public waste bin sensors
- the Smart Regional Management Platform.

This year Council has invested \$4 million in 6.5 kilometres of vacuum pipeline for Australia's first high-tech automated waste collection system beneath the Maroochydore city centre site. This technology will alleviate the future need for waste bins and garbage trucks within the city centre – utilising sensors to provide cost effective and timely waste services.

Council's Smart Centre continues to attract interest, with more than 600 visitors throughout the year including international delegations, professional bodies, students and the South East Queensland Council of Mayors.

Local laws review

In line with Queensland legislation and statutory obligations, Council commenced the first stage of a local laws review process to ensure we remain responsive to the community and environmental needs of the region.

Local government reform

Council has a strong governance framework that has been further enhanced by implementing a new Councillor Complaints process and new Code of Conduct for Councillors to ensure compliance with the Queensland Government's legislative amendments to the Local Government Act 2009 and Local Government Regulation 2012.

Customer Experience Management Program

Council established a Customer Experience Management Program underpinned by specialised customer relationship management software. It will empower our workforce to deliver positive experiences for our customers and great service to the community. This program will continue into the future to drive service excellence delivery.

Focusing on people, process and technology, the program will aid continual improvement across the organisation and greater value for money.

The relationship management component of the program will provide a customer-first approach that enables a '360 degree' view of the customer and all of their interactions with Council. This will help Council place the customer at the centre of our business to generate a more consistent, co-ordinated, positive customer experience.

Development.i

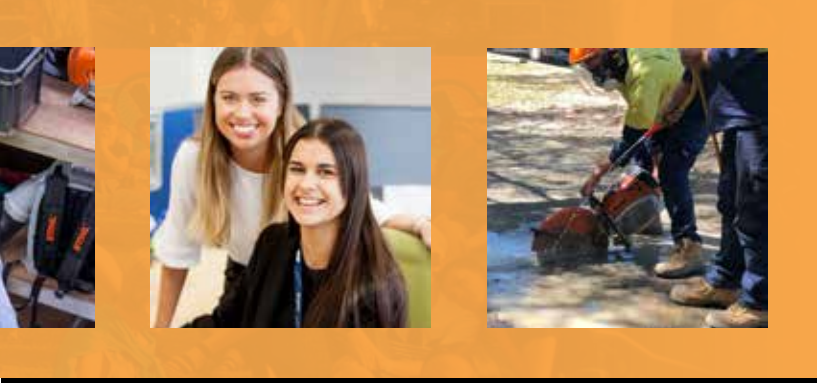
Council launched an Australian-first development application tracking system that provides the community simple and intuitive access to development information.

Development.i lets users navigate, visualise, track and be alerted to development applications in their street, suburb, division or across the region. It empowers the community to be informed on development that is proposed or planned around them.





DEVELOPMENT.i



'Development.i is by far and away one of the best community planning and development engagement tools I have ever seen. A genuine game-changer and just what the Queensland planning system needs.'

Luke Hannan
Manager Planning, Development and Environment at Local Government Association of Queensland

An outstanding organisation

To ensure we continue to be high-performing, innovative and customer-focused organisation marked by great people, good governance and regional leadership, Council focusses on the performance pathways of:

- a collaborative workplace culture with engaged, energised and skilled people professionally ready for the future
- investment in core capabilities and opportunities for staff to lead, learn and grow
- strong and accountable leadership enabling Councillors, individuals and teams to be their best
- collaborative, proactive partnerships with community, business and government
- a reputation for implementing innovative and creative solutions for future service delivery
- information, systems and process underpin quality decisions and enhance the customer experience.



109% of
Council electricity
consumption offset by
solar farm

2018-19 Goal measures

Measure	Target	2018-19 result
Reduction in time lost due to workplace injuries (per employee)	-5%	-6.90%
Operating surplus ratio (extent to which operating revenues cover operating expenses)	Between 0% and 10%	3%*
Asset sustainability ratio (extent to which spending on Council infrastructure is allocated to existing assets as they reach the end of their useful lives)	Greater than 90%	72.5%*
Net financial liabilities ratio (extent to which Council relies on operating revenues to pay liabilities)	Not greater than 60%	61.5%*

*Refer to section 4 financial information

Highlights for 2018-19

Strong financial management

Sunshine Coast Council received an unmodified audit opinion from Queensland Audit Office for its 2018-19 financial statements. This is Council's 11th consecutive clean audit since formation in 2008 and illustrates the continued commitment Council has to presenting information that gives a true and fair view of Council's financial position, performance and cash flows, and complies with the Australian Accounting Standards and relevant legislation.

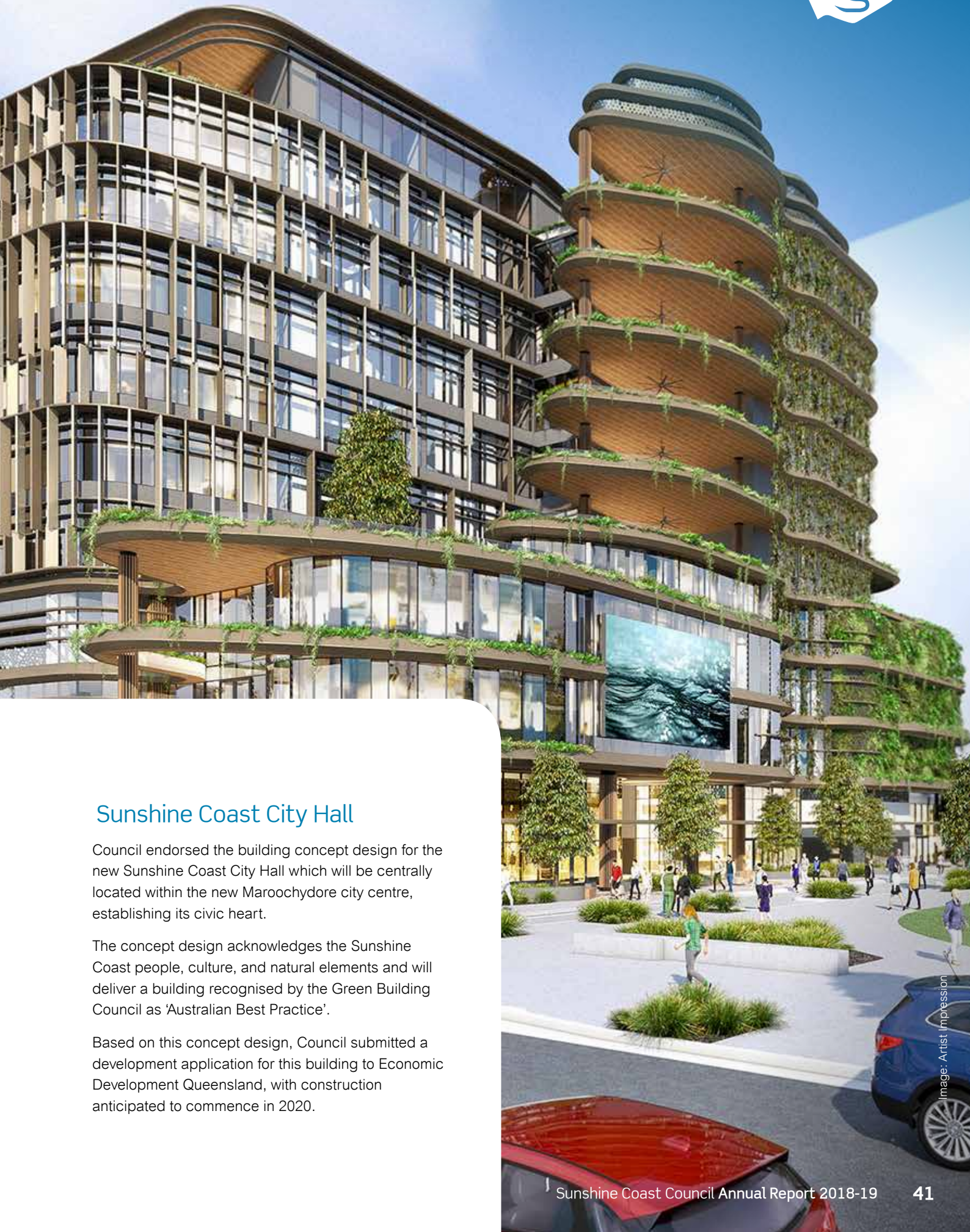
The Sunshine Coast region has experienced significant growth over recent years, this has resulted in an increased investment in new assets including \$85 million contributed from development during 2018-19. This reduces the collective age of Council's assets, thus lowering the ratio

of current expenditure on renewal of assets. This is in accordance with our asset management plans.

Council has a robust financial management system that includes responsibly utilising debt, leveraging the loan conditions from the Queensland Treasury Corporation to fund large infrastructure projects. At the same time, Council enjoys revenues from the loan conditions it applies on the money it has lent to Unitywater. The net financial liability ratio is expected to remain above target during the construction phase of the Sunshine Coast Airport runway, however will return to within target once the final project payment is received from Palisade Investment Partners.

The annual budget provides a ten year outlook that clearly illustrates the impacts on financial ratios and provides the basis of strong long term financial management.

11th consecutive
unmodified audit result



Sunshine Coast City Hall

Council endorsed the building concept design for the new Sunshine Coast City Hall which will be centrally located within the new Maroochydore city centre, establishing its civic heart.

The concept design acknowledges the Sunshine Coast people, culture, and natural elements and will deliver a building recognised by the Green Building Council as 'Australian Best Practice'.

Based on this concept design, Council submitted a development application for this building to Economic Development Queensland, with construction anticipated to commence in 2020.

Strategic asset management

With more than 320,000 assets with an approximate value exceeding \$5 billion, strategic asset management is a key contributor to delivering excellent service to our community. Council commenced a staged rolled out of the CONFIRM asset management solution in February 2019.

CONFIRM provides contemporary systems and processes with revolutionary streamlining software that enables improved work order management, job scheduling, and asset condition assessment along with associated asset finance accounting in one centralised program.

Council Budget

Supporting inclusive and vibrant communities, valuing our natural assets and embracing opportunities emerging in our smart economy are the cornerstones of Sunshine Coast Council's \$848 million budget for 2019-20 adopted in June 2019.

The budget includes a capital works program of \$320 million and enables Council to continue to deliver high quality services to our communities as well as invest in region shaping projects that provide opportunities for the community today and well into the future.

Regional Partnership Agreement with the University of the Sunshine Coast (USC)

This partnership continues to facilitate collaboration and research between Council and USC on the social, economic and environmental interests of the region. Two significant projects were initiated this year:

- Excellence in Community Engagement – to determine global best practice community engagement and participation models that increase local capacity to help address complex problems.
- Valuing the Sunshine Coast's Natural Assets – a research project to determine the economic value of the Sunshine Coast's natural assets which will be crucial to inform future development decisions.

Delegations management

Council continued its focus on innovation in governance, developing the delegation awareness program. This initiative simplifies and assures currency of delegations and provides transparency and confidence for Council in its decision making. Outcomes for good governance include better evidentiary trails, assisting complaints management and improved consistency and compliance.

peopleHUB

Council developed the peopleHUB technology platform that amalgamates seven existing IT systems into a one-stop shop for human resource management.

It will empower, connect and grow employees, and enable more efficient, more effective people management.

2019 Employee Engagement Survey

The 2019 Employee Engagement Survey tested the level of connection, motivation and commitment of our employees. A total of 1510 responses from across the organisation was received, representing an 85 percent participation rate.

It is widely recognised that when you increase employee engagement, you positively impact performance, innovation, customer service, retention and reduction in safety incidents.

Improving our employees' experience creates a great place to work and has a proven impact on our organisational performance.

SCC Workplaces

Having the right people, providing the right services from the right location, while delivering value for money for our ratepayers is integral to preparing our organisation for future growth.

SCC Workplaces was launched to plan and coordinate the transformation of our workplaces and the way we work. This includes the Sunshine Coast City Hall construction, depot asset management and the Workplaces Location Strategy.





AWARDS



Sunshine Coast Council
recognised with
17 Awards





Awards

Sunshine Coast Council has been recognised across the state, nation and internationally with awards including:

- Sunshine Coast is the only location in the southern hemisphere named as one of the worlds **Top7 Intelligent Communities** for 2019, after earlier being named a Smart21 Community for the fifth time.
- Council won three awards at the 2018 National Economic Development Awards for Excellence: **Investment roadshow**; **Investment campaign**; and **Economic leadership by elected member**.
- The Horizon Festival gained industry recognition at the Australian Event Awards 2018 for **Best Achievement in Marketing, Communication or Sponsorship**.
- The Bankfoot House Preservation Housekeeping Project received the **Sustainability Award** in the Gallery and Museum Achievement Awards 2018 – under the organisation with paid staff category.
- The Bankfoot House Heritage Precinct Exhibition Project received a **Highly Commended** recognition in the Museum and Galleries National Awards 2019 in the permanent exhibition or gallery fitout category.
- The Solar Farm project won the **Excellence in Sustainability Award** at the Local Government Managers Australia (Queensland), Awards for Excellence.
- The Maroochy Groyne Field Renewal project won the annual **Coastal Award** from the Australian Coastal Councils Association Inc.
- Council's Customer Response Branch won the biannual **Queensland Pest Animal Team Award** from the Weed Society of Qld.
- Winner of three Smart Cities Council categories: **Regional Leadership Award** for the Sunshine Coast Solar Farm; **Leadership City Award** for the Smart City Implementation Platform; **Government Leader Award** for the Smart City Implementation Plan.
- Council was successful in receiving the Municipal Association of Victoria's **Smart City Achievement of the Year Award** for the 3D modelling for Maroochydhore city centre.
- Development.i web platform won two awards at the Queensland iAwards, in the categories of **Public Sector & Government and Data Insights Innovation of the Year**.
- Council's Making Governance Innovative initiative won the **Innovation Award 2019** in the Local Government Managers Australia (Qld) Awards for Excellence.



Annual disclosures



Corporate governance

Sunshine Coast Council continued to be a responsible local government. It operated in accordance with legislation with a focus on ensuring ethical business activities and relationships between Councillors, senior management, employees, the community, government departments, business clients and other key stakeholders.

Council prides itself on its ethical and robust governance culture achieved through its governance framework. This enhances organisational performance, whilst monitoring and maintaining compliance with legislative and other controls.

The framework, in conjunction with the Governance in Action Program, focuses on:

- building awareness of organisational responsibilities and accountabilities
- strong financial stewardship and fiscal responsibility
- monitoring and maintaining compliance with legislation, policy, standards and controls
- integral practices, procedures and ethical decision making with continuous improvement activities and transparent reporting
- involving the community as a key stakeholder in decision making and consultation opportunities.

Council is committed to ensuring community and customer expectations are met and strives to continually strengthen our capabilities, accountability, transparency and leadership to ensure and maintain ongoing confidence in the integrity and effectiveness of Council.

Risk management

Risk management is the identification, assessment and prioritisation of risks. It also includes the steps taken to minimise such risks. Risk management is the responsibility and duty of everyone at Council. It is not a stand-alone function and it is embedded in Council's core business processes.

Council has a Risk Management Policy, Risk Management Guideline and Risk Management Framework to assist in identifying risks and opportunities in all aspects of Council operations. The policy and framework are based on AS/NZS ISO 31000:2009 which is an international standard for risk management.

The following three risk types are regularly reviewed, monitored and reported.

Strategic risks:

- Council receives a quarterly report at the confidential session of the Ordinary Meeting
- the Audit Committee receives a risk report each meeting.

Operational risks:

- the Audit Committee receives information on strategic risks and all operational risks that exceed the set risk tolerance
- management monitor their risks each quarter and report any actions or changes.

Project risks:

- Governance committees oversee large projects monitor project risks.

Audit Committee

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

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

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

- Mr Peter Dowling AM (Independent Chair)
- Mr Len Scanlan (Independent Member)
- Cr Tim Dwyer
- Cr Christian Dickson.

The Audit Committee also:

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

Audit and Assurance

Audit and Assurance activities were conducted in accordance with best practice principles, including guidance issued by the Institute of Internal Auditors. Activities for the period July 2018 to June 2019 included:

- revenue and expenditure systems
- rate charges and environment levy
- bonds and guarantees
- overtime and allowances
- payment processes and procurement
- the provision of advice and assistance to Council officers.

Councillor remuneration

Sunshine Coast Council Mayor and Councillors were remunerated in accordance with section 247 of the *Local Government Regulation 2012*.

The table below sets out the remuneration paid to Sunshine Coast Councillors for the period 1 July 2018 to 30 June 2019.

Councillor remuneration and superannuation

Councillor	Salary	Employer Superannuation
Mayor Mark Jamieson	\$223,821	\$26,836
Cr Rick Baberowski	\$135,891	\$16,293
Cr Tim Dwyer (Deputy Mayor)	\$155,075	\$18,593
Cr Peter Cox	\$135,891	\$16,293
Cr John Connolly	\$135,891	\$16,293
Cr Jenny McKay	\$135,891	\$16,293
Cr Christian Dickson	\$135,891	\$16,293
Cr Ted Hungerford	\$135,891	\$16,293
Cr Jason O'Pray	\$135,891	\$16,293
Cr Stephen Robinson	\$135,891	\$16,293
Cr Greg Rogerson	\$135,891	\$16,293



Councillor expenses and facilities

Pursuant to section 250 of the *Local Government Regulation 2012*, the Councillors' Expenses Reimbursement and Provision of Facilities policy provides for the payment of reasonable expenses incurred, or to be incurred, by Councillors in undertaking Council business. The policy also outlines the facilities to be provided to Councillors to assist them carry out their duties efficiently and effectively, and at a level that fulfils community expectations.

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

The following table shows the total expenses incurred by Councillors under the policy in the 2018-19 financial year.

Councillor expenses

All Councillors' expenditure for the year was within budget and included a 2018-19 allocation plus unspent monies carried forward from the previous year.

Councillor	Expenses*
Mayor Mark Jamieson	\$1662
Cr Rick Baberowski	\$4965
Cr Tim Dwyer (Deputy Mayor)	\$5986
Cr Peter Cox	\$1204
Cr John Connolly	\$5792
Cr Jenny McKay	\$7104
Cr Christian Dickson	\$2988
Cr Ted Hungerford	\$3611
Cr Jason O'Pray	\$4637
Cr Stephen Robinson	\$1439
Cr Greg Rogerson	\$4725

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

- administrative support
- office accommodation at one of three Council owned or leased premises as well as access to meeting rooms
- business and communication tools
- mobile devices*
- vehicle#

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



* Personal use costs are recognised, in principle, as equal to 5 percent of call and data charges.

With the exception of the Mayor, Councillors reimburse to Council 5 percent of their average call and data costs.

The Mayor is provided with a Council-owned vehicle for Council business. Councillors are entitled to be provided with a Council vehicle for Council business, with access to private use of that vehicle subject to reimbursement to Council for expenses associated with private use. Councillors may enter into an alternative arrangement in lieu of the provision of a Council vehicle at the discretion of the CEO. Such arrangement equates to no more than the value of the general vehicle entitlement.

Councillor meeting attendance

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

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

	Ordinary Meetings*	Special Meetings*	Strategy and Policy Forum**
Meetings held:	12	6	11
Mayor Jamieson	12	6	7
Cr Baberowski	12	6	10
Cr Dwyer (Deputy Mayor)	11	5	10
Cr Cox	11	6	8
Cr Connolly	12	6	10
Cr McKay	12	5	10
Cr Dickson	11	6	9
Cr Hungerford	10	5	10
Cr O'Pray	12	6	10
Cr Robinson	12	6	11
Cr Rogerson	12	6	10

* All Councillors are required to attend Ordinary and Special meetings.

** There is no statutory obligation to attend Strategic Discussion Forums.

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



Conduct and performance of Councillors

The *Local Government Act 2009* (the Act) sets out the roles, responsibilities and obligations of Councillors.

In accordance with reporting requirements, the table below documents actions and outcomes relating to the conduct and performance of Councillors for the period of 1 July 2018 to 2 December 2018.

The second table below reports matters relating to the conduct of Councillors from 3 December 2018, reflecting the changes made to the Act from that date.

Conduct and performance of Councillors - 1 July 2018 to 2 December 2018:	
Orders and recommendations made under section 180(2) or (4) of the Act	Nil
Orders made under section 181 of the Act	1
The name of each Councillor for whom an order or recommendation was made under Section 180 of the Act or an order was made under Section 181 of the Act	Cr Dwyer Cr Rogerson
A description of the misconduct or inappropriate conduct engaged in by each of the Councillors	Cr Dwyer - inappropriate conduct - being a failure to comply with Council procedures. Cr Dwyer failed to comply with the Councillor Code of Conduct when he responded to an email from a member of the public. Cr Rogerson – misconduct - conduct constituted a breach of trust placed in him as a Councillor and/or his conduct did not comply with the local government principle being 'legal and ethical behaviour of councillors'. Cr Rogerson obtained the private telephone number of a member of the public from an official database of council and used that private telephone number to contact the owner.
A summary of the order or recommendation made for each Councillor	Cr Dwyer – Pursuant to section 181(2)(a) and (b) of the Act: (a) an order reprimanding Councillor Dwyer for the inappropriate conduct, that being a failure to comply with Council procedures, namely the Council's Code of Conduct and (b) an order that any repeat of the inappropriate conduct in contravention of the Council's Code of Conduct be referred to a Regional Conduct Review Panel as misconduct. Cr Rogerson – The Tribunal made two orders that it considered appropriate in view of the particular circumstance relating to the misconduct, namely: 1. The first Order being under s.180(5)(j) of the Act, namely that Councillor Greg Rogerson make an admission of error at the next Ordinary meeting of the local government being the Sunshine Coast Regional Council held within one month of the receipt of the decision; and 2. The second order being under s180(5)(j) of the Act, namely that Councillor Greg Rogerson pay to the local government, namely the Sunshine Coast Regional Council, the amount of two hundred and fifty dollars, \$250.00, being an amount of not more than the monetary value of 50 penalty units and that this amount be paid to the local government on or before Thursday, 20 December 2018.
Complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act	1

Conduct and performance of Councillors - 1 July 2018 to 2 December 2018 *continued*:

Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act	3
Complaints referred to the Mayor under section 176C(3)(a)(ii) or (b)(i) of the Act	1
Complaints referred to the department's chief executive under section 176C(4)(a) of the Act	1
Complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act	Nil
Complaints heard by a regional conduct review panel	Nil
Complaints heard by the tribunal	1
Complaints to which section 176C(6) of the Act applied	Nil

Conduct and performance of Councillors - 3 December 2018 to 30 June 2019:

Orders made under section 150I(2) of the Act	Nil
Orders made under section 150AH(1) of the Act	Nil
Decisions, orders and recommendations made under section 150AR(1) of the Act	Nil
The name of each Councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made	Nil
A description of unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors	Nil
A summary of the decision, order or recommendation made for each Councillor	Nil
Complaints referred to the assessor under section 150P(2)(a) of the Act by the local government entities for local government	5
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	Nil
Notices given under section 150R(2) of the Act	Nil
Notices given under section 150S(2) of the Act	Nil
Decisions made under section 150W(a), (b) and (d) of the Act	Nil
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act	Nil
Occasions information was given under section 150AF(4)(a) of the Act	Nil
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a Councillor	Nil
Applications heard by the conduct tribunal about the alleged misconduct of a Councillor	Nil

Remuneration packages to senior management

In 2018-19 Council's senior executive management, comprising direct reports to the CEO and those with senior management responsibilities, consisted of:

- Chief Executive Officer
- Five Group Executives
- Executive Manager
- Portfolio Director Major Projects
- Chief Strategy Officer
- Chief of Staff

Total remuneration for these positions (including all vehicles) from 1 July 2018 to 30 June 2019 was \$2,812,273.

Senior Executive Management	Total remuneration value range
4	\$175,000 to \$275,000
5	\$275,001 to \$375,000
1	\$375,001 to \$475,000

Public sector ethics

Code of Conduct

Council has an Employee Code of Conduct based on the four ethical principles outlined in the *Public Sector Ethics Act 1994*. It is a public statement by Council of our commitment to leading the way in all that we do, supported by openness, transparency and accountability. All employees have been provided with a copy of the Code of Conduct and new employees receive a copy of the Code of Conduct and attend compulsory training as part of Council's employee induction program.

Education and training

During the 2018-19 financial year a total of 657 employees attended governance awareness training sessions delivered across the organisation.

Council's governance awareness program highlights the role all Council employees have in maintaining the reputation and high standards of Council and the importance of working together to build a culture of ethical practice, openness and integrity. It includes training on Code of Conduct, Public Sector Ethics, Delegations, Good Decision Making, Privacy, Right to Information, Conflicts of Interest and Authorised Persons.

The effective and equitable implementation and administration of Council's governance awareness program relies on the commitment, skills and professionalism of all Council employees and this is reinforced with regular education and awareness programs. Council will continue to deliver education and awareness sessions to all employees as part of Council's commitment to the highest standards as a public sector leader.

Procedures and practices of public sector entities

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



Registers

Council keeps a number of registers. These include:

- Asbestos register
- Asset register
- Business activities to which national competition policy applies
- Contract register
- Councillor conduct register
- Delegations register
- Development.i
- Environmentally relevant activity licence register
- Financial asset register
- Gifts and disclosures register
- Local law register
- Registers of pre-qualified suppliers
- Registered animal register
- Register of beneficial enterprises
- Register of cost recovery fees and commercial charges 2018-19
- Register of interests
- Regulated dog register
- Roads assets layer.

Beneficial enterprises

Council participated in beneficial enterprises with the following entities during the 2018-19 financial year:

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

National Competition Policy

Council conducted the following business activities during the 2018-19 financial year:

- Waste and Resource Management
- Sunshine Coast Holiday Parks
- Quarries.

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

Note: No investigation notices were issued in 2018-19 by the Queensland Competition Authority for competitive neutrality complaints.

Administrative action complaints

Council's Administrative Action Complaints Management Process is made available to the public and staff via Council's external website.

Council is committed to dealing with complaints fairly, confidentially, promptly and in a respectful manner.

During 2018-19, Council received 65 administrative action complaints; 58 were resolved prior to the end of the financial year and the remaining seven were resolved within the first quarter of 2019-20.

There were zero administrative action complaints that were made in a previous financial year not resolved for the 2018-19 year.



Summary of concessions for rates and charges

Council grants a range of rates and charges concessions. In accordance with section 190(g) of the *Local Government Regulation 2012*, a description of all concession types for rates and charges, along with how the concession is calculated is detailed below.

Differential general rate concession

Council grants a general rates concession to land identified in section 120(1)(b) of the *Local Government Regulation 2012* to the extent Council is satisfied the land is owned by an entity whose objectives do not include making a profit, or an entity that provides assistance or encouragement for arts or cultural development, and the entity meets the specific criteria detailed in the 2018-19 Revenue Statement.

Deferral of differential general rate

In accordance with section 121 of the *Local Government Regulation 2012*, Council will allow deferment of up to 50 percent of the differential general rate to assist eligible pensioner ratepayers residing in their principal place of residence. The deferment is subject to the ratepayer meeting the eligibility criteria detailed in the 2018-19 Revenue Statement.

Rates and charges debt concession

In accordance with section 120 of the *Local Government Regulation 2012*, a concession by way of an agreement to defer payment, for a period of up to 12 months, for rates and charges, may be granted to property owners that satisfy Council that payment of rates and charges for their principal place of residence will cause them hardship. The concession is granted subject to the ratepayers meeting the eligibility criteria detailed in the 2018-19 Revenue Statement.

Pensioner rate concession

In accordance with section 120 of the *Local Government Regulation 2012*, Council grants a pensioner rate concession to property owners who are in receipt of either a part or full pension who meet the eligibility criteria detailed in the Queensland Government's Rate Subsidy Scheme and the additional criteria in the 2018-19 Revenue Statement. The concession is a maximum of 25 percent of the differential general rate up to the maximum amounts detailed in the table below:

Method of calculation of concession – per property

Pension rate	Sole title to the property	Joint title to the property
Maximum level of pension	\$230 pa maximum	\$180 pa maximum
Not maximum level of pension	\$115 pa maximum	\$65 pa maximum

Service, facility or activity

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

- (i) supplied by another local government under an agreement for conducting a joint government activity; and
- (ii) for which the local government levied special rates or charges for the financial year.

Changes to tenders

Item No.	Contract No.	Contract title	Details of changes
1	ITT182	Construction of Amenities Block at Cotton Tree Holiday Park	Changes made to the scope to include demolition works and revise delivery timeframe.
2	ITT184	Supply and Installation of Container Kitchen and Amenities Building – Sunshine Coast Stadium	Changes made to the scope to remove specific items from civil and structural drawings and revise concrete and electrical services.
3	ITT183	Forecourt Refurbishment – Council Chambers Nambour	Changes made to refine and clarify scope of works.
4	ITT186	Flood Mitigation Levee Construction – Marcoola	Revised specification issued prior to best and final offers.
5	ITT1689	Servicing and Maintenance of Leachate and Sewerage Pumps	Changes made to the scope for Separable Portion A.
6	ITT1821	Traffic Calming and Associated Streetscape Upgrades Farrell Street, Yandina	Amendments made to the civil and landscape design and proposed start date.
7	ITT1844	Design and Construct – SCIBN Beach Manhole and Horizontal Directional Drilling	Changes made to the scope relating to conduits and pits.
8	ITT1870	Construction of Bio-basin Buderim Resource Recovery Centre	Changes made to the scope of works to remove Works Package B – Green Waste Hardstand.



Overseas travel

The following table provides details of travel made in an official capacity during the financial year by Councillors and Council officers.

Attendee	Destination	Purpose	Month	Cost (\$)
Chief Executive Officer, Michael Whittaker	Europe Destinations: Copenhagen Denmark, Barcelona Spain, London USA Destinations: Miami, Philadelphia, Los Angeles	To be Council's representative on the LGAQ Zero Waste Study Tour.	August/ September	24,900
Chief Executive Officer, Michael Whittaker	Singapore	To attend Developing and Driving Strategic Innovation Program at National University of Singapore.	September	3465
Group Executive Economic & Community Development, Greg Laverty	Singapore	To attend the Submarine Networks conference and attend investor meetings.	September	6802
Head of Economic Development, Paul Martins	Singapore	To attend the Submarine Networks conference and attend investor meetings.	September	8363
Industry Investment Facilitator, Kerriane Haggie	Seoul, South Korea	To attend and present at International Conference on Leisure Sport Industry and participate in Korea Leisure Sport Festival.	October	1063
Chief Innovation Officer, Scott Bourke	San Francisco, USA	Meeting of the Minds (MoTM) Conference.	November	4253
Manager Business and Innovation, Paul Skillen	San Francisco, USA	Meeting of the Minds (MoTM) Conference.	November	3650
Group Executive Economic & Community Development, Greg Laverty	Hawaii, USA	Pacific Telecommunications Council Annual Conference.	January	6286

Attendee	Destination	Purpose	Month	Cost (\$)
Councillor, Tim Dwyer	Denver, Boulder Colorado, USA	To attend business, government and academic meetings and site visits.	March	6319
Head of Industry Advancement, Anne Lawrence	Denver, Boulder Colorado, USA	To attend business, government and academic meetings and site visits.	March	4648
Group Executive Economic & Community Development, Greg Laverty	Paris, France	ASN Factory Visit and RTI-C joint strategy session -Sunshine Coast International Broadband Network.	March	3955
Customer Service & IT Delivery Manager, Mark Reynolds	Paris/Calais, France	ASN Factory Visit and RTI-C joint strategy session - Sunshine Coast International Broadband Network.	March	4252
Mayor	New York, USA	To attend and participate as finalists in the 2019 Intelligent Communities Forum Global Summit (the Summit) on 12-13 June 2019 in New York City. ICF Top 7 series of events, activities and commitments.	June	17,082
Chief of Staff, Craig Matheson	New York, USA	To attend and participate as finalists in the 2019 Intelligent Communities Forum Global Summit (the Summit) on 12-13 June 2019 in New York City. ICF Top 7 series of events, activities and commitments.	June	5422



Grants to community organisations

Mayoral and Councillor discretionary funding program

Successful recipients of Mayoral and Councillor Discretionary Funding for 2018-19:

Mayor Jamieson: Total 2018-19 Allocation \$100,000 (+ \$50,047 carryover from 2017-18)

Applicant	Purpose	Month allocated	Amount (\$)
Sunshine Coast NAIDOC Committee	Sunshine Coast NAIDOC Family Fun Day 2018	July	500
Jade's Legacy	Website creation	July	1000
Queensland Veterans Cricket Inc	2018 National Over 70's Cricket Championships	July	1500
Coolum Cricket Club	Completion of sight screens	August	5000
endED	Purchase of 12 seater bus	August	14,000
endED	Episode of documentary series on eating disorders	August	10,000
Coolum Men's Shed Inc	Repairs to old Coolum Community Centre	August	20,000
FESTURI – A Multicultural Celebration Inc	2018 Festuri Festival	September	1760
Buddies Refugee Support Group	Walk Together	September	1998
SunnyKids	Mentoring Through Sport – Beerwah State High School	September	5000
Caloundra Basketball Association	Grass Roots Basketball	September	1250
Landsborough Cricket Club	Hessian for wicket maintenance	September	455
QSEC Social Enterprise Network Sunshine Coast	Social Enterprise Regional Forum	September	5000
Nambour Alliance	Reimagine Nambour	November	25,000
Sunshine Statesmen Barbershop Chorus	Annual concert	November	470
Rotary Club of Eumundi	Eumundi Rotary Long Lunch	November	250



Mayor Jamieson: Continued

Applicant	Purpose	Month allocated	Amount (\$)
Sunshine Coast & Gympie Rugby League Referees Association	Referee development day	December	1000
Dzogchen Community of Namgyalgar Inc	Khaita Tibetan Annual Festival	January	2500
The Original Eumundi Markets	40 th Anniversary Celebrations	February	2000
Nambour Wildcats Soccer Club	Goal posts for new Nambour location	March	5000
DVConnect	DVConnect Gala Ball	March	1000
Enactus USC	Rahila's Tour	March	258
Kenilworth Chamber of Commerce & Citizens Inc	2019 Kenilworth Food Fest	April	2000
Knitfest Inc	Free buses for Park 'n Ride and festival precinct	April	1650
Kenilworth Hall, Show & Recreation Grounds Inc	Kenilworth Show and Rodeo evening entertainment	June	2500
Buderim Men's Shed	Relocation of garden shed	June	5000
Sunshine Coast Reconciliation Group	Aunty Betty Memorial Reconciliation Walk	June	1300
I Give a Buck Foundation of Australia Ltd	Grounds Preparation for Hoofbeats Program	June	2500
FESTURI – A Multicultural Celebration Inc	20 th Annual Festuri Festival	June	2500
Coolum Colts Junior Rugby League	Glynn Rees City Country Cultural Exchange	June	2495



Division 1 Cr Baberowski: Total 2018-19 Allocation \$70,000 (+\$19,975 carryover from 2017-18)

Applicant	Purpose	Month allocated	Amount (\$)
Queensland Blue Light Association – Caloundra Branch	Enhancing Beerwah Blue Light events	August	600
Peachester History Committee	Design and setup interpretative displays for heritage collection	October	20,000
Landsborough School of Arts Memorial Hall Association	Glasshouse Country Community Carols	November	10,000
Queensland Country Womens Association Beerwah	Beerwah tower green promotional material	March	444
Friends Regional Gallery Caloundra Inc	Galaxy of the Suns	June	10,000
Morris House Neighbourhood Centre	Professional fees relating to restumping	June	462
Celebrate Glasshouse Country Inc	2019 Glasshouse Country Street Party – screen and production	June	7315
Landsborough Tennis Club	Repair of tennis court lighting	June	1600

Division 2 Cr Dwyer: Total 2018-19 Allocation \$57,000 (+\$78 carryover from 2017-18)

Applicant	Purpose	Month allocated	Amount (\$)
Australasian Scooter Association	Australian Scooter Competition Third Qualifier 2018	July	300
Pastel Society of Australia	Australian Pastel Exposition 2018	July	2500
Rotary Club of Caloundra	2018 Teddy Bear's Picnic	July	1250
Sunshine Coast Sports Hall of Fame	2018 Sports Hall of Fame Induction Ceremony	August	1500
Queensland Blue Light Association – Caloundra Branch	Enhancing Blue Light events	August	2400
Caloundra City Boxing Association	Boxing Tournament	August	1000
Caloundra Tennis Association	Tennis Gala Weekend	August	4546
Caloundra Rugby Union Club	Sunshine Coast Rugby Union Grand Finals	August	3000
Sunshine Coast Film Festivals Ltd	2018 Caloundra Film Festival	August	32,500
Caloundra Basketball Association	Grass Roots Basketball	August	1000
Caloundra RSL Sub Branch	Resolve Fitness Seniors Fitness Class	September	2000
Caloundra Basketball Association	Grass Roots Basketball	September	250
Suncoast Spinners Wheelchair Basketball Inc	2019 Tournament	September	1000
St Vincent de Paul Society	Purchase of equipment for Caloundra Vinnies	September	760
Golden Beach Progress Association Inc	Community Forum	February	272
Salty Souls Legacy	Standing Tall Teens Surf Program	February	300
Sunshine Coast Dance Eisteddfod	Community impact survey	May	2500

Division 3 Cr Cox: Total 2018-19 Allocation \$30,000 (+\$240 return of grant funds from 2017-18 Allocation)

Applicant	Purpose	Month allocated	Amount (\$)
Currimundi United Football Club	Internal club renovation	July	1823
Kawana Chamber of Commerce	Sports Hub update/Q&A	August	500
Friends of Sunshine Coast Cheerleading	Dance mirrors for the athletes at Sunshine Coast Cheerleading	August	1650
SunnyKids	Mentoring Through Sport – Kawana	September	5000
STEPS Charity Ltd	5 th Annual Treehouse Christmas Party	November	500
Caloundra Chamber of Commerce & Industry	Currimundi Lake Twilight Market	January	4000
WindanSea Boardriders Club Inc	Thematic and spacial analysis proposal for club house upgrade	February	3250
endED	endED Main Event	March	3500
DVConnect	DVConnect Gala Ball	March	3500
Gateway Care Ltd	Café equipment upgrade	March	3000
Sunshine Coast Indoor Rowing Club	2019 Qld Indoor Rowing Championships	March	650
Wishlist – Sunshine Coast Health Foundation	Wishlist Fun Run 2019	March	550
Kawana Senior Rugby League Football Club	First Kawana Seniors Women's Side	April	500
Currimundi United Football Club	Beyond Blue – Support for Anxiety and Depression Awareness Day	May	250



Division 4 Cr Connolly: Total 2018-19 Allocation \$100,000 (+\$4,559 carryover from 2017-18)

Applicant	Purpose	Month allocated	Amount (\$)
Sunshine Coast Yacht Club	Sunshine Coast Regatta 2018	July	3000
The Invincibles Sunshine Coast Junior Golf Tour	2019 Awards Dinner	July	3000
Queensland Veterans Cricket Inc	2018 National Over 70's Cricket Championships	July	2000
Mooloolaba Bowls Club	Concrete Slab for Waste and Recycle Bins	July	3500
Daniel Morcombe Foundation	Walk for Daniel	August	1000
Surf Life Saving Queensland	Konzii Iron Challenge	August	2500
Scouts Queensland – Kawana Branch	Camping Equipment	August	4875
Kawana Waters Surf Life Saving Club	2018 Carols by the Beach	August	4500
Kawana Waters RSL Sub Branch	Kawana Waters RSL Sub Branch - ANZAC Day Improvement Project	August	4500
Mooloolaba Business and Tourism	Fairy Lights for Mooloolaba	September	5980
The Mooloolaba Yacht Club	Australian Women's Keelboat Regatta 2019 Campaign	September	2000
New World Rhythm Inc	Performance Gifts for Tour Dignitaries, Conductors and Choir	September	500
Sunshine Coast Pride Network	Sunshine Coast Rainbow Formal	September	1000
Sailability Sunshine Coast Inc	Funding for Annual Concert	September	1570
Rotary Club of Mooloolaba	Senior Citizens Christmas Party	September	1000
Rotary Club of Alexandra Headland	Rotary Surf Show and Shine	September	3000
Transfer of Funds	Allocation to Minor Operational Works Budget	September	1500
Kawana Senior Citizens Inc	Activities for Seniors in Kawana	September	3000



Division 4 Cr Connolly: Continued

Applicant	Purpose	Month allocated	Amount (\$)
Brothers Rugby Club Sunshine Coast	Purchase of Equipment	September	3200
Kawana Island Residents Association	Kawana Island Community Day	October	1069
Kawana Waters Surf Life Saving Club	Junior activities room upgrade	October	7000
SunnyKids	Mentoring Through Sport – Buddina	October	5000
Rotary Club of Mooloolaba	Rotary Walk for Mental Health	October	1000
Alexandra Headland Community Association Inc	Christmas in Alex 2018	October	2000
Alexandra Headland Surf Life Saving Club	New motor for inflatable rescue boat	November	5950
Kawana Waters RSL Sub Branch	2019 ANZAC Day Dawn Service Improvement Project	November	5540
Transfer of Funds	Allocation to minor operational works budget	November	4000
Mooloolaba Bowls Club	Ladies 2018 Fiesta Fours	December	2000
Kawana Waters Surf Life Saving Club	Cabling to Life Saving Patrol Tower	January	1045
Kawana Waters RSL Sub Branch	2019 ANZAC Day Services	March	4155
Transfer of Funds	Allocation to minor operational works budget	March	1000
Transfer of Funds	Allocation to minor operational works budget	April	1197
Sunshine Coast Agricultural Show Society Inc	Future Farms of the SC Education Through Experience	May	3637
Rotary Club of Alexandra Headland	Sunny Coast Solstice Swim	June	5000
Mooloolaba Yacht Club	SheSails Mooloolaba Winter Women's Regatta	June	1000



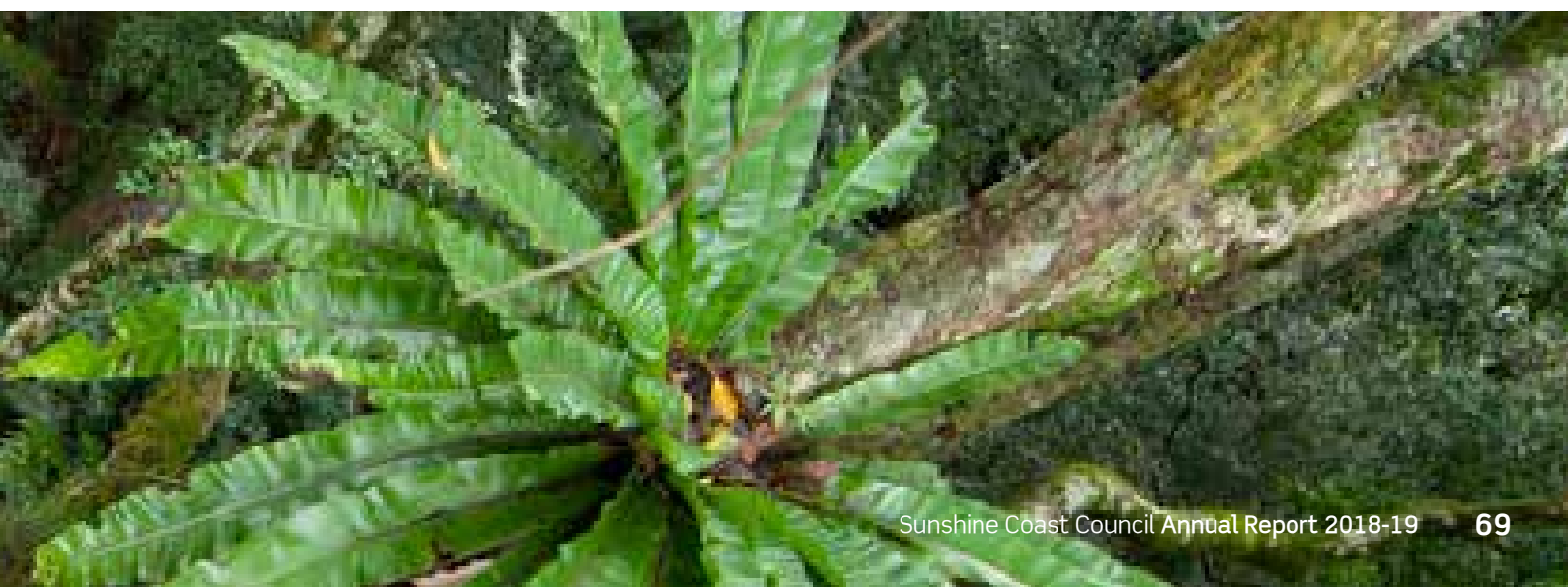
Division 5 Cr McKay: Total 2018-19 Allocation \$50,000 (+\$672 carryover and \$200 return of grant funds from 2017-18 Allocation)

Applicant	Purpose	Month allocated	Amount (\$)
Maroochy Senior Athletics Club	2018 Australian Athletics Club	July	1500
Maleny Blackall Range Lions Club	Maleny and District Welcome Dinner 2018	July	1500
Suncoast Clayworkers Association Inc	Interstate collaboration between ceramic artists	July	1500
Fusion Sunshine Coast	Moofest 2018	July	500
Barung Landcare	Plinths for Sunshine Coast Wootha Prize	July	1500
Golf Programs Australia Inc	2018 GPAI Golf Classic	July	500
Palmwoods Warriors Football Club	Support for State players	August	1000
Palmwoods Memorial Hall Association	Purchase of outdoor umbrellas for Country Market	August	520
Daniel Morcombe Foundation	Walk for Daniel	August	1000
Palmwoods Bowls Club	Palmwoods Ladies Bowls Club Fiesta	August	1000
The Compass Institute Inc	Asperger Child Sensory Workshop	August	1000
Zonta Club of Maroochy Inc	Safety brochure	September	320
FESTURI – A Multicultural Celebration Inc	2018 Festuri Festival	September	1000
Mooloolah Public Hall Association	Mooloolah Community Christmas Carols 2018	September	500
Maleny Amateur Drama Group	Architect drawings and engineer's report	September	1870
Maleny Show Society	Maleny Showgrounds sport lighting towers	October	10,000
Woombye Community and Business Association	Woombye Heritage Festival	October	3000
Maleny Neighbourhood Centre	Supporting men who are suicidal	October	1000
Combined Probus Club of Maleny Inc	Printing promotional flyers for Maleny Australia Day Expo	November	200



Division 5 Cr McKay: Continued

Applicant	Purpose	Month allocated	Amount (\$)
Maleny Amateur Drama Group Inc	Permanent seating platforms	November	1000
Palmwoods Community and Business Association	Anniversary Celebration of Opening of Piccabeen Green	December	4000
Mooloolah Valley Community Association Inc	2018 Community Christmas Party	December	500
Sunshine Valley Men's Shed	Upgrade and extension of irrigation	January	500
Palmwoods Community and Business Association	Palmwoods Soil and Soul Community Garden	January	1000
Maleny Garden Club	2018 Gardening on The Edge	January	1500
Chenrezig Institute	Family Centre upgrade – purchase of furnishings	February	1000
endED	Ground Breaking Ceremony for Butterfly House	March	1000
Lions Club of Mooloolah Valley	Welcome to Mooloolah and District Dinner	April	500
Kureelipa Public Hall Assoc.	Landscape Celebration Tour of Community Halls	April	500
Mooloolah Primary P&C Association	Mooloolah Bush Dance	April	263
Rotary Club of Maleny	Park benches for Mary Cairncross Scenic Reserve	May	2000
Maleny Cultural and Historical Society Inc	Opening of Glenferna	May	350
Chevallum State School P&C	Chevallum Strawbfest 2019	May	500
Nambour Tramway Company Ltd	Electric sugar cane press	June	1125
Maleny Blackall Range Lions Club	Name badges and caps for newly formed club	June	500
Maleny Visitor Information Centre	25 th Anniversary Celebration	June	1000
Woombye Community and Business Association Inc	New website	June	1200
FESTURI – A Multicultural Celebration Inc	20 th Annual Festuri Festival	June	2000



Division 6 Cr Dickson: Total 2018-19 Allocation \$46,500 (+\$35,249 carryover and \$311 return of grant funds from 2017-18 Allocation)

Applicant	Purpose	Month allocated	Amount (\$)
Queensland Veterans Cricket Inc	2018 National Over 70's Cricket Championships	July	1500
Daniel Morcombe Foundation	Walk for Daniel	August	1000
Sunshine Coast Pride Network	Sunshine Coast Rainbow Formal	August	250
Goodlife Community Swimming Club	Club Night Set-Up	September	500
Sunshine Coast Cricket Association	Sight screens safety requirements	October	3000
Suncoast Spinners Wheelchair Basketball Inc	2019 Wheelchair Basketball Tournament	October	6072
Buderim Men's Shed	Electric fit out for new building	October	25,000
Bamboo Projects Education Ltd	Wheelchair accessible boat offering mental health services	November	10,000
Buderim Wanderers Football Club	Sanitary plumbing and drainage	December	25,000
Sunshine Coast Contract Bridge Club	Upgrade of club facilities	March	3500
Bellflower Resort Community Gardens	Purchase of steel raised garden beds	April	800
Chancellor Park Soccer Club	Modernising point of sale in the canteen	April	1000
Bamboo Projects Education Ltd	Anti-foul paint for wheelchair accessible boat	June	1800

Division 7 Cr Hungerford: Total 2018-19 Allocation Nil

Division 8 Cr O'Pray: Total 2018-19 Allocation \$100,000 (+\$20,377 carryover and \$1232 return of grant funds from 2017-18 Allocation)

Applicant	Purpose	Month allocated	Amount (\$)
Marcoola Surf Life Saving Club	Purchase of fibreglass nipper board	July	1270
Sunshine Coast Sports Hall of Fame	2018 Sunshine Coast Sports Hall of Fame Induction Ceremony	August	1500
Jades Legacy	Frame signed jerseys to auction	August	1000
Maroochydore Surf Life Saving Club	Nipper water safety rash shirts	August	1382
Sunshine Coast Rowing Club	Purchase of lightweight boat	August	20,000
Marcoola Community Group Inc	Purchase items for market stalls	August	1873
endED	12 seater bus	August	40,000
Transfer of Funds	Allocation to minor operational works budget	August	1500
Sunshine Coast Pride Network	Sunshine Coast Rainbow Formal	August	1500
Special Olympics Sunshine Coast	New basketball uniforms	October	2000
Mark Hughes Foundation Ltd	Sholto's Hope Event	October	1500
Disabled Access Awareness Group	Camera equipment	October	400
PBF Australia Ltd	Aqua Injury Prevention Program	November	2315
Parkrun Inc	Camera for volunteer use at Mudjimba Beach Parkrun	November	450
STEPS Charity Ltd	5 th Annual Treehouse Christmas Party	November	5000
Transfer of Funds	Allocation to minor operational works budget	December	1200
Maroochy Branch Little Athletics Centre Inc	Replacement of lost discuses	December	300
Mudjimba Surf Life Saving Club	Replacement fridge	March	1697
STEPS Charity Ltd	Trek for Autism	April	1000
Rotary Club of Maroochydore	Rotary Youth Driver Awareness Program	April	500
Maroochy Branch Little Athletics Centre Inc	Purchase of collapsible hurdles	May	3150
Transfer of funds	Allocation to minor operational works budget	May	2000
Seaside Shores Community Association	Seaside Dusk Outdoor Movie Nights	June	700
Marcoola Community Group Inc	Marcoola Beach promotional gear	June	2298
Reef Clean Team Sunshine Coast	Clean up the reef systems of the Sunshine Coast	June	2000

Division 9 Cr Robinson: Total 2018-19 Allocation \$100,000 (+\$2,072 carryover from 2017-18)

Applicant	Purpose	Month allocated	Amount (\$)
SunnyKids	Mentoring Through Sport – Coolum Program	August	5000
Coolum Beach Surf Life Saving Club	Purchase training manikin and defibrillators	August	2500
Coolum Men's Shed Inc	Repairs to old Coolum Community Centre	August	11,535
Coolum Men's Shed Inc	External update to old Coolum Community Centre	August	38,386
Coolum Men's Shed Inc	Alterations to existing room for compliant toilet	September	17,796
Transfer of Funds	Allocation to minor operational works budget	December	5000
Coolum Men's Shed Inc	Installation of sink and hot water system	January	1140
Coolum Board Riders Surfing Association Inc.	Repairs to leaking club house roof	March	466
SunnyKids	Prioritised Referral Program Coolum	May	3200
Bli Bli United Football Club	Bleacher seating	June	4400
I Give a Buck Foundation of Australia Ltd	Grounds preparation for Hoofbeats Program	June	2500



Division 10 Cr Rogerson: Total 2018-19 Allocation \$100,000

Applicant	Purpose	Month allocated	Amount (\$)
Golf Programs Australia Inc	2018 GPAI Golf Classic	July	500
Nambour Community Centre	Community Halloween Circus Cabaret	August	2000
Nambour Alliance Inc	Nam Jam Busking Event	August	2500
KenilworthSwimming Pool Association Inc	First aid certificates for volunteers	August	1350
Nambour State College P&C Association	Retro Rocks Nambour "High School Hop"	August	1500
The Compass Institute Inc	Asperger Child Sensory Workshop	August	1200
Oneheart Training Academy Inc	Unchained in C Square	August	1200
Obi Obi and Kidaman Creek District Community Hall Inc	2018 Obi Obi Motorcycle Show	September	1000
Nambour & District Historical Museum Association Inc	Clock tower and flag pole	September	1200
Kenilworth Arts Council Inc	Kenilworth Artfest 2018	September	2000
Dulong Futures	Creating Compassionate Communities Forum	September	500
Sunshine Coast Creative Alliance Inc	CollabaNation Sizzle Reel	October	2000
The Nambour Tramway Company Ltd	Electrical safety mats	October	580
Reviving Nambour	Nambour Street Art Festival	October	591
St Joseph's Primary Parents & Friends Association	St Joseph's Primary School Nambour Christmas Carnival	November	250
Eumundi Dragons Junior Rugby Union Club	Purchase of new field line marker	November	2200
The Original Eumundi Markets	Christmas in Eumundi	November	1000
Nambour Alliance	Reimagine Nambour	November	25,000
Kureelpa Public Hall Association	A celebratory cake	November	65
Yandina School of Arts Inc	Emergency electrical repairs	November	4100
Mapleton and District Community Association	Cecily Stuart plaque	December	311
The Nambour Tramway Company Ltd	Christmas Tramfest	December	3280
Nambour Meals on Wheels Service Inc	Roller door replacement	January	3147
We Help Ourselves Najara	Exercise equipment	January	1500
The Original Eumundi Markets	40 th Anniversary Celebrations	February	2000
Mapleton and District Community Association Inc	Stainless steel plaque (revised version)	February	262
Salty Souls Legacy	Standing Tall Teens Surf Program	February	2000
Rotary Club of Eumundi	2019 Eumundi Rotary Long Lunch	February	1000
Yandina Rugby League Club	Drainage pipe and excavation works	March	2050
Nambour Wildcats Soccer Club	Goal posts for new Nambour location	March	5000

Division 10 Cr Rogerson: *Continued*

Applicant	Purpose	Month allocated	Amount (\$)
Mapleton RSL Sub-Branch	Mapleton ANZAC Day Service 2019	March	440
Kenilworth Chamber of Commerce & Citizens Inc	Kenilworth Food Fest 2019	March	2000
Eumundi School of Rock	Mentoring of students for 2019 School of Rock Event	March	2000
Yandina Sundial Project Committee	Purchase of metal plates for sundial	April	1122
North Arm Pistol Club	Range roof construction	April	1285
Nambour & District Historical Museum Association Inc	Official opening of HMAS Tobruk and Rats of Tobruk display	April	1100
Transfer of Funds	Allocation to minor operational works budget	April	400
Supporting People in Respite and Lifestyles Inc	Art Show Exhibition	May	682
Yandina-Eumundi RSL Sub-Branch	2018 ANZAC Day Service	May	1549
Thai Community of Sunshine Coast Association	Thai New Year/Songkran Festival	May	2352
North Arm Rifle Club	Davison Rifle Range Gully Crossing	May	7803
Australian Wearable Art Inc	Lighting and sound equipment for Wearable Art Festival	May	2000
Sunshine Coast Compassionate Communities	Website and participation at conference	May	1100
Mapleton Men's Shed	Solar panels	June	709
2nd Nambour Scout Group	Fridge and freezer replacement	June	2612
Nambour Community Centre	NAIDOC Event	June	1200



Divisional discretionary festive funding program

The Divisional Discretionary Festive Funding allows Councillors to allocate funds for the purpose of encouraging not-for-profit community groups to take on the responsibility of festive lighting and decorating of business centres to benefit Sunshine Coast residents.

The table below details the successful recipients of the divisional discretionary festive funding program for 2018-19:

Applicant	Purpose	Division	Councillor	Amount (\$)
Bli Bli Public Hall and Community Association Inc	Christmas street lighting	9	Cr Robinson	2500
Caloundra Business Alliance	Christmas in Caloundra	2	Cr Dwyer	5000
Celebrate Glasshouse Country Inc	Beerwah Festive Lights Project	1	Cr Baberowski	4598







Financial information



Community Financial Report 2018/19

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

Financial Statements

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

Statement of Comprehensive Income

The statement of comprehensive income provides information about revenues and expenses and shows if a profit or a loss has been made in delivering Council services.

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cash Flows

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

Measures of Financial Sustainability (Ratios)

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

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

Business Activities – Full Cost Recovery Performance

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

Statement of Comprehensive Income

The following figures relate to Council only for the year ended 30 June 2019, and the numbers have been rounded. The figures do not include Council's controlled entities as per the Consolidated columns in the financial statements.

Revenue

Where did the money come from?

Council received \$445 million in recurrent operating revenue during the 2018/19 year with the major source of this revenue generated from the rates and utility charges. Total operating revenue increased by \$21 million (5%) on the previous year.

Revenue	\$'000
Rates & Utilities (66%)	293,144
Fees & Charges (13%)	55,824
Interest Received (7%)	29,770
Grants & Other (9%)	38,203
Unitywater (6%)	28,032
Total	444,973

Expenses

Where was the money spent?

Council returns the majority of revenues to the community in the form of services and community projects. Total recurrent expenses during the 2018/19 year was \$432 million which was an increase of \$15 million (4%) on the previous year.

Expenses	\$'000
Employee Benefits (33%)	144,328
Materials & Services (44%)	189,658
Finance Costs (2%)	10,588
Depreciation & Amortisation (20%)	85,613
Contributions to Controlled Entities (0.3%)	1,495
Total	431,682

Operating Result

The Operating Result is derived from the Statement of Comprehensive Income by deducting Total Recurrent Expenses from Total Recurrent Revenue, with Council's result for 2018/19 being a surplus of \$13 million.

Statement of Financial Position

Assets - Liabilities = Community Equity

Assets

What do we own?

The value of all assets we controlled as at 30 June 2019 totalled \$5.8 billion. This figure is further broken down into current assets \$319 million (6%) and non-current assets \$5.5 billion (94%). Current assets are those that are readily available to meet expenses and mainly include cash and amounts owed by customers. Non-current assets include property plant and equipment and investments in associates (Unitywater). Interest received on the Unitywater investment for 2018/19 was \$22 million at an interest rate of 5.02%.

Assets	\$'000
Cash & Cash Equivalents (5%)	263,421
Trade & Other Receivables (8%)	478,375
Inventories & Other (4%)	218,111
Property, Plant & Equipment and Intangibles (74%)	4,290,205
Investments in Associates (9%)	538,213
Total	5,788,326

Liabilities

What do we owe?

The value of all liabilities as at 30 June 2019 was \$593 million. This figure consists of current liabilities \$166 million (28%) and non-current liabilities of \$427 million (72%). The largest single debt owed by Council is to the Queensland Treasury Corporation (QTC) which is the state government-owned lending agency. This money is borrowed for infrastructure and large-scale region making projects. Interest paid on borrowings for 2018/19 was \$14 million including \$5 million capitalised as part of qualifying assets.

Liabilities	\$'000
Trade & Other Payables (13%)	76,609
Borrowings (69%)	407,488
Provisions (15%)	92,029
Other Liabilities (3%)	16,728
Total	592,854

Community Equity Result

The community equity result for 2018/19 as at 30 June 2019, is \$5.2 billion.

Capital Expenditure (Property, Plant & Equipment Assets)

Additions to Assets for the financial year

Category	\$'000
Buildings and Facilities	18,040
Parks and Gardens	19,300
Stormwater	9,847
Strategic Land and Commercial Properties	33,862
Transportation (Roads)	64,284
Waste	10,714
Coasts and Canals	2,323
Other	15,137
Total Council Base Capital Program	173,507
Maroochydore City Centre	23,671
Sunshine Coast Airport Runway	111,601
Sunshine Coast International Broadband Network	18,956
Total Region Making Projects	154,228
TOTAL	327,735

Capital Expenditure sits outside the normal operating costs of Council and is included in the **Property Plant and Equipment** balance on the **Statement of Financial Position**. Capital expenditure includes infrastructure costs such as the development of the new Maroochydore City Centre, construction of the new airport runway and the Sunshine Coast International Broadband Network. It also includes work on core Council assets such as buildings, roads, landfill and waste facilities, stormwater etc. Capital costs appear in the operating statement as a **depreciation expense** over the life of the asset.

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

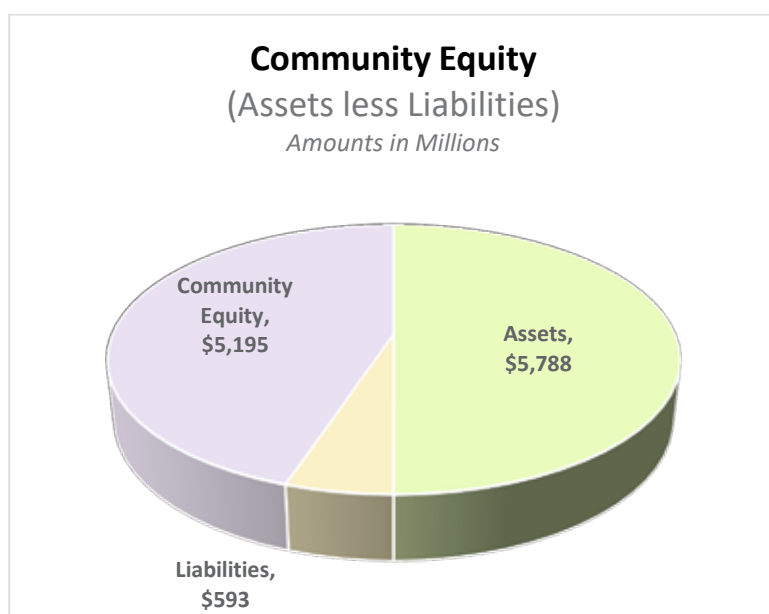
Statement of Changes in Equity

Community Equity

What is our net worth?

Assets (what we own) less liabilities (what we owe) equal Council's net worth (Community Equity). **As at 30 June 2019, the Community Equity for Council was \$5.2 billion.**

The decrease in Community Equity is mainly made up of a decrease to Council's Asset Revaluation Surplus of \$262 million offset by an increase to Council's Retained Earnings of \$93 million. This was largely due to a change in unit rates for transportation assets.



Council's total Community Equity (\$5.2 billion) is made up of:

- **Retained Surplus** being the initial and ongoing investment of the Community along with the profit or loss results of all financial years (\$4.6 billion).
- **Asset Revaluation Surplus** which is the accumulated value of the assets in excess of what we have paid for them (\$643 million).

Statement of Cash Flows

Cash Flow

Cash in, cash out.

Council's total cash holdings as at 30 June 2019 was \$264 million.

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

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

Overall cash balances for Council decreased by \$27 million (9%) for the financial year.

Business Activities – Full Cost Recovery Performance

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

2018/19 Financial Data	Waste and Resource Management \$'000	Sunshine Coast Holiday Parks \$,000	Quarries Business Unit \$,000
Operating Revenue	65,006	17,563	6,520
Community Service Obligations	1,120	882	0
Total Operating Revenue	66,126	17,563	6,520
Operating Expenditure excluding interest	51,803	8,678	7,122
Depreciation	4,225	1,085	272
Competitive Neutrality Costs including income tax equivalent	0	547	34
Total Operating Expenditure	56,028	10,311	7,428
Earnings before interest and tax (EBIT)	10,098	7,252	(908)
Return (pre-tax nominal) %	11.3	17.7	(14.8)
Target Return	8,599	4,235	405
Weighted Average Cost of Capital %	9.2	11.4	10.2
Surplus/(Shortfall) EBIT to target return	1,499	3,017	(1,313)
Value of Council's Investment in the Business Activity	71,329	47,589	5,256

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

Value of Council's investment in the Business Activity excludes strategic land holdings.

Measures of Financial Sustainability (Ratios)

Ratios – Long-Term Sustainability Statement (Council)

Ratio	Target	Actuals at 30 June 2019	Forward Estimates %								
			30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating Surplus Ratio	Between 0% and 10%	3.0%	6.2	7.6	7.9	7.2	7.8	5.9	6.2	8.5	9.1
Asset Sustainability Ratio	Greater than 90%	72.5%	63.5	68.3	66.0	69.5	68.9	70.7	70.6	70.9	71.7
Net Financial Liabilities Ratio	Not greater than 60%	61.5%	94.4	103.8	44.9	45.6	40.5	39.1	36.1	29.0	25.5

Operating Surplus Ratio - Measures the extent to which operating revenues raised cover operational expenses.

Asset Sustainability Ratio - Measures the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.

Net Financial Liabilities Ratio - Measures the extent to which the net financial liabilities of Council can be repaid from operating revenue.

Financial Management Strategy

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

The above forward estimates are aligned with Council's Long Term Financial Forecast, Financial Plan, Corporate Plan and Operational Plan, with the Operating Surplus Ratio remaining within accepted target ranges.

The **Asset Sustainability Ratio** measures the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. Council develops asset management plans to guide investment in a strategic and effective manner. The Sunshine Coast region has experienced exponential growth in recent periods, leading to an increase in new and contributed assets, **including \$85 million in contributed assets** received from developers and third parties during 2018-19. This influx of new assets is reducing the collective age of Council's assets, lowering the requirement of renewals expenditure and the Asset Sustainability Ratio forecast.

Due to **Council's relatively young asset base an Asset Sustainability Ratio range of between 60% and 70% is the current target and considered satisfactory**. Sunshine Coast Council's renewal program is based on asset management plans and is completed in conjunction with a stringent scheduled maintenance program.

The **Net Financial Liabilities Ratio** (reflecting the extent to which the net financial liabilities of Council can be repaid from operating revenue) exceeds the target range in years 2019, 2020 and 2021. The 10 year capital program requires \$268 million in borrowings for Sunshine Coast Airport Runway Project, which are to be repaid following receipt of the New Runway Construction Payment in 2022. Council's debt funding of the Sunshine Coast Airport Runway Project will require the Net Financial Liabilities Ratio target to be exceeded in years 2019, 2020 and 2021.

Consultation with Queensland Treasury Corporation (QTC) was undertaken for the financial assessment of this project, particularly Council's ability to manage the Net Financial Liabilities Ratio. The Department of Local Government, Racing and Multicultural Affairs Financial Management (Sustainability) Guideline 2013 states "high average Net Financial Liabilities ratio projections over the long-term are typically indicative of a local government that is undertaking / has undertaken significant infrastructure projects. Whilst some local governments may not achieve the recommended target for Net Financial Liabilities ratio on average over the long-term, this does not necessarily indicate that a local government is likely to be unsustainable over the long-term. In such cases, well-managed local governments with robust financial management systems and the ability to service current and projected debt levels, can maintain long-term sustainability and average Net Financial Liabilities ratio projections over the long-term that exceed the recommended target."

2018/19 Financial Statements

For the year ended 30 June 2019

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1. FINANCIAL STATEMENTS

Statements of Comprehensive Income

For the year ended 30 June 2019

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Income					
Revenue					
Recurrent revenue					
Net rates and utility charges	3(a)	292,824	277,118	293,144	277,118
Fees and charges	3(b)	57,386	58,061	55,824	56,050
Lease revenue and sales from contracts and recoverable works	3(c)	15,977	15,399	15,779	15,148
Share of tax equivalents of associate	3(d)	14,911	27,069	14,911	27,069
Dividend Income	3(e)	-	-	13,121	268
Interest received	3(f)	29,862	31,782	29,770	31,699
Sale of land (net) - Maroochydore City Centre	3(g)	7,231	432	7,231	432
Share of profit of associate	13	56,940	44,789	-	-
Grants, subsidies, contributions, donations and other	4(a)	15,194	18,102	15,194	16,427 *
Total recurrent revenue		490,324	472,752	444,973	424,211
Non-recurrent revenue					
Grants, subsidies, contributions and donations	4(b)	143,703	137,108	143,703	137,108 *
Total non-recurrent revenue		143,703	137,108	143,703	137,108 *
Total income		634,027	609,860	588,676	561,319 *

* Comparative figures have been restated. Refer to Note 33 for details.

The above statements should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

1. FINANCIAL STATEMENTS

Statements of Comprehensive Income *continued*

For the year ended 30 June 2019

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Expenses					
Recurrent expenses					
Employee benefits	5	(146,317)	(141,872)	(144,328)	(139,929)
Materials and services	6	(190,586)	(191,515)	(189,658)	(188,160)
Finance costs	7	(10,613)	(10,938)	(10,588)	(10,886)
Depreciation and amortisation	15,16	(85,664)	(76,353)	(85,613)	(76,342)
Contributions to controlled entities	8	-	-	(1,495)	(1,464)
Total recurrent expenses		(433,180)	(420,678)	(431,682)	(416,781)
Non-recurrent expenses					
Loss on disposal property, plant and equipment, intangibles and other	9	(9,589)	(22,544)	(9,589)	(22,544)
Movements in landfill and quarry provisions	19	(9,895)	(3,057)	(9,895)	(3,057)
Assets transferred to third parties	9	(259)	(715)	(259)	(715)
Impairment Expense	12	(44,802)	-	(44,802)	-
Total non-recurrent expenses		(64,545)	(26,316)	(64,545)	(26,316)
Total expenses		(497,725)	(446,994)	(496,227)	(443,096)
Net result / (deficiency)		136,302	162,866	92,449	118,223 *
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	21	(261,746)	57,651	(261,746)	57,651
Total other comprehensive income		(261,746)	57,651	(261,746)	57,651
Total comprehensive income for the year		(125,445)	220,518	(169,297)	175,874 *

* Comparative figures have been restated. Refer to Note 33 for details.

The above statements should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

1. FINANCIAL STATEMENTS

Statements of Financial Position

As at 30 June 2019

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets					
Current assets					
Cash and cash equivalents	10	265,691	292,118	263,421	290,202
Trade and other receivables	11	17,292	22,086	17,167	17,518
Inventories	12	13,976	17,278	13,949	17,206
Other assets	14	24,705	23,896	24,659	23,848
Total current assets		321,665	355,378	319,196	348,774
Non-current assets					
Trade and other receivables	11	460,708	460,458	461,208	460,958
Inventories	12	179,503	96,599	179,503	96,599
Property, plant and equipment	15	4,275,912	4,334,714	4,275,829	4,334,628 *
Investment in associates	13	760,673	716,854	538,213	538,213
Intangible assets	16	14,376	14,571	14,376	14,571
Total non-current assets		5,691,172	5,623,195	5,469,129	5,444,968 *
Total assets		6,012,837	5,978,573	5,788,326	5,793,742 *
Liabilities					
Current liabilities					
Trade and other payables	17	77,576	79,061	76,609	73,925 *
Borrowings	18	26,510	22,951	26,510	22,951
Provisions	19	45,915	20,011	45,771	20,024
Other liabilities	20	16,793	9,075	16,728	8,992 *
Total current liabilities		166,795	131,099	165,617	125,892 *
Non-current liabilities					
Borrowings	18	380,977	266,031	380,977	266,031 *
Provisions	19	46,357	37,216	46,259	36,973
Total non-current liabilities		427,334	303,247	427,236	303,004 *
Total liabilities		594,130	434,346	592,854	428,897 *
Net community assets		5,418,707	5,544,227	5,195,473	5,364,846 *
Community equity					
Asset revaluation surplus	21	643,073	904,819	643,073	904,819
Retained surplus		4,775,634	4,639,408	4,552,400	4,460,027 *
Total community equity		5,418,707	5,544,227	5,195,473	5,364,846 *

* Comparative figures have been restated. Refer to Note 33 for details.

The above statements should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

1. FINANCIAL STATEMENTS

Statements of Change in Equity

For the year ended 30 June 2019

Consolidated

	Note	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
For the year ended 30 June 2019				
Balance as at 1 July 2018		904,819	4,639,408	5,544,226
Adjustment on initial application of AASB 9	11	-	(75)	(75)
Increase/(decrease) in asset revaluation surplus	21	(261,746)	-	(261,746)
Net result		-	136,302	136,302
Balance as at 30 June 2019		643,073	4,775,634	5,418,707

For the year ended 30 June 2018

Balance as at 1 July 2017		847,168	4,098,515	4,945,683
Opening balance adjustment			378,029	378,029
Increase/(decrease) in asset revaluation surplus	21	57,651	-	57,651
Net result		-	162,866	162,866
Balance as at 30 June 2018		904,819	4,639,408	5,544,227

Council

	Note	Asset revaluation surplus \$'000	Retained surplus \$'000	Total \$'000
For the year ended 30 June 2019				
Balance as at 1 July 2018		904,819	4,460,027	5,364,846
Adjustment on initial application of AASB 9		-	(75)	(75)
Increase/(decrease) in asset revaluation surplus	21	(261,746)	-	(261,746)
Net result		-	92,449	92,449
Balance as at 30 June 2019		643,073	4,552,400	5,195,473

For the year ended 30 June 2018

Balance as at 1 July 2017		847,168	3,963,775	4,810,943
Opening balance adjustment			378,029	378,029
Increase/(decrease) in asset revaluation surplus	21	57,651	-	57,651
Net result		-	118,223	118,223
Balance as at 30 June 2018		904,819	4,460,027	5,364,846

The above statements should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

1. FINANCIAL STATEMENTS

Statements of Cash Flows

For the year ended 30 June 2019

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Receipts from customers		398,575	378,713	371,518	352,876
Payments to suppliers and employees		(344,244)	(338,871)	(317,494)	(313,411)
Interest and dividends received		57,894	59,119	57,802	59,037
Recurrent grants and contributions		15,194	14,122	15,194	14,122
Borrowing costs	7	(8,877)	(9,065)	(8,877)	(9,065)
Finance costs	7	(1,710)	(1,821)	(1,710)	(1,821)
Net cash inflow/(outflow) from operating activities	28	116,831	102,196	116,431	101,738
Cash flows from investing activities					
Payments for property, plant and equipment		(327,782)	(191,261)	(327,735)	(191,097)
Net movement in loans and advances		(250)	(26,064)	(250)	(26,064)
Proceeds from sale of property, plant and equipment		8,234	83,027	8,234	83,027
Grants, subsidies, contributions and donations		58,323	38,993	58,323	38,993
Net cash inflow/(outflow) from investing activities		(261,475)	(95,306)	(261,428)	(95,142)
Cash flows from financing activities					
Proceeds from borrowings		136,746	31,583	136,746	31,583
Repayment of borrowings		(18,529)	(30,351)	(18,529)	(30,351)
Net cash inflow/(outflow) from financing activities		118,216	1,232	118,216	1,232
Net increase/(decrease) in cash and cash equivalents held		(26,427)	8,123	(26,781)	7,828
Cash and cash equivalents at beginning of financial year		292,118	283,995	290,202	282,375
Cash and cash equivalents at end of the financial year		265,691	292,118	263,421	290,202

The above statements should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

2. SUNSHINE COAST COUNCIL

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Summary of Significant Accounting Policies

1.01 Basis of Preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.02 Recurrent/Non-recurrent Classification

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

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

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

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

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of property, plant and equipment.

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

1.03 Basis of Consolidation

Subsidiaries

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

Transactions between Council and entities controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of controlled entities have been adjusted on consolidation where necessary, to ensure the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of the Council. Information on controlled entities that have been consolidated is included in Note 26.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Council had an interest in two (2) subsidiaries during the year (3 in 2018) being Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd. Council wholly owns the issued shares of Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd. In 2018, Council owned all the issued share and units in Sunshine Coast Airport Pty Ltd as trustee for Sunshine Coast Airport Trust until sold on 1 December 2017 to Palisade Investment Partners Pty Limited on commencement of the 99 year lease of the airport.

1.04 Constitution

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

1.05 Adoption of New and Revised Accounting Standards

This year Council has applied AASB 9 *Financial Instruments* for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way Council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

Council has not restated comparative figures. This means the new impairment rules are reflected in the receivables balance at 30 June 2019, but not 30 June 2018.

On 1 July 2018 (the date of initial application), Council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged, except for receivables which decreased by \$0.075M due to an increase in impairment under the new rules. A corresponding adjustment was made to retained earnings as at 1 July 2018.

Financial asset/liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Other financial assets	Amortised cost
Borrowings	Amortised cost

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon Council's future financial statements are:

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

Identifiable impacts at the date of this report are:

Some grants received by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Revenue decrease of \$8,811M due to deferral of grant funding, pre-paid rates, and other sales related revenue (based on the facts available to Council at the date of assessment);
- there would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables;
- net result would be lower on initial application as a result of decreased revenue.

A range of new disclosures will also be required by the new standards in respect of the Council's revenue.

Transition method

Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004 prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

AASB 16 Leases

Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its consolidated financial statements, however, the actual impacts may differ as the new accounting policies are subject to change until Council presents its first financial statements that include the date of initial application.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset, and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

**2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS**
For the year ended 30 June 2019

Leases in which Council is a lessee

Council will recognise new assets and liabilities for its operating leases of motor vehicles (see Note 22). The nature of expenses related to those leases will now change because Council will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, Council has recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Council has elected not to recognise IT leases under the AASB 16 as they have been assessed as being low-value assets under the standard.

No significant impact is expected for the Council's finance leases.

Based on Council's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have the following impacts:

- lease assets and financial liabilities on the balance sheet will increase by \$7.411 million and \$7.951 million respectively (based on the facts available to Council at the date of assessment);
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities;
- net result will be lower on initial application as depreciation and the lease liability interest will be initially higher than operating lease expenses previously recorded.

Leases in which Council is a lessor

No significant impact is expected for other leases in which the Council is a lessor (see Note 25).

Peppercorn Leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which little or no lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect not to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Transition method

Council intends to apply AASB 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

Council intends to apply the practical expedient for the definition of a lease on transition. This means that it will apply AASB 16 on transition only to contracts that were previously identified as leases applying AASB 117 *Leases* and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

1.06 Estimates and Judgements

Where necessary, judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to Council's assets or liabilities relate to:

- Valuation and depreciation of property, plant and equipment - Note 15
- Impairment of property, plant and equipment - Note 15
- Provisions - Note 19
- Contingencies - Note 23
- Financial instruments and financial risk management - Note 30

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

1.07 Rounding and Comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. Restated balances are detailed in Note 33 and indicated with an asterisk (*) throughout the financial statements.

1.08 Taxation

The income of local government and public authorities is exempt from income tax. However Council is subject to fringe benefits tax (FBT) and goods and services tax (GST) and payroll tax on certain activities. The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

2(a) Analysis of Results by Function

Components of Council Functions

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

Office of the Mayor and Office of the CEO

The Mayor and CEO Offices provide strategic support and advice to the Mayor, Councillors, CEO, and staff.

The Offices deliver organisational leadership, coordination and decisions for key corporate initiatives, legal advice, audit assurance, statutory and corporate meeting management and facilitate government, business and community relationships. The CEO has ultimate organisational operational accountability for all staff and resources. All Groups report to the CEO functionally.

There are two Offices and five Groups that sit under the Chief Executive Officer - the Office of the CEO is comprised of Communication, Corporate Governance, Strategy and Coordination and Major Projects.

Built Infrastructure Group

The Built Infrastructure Group is focussed on managing and maintaining the region's built infrastructure. The Group is responsible for Asset Management, Civil Asset Management, Parks and Gardens, Transport and Infrastructure Planning, Transport Infrastructure Management, Disaster Management and the Sunshine Coast Airport Expansion.

Business Performance Group

The Business Performance Group is focussed on developing and managing the core capabilities that underpin the effective and efficient back room operation of the organisation and integrated performance reporting. The Group is responsible for Business and Innovation, Digital and Information Systems, Finance, Outstanding Organisation, People and Culture and Property Management.

Customer Engagement and Planning Services Group

The Customer Engagement and Planning Services Group is focussed on providing strategic and operational services to business and the community, particularly regulatory enforcement. The Group is responsible for Customer Response, Development Services, Strategic Planning, and Waste and Resource Management.

Economic and Community Development Group

The Economic and Community Development Group aims to drive the identification of new economic opportunities for the region while ensuring a balanced focus on developing, supporting and/or delivering opportunities (social, cultural and economic) that each of the region's many communities expect to enjoy. The Group is responsible for Arts Heritage and Library, Community Planning and Development, Economic Development, and Sport and Community Venues.

Liveability and Natural Assets Group

The Liveability and Natural Assets Group is focussed on planning and delivery of the environment and liveability of the region. The Group advises on the sustainable environmental and infrastructure development so it meets the needs of the region's growing population. The Group is responsible for Design and Place Making Services, Environmental and Sustainability Policy, Environmental Operations, Project Delivery and Urban Growth Projects.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Region Shaping Projects

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

Maroochydore City Centre

The Maroochydore City Centre Project is located on a 53ha greenfield site in the heart of Maroochydore and has been declared a Priority Development Area by the Queensland Government. The project's staged delivery aims to produce an expanded and preeminent Central Business District (CBD) for the Sunshine Coast region and includes commercial, retail, mixed use and residential apartment precincts, a premium hotel and entertainment, convention and exhibition facilities. Forty percent of the site is to be retained as parkland, plazas, public domain and waterways. The city centre is being designed to be a smart city containing Australia's first automated waste collection system for a CBD along with high speed digital connections and a range of innovations such as smart lighting and signage, and technology that assists parking, traffic management and provides real time information for public transport. The Cable Landing Station for the international sub-sea broadband cable is under construction on the immediate eastern edge of the site and Stage 1A.

The Stage 1A civil works have been completed and the first commercial buildings commence construction in the second half of 2019. These first buildings include an 8 storey commercial building, a 152 apartment residential project and a 167 room business hotel. The Council's City Hall building is expected to commence construction in 2020. These developments and transactions involve 8 Lots in the first stage. Submissions for the majority of Lots within this stage are undergoing review and commercial negotiation by SunCentral Maroochydore Pty Ltd (SCM) – Council's development manager for the project.

For the next stages, a major Invitation for Expressions of Interest process is being conducted by SCM during 2019/20.

Sunshine Coast Airport Runway

The Runway Project aims to deliver a new 2450m x 45m runway that will enable direct flights to more destinations across Australia, Asia and the Western Pacific.

Council has partnered with Palisade Investment Partners Limited who will operate the airport under a 99 year lease which commenced on 1 December 2017. The transfer of the airport business was represented as a Discontinued Operation in 2018.

Council received \$67 million on commencement of the lease with a further \$15 million (plus interest of 3% per annum) to be provided on 30 June 2022. In addition, Council will receive 5% of gross airport revenue over the 99 year lease term.

Council has maintained responsibility for facilitating the airport expansion project, which includes construction of a new runway, apron expansion and related infrastructure. Council entered into a sublease over the construction site to enable this. Council will receive \$290 million from Palisade on the later of completion of the new runway or 30 June 2022, at which time the sublease will be surrendered.

Council entered into a contract for construction of the new runway during 2017/18. It is envisaged the new runway will be open and operating by the end of 2020.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Sunshine Coast International Broadband Network

This project aims to deliver a new international submarine broadband connection to the Sunshine Coast, including associated land infrastructure.

Council is working with RTI Connectivity and Alcatel Submarine Networks to deliver the undersea component of the project while Council is responsible for the required landside infrastructure. The landside infrastructure includes a cable landing station (under construction), beach manhole and horizontal directional drilling (contract awarded and construction commencement in August 2019), and terrestrial connection between the two points (under construction).

The total project cost is expected to be \$35 million, of which \$16.2 million is required to be paid in USD. The Queensland Government is contributing \$15 million to the project. The installation of the cable is expected to start late 2019 and be ready for service in the second half of 2020.

**2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS**
For the year ended 30 June 2019

2 (b) Analysis of Results by Function

	Gross program income		Elimination of inter-function transactions	Total Income	Gross program expense		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent	Non-recurrent			Recurrent	Non-recurrent					
	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Built Infrastructure	32,022	40,938	(23,041)	49,920	(205,071)	(3,649)	36,267	(172,454)	(159,823)	(122,534)	3,472,514
Customer Engagement and Planning Services	110,370	49	(20,124)	90,295	(123,681)	(11,509)	29,756	(105,433)	(3,679)	(15,138)	109,531
Economic and Community Development	27,097	2,611	498	30,206	(103,344)	357	16,682	(86,305)	(59,068)	(66,099)	192,060
Liveability and Natural Assets	20,581	91,210	(8,437)	103,354	(55,918)	-	16,676	(39,242)	(27,098)	64,112	97,481
Region Making Projects	7,238	2,500	(1)	9,737	(4,367)	(45,229)	401	(49,195)	3,270	(39,459)	294,538
Business Performance	355,688	6,393	(57,670)	304,411	(43,266)	(4,515)	15,350	(32,431)	270,102	271,980	1,620,615
Mayor and CEO Offices	14,601	-	(13,847)	753	(18,548)	-	7,382	(11,166)	(10,413)	(10,413)	1,586
Controlled Entities Net of Eliminations	45,351	-	-	45,351	(1,499)	-	-	(1,499)	43,852	43,852	224,511
Total Consolidated Continuing Operations	612,947	143,703	(122,623)	634,027	(555,695)	(64,545)	122,514	(497,725)	57,144	136,302	6,012,837

2 (b) Analysis of results by function

Notes to Financial Statements
For the year ended 30 June 2019

	Gross program income		Elimination of inter-function transactions	Total Income	Gross program expense		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent	Non-recurrent			Recurrent	Non-recurrent					
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Built Infrastructure	41,020	6,533	(31,776)	15,778	(191,308)	(10,750)	39,819	(162,239)	(142,245)	(146,462)	3,627,919
Customer Engagement and Planning Services	110,271	67	(22,150)	88,188	(131,443)	(3,103)	37,224	(97,322)	(6,098)	(9,134)	98,399
Economic and Community Development	20,003	-	13,130	33,133	(88,937)	(4,085)	4,036	(88,986)	(51,768)	(55,852)	183,743
Liveability and Natural Assets	22,228	127,085	(11,660)	137,652	(58,457)	(85)	19,398	(39,144)	(28,492)	98,508	72,587
Region Making Projects	2,777	-*	-	2,777*	(5,339)	(5,067)	300	(10,106)	(2,262)	(7,328)	165,792
Business Performance	373,260	3,423	(66,162)	310,521	(57,732)	(206)	24,436	(33,502)	273,803	277,019	1,644,048
Mayor and CEO Offices	13,552	-	(13,483)	69	(15,667)	-	6,890	(8,777)	(8,708)	(8,708)	1,252
Controlled Entities Net of Eliminations	21,741	-	-	21,741	(3,897)	-	-	(3,897)	17,844	17,844	184,833
Less Discontinued operations	-	-	-	-	-	(3,021)	-	(3,021)	-	(3,021)	-
Total Consolidated Continuing Operations	604,853	137,108*	(132,101)	609,860*	(552,780)	(26,316)	132,102	(446,994)	52,074	162,866*	5,978,573

* Comparative figures have been restated. Refer to Note 33 for details.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

3 Revenue analysis

Revenue is recognised at the fair value of consideration received or receivable, on the basis it meets the recognition criteria set out below.

(a) Net rates and utility charges

Rates are recognised as revenues at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
General rates	233,462	215,069	233,782	215,069
Waste management	53,353	50,274	53,353	50,274
Tourism and special levies	8,356	13,866	8,356	13,866
Environment levy	10,372	9,876	10,372	9,876
Rural fire levy	476	444	476	444
Valuation fees	81	98	81	98
	306,100	289,628	306,420	289,628
Total rates and utility charge revenue				
Less: discounts	(9,213)	(8,528)	(9,213)	(8,528)
Less: pensioner remissions	(3,105)	(3,095)	(3,105)	(3,095)
Less: rebates	(957)	(887)	(957)	(887)
	(13,276)	(12,510)	(13,276)	(12,510)
Net rates and utility charges	292,824	277,118	293,144	277,118

(b) Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Application fees (development)	9,800	9,038	9,800	9,038
Holiday parks	16,523	16,265	16,523	16,265
Cemetery fees	1,050	1,104	1,050	1,104
Parking fees	585	599	585	599
Refuse tip fees	6,191	6,706	6,191	6,706
Registration fees	1,224	1,174	1,224	1,174
Search fees	1,031	1,123	1,031	1,123
Waste service charges	415	465	415	465
Change of ownership fees	855	959	855	959
Fines and penalties	2,640	3,088	2,640	3,088
Venue hire	1,208	1,211	1,208	1,211
Development services	7,923	9,217	7,923	9,217
Permits and licences	1,499	1,386	1,499	1,386
Other fees and charges	6,444	5,727	4,882	3,716
	57,386	58,061	55,824	56,050

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

(c) Lease revenue and sales from contracts and recoverable works

Lease revenue is recognised as income on a periodic straight line basis over the term of the lease. The sale of goods is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Lease revenue	1,683	1,436	1,485	1,186
Recoverable works	1,484	831	1,484	831
Sale of recyclables	2,856	2,824	2,856	2,824
Solar farm	1,951	2,561	1,951	2,561
Other revenue	8,003	7,746	8,003	7,746
	15,977	15,399	15,779	15,148

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at year end. The contract work carried out is not subject to retentions.

(d) Share of tax equivalents of associate

Unitywater pays Council an income tax equivalent in accordance with the requirements of the *Local Government Act 2009*. Unitywater is subject to the tax equivalents regime. The income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	14,911	27,069	14,911	27,069

(e) Dividend income

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	-	-	13,121	268

(f) Interest received

Interest received is accrued over the term of the investment.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest received from associate	21,807	22,502	21,807	22,502
Interest received from cash and term deposits	7,392	8,614	7,300	8,532
Interest from overdue rates and utility charges	663	665	663	665
	29,862	31,782	29,770	31,699

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

(g) Sale of land - Maroochydore City Centre

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Sale of land – Maroochydore city centre	10,680	715	10,680	715
Less: cost of goods sold	(3,449)	(283)	(3,449)	(283)
Net sale of land - Maroochydore City Centre	7,231	432	7,231	432

* Land Sales for Maroochydore City Centre were classified in Contract Sales Revenue in 2017/18.

4 Grants, subsidies, contributions, donations and other

Grants, subsidies, contributions and donations that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of the funds. Granted assets are normally recognised upon the earlier of their receipt or prior notification that the grant has been secured.

Physical asset contributions and donations are recognised as revenue when Council obtains control of the assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expense. All non-cash contributions are recognised at fair value as at the date of acquisition.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

(a) Recurrent revenue

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Government grants and subsidies commonwealth	12,212	11,056	12,212	11,056
Government grants and subsidies state	2,689	4,898	2,689	4,898*
Grants and subsidies other	19	3	19	3
Contributions and donations	274	2,146	274	470
	15,194	18,102	15,194	16,427*

(b) Non-recurrent revenue

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Government grants and subsidies commonwealth	2,005	1,002	2,005	1,002
Government grants and subsidies state	14,492	7,487	14,492	7,487
Developer contributions	42,328	39,427	42,328	39,427
Infrastructure from developers at fair value	85,379	90,258	85,379	90,258
Total Non-recurrent revenue	144,204	138,174	144,204	138,174
Less: discount allowed developer contributions	(502)	(1,066)	(502)	(1,066)
Net Non-recurrent revenue	143,703	137,108	143,703	137,108

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

5 Employee benefits

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Total wages and salaries		126,737	112,256	125,043	110,614
Councillors' remuneration * Annual, sick and long service leave entitlements		1,806	1,765	1,806	1,765
Superannuation	24	15,510	18,977	15,373	18,831
		159,200	152,710	157,211	150,767
Other employee related expenses		3,439	3,573	3,439	3,573
		162,640	156,283	160,651	154,340
Less: Capitalised employee expenses		(16,322)	(14,404)	(16,322)	(14,404)
Less: Employee expenses transferred to third parties		-	(8)	-	(8)
		146,317	141,872	144,328	139,929

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

Total Council full time equivalent employees at the reporting date:	Consolidated		Council	
	2019	2018	2019	2018
Elected Members	11	11	11	11
Staff	1,713	1,670	1,679	1,641
Total full time equivalent employees	1,724	1,681	1,690	1,652

6 Materials and services

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Advertising	1,894	2,013	1,894	2,013
Audit of annual financial statements by the Auditor General of Queensland	305	288	278	261
Consultancy fees	6,796	8,141	6,796	8,141
Commissions paid	2,838	3,048	2,838	3,048
Contract services parks and gardens	15,696	16,008	15,696	16,008
Contract services waste collection	30,248	28,999	30,248	28,999
Contract services environmental operations	10,039	11,655	10,039	11,655
Contract services property management	7,577	7,867	7,577	7,867
Contract services sport and community venues	7,517	7,205	7,517	7,205
Contract services civil asset management	7,184	7,031	7,184	7,031
Contract services transport infrastructure management	2,445	1,913	2,445	1,913
Contract services art, heritage and libraries	2,494	2,258	2,494	2,258

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Materials and services continued				
Contract services other	17,278	13,357	16,988	13,357
Donations	6,188	4,646	6,188	4,646
Electricity	7,732	8,031	7,625	8,031
Entertainment and hospitality	637	666	637	666
Equipment < \$5,000	1,370	1,150	1,370	1,150
Fuel	2,865	2,701	2,865	2,701
Grants to community organisations	8,164	7,949	8,164	7,949
Insurance	2,273	2,583	2,273	2,583
Legal fees	1,857	3,780	1,857	3,780
Library resources	1,429	1,393	1,429	1,393
Materials road base	2,299	2,729	2,299	2,729
Operating leases - rentals	8,079	7,723	8,079	7,723
Plant and equipment hire	5,838	5,409	5,838	5,409
Security services	1,421	1,370	1,421	1,370
Software and maintenance	6,791	7,033	6,791	7,033
Telecommunications	3,960	4,246	3,931	4,246
Water and sewerage charges	5,097	5,416	5,097	5,416
All other materials and services	17,421	21,762	16,946	18,433
	195,731	198,370	194,802	195,014
Less: Capitalised expenses	(4,885)	(6,148)	(4,885)	(6,148)
Less: Internal costs transferred to third parties	(259)	(707)	(259)	(707)
	190,586	191,515	189,658	188,160

7 Finance costs

	Note	Consolidated		Council	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Borrowing costs charged by the Queensland Treasury Corporation and other loan providers *		8,877	9,065	8,877	9,065
Bank charges and credit card fees		1,006	949	981	897
Finance costs due to unwinding (waste and quarry provisions and below market value loans)	19	331	451	331	451
Impairment of debts		351	314	351	314
Other finance costs		48	160	48	160
		10,613	10,938	10,588	10,886

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

Capital borrowing costs include \$4.507 million capitalised against the Maroochydore City Centre project (\$4.663 million in 2018), \$0.690 million capitalised against the Sunshine Coast Airport Expansion project (\$0.028 million in 2018), \$0.060 million capitalised against the Brisbane Road Carpark development (nil in 2018) and \$0.003 million capitalised against the Sunshine Coast International Broadband Network (nil in 2018).

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

8 Contributions to controlled entities

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contributions to controlled entities	-	-	1,495	1,464

9 Non-recurrent expenses

Gain/(Loss) on disposal of non-current assets	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Proceeds from the sale of plant and equipment	1,275	495	1,275	495
Less carrying amount sold	(642)	(197)	(642)	(197)
Less carrying amount disposed and written-off	(48)	(153)	(48)	(153)
	585	145	585	145
Proceeds from the sale of property and land	6,531	542	6,531	542
Less carrying amount sold	(10,954)	(537)	(10,954)	(537)
Less carrying amount disposed and written-off	(662)	(17,106)	(662)	(17,106)
	(5,086)	(17,101)	(5,086)	(17,101)
Replacement of roads, stormwater and other infrastructure				
Less carrying amount:				
Replaced and renewed	(1,952)	(1,332)	(1,952)	(1,332)
Disposed and written-off	(3,136)	(1,175)	(3,136)	(1,175)
	(5,088)	(2,508)	(5,088)	(2,508)
Replacement of intangibles				
Less carrying amount:				
Replaced and renewed	-	-	-	-
Disposed and written-off	-	(59)	-	(59)
	-	(59)	-	(59)
Loss on disposal of property, plant and equipment, and intangibles	(9,589)	(19,523)	(9,589)	(19,523)
Profit/Loss on transfer of assets and liabilities				
Sunshine Coast Airport Pty Ltd	-	(3,021)	-	(3,021)
Loss on disposal of property, plant and equipment, intangibles and other	(9,589)	(22,544)	(9,589)	(22,544)
Assets transferred to third parties *				
Employee expenses transferred to third parties	-	(8)	-	(8)
Internal costs transferred to third parties	(259)	(707)	(259)	(707)
	(259)	(715)	(259)	(715)

*Included in 2019 is \$0.259 million (\$0.715 million in 2018) related to work performed on public utility provider assets.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

10 Cash and cash equivalents

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

Cash and cash equivalents include an amount of \$70 million (2018 \$60 million) in short-term investments. Short-term investments have an original maturity date of greater than three months from the balance date of the financial statements.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Total cash and equivalents	265,691	292,118	263,421	290,202

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. As at reporting date these include:

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Externally imposed expenditure restrictions	153,407	138,429	153,407	138,429
Internally imposed expenditure restrictions	21,120	24,664	21,120	24,664
Total unspent restricted cash	174,526	163,093	174,526	163,093

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Constrained works	117,721	107,960	117,721	107,960
General	16,027	14,419	16,027	14,419
Levy funded	18,091	14,482	18,091	14,482
Special purpose	1,568	1,568	1,568	1,568
Total unspent restricted cash	153,407	138,429	153,407	138,429

Internally imposed expenditure restrictions at the reporting date:

General	21,120	24,664	21,120	24,664
Total unspent restricted cash	21,120	24,664	21,120	24,664

Cash at bank and on hand at 30 June 2019 includes \$8.987M received from the State government to mitigate the direct impacts on households of the State Waste Levy, which comes into effect from 1 July 2019. This money has been set aside to help fund the Council's 2019/20 waste levy expense.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

11 Trade and other receivables

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Rates and utility charges	4,418	3,982	4,418	3,982
Infringements	2,156	2,260	2,156	2,260
Infrastructure charges	4,231	3,266	4,231	3,266
Trade debtors	3,857	9,258	3,732	4,690
GST receivable	3,166	3,799	3,166	3,799
Other debtors	4	4	4	4
Less allowance for impairment	(540)	(482)	(540)	(482)
	17,292	22,086	17,167	17,518

Interest is charged on outstanding rates at 11% per annum (reducing to 9.83% from 1 July 2019). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance at 1 July	482	524	482	524
Adjustment to opening balance upon application of AASB 9*	75	-	75	-
Impairment debts written off during the year	(368)	(354)	(368)	(354)
Additional impairments recognised	351	312	351	312
Closing balance at 30 June	540	482	540	482

*Council applied AASB 9 for the first time this year. As a result Council has calculated the impairment of receivables in a different way for 2019, using a lifetime expected loss allowance. The opening balance of impairment, as at 1 July 2018, has been recalculated using this new methodology and resulting in an opening balance adjustment of (\$0.057) million. Further details of Council's expected credit loss assessment are contained in Note 30.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Non-Current</u>				
Trade debtors	17,060	17,060	17,060	17,060
Loans receivable	9,254	9,004	9,254	9,004
Loan to associate - subordinated debt	13 434,393	434,393	434,393	434,393
Shares in controlled entities	-	-	500	500
	460,708	460,458	461,208	460,958

The non-current trade debtors amount of \$17.06 million is due for payment on 30 June 2022 as per the SCA (Sunshine Coast Airport) Share Sale and Purchase Agreement.

Loans receivable includes finance provided by Council to independent third parties in order to undertake development activities.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

The subordinated interest only loan terminates on 30 June 2033 with the interest rate to be set by QTC annually. Applicable interest rate for 2019 was 5.02% (2018 5.02%).

12 Inventories

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

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

Profit arising upon sale of land is recognised as revenue in the Statement of Comprehensive Income on the signing of a valid unconditional contract of sale.

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Equipment, stores and quarries *	1,357	1,209	1,330	1,137
Land being developed for resale **				
Work in Progress	-	16,068	-	16,068
Finished Goods	12,619	-	12,619	-
Closing current inventories at 30 June	13,976	17,278	13,949	17,206

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-current				
Land held for future development and resale **				
Work in Progress	36,568	36,568	36,568	36,568
Runway under development and resale***				
Work in Progress	187,737	60,031	187,737	60,031
Accumulated Impairment	(44,802)	-	(44,802)	-
Closing non-current inventories at 30 June	179,503	96,599	179,503	96,599

**Land acquired for the Maroochydore City Centre (MCC) precinct is currently classified as a mix of public realm land which continues to be recognised as a Council land asset in property, plant and equipment and land held for development and resale. The allocation between these two classifications and requisite accounting treatment is based on a management estimation drawn from SunCentral Maroochydore Pty Ltd's (the Development Manager) current land disposal plan and the current MCC Surveyed Priority Development Area (PDA) land area maps.

The development of MCC PDA, although approved, may be subject to further decision changes and planning for each development stage as the project progresses. Only when the decision to develop is made will non-current land inventory be reclassified as current land inventory. Annual Review in consultation with the Development Manager will be conducted to confirm future development plans and land scheduled for development and resale.

Land planned for resale will be released in stages over the life of the project (approximately 20 years). Current land inventory in Stage 1A has been released with 4 parcels recognised as sales during the 2018/19 financial year. Non-current land inventory is being held for future development in Stages 2-6. Land planned for resale is recognised at cost, being the lesser of cost and net realisable value. Inventory costs include costs to develop the land ready for resale and other directly attributable costs such as project overheads and borrowing costs.

*** Sunshine Coast Airport (SCA) international runway construction commenced 2017 and is anticipated to be ready for use in late 2020. Inventory costs include the costs of development and other directly attributable costs such as project overheads and borrowing costs.

The runway inventory costs are recognised at net realisable value, being the lesser of cost and net realisable value. The non-current runway inventory recognised an impairment for the 2018/19 financial year due to State mandated PFAS remediation expenditure and project costs.

13 Investment in associates

Associates are entities that Sunshine Coast Regional Council has significant influence over. Significant influence is the power to participate in the financial, operating and policy decisions but the critical link for the determination of control as defined in *AASB 10 Consolidated Financial Statements* requires more than this. Investments in the consolidated financial statements are accounted for using the equity method and in the separate Council financial statements using the cost method. Under the equity method, the consolidated entity's share of post-acquisition profits and losses of associates is recognised in the Statement of Comprehensive Income and the interest in the equity of the associates is recognised in the Statement of Financial Position. The cumulative post acquisition movements are adjusted against the cost of the investment.

2. SUNSHINE COAST COUNCIL NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

Name of Associate:	Northern SEQ Distributor-Retailer Authority (trading as Unitywater)
Principal Activity:	Provision of Water and Wastewater Services
Principal Place of Business:	Caboolture Qld
Proportion of Ownership Interest:	37.51% (2018 37.51%)

(1) Background

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

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

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

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

(2) Contractual Agreements

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

(3) Returns to Council

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

Council agreed to extend the loans with a Participating Local Government (PLG) Loan Agreement between Sunshine Coast Regional Council and the Authority duly executed on 21 June 2013. This new loan was subject to an annual reset rate (to be determined by Queensland Treasury Corporation in accordance with the credit rating assigned for the Authority) with quarterly interest-only payments for twenty years to 30 June 2033. The rate to 30 June 2019 is 5.02% (2018: 5.02%).

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

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

(4) Participation Rights

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Movement in carrying amount				
Investment	716,854	672,333	538,213	538,213
Share of profits after tax and before dividends	56,940	44,789	-	-
Dividends received/receivable	(13,121)	(268)	-	-
Carrying amount at the end of the financial year	760,673	716,854	538,213	538,213

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

Summary financial information for the Authority, not adjusted for the percentage ownership held by Council, as reflected in their 30 June 2019 financial statements is detailed below.

Extract from the Authority's Statement of Comprehensive Income	2019 \$'000	2018 \$'000
Total revenues	730,579	696,248
Ordinary expenses	(513,918)	(490,211)
Profit before income tax equivalent	216,661	206,037
Income tax equivalent expense	(64,861)	(86,632)
Total profit (after tax)	151,800	119,405
Share of Profit of Associate	56,940	44,789
Total assets	3,902,190	3,777,942
Total liabilities	(1,865,263)	(1,858,898)
Net assets	2,036,927	1,919,044

Unitywater use historical cost for reporting their assets value. Council uses fair value.

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

14 Other assets	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Prepayments	4,201	5,122	4,201	5,122
Accrued revenue	20,504	18,774	20,458	18,726
	24,705	23,896	24,659	23,848

15 Property, Plant and Equipment

15(a) Recognition

Items of property, plant and equipment with a total value of less than \$5,000, except for land and network assets (which have a recognition threshold of greater than \$1), are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Expenditure that relates to replacement of a major component of an asset to maintain its service potential or extend its useful life is capitalised. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Land under the road network that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the State pursuant to the relevant legislation. Land under roads acquired after 30 June 2008 is recognised as a non-current asset where Council holds title or a financial lease over the asset. Council currently does not have any such land. Therefore this land is not recognised in these financial statements.

15(b) Measurement

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs directly related to the acquisition and incurred in preparing the asset for use as intended by management. Subsequent to initial measurement, each asset class is stated at fair value or cost less, where applicable, any accumulated depreciation or accumulated impairment loss, as shown in Note 15(f).

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

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

15(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

2. SUNSHINE COAST COUNCIL NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2019

Land and formation/earthworks are not depreciated as they are judged to have unlimited useful life. Depreciation on property, plant and equipment is calculated on a straight-line basis at asset component level so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value if appropriate, progressively over its estimated useful life. Management believe that the straight line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 15(f).

15(d) Impairment

All non-current physical assets that are measured at cost are assessed for indicators of impairment annually. If an indicator of impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

15(e) Valuation

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

Non-current physical assets measured at fair value are comprehensively revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuation firms, or other consultants, to determine the fair value for each class of property, plant and equipment assets at least once every five years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes, and making their own assessments of the condition at the date of inspection. For assets valued at unit rates, the rates are developed to reflect Council's costs of construction which include oncost rates and other factors associated with the cost of replacement of these assets.

In the interim years to the comprehensive valuation of infrastructure asset classes, Council engages suitably qualified consultants to provide cost movement indices for the period and suitably qualified internal Council officers assess conditions and check cost assumptions to ensure they are still valid. The results of the internal assessments and indices developed, which utilise internal civil works information and broader market movements, are considered in combination to form the valuation.

For the interim valuations of the land and buildings, management engages independent valuers to perform a desktop valuation whereby the regional area cost movements are analysed and applied against updated asset information which includes additions, disposals, changes to useful lives and condition assessments. The valuer then determines suitable indices which are applied to each of these asset classes.

2. SUNSHINE COAST COUNCIL NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

The annual review performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant, and the indices applied by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions pertaining to specific asset classes are disclosed below.

Any revaluation increments arising from the revaluation of an asset are recognised in other comprehensive income and presented in the asset revaluation surplus in equity. A decrease in the carrying amount on revaluation is charged as an expense to the extent that it exceeds the balance of previously recognised revaluation increments for that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in carrying amount of the asset. Further, any change in the estimated useful life is applied on a prospective basis. Separately identified components of assets are measured on the same basis as the assets to which they relate.

All of Council's infrastructure asset classes are valued using the cost approach (current replacement cost). This approach requires a valuation technique where professional judgment and assumptions are applied, and therefore the inputs considered predominantly to be unobservable. The use of different judgements and assumptions may result in a different valuation. The current replacement cost is the asset's current gross replacement cost less accumulated depreciation calculated to reflect the already consumed or expired service potential of the asset.

The unit rates (labour and materials) and quantities applied to determine the current replacement cost of an infrastructure asset or component are typically based on a "Brownfield" assumption to account for the costs associated with the replacement of the asset in situ. Unit rates are applied to spatial dimensions and fair values are reported to reflect condition and remaining service potential, if available, or age of the asset which is consistent with the principles of a cost approach.

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

15 (f) Movements

Council	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Transportation Network \$'000	Stormwater Network \$'000	Other Infrastructure \$'000	Capital Works in Progress \$'000	Total \$'000	
For the year ended 30 June 2019									
Gross value / cost	581,308	316,324	56,588	2,421,492	1,265,091	497,179	288,342	5,426,326	
Less accumulated depreciation	-	(106,775)	(28,720)	(628,353)	(254,319)	(132,329)	-	(1,150,497)	
Book value as at 30 June	581,308	209,550	27,868	1,793,139	1,010,772	364,850	288,342	4,275,829	
For the year ended 30 June 2018									
Gross value / cost	525,462	316,005	58,461	2,526,948	1,237,471	564,810	151,325	5,380,483	
Less accumulated depreciation	-	(98,505)	(30,026)	(538,683)	(242,605)	(136,037)	-	(1,045,856)	
Book value as at 30 June	525,462	217,501	28,434	1,988,265	994,867	428,773	151,325	4,334,628	
Basis of measurement	Fair Value \$'000	Fair Value \$'000	Cost \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Cost \$'000	2019 Total \$'000	2018 Total \$'000
Opening net value as at 1 July	525,462	217,501	28,434	1,988,265	994,867	428,773	151,325	4,334,628	3,753,549
Adjustment to opening balance*	-	-	-	-	-	-	-	-	396,884
Reclassification to operating expense	-	-	-	-	-	-	(701)	(701)	(6,568)
Plus capital expenses	-	-	-	-	-	-	346,001	346,001	209,333
Reclassification to inventory work in progress	-	-	-	-	-	-	(127,706)	(127,706)	(72,909)
Transfers from capital works in progress	28,039	6,361	3,949	34,811	1,664	5,787	(60,611)	-	61,000
Plus contributed assets	12,344	796	-	42,818	27,024	2,396	-	85,379	29,064
Plus contributed assets not previously recognised	-	-	-	-	-	-	-	-	(21,159)
Less disposals	(6,342)	(4,552)	(691)	(1,891)	(1,266)	(2,654)	-	(17,396)	(72,848)
Less depreciation provided in period	-	(10,554)	(3,962)	(42,217)	(11,570)	(14,359)	-	(82,662)	(72,848)
Revaluation adjustments to asset revaluation surplus	21	21,805	(2)	(282,533)	(916)	(99)	-	(261,746)	57,651
Transfer (to)/from intangibles	16	-	-	-	-	-	33	33	629
Transfer between classes	-	-	138	53,885	971	(54,994)	-	-	-
Book value as at 30 June	581,308	209,550	27,868	1,793,139	1,010,772	364,850	288,342	4,275,830	4,334,628
Range of estimated useful lives in years	unlimited	2-100	2-60	5-unlimited	5-135	5-unlimited	5-unlimited		

*Adjustment to opening balance includes assets discovered through the data reconciliation process of the financial and spatial asset registers. Also included are assets removed from the financial asset register that could not be spatially or physically substantiated to be under Council's control.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

15 (g) Fair value measurement

In accordance with *AASB 13 Fair Value Measurement*, fair value measurements are categorised on the following basis:

- Level 1** – the fair value is based on quoted prices (unadjusted) in active markets for identical assets.
- Level 2** – the fair value is estimated using inputs that are directly or indirectly observable for the asset, such as prices for similar assets.
- Level 3** – the fair value is estimated using unobservable inputs for the asset.

The table below represents Council's assets measured and recognised at fair value at 30 June 2019. All fair value measurements are recurrent and categorised as either level 2 or level 3 in the fair value hierarchy.

Property, Plant and Equipment Fair Value Hierarchy

	Level 2		Level 3		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Land	93,053	98,835	488,255	426,627	581,308	525,462
Buildings	1,410	1,410	208,139	216,091	209,550	217,501
Other Infrastructure	-	-	364,850	428,773	364,850	428,773
Transportation	-	-	1,793,139	1,988,265	1,793,139	1,988,265
Stormwater	-	-	1,010,772	994,867	1,010,772	994,867
	94,463	100,245	3,865,155	4,054,621	3,959,619	4,154,867

Land

The fair value of land is measured at current market value using the exit price methodology, taking into consideration the highest and best use, less the cost of any restrictions where they apply. Highest and best use takes into account what is physically possible, legally permissible and financially feasible for each asset.

To determine the fair value of Land assets as at 30 June 2019, Council engaged independent valuation firm Australis Asset Advisory Group Pty Ltd to establish indicative fair value movement indices, which have been applied on a per-suburb basis. This was achieved by examining and analysing a range of observable data over the measurement period, such as sales evidence and comparisons in the local market. The indices developed ranged from 1.25% to 7.35%, with an overall indicative fair value movement for the local government area of 4.95%. The comprehensive revaluation of land was last completed as at 30 June 2017.

Where there is an active market and liquid sales evidence available and no significant adjustments applied, this was judged to represent level 2 observable inputs. Where directly comparable sales evidence was unavailable, or a significant level of adjustment was required between sales evidence and an asset, level 3 unobservable inputs were used to derive fair value measurement. The adjustments made for level 3 assets included the Sunshine Coast Planning Scheme 2014, zoning, use or significant restriction, case law, sales analysis, as well as professional opinion. The most significant inputs into this valuation approach are price per square metre with consideration given to the existence of restrictions and active markets.

2. SUNSHINE COAST COUNCIL

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

Buildings

Fair value of buildings is measured using the market approach or, in the absence of an active market, the cost approach. Australis Asset Advisory Group Pty Ltd undertook an analysis of the market index movement, effective 30 June 2019 and arrived at an indicative replacement cost movement index of 2.98%. Buildings considered commercial in nature were also assessed and show indicative fair value movement of 3.50%. The indices were developed using a variety of cost movement sources such as Rawlinson's Construction Handbook, price indices produced by the Australian Bureau of Statistics (ABS) and AIQS Building Economist which were analysed by way of a weighted matrix. Buildings were last comprehensively revalued as at 30 June 2017. Management has elected not to apply indices to this financial class for the 2018/19 financial year.

Where Council buildings are specialised in nature, and there is no active market for the assets, the fair values are derived by an external valuer with reference to relevant recent construction information and adjusted to reflect the consumed or expired service potential of the building asset. Where there is evidence of an active market for assets in the building asset class, fair value has been derived on a market basis from the observed sales prices of comparable properties, after adjusting for differences in key attributes such as property size. Building assets are valued at component level.

Plant and Equipment

Plant and equipment assets are reported at historical cost for the year ended 30 June 2019.

Plant and equipment are reported at original cost less accumulated depreciation. A condition and useful life review is conducted on a recurrent basis. This review ensures integrity of the necessary assertions relating to existence, ownership and condition in order to determine remaining service potential and useful lives.

Infrastructure Assets

Assets are recognised at component level. Componentisation is based around significance, asset behaviour and service delivery. Depreciation is systematically allocated over a defined useful life of each component recognised. Where asset condition can be assessed, it is used as a mechanism to determine whether and to what extent the service potential of infrastructure assets has been consumed during the reporting period and to confirm the pattern of consumption of future economic benefits. Consideration has been made for the typical asset life cycle and renewal treatments. Estimated useful lives are disclosed in Note 15 (f).

Based on Council's consideration of the valuer's reports, where interim valuations have been undertaken, management judges the movement shown in these indices to be the most appropriate measure for reflecting changes in fair value of assets of this nature.

Transportation Network

The Sunshine Coast Local Planning Scheme 2014 provides road hierarchy definitions and Council uses these to categorise its road network in order to recognise the different behaviour of roads within the hierarchy. A system of road segmentation is also used and assets are recognised at component level. Components are based on material type and behaviour and include surface, pavement base, pavement sub-base and earthworks/formation.

Council engaged consulting firm Cardno (Qld) Pty Ltd to comprehensively revalue and develop unit rates for the transportation asset class as at 30 June 2019. Cardno reviewed Council's fixed asset register, current supplier arrangements, recent construction contracts, as well as industry and materials cost indicators. Where current condition is available, this information has been used to inform the fair value of the assets. In the absence of condition, age based assumptions were used.

Condition assessments of bridges are undertaken cyclically which includes a visual inspection to determine condition. Where changes to condition are recorded, in accordance with International Infrastructure Management Manual (IIMM) standards, are used as a basis for assessment of fair value, remaining service potential and remaining useful life. The comprehensive revaluation provided by Cardno (Qld) Pty Ltd took into account this condition information for the fair value assessment as at 30 June 2019.

2. SUNSHINE COAST COUNCIL

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

The fair value of all transportation assets was reported at 30 June 2019 to reflect changes in actual costs of construction for Council and changes in remaining service potential, in accordance with the principles of the cost approach embodied in *AASB 13 Fair Value Measurement*.

Stormwater Network

Council engaged consulting firm Cardno (Qld) Pty Ltd, which last comprehensively revalued and developed unit rates for the stormwater network as at the year ended 30 June 2018. For 2019, Cardno conducted a cost movement analysis which provided that the overall stormwater network assets moved 2.06% during the current period. Various data sources were assessed including the implicit price deflator and price indices produced by the Australian Bureau of Statistics (ABS). Additionally, Cardno's stormwater engineer assessed the cost movements on the material items within the stormwater asset class for the current period which were consistent with the published indices. Management has elected not to apply indices to this financial class for the 2018/19 financial year.

The fair value of stormwater assets was reported at 30 June 2019 to reflect changes in actual costs of construction for Council and changes in remaining service potential, in accordance with the principles of the cost approach embodied in *AASB 13 Fair Value Measurement*.

Other Infrastructure - Facilities

Fair values were last comprehensively revalued by Australis Asset Advisory Group Pty Ltd for the year ended 30 June 2017. For 2019, the market movement assessment indicated an indicative replacement cost movement index of 2.97% developed by Australis Asset Advisory Group Pty Ltd. Management has elected not to apply indices to this financial class for the 2018/19 financial year.

Council facilities, such as aquatic centres, holiday parks, and waste recycling depots, are typically of a specialised nature such that there is no depth of market for the assets. Fair value for these assets is measured on a cost basis by determining current replacement cost. The gross current values have been updated by reference to movement in relevant recent market data on replacement cost. As there is no depth of market, the net current value of an asset is the current replacement cost less accumulated depreciation adjusted to reflect the consumed or expired service potential of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

Other Infrastructure - Open Space and Waterways

Park, sport and open space infrastructure assets were last comprehensively revalued during the year ended 30 June 2015 by GHD - Consulting Engineers. Constructed waterways were valued using unit rates developed by Cardno (Qld) Pty Ltd for the year ended 30 June 2017. For 2019, the market index indicated an indicative replacement cost movement index of 2.97% developed by Australis Asset Advisory Group Pty Ltd. Management has elected not to apply indices to this financial class for the 2018/19 financial year.

Park assets do not have an active market as they are specialised assets held to provide services to the community. Accordingly, the fair value of such assets is measured using the cost approach valuation technique. The gross current values have been determined by reference to Council's internal costs, such as materials and labour, and relevant recent market data on construction costs to establish current replacement cost unit rates. The net current value of an asset is the current replacement cost less accumulated depreciation adjusted to reflect the consumed or expired service potential of the asset.

Other Infrastructure - Waste

Waste landfill assets were last comprehensively revalued by Cardno (Qld) Pty Ltd as at 30 June 2017. The fair value of the landfill cells was calculated by reference to cell area and volume specifications, estimated labour and material inputs, services costs, and overhead allocations. For 30 June 2019, the current replacement cost has been determined by the reassessment of remaining volume of landfill cells and site closure predictions. Landfill airspace is assessed bi-annually.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

16 Intangible assets

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

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

Consolidated and Council	Note	Intangible	Capital	2019	2018
		\$'000	Works in Progress \$'000	Total \$'000	Total \$'000
Opening net value as at 1 July		14,274	296	14,571	16,872
Reclassification to operating expense		-	-	-	(323)
Plus capital expenses		-	2,789	2,789	2,204
Transfers from capital works in progress		592	(592)	-	(629)
Less disposals		-	-	-	(59)
Less amortisation provided in period		(2,951)	-	(2,951)	(3,495)
Transfer (to)/from property, plant and equipment	15(f)	-	(33)	(33)	-
Book value as at 30 June		11,915	2,461	14,376	14,571
Range of estimated useful lives in years		2-25	-		

17 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Accrued employee benefits comprise annual leave, leave in lieu and accrued salaries and wages. Annual leave and leave in lieu represents the amount which Council has a present obligation to pay resulting from employees' services provided up to the reporting date. The accrual is based on the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Creditors and accruals	64,276	66,220	63,582	61,175
Annual leave	12,510	12,146	12,236	12,055*
Other employee entitlements	791	695	791	695
	77,576	79,061	76,609	73,925

* Comparative figures have been restated. Refer to Note 33 for details.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

18 Borrowings

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

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Queensland Treasury Corporation (QTC)	25,670	22,111	25,670	22,111
Loans other	840	840	840	840
	26,510	22,951	26,510	22,951
<u>Non-Current</u>				
Queensland Treasury Corporation (QTC)	286,357	257,416	286,357	257,416
Loans other	94,620	8,615	94,620	8,615 *
	380,977	266,031	380,977	266,031

The market value of QTC borrowings represents the value of the debt if Council repaid the debt as at 30 June 2018. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. The weighted average borrowing rate for the year was 4.596% (2018 5.096%).

Balance at the end of the year (Market Value)	354,234	306,750	354,234	306,750
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Loans Other

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

In July 2017 Council received approval from the Treasurer to enter into a borrowing arrangement with the Commonwealth Government. The loan is to assist with the Sunshine Coast Airport Expansion Project. The loan is unsecured and is repayable over time with full repayment to be made on receipt of the New Runway Construction Payment from Palisade Investment Partners Limited, estimated to be July 2022.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland State Government. There have been no defaults or breaches of the loan agreement during the 2019 or 2018 years.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

19 Provisions

(i) Long service Leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee oncosts. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service, and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is calculated as a current liability. Otherwise it is classified as non-current.

(ii) Landfill and quarry rehabilitation

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

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

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

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

(iii) Per-and poly-fluoroalkyl substances (PFAS)

During construction of the new Sunshine Coast Airport runway, a new PFAS National Environmental Management Plan (NEMP) was adopted by the Heads of Environment Protection Authorities Australia and New Zealand. As a result, environmental issues related to the management of PFAS were identified by the Department of Environment and Science (Qld) (DES), and Council has incurred approximately \$18 million in consultant reporting, site investigation, testing and mitigation works to address the issues to the satisfaction of DES.

These costs were required to be incurred in order to continue construction of the runway.

In addition, as further mitigation is expected to be required to allow the runway construction to continue, a provision of \$20 million has been recognised at 30 June 2019 to allow for this.

(iv) Land resumption

During detailed design, and with the advent of more accurate LIDAR laser survey technology, it has been identified that trees located in private properties beyond the north-western runway end penetrated the Obstacle Limitation Surface Approach Surface. To ensure safe operation of the new runway, it was determined that these trees required trimming prior to opening of the runway and then periodically into the future as the trees grew. To ensure access to undertake this activity, Council determined to acquire the properties on which the trees were located. Acquisition was accomplished by agreement with the property owners and transfer of title was published in the Government Gazette on 24 May 2019. The compensation amounts are yet to be determined.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Long service leave	21,871	18,356	21,727	18,369
Landfill and quarry rehabilitation	6,163	1,655	6,163	1,655
Per- and poly-fluoroalkyl substances (PFAS) mitigation	17,881	-	17,881	-
	45,915	20,011	45,771	20,024
<u>Non-current</u>				
Long service leave	3,105	5,547	3,007	5,304
Landfill and quarry rehabilitation	37,097	31,669	37,097	31,669
Land resumption	3,895	-	3,895	-
Per- and poly-fluoroalkyl substances (PFAS) mitigation	2,260	-	2,260	-
	46,357	37,216	46,259	36,973

Details of movements in provisions:

Long service leave

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of financial year	23,903	22,791	23,673	22,617
Long service leave entitlement arising	3,780	3,872	3,767	3,816
Long service entitlement paid	(2,462)	(2,677)	(2,462)	(2,677)
Long service entitlement extinguished	(245)	(83)	(245)	(83)
Balance at end of financial year	24,976	23,903	24,733	23,673

Landfill and Quarry rehabilitation

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at beginning of financial year		33,323	30,265	33,323	30,265
Increase/(decrease) in provision due to effect of interest rate movement		6,837	-	6,837	-
Increase/(decrease) in provision due to unwinding of discount	7	42	451	42	451
Increase/(decrease) in provision due to change in estimate		4,713	3,806	4,713	3,806
Increase/(decrease) in provision as a result of actual expenditure incurred during the year		(1,655)	(1,198)	(1,655)	(1,198)
Balance at end of financial year		43,260	33,323	43,260	33,323

Council holds an Environmental Protection Agency licence to operate a number of landfills. Council estimates and discounts expected future costs to restore landfill cells to present value at a discount factor based on Commonwealth bond yield rates.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

During 2018/19 an increase in the provision for the refuse landfill sites of \$9.937 million (2018 \$3.058 million) was recognised largely due to updated estimates to cost inputs and a decrease in interest rates of 1.24%.

Landfill site	Expected closure year	Post closure monitoring cost completion year
Coolum	2010	2040
Buderim	2004	2034
Pierce Avenue	2031	2061
Nambour Landfill	2042	2072
Old Buderim Landfill	1989	2019

At 30 June 2019 the net present value of the projected costs over the next 30 years has been assessed as \$31.498 million.

Capital Market Yields - Government 10 year bond rate for 2019 was 1.36% (2018 2.6%).

20 Other liabilities

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

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<u>Current</u>				
Unearned revenue	7,806	9,075	7,741	8,992
Waste levy refund received in advance *	8,987	-	8,987	-
	16,793	9,075	16,728	8,992

* The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which takes effect from 1 July 2019. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of Council's 2019-20 Levy expense, the full amount has been recognised as a liability as at 30 June 2019.

21 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net increments and decrements in the book value of classes of non-current assets after their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense in the Statement of Comprehensive Income.

When an asset is disposed of the amount reported in the surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Movements in the asset revaluation surplus were as follows:				
Restated balance at beginning of period				
Land	37,882	-	37,882	-
Buildings	38,052	33,760	38,052	33,760
Transportation network	508,550	508,550	508,550	508,550
Stormwater network	248,450	240,392	248,450	240,392
Other infrastructure	71,886	64,465	71,886	64,465
	904,820	847,168	904,820	847,168
Net adjustment to non-current assets to reflect a change in current fair value:				
Land	21,805	37,882	21,805	37,882
Buildings	(2)	4,292	(2)	4,292
Transportation network	(282,533)	-	(282,533)	-
Stormwater network	(918)	8,057	(918)	8,057
Other infrastructure	(99)	7,421	(99)	7,421
	(261,746)	57,651	(261,746)	57,651
Closing balance of the asset revaluation surplus is comprised of the following asset categories:				
Land	59,687	37,882	59,687	37,882
Buildings	38,050	38,052	38,050	38,052
Transportation network	226,017	508,550	226,017	508,550
Stormwater network	247,532	248,450	247,532	248,450
Other infrastructure	71,787	71,886	71,787	71,886
	643,073	904,819	643,073	904,819

22 Commitments for expenditure

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year	7,040	6,085	7,025	5,993
One to five years	9,117	9,229	9,117	9,088
Greater than five years	547	677	547	677
	16,704	15,992	16,689	15,758

Council has entered into operating leases on certain motor vehicles and IT equipment, with lease terms between three and five years. The Council has the option, under some of its leases, to lease the assets for additional terms of three to five years.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

During the year an amount of \$8.079 million (2018: \$7.723M) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

Contractual commitments

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

Within one year	222,289	191,313	215,697	174,518
One to five years	122,964	112,518	122,964	112,518
Greater than five years	24,941	11,442	24,941	11,442
	370,194	315,273	363,602	298,478

Capital commitments

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

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Buildings and Facilities	707	656	707	656
Corporate Major Projects	-	785	-	785
Divisional Allocations	1,820	2,104	1,820	2,104
Environmental Assets	60	196	60	196
Fleet	-	544	-	544
Holiday Parks	454	137	454	137
Information Technology	2,079	868	2,079	868
Parks, Gardens and Reserves	-	1,437	-	1,437
Quarries	21	44	21	44
Stormwater	-	992	-	992
Strategic Land and Planning	1,427	6,532	1,427	6,532
Transportation	-	1,540	-	1,540
Waste	1,534	458	1,534	458
These expenditures are payable within one year	8,102	16,293	8,102	16,293

23 Contingencies

Contingent assets

On 9 February 2017 Council entered into an agreement with Palisade Investment Partners to effect, among other things, a 99 year lease of Sunshine Coast Airport land and building assets to Palisade, and for Council to construct a new runway. Under the 99 year lease, Council will be entitled to 5% of gross Airport revenue per annum. It is not possible to reliably estimate the amount of gross revenue from the Airport and therefore the amount to be received is a contingent asset at 30 June 2019.

The 99 year lease commenced 1st December 2017.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
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Contingent liabilities

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

	Consolidated		Council	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
At 30 June 2019 there are 40 insurance claims under management with Council's public liability insurer, LGM (41 in 2018). The amount required assuming the claims proceed to settlement is:	262	294	262	294
At 30 June 2019 there are 20 compulsory land acquisition claims (4 in 2018) pending and are not expected to exceed:	13,953	710	13,953	710
At 30 June 2019 Council provided 3 standard commercial warranties to which there are no current known claims (3 in 2018). The maximum amount required in the event of breach is:	98,000	98,000	98,000	98,000
At 30 June 2019 Council may be required by the Department of Environment and Science (DES), to treat water on the Sunshine Coast Airport site that has been contaminated with per- and poly-fluoroalkyl substances (PFAS). The amount required in the event of a legal requirement is:	20,000	-	20,000	-
Total Contingent liabilities	132,215	99,004	132,215	99,004

Based on advice from Council's solicitors, there are claims that may result in future settlements being made by Council. The total of these claims, liability for which is not admitted, has not been quantified as Council is in the process of negotiations for a commercial settlement of the claims.

Local Government Workcare

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

Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$2,734,835.

Local Government Mutual

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

As at 30 June 2018 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

24 Superannuation

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

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is not due until 1 July 2021.

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

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities.

Sunshine Coast Regional Council made 7.09% of the total contributions to the plan for the 2018/19 financial year.

2. SUNSHINE COAST COUNCIL NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2019

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

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		1,883	1,868	1,883	1,868
Other superannuation contributions for employees		13,264	17,843	13,107	17,689
Total superannuation contributions paid by Council for employees:	5	15,147	19,712	14,990	19,557

Council expects to contribute \$1.897 million to the Regional Defined Benefits Fund for 2019/20.

25 Operating lease income

The minimum lease payments are payable as follows:

	Consolidated		Council	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year	2,770	1,265	2,770	1,265
One to five years	4,788	3,630	4,788	3,630
Greater than five years	8,803	9,015	8,803	9,015
	16,362	13,910	16,362	13,910

Council has contingent assets related to Sunshine Coast Airport. This is included in Note 23.

Council received \$1.050 million (\$0.529 million in 2018) from the Sunshine Coast Airport and has forecast future revenue payments of \$1.116 million in line with Council's 2018-19 Adopted Original Budget. The future payments may exceed or be less than these estimates, depending on future airport activities.

26 Controlled entities

Council has a 100% controlling interest in Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd. Council owned all the issued shares and units in Sunshine Coast Airport Pty Ltd as trustee for Sunshine Coast Airport Trust until sold on 1 December 2017.

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

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

Sunshine Coast Airport Pty Ltd as trustee for Sunshine Coast Airport Trust was established in preparation for the commencement of the 99 year lease on 1 December 2017 to Palisade Investment Partners Limited for operation of the airport.

The following table shows revenue and expenses before consolidating eliminations.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

	SunCentral Maroochydore Pty Ltd		Sunshine Coast Events Centre Pty Ltd		Sunshine Coast Airport Pty Ltd	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue	20,826	21,223	3,348	3,773	-	9,675
Expenses	(20,799)	(21,176)	(3,341)	(3,710)	-	(3,328)
Profit/Loss on Transfer	-	-	-	-	427	(6,347)
Surplus / (deficit)	27	47	6	63	427	-

27 Trust funds

Consolidated		Council	
2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
8,867	7,927	8,442	7,557

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities. The Sunshine Coast Regional Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

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

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result		136,302	162,866	92,449	118,223*
Non-cash items					
Depreciation and amortisation	15,16	85,664	76,353	85,613	76,342
Share of net profit of associate		(43,819)	(44,521)	-	-
Contributed assets		(85,379)	(90,258)	(85,379)	(90,258)
		(43,534)	(58,426)	234	(13,915)
Investing activities					
Net loss on disposal of property, plant and equipment		9,589	22,971	9,589	22,971
Impairment Expense		44,802	-	44,802	-
Capital grants and contributions		(58,323)	(41,298)	(58,323)	(41,298)*
		(3,932)	(18,327)	(3,932)	(18,327)
Changes in operating assets and liabilities					
(Increase)/decrease in receivables		2,033	2,922	(460)	3,845
(Increase)/decrease in inventory		(16,839)	(7,580)	(16,884)	(7,612)
Increase/(decrease) in payables		(390)	17,253	2,257	16,062
Increase/(decrease) other liabilities		7,735	(305)	7,735	(330)*
Increase/(decrease) in other provisions		35,457	3,792	35,033	3,793
		27,996	16,083	27,681	15,757
Net cash inflow from operating activities		116,831	102,196	116,431	101,738

* Comparative figures have been restated. Refer to Note 33 for details.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

29 Reconciliation of liabilities arising from finance activities

For the year ended June 2019	As at 30 June 2018	Cash flows	Non-cash changes (Fair Value)	As at 30 June 2019
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Loans	288,983	118,216	289	407,488
	288,983	118,216	289	407,488
Council				
Loans	288,983	118,216	289	407,488
	288,983	118,216	289	407,488

For the year ended June 2018	As at 30 June 2017	Cash flows	Non-cash changes (Fair Value)	As at 30 June 2018
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Loans	290,056	1,232	(2,305)	288,983
	290,056	1,232	(2,305)	288,983
Council				
Loans	290,056	1,232	(2,305)	288,983
	290,056	1,232	(2,305)	288,983

* Comparative figures have been restated for fair value adjustment. Refer to Note 33 for details.

30 Financial instruments and financial risk management

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

- credit risk
- liquidity risk
- foreign exchange risk
- market risk

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

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

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

Council does not enter into derivatives.

Credit risk

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

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

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

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

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

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

The following represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

Financial assets	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and cash equivalents	10	265,691	292,118	263,421	290,202
Receivables - rates	11	4,418	3,982	4,418	3,982
Receivables - loan	11	9,254	9,004	9,254	9,004
Receivables - other	11	29,935	35,165	29,810	30,597
Loan to Unitywater - subordinate debt and working capital	11	434,393	434,393	434,393	434,393
Shares held in controlled entities	11	-	-	500	500
Other credit exposures					
Guarantees	23	2,735	2,829	2,735	2,829
Total financial assets		743,691	774,662	741,797	768,678

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated. An analysis of outstanding receivables is shown in Note 11.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Cash and cash equivalents

Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Other financial assets

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

Trade and other receivables

In the case of rate receivables, the council has the power to sell the property to recover any defaulted amounts. In effect this power protects the council against credit risk in the case of defaults.

In other cases, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Councils operations, there is a geographical concentration of risk in Council's area.

The council does not require collateral in respect of trade and other receivables. The council does not have trade receivables for which no loss allowance is recognised because of collateral.

At 30 June 2019, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	Note	Consolidated		Council	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Property Charges		10,805	9,507	10,805	9,507
Trade and other debtors		20,370	25,840	20,256	21,272
GST Recoverable		3,177	3,799	3,166	3,799
Loans to associates		434,393	434,393	434,893	434,893
Receivable other		9,254	9,004	9,254	9,004
Total	11	478,000	482,544	478,375	478,476

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

A summary of the Council's exposure to credit risk for trade receivables is as follows:

	Consolidated			Council		
	2019	2018		2019	2018	
	Not credit-impaired	Credit-impaired		Not credit-impaired	Credit-impaired	
	\$'000	\$'000		\$'000	\$'000	
Not past due	474,225	536	474,356	474,603	536	474,856
Past due 31-60 days	653	1	5,080	650	1	512
Past due 61-90 days	467	1	361	467	1	361
More than 90 days	2,655	3	3,230	2,655	3	3,230
Total gross carrying amount	478,000	540	483,026	478,375	540	478,958
Loss allowance	(154)	(385)	(482)	(154)	(385)	(482)
	477,846	154	482,544	478,221	154	478,476

Expected credit loss assessment as at 1 July 2018 and 30 June 2019

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

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

The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers as at 30 June 2019:

Consolidated - 2019	Weighted -average loss rate	Gross carrying rate	Loss allowance	Credit-impaired
	\$'000	\$'000	\$'000	\$'000
Not past due	<.01%	474,761	(536)	474,225
Past due 31-60 days	<.01%	654	(1)	653
Past due 61-90 days	<.01%	468	(1)	467
More than 90 days	<.01%	2,658	(3)	2,655
Total	0.1105%	478,540	(540)	478,000

Council - 2019	Weighted -average loss rate	Gross carrying rate	Loss allowance	Credit-impaired
	\$'000	\$'000	\$'000	\$'000
Not past due	<.01%	475,139	(536)	474,603
Past due 31-60 days	<.01%	651	(1)	650
Past due 61-90 days	<.01%	468	(1)	467
More than 90 days	<.01%	2,658	(3)	2,655
Total	0.1105%	478,915	(540)	478,375

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
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Loss rates are based on actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

The movement in the allowance for impairment in respect of trade receivable during the year was (\$0.058) million.

Liquidity risk

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

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

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

The following sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

Consolidated	Note	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2019					
Trade and other payables	17	64,276	-	-	64,276
Loans - Queensland Treasury Corporation (QTC)	18	34,787	140,515	222,516	397,817
Loan - Economic Development Queensland (EDQ)	18	840	3,360	6,720	10,920
Loan - Federal Government Concessional Loan	18	-	86,557	-	86,557
		99,902	143,875	229,236	473,013
2018					
Trade and other payables	17	66,647	-	-	66,647
Loans - Queensland Treasury Corporation (QTC)	18	31,163	125,418	212,595	369,175
Loan - Economic Development Queensland (EDQ)	18	840	3,360	7,560	11,760
		98,650	128,778	220,155	447,582

2. SUNSHINE COAST COUNCIL
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For the year ended 30 June 2019

Liquidity risk *continued*

Council	Note	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2019					
Trade and other payables	17	63,582	-	-	63,582
Loans - QTC	18	34,787	140,515	222,516	397,817
Loan - EDQ	18	840	3,360	6,720	10,920
Loan - Federal Government concessional Loan	18	-	86,557	-	86,557
		99,209	230,431	229,236	472,320
2018					
Trade and other payables	17	61,602	-	-	61,602
Loans - QTC	18	31,163	125,418	212,595	369,175
Loan - EDQ	18	840	3,360	7,560	11,760
		93,605	128,778	220,155	442,538

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

Foreign exchange risk

Council is exposed to foreign exchange risk arising from \$US Dollar transactions associated with the Sunshine Coast International Broadband Network project. Council incurs foreign currency risk on payments in \$US dollars. Foreign exchange transaction exposure arises when Council makes payments in another currency.

Market risk

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

Interest rate risk

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

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

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

Sensitivity

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

Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

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

Consolidated	Net carrying amount		Profit		Equity	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	-	-	-	-	-	-
Financial liabilities	(3,542)	(3,068)	(3,542)	(3,068)	(3,542)	(3,068)
Net total	(3,542)	(3,068)	(3,542)	(3,068)	(3,542)	(3,068)

Council	Net carrying amount		Profit		Equity	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	-	-	-	-	-	-
Financial liabilities	(3,542)	(3,068)	(3,542)	(3,068)	(3,542)	(3,068)
Net total	(3,542)	(3,068)	(3,542)	(3,068)	(3,542)	(3,068)

The risk in borrowing is effectively managed by borrowing from the Queensland Treasury Corporation as well as the Federal and State Government, and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be minimised. Interest rate risk in other areas is minimal.

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

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

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

	Carrying Amount		Fair Value	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Queensland Treasury borrowings	312,028	279,528	354,234	306,750
Economic Development Queensland borrowings	10,920	11,760	8,904	9,455
Federal Government Concessional Loan borrowings	86,557	-	86,557	-
	409,504	291,288	449,694	316,205

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Fair value

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

The fair value of borrowings is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market rate is provided by QTC and is disclosed in Note 18.

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

31 National competition policy

Competition reforms may be applied to significant business activities and business activities.

Applying National Competition Policy to activities deemed to be in competition with, or potentially in competition with, the private sector, requires the application of competitive neutrality principles (including full cost pricing) to remove the advantages and disadvantages of public ownership within that activity.

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

- a) efficient operating expenses including tax equivalents
- b) a return of capital (i.e. depreciation expense); and
- c) a return on capital (i.e. cost of debt plus return on equity invested in the business).

Full cost pricing is achieved if the total expected revenue from all sources, including subsidies and community service obligations, is sufficient to meet expected total costs as defined above.

Council provides funding from general revenue to the business activity to cover the net cost of providing non-commercial community services obligations.

(a) Significant business activities

The expenditure threshold amounts for identifying a "significant business activity" for the 2018/19 financial year are as follows:

- a) for water and sewerage combined activities - \$13.96 million (2018 \$13.96 million)
- b) for other activities - \$9.70 million (2018 \$9.35 million)

Waste and Resources Management was a significant business activity and applied the competitive neutrality principle via full cost pricing. There were no new significant business activities.

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

Council has resolved to apply a Code of Competitive Conduct to the following business activities.

- a) Sunshine Coast Holiday Parks
- b) Quarry Business Activity

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

The following activity statements are for activities subject to the competitive code of conduct:

	Quarry Business Activity	Sunshine Coast Holiday Parks	Waste and Resource Management
	2019 \$'000	2019 \$'000	2019 \$'000
Revenue for services provided to Council	4,500	882	1,035
Revenue for services provided to external clients	2,020	16,681	63,970
Community Service Obligations (CSO's)	-	-	1,120
	6,520	17,563	66,126
Less : Expenditure	7,559	10,591	59,441
Surplus / (deficit)	(1,040)	6,972	6,685

Description of CSO's provided to business activities:

Waste and resource management

Waste collection and disposal charges for charitable organisations

**Net cost
2019
\$'000**

1,120

32 Related party disclosures

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

(a) Transactions with Subsidiaries

SunCentral Maroochydore Pty Ltd (wholly owned entity)

Details	2019 \$'000	2018 \$'000
Revenue		
Receipt of contributions and sponsorship from subsidiary	50	30
Expenditure		
Purchase of materials and services from subsidiary	-	(70)
Annual development management fee paid to subsidiary	(1,934)	(1,897)
Maroochydore City Centre development costs paid to the subsidiary in accordance with established Development Service Contracts	(16,707)	(18,281)
Total	(18,591)	(20,218)

SunCentral Maroochydore Pty Ltd is dependent on funding provided by Council. Funding support has been agreed to by Council for the 2019/20 financial year. No SunCentral employees are related parties of Council.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Sunshine Coast Events Centre Pty Ltd (wholly owned entity)

Details	2019 \$'000	2018 \$'000
Revenue		
Recoupment of operating costs paid on behalf of the subsidiary	263	264
Recoupment of internal service costs from the subsidiary	87	87
Expenditure		
Operational funding paid to subsidiary	(1,495)	(1,464)
Purchase of materials and services from subsidiary	(27)	(76)
Maintenance and equipment provided to subsidiary	(132)	(211)
Payment of operating costs on behalf of the subsidiary	(237)	(286)
Provision of internal services to the subsidiary	(434)	(509)
Capital expenditure incurred on the property	(7,070)	(778)
Total	(9,045)	(2,971)

Sunshine Coast Events Centre Pty Ltd is dependent on funding provided by Council. Funding support has been agreed to by Council for the 2019/20 financial year. Cr Dwyer, a member of Council's Key Management Personnel, was appointed to the Board of The Sunshine Coast Events Centre Pty Ltd by a resolution of the Sunshine Coast Council in June 2008. No Events Centre employees are related parties of Council.

Sunshine Coast Airport Pty Ltd as trustee for Sunshine Coast Airport Trust (wholly owned entity until 1 December 2017)

Details	2019 \$'000	2018 \$'000
Revenue		
Recoupment of employee costs, water and sewerage charges	-	1,310
Expenditure		
Payment of employee costs, water and sewerage charges	-	(1,324)
Total	-	(15)

In preparation for completion under the SCA Share Sale and Purchase Agreement Council established Sunshine Coast Airport Pty Ltd, a proprietary company limited by shares, as well as The Trustee for Sunshine Coast Airport Trust, a unit trust established by deed. Council owned all the issued shares in the company as well as all the issued units in the trust, until sold on 1 December 2017 to Palisade Investment Partners Pty Limited in conjunction with commencement of the 99 year lease of the Sunshine Coast Airport.

This entity is no longer a related party in 2018/19.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

(b) Transactions with associates
Unitywater (associate)

Details	2019 \$'000	2018 \$'000
Revenue		
Interest paid to Council	21,807	22,502
Recoupment Unitywater expenses incurred by Council	458	553
Participation returns (dividends) paid to Council	13,121	268
Tax equivalent paid to Council	14,911	27,069
Sale of land to Unitywater	-	715
Expenditure		
Water and sewerage charges for Council properties	(4,703)	(5,416)
Purchase of materials and services	(394)	(1,931)
Total	45,200	43,760

Further detail regarding Unitywater is contained in Note 14 Investment in associates.

(c) Transactions with Key Management Personnel

Key Management Personnel include the Mayor, Councillors, Council's Chief Executive Officer and members of the Board of Management. Compensation paid to Key Management Personnel comprises:

Details	2019 \$'000	2018 \$'000
Short term employee benefits	(4,781)	(4,317)
Post-employment benefits	(544)	(448)
Long term employee benefits	(68)	(52)
Termination benefits	(107)	(658)
Total	(5,499)	(5,475)

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

The amounts disclosed in the above table are amounts related to Key Management Personnel recognised as an expense during the reporting period.

(d) Transactions with other related parties

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

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

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

Details	2019 \$'000	2018 \$'000
(i) Employee expenses for close family members of key management personnel	(146)	(152)
(ii) Purchase of materials and services from entities controlled by close family members of key management personnel	(1,938)	(1,178)
(iii) Development applications submitted by related parties of key management personnel	14	-
Total	(2,070)	(1,331)

- (i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement for the job they perform. Council employs 1,859 (1,803 in 2017/18) staff of which only 2 (2 in 2017/18) are close family members of key management personnel.
- (ii) Sunshine Coast Council purchased civil construction services from Civlec Pty Ltd trading as Trafflec, a company controlled by a close family member of Cr Dwyer. This contract was awarded under Council's Procurement Policy, all purchases were at arm's length and in the normal course of Council operations. This amount represents 0.59% i.e. less than 1% (0.58% in 2017/18) of the total amount spent on capital expenditure. Practical completion and defects liabilities guarantees totalling \$75,000 (\$47,148 in 2017/18) were provided to Council by the company.
- (iii) All development applications are assessed in accordance with relevant legislative requirements and paid for by applicants as per Council's adopted Fees & Charges. Council received over 20,000 development applications during the year, 4 of which were from related parties.

(e) Outstanding balances

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

Receivables	2019 \$'000	2018 \$'000
(i) Not past due	52	12
Past due - more than 90 days	15	17
Total Owing	67	29

- (i) Outstanding balance (not past due) relates to works performed by Council for Unitywater (\$12,650) and event sponsorship from SunCentral Maroochydore Pty Ltd (\$40,000).

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(f) Loans and guarantees to/from related parties

Details	2019 \$'000	2018 \$'000
Loan to associate (Unitywater) - subordinated debt	434,393	434,393

Refer to Note 30 Financial instruments and financial risk management.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

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

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

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

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

33 Restated balances
30 June 2019

- (a) During 2018/19, Council identified a prior period error that related to contributed assets that had commission dates prior to 1 July 2018. As a result, for 2017/18 Council had understated its contributed revenue and property, plant and equipment by \$29.258 million and applicable depreciation by \$0.31 million. To correct the impact of the prior period error, Council has adjusted the 2017/18 comparative amounts in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes where indicated.
- (b) During 2018/19, Council identified a prior period error that related to the fair value of the loan from Economic Development Queensland. This loan is an interest free loan and the fair value of this loan has been adjusted by \$2.305 million.
- (c) During 2018/19 Council undertook a data reconciliation process between Council's financial assets register and Geo Spatial Information (GIS) system. As a result, there were various amendments required to be actioned in both systems. The outcome created over 70 thousand new asset records (including componentisation of existing assets) in the financial asset register, and a net increase to the fair value of the asset base of \$367.7 million, with an applicable depreciation expense of \$4 million. To correct the impact of the prior period error, Council has adjusted the 2017/18 comparative amounts in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes where indicated.
- (d) During 2018/19 Council identified a prior period error that related to non-policy developer contributions which has resulted in Council understating their revenue by \$7.857 million in 2017/18 and \$10.321 million in the years prior to 2017/18. These amounts had been recorded as liabilities. To correct the impact of the prior period error, Council has adjusted the 2017/18 comparative amounts in the Statement of Comprehensive Income, Statement of Financial Position, Statements of Changes in Equity and notes where indicated.

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

Details of the adjustments impacting financial statement line items are provided below.

Financial statement line item / balance affected

Council		Actual	Adjustments	Restated Actual
Statement of Comprehensive Income (Extract)		2018	2018	2018
		\$'000	\$'000	\$'000
	Recurrent revenue			
	Grants, subsidies, contributions, donations and other			
(b)	Government grants and subsidies state	2,594	2,305	4,898
	Total recurrent grants, subsidies, contributions, donations and other	14,122	2,305	16,427
	Non-recurrent revenue			
(d)	Developer contributions	31,570	7,857	39,427
(a)	Infrastructure from developers at fair value	61,000	29,258	90,258
(a,d)	Total non-recurrent revenue	99,993	37,115	137,108
(a,b,c)	Total income	522,183	39,137	561,319
(a,b,c,d)	Net result (deficiency)	78,376	39,847	118,223
	Total comprehensive income for the year	136,027	39,847	175,874
Council		Actual	Adjustments	Restated Actual
Statement of Financial Position (Extract)		2018	2018	2018
		\$'000	\$'000	\$'000
	Non current assets			
(a,c)	Property, plant and equipment	3,937,744	396,884	4,334,628
	Total non-current assets	5,048,084	396,884	5,444,968
	Total assets	5,396,858	396,884	5,793,742
	Current liabilities			
(d)	Other Liabilities	27,170	(18,178)	8,992
	Non-current liabilities			
(b)	Borrowings	268,336	(2,305)	266,031
	Community equity			
(a,b,c)	Retained surplus/(deficiency)	4,042,151	417,876	4,460,027
	Total community equity	4,946,970	417,876	5,364,846

2. SUNSHINE COAST COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the year ended 30 June 2019

<u>Council</u>		Actual	Adjustments	Restated
	Note	2018 \$'000	2018 \$'000	2018 \$'000
Statement of changes in equity (Extract)				
Retained surplus				
Balance as at the 1 July 2017		3,963,775	378,029	3,963,775
(a,b, c,d) Net result		78,377	39,847	118,223
Balance as at 30 June 2018		4,042,151	417,876	4,460,027

34 Events after the reporting date

Council has refinanced the Commonwealth Government Concessional Loan for the Sunshine Coast Airport Runway Project with borrowings from Queensland Treasury Corporation (QTC). The payout occurred on 10 September 2019 and resulted in a reduction in the borrowing rate.

Council entered into a beneficial enterprise with Sunshine Coast Arts Foundation Ltd during 2018/19 to:

- develop a regional culture of philanthropy by encouraging donations, gifts, bequests, endowments etc. for the public charitable purposes of promoting and advancing arts and culture (all art forms) across the Sunshine Coast; and
- provide financial and in-kind support via a range of mechanisms to organisations, groups and individuals with the aim of achieving arts outcomes that benefit this region.

Council paid \$106,343 to this company in July 2019 as part of a three year funding agreement.

3. MANAGEMENT CERTIFICATE

For the year ended 30 June 2019



Financial Statements For the year ended 30 June 2019

MANAGEMENT CERTIFICATE

For the year ended 30 June 2019

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

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

- (i) The prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) The general purpose financial statements, as set out on pages 1 to 57, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.

A blue ink signature of Cr Mark Jamieson, consisting of a large, stylized 'M' and 'J' followed by a horizontal line.

Cr Mark Jamieson
Mayor

Sunshine Coast Regional Council

Dated 14 October 2019

A black ink signature of Michael Whittaker, written in a cursive style.

Michael Whittaker
Chief Executive Officer

Michael Whittaker
Chief Executive Officer

Sunshine Coast Regional Council

Dated 14 October 2019

4. INDEPENDENT AUDITOR'S REPORT

(General Purpose Financial Statements)



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Sunshine Coast Regional Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2019, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements. I addressed these matters in the context of the audit of the financial report as a whole and in forming my opinion. I do not provide a separate opinion on these matters.

Infrastructure assets valuation using current replacement cost (\$3,169 million)

Refer to note 15 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Council's infrastructure assets (transportation network, stormwater network and other infrastructure) were measured at fair value at balance date using the current replacement cost method that comprises:</p> <ul style="list-style-type: none"> • Gross replacement cost, less • Accumulated depreciation <p>Council values the gross replacement cost of its infrastructure assets with reference to the unit rate at which it could construct a substitute asset of comparable quality in the normal course of business.</p> <p>Council engaged a valuation specialist to comprehensively revalue and develop unit cost rates for the transportation network as at 30 June 2019. For other infrastructure assets, the council engaged qualified consultants to provide cost movement indices to derive unit rates.</p> <p>Unit rates require significant judgement for determining the:</p> <ul style="list-style-type: none"> • parts of assets (components) that are replaced at different times in the asset life-cycle, or that have materially different replacement costs due to physical location attributes • average project dimensions • tasks (and applicable costs) required for replacing components, excluding those that result in duplication or are ineligible for inclusion in the cost of an asset • on-costed labour charges • directly attributable service, materials, and plant costs (inputs) for each applicable task • indices for measuring subsequent changes in unit rates. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Assessing the reasonableness of unit rates by: <ul style="list-style-type: none"> ○ Evaluating the methods by which council determined the movement in unit cost indices and reasonableness of the result. This was done by: <ul style="list-style-type: none"> – inquiring with council management and the independent valuer to identify if there had been any significant changes to construction costs resulting from factors such as changed building codes, environmental or safety regulations, construction methods and technological advances. – corroborating council's representations against recent construction activity and asset management plans. – assessing the competence, capabilities and objectivity of valuers who have provided information on unit rates and unit cost movements – obtaining an understanding of the methodologies used and assessing their design, integrity and appropriateness with reference to common industry practice – considering evidence of labour rate changes and supplier rate changes – comparison with other publicly available indices and other available information on the movement of key cost drivers. • Assessing the reasonableness of infrastructure assets useful lives by: <ul style="list-style-type: none"> ○ reviewing management's annual assessment of useful lives. ○ reviewing for evidence of infrastructure obsolescence, failure or disposals that could indicate a remaining useful life less than what is recorded. ○ reviewing for evidence of infrastructure assets continuing to be used for longer than their recorded useful lives. ○ comparing council's infrastructure useful life assumptions to other local councils.

Key audit matter	How my audit addressed the key audit matter
<p>In measuring accumulated depreciation, council's engineers and asset managers use significant judgement for estimating how long asset components with long lives will provide future economic benefits for. Asset lives are dependent on a range of factors including asset management practices, maintenance programs, construction materials and construction methods, obsolescence, environmental factors, degradation through use, management intentions and fiscal availability.</p> <p>The significant judgements required for gross replacement cost and useful lives outlined above are also significant for calculating annual depreciation expense.</p>	<ul style="list-style-type: none"> ○ considering whether council's asset management plans are consistent with useful lives assigned to infrastructure assets. ○ assessing council's processes for performing asset condition assessments and making adjustments in its asset registers and financial systems.

Other information

Other information comprises the information included in Sunshine Coast Regional Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's and the group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Carolyn Dougherty
as delegate of the Auditor-General

14 October 2019

Queensland Audit Office
Brisbane

5. CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

Certificate of Accuracy – for the Current Year Financial Sustainability Statement

Current Year Financial Sustainability Statement

Sunshine Coast Regional Council

For the year ended 30 June 2019

Measures of Financial Sustainability

Council's performance at 30 June 2019 against key financial ratios and targets:

		Consolidated 2019	Council 2019
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	11.7%	3.0%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	72.5%	72.5%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	55.6%	61.5%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Certificate of Accuracy

For the year ended 30 June 2019


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

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



Cr Mark Jamieson
Mayor
Sunshine Coast Regional Council

Dated: 14 October 2019



Michael Whittaker
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 14 October 2019

5. CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

Independent Auditors Report - Current Year Financial Sustainability Statement



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Sunshine Coast Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Sunshine Coast Regional Council (the council) for the year ended 30 June 2019 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Sunshine Coast Regional Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information included in Sunshine Coast Regional Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the long-term financial sustainability statement.

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

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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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



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

A handwritten signature in blue ink, appearing to read 'C. Dougherty', is written in a cursive style.

14 October 2019

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

6. UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

Long-Term Financial Sustainability Statement Sunshine Coast Regional Council For the year ended 30 June 2019

Measures of Financial Sustainability Council	Measure	Target	Actuals at 30 June 2019	Forward Estimates								
				30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	3.0 %	6.2 %	7.6 %	7.9 %	7.2 %	7.8 %	5.9 %	6.2 %	8.5 %	9.1 %
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	72.5 %	63.5 %	68.3 %	66.0 %	69.5 %	68.9 %	70.7 %	70.6 %	70.9 %	71.7 %
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	61.5 %	94.4 %	103.8 %	44.9 %	45.6 %	40.5 %	39.1 %	36.1 %	29.0 %	25.5 %

Sunshine Coast Regional Council's Financial Management Strategy

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

The above forward estimates are aligned with Council's Long Term Financial Forecast, Financial Plan, Corporate Plan and Operational Plan, with the Operating Surplus Ratio remaining within accepted target ranges.

The Asset Sustainability Ratio (reflecting the ongoing development of Council's asset management plans) is in line with Council's targeted ratio, considering Council's relatively young asset base. Council has determined an Asset Sustainability Ratio range of between 60% and 70% for 2019/20.

The Sunshine Coast region has experienced exponential growth in recent periods, leading to an increase in new and contributed assets. The influx of new assets is reducing the collective age of Council's assets, lowering the requirement of renewals expenditure and the Asset Sustainability Ratio forecast. Sunshine Coast Council's renewal program is based on asset management plans and is completed in conjunction with a stringent scheduled maintenance program.

The Net Financial Liabilities Ratio (reflecting the extent to which the net financial liabilities of Council can be repaid from operating revenue) exceeds the target range in years 2019, 2020 and 2021. The 10 year capital program requires \$245 million in borrowings for Sunshine Coast Airport Runway Project. Council's debt funding of the Sunshine Coast Airport Runway Project will require the Net Financial Liabilities Ratio target to be exceeded in years 2019, 2020 and 2021.

The Department of Local Government, Racing and Multicultural Affairs Financial Management (Sustainability) Guideline 2013 states "high average Net Financial Liabilities ratio projections over the long-term are typically indicative of a local government that is undertaking/has undertaken significant infrastructure projects. Whilst some local governments may not achieve the recommended target for Net Financial Liabilities Ratio on average over the long-term, this does not necessarily indicate that a local government is likely to be unsustainable over the long-term. In such cases, well-managed local governments with robust financial management systems and the ability to service current and projected debt levels, can maintain long-term sustainability and average Net Financial Liabilities ratio projections over the long-term that exceed the recommended target."

Certificate of Accuracy

For the year ended 30 June 2019

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

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


Cr Mark Jamieson
Mayor
Sunshine Coast Regional Council




Dated: 14 October 2019


Michael Whittaker
Chief Executive Officer
Sunshine Coast Regional Council

Dated: 14 October 2019



www.sunshinecoast.qld.gov.au
mail@sunshinecoast.qld.gov.au
T 07 5475 7272 F 07 5475 7277
Locked Bag 72 Sunshine Coast Mail Centre Qld 4560

 @sunshinecoastcouncil  @councilscc  @sunshinecoastcouncil