

Agenda

Ordinary Meeting

Thursday, 10 March 2016

commencing at 9:00am

Council Chambers, 1 Omrah Avenue, Caloundra

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1 DECLARATION OF OPENING

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

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

That the Minutes of the Ordinary Meeting held on 25 February 2016 be received and confirmed.

5 OBLIGATIONS OF COUNCILLORS**5.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

5.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

6 MAYORAL MINUTE**7 PRESENTATIONS**

8 REPORTS DIRECT TO COUNCIL

8.1 REGIONAL STRATEGY AND PLANNING

Nil

8.2 CORPORATE SERVICES**8.2.1 JANUARY 2016 FINANCIAL PERFORMANCE REPORT**

File No:	Financial Reporting
Author:	Coordinator Financial Services Corporate Services Department
Attachments:	Att 1 - January 2016 Financial Performance Report 19

PURPOSE

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

EXECUTIVE SUMMARY

The monthly financial performance report provides Council with a summary of performance against budget at the end of each month in terms of the operating result and delivery of the capital program.

Budget Review 2 2015/16 was adopted by Council on 28 January 2016, all amendments to the operating and capital budget have been made and are reflected in the January 2016 results.

Operating Performance

The operating result at 31 January 2016 of \$122.7 million shows a positive variance of \$9.8 million compared to the YTD current budget.

Table 1: Operating Result as at 31 January 2016

January 2015	Current Budget \$000	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Operating Revenue	395,974	323,342	327,243	3,901	1.2
Operating Expenses	371,661	210,439	204,580	(5,859)	2.8
Operating Result	24,313	112,903	122,663	9,761	8.6

Capital Performance

As at 31 January 2016, \$70.0 million (37.5%) of Council's \$186.6 million 2015/16 Capital Works Program was financially expended (including region making projects). The year to date anticipated spend was \$84.1 million, with financial expenditure 16.8% behind budget.

Investment Performance & Cash holdings

Council's investment portfolio remains within the guidelines established under the Investment Policy.

For the month ending 31 January 2016 Council had \$296.6 million in investment cash (excluding Trust Fund) with an average interest rate of 2.98%, being 0.63% above benchmark.

OFFICER RECOMMENDATION

That Council receive and note the report titled “January 2016 Financial Performance Report”.

FINANCE AND RESOURCING

There are no finance and resourcing implications from this report.

CORPORATE PLAN

Corporate Plan Goal: *A public sector leader*

Outcome: 5.2 - A financially sustainable organisation

Operational Activity: 5.2.2 - Ensure council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts

CONSULTATION

Internal Consultation

All departments or branches participated in the formation of the recommendations associated with this report.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

The operating result at 31 January 2016 of \$122.7 million shows a positive variance of \$9.7 million compared to the YTD forecast position.

Achievement of the full year budgeted operating result will allow Council to meet its debt repayments and capital expenditure commitments.

Operating Revenue

Year to Date (YTD) actual revenues as at 31 January 2016 of \$327.2 million shows a positive variance of \$3.9 million.

Table 2: Substantial Revenue variances as at 31 January 2016

Operating Revenue Large Variances	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Net Rates and Utility Charges	241,689	242,363	673	0.3
Fees and Charges	37,959	39,893	1,934	5.1
Other Revenue	9,423	10,125	701	7.4

Net Rates & Utilities Charges

Net rates and utilities charges was increased by \$2.9 million during Budget Review 2 2015/16. Following the January rates run there is a favourable variance in general rates of \$680,000 of which all relates to prepaid rates. This is expected to be a timing difference, which will reduce over the remainder of the financial year.

Fees & Charges

Fees and charges increased by \$3.2 million during Budget Review 2 2015/16. The January results are showing a favourable variance of \$1.9 million which relates to:

- \$690,000 for development services fees & charges including application fees (\$150,000), material change of use fees (\$137,000) and engineering and environment assessment fees (\$77,500). The development activity remains strong, with activity 29% up on this time last year.
- \$350,000 for increased Holiday Park fees (mainly Coolum & Cotton Tree), offset by an additional \$56,000 in commission paid.
- \$205,000 in increased ticket sales for the 2015 Caloundra Music Festival, was offset by increased payments for performance fees of \$203,000. Overall the festival came in on budget.
- \$155,000 favourable variance in Waste tip fees
- \$120,000 Sunshine Coast Airport increased passenger numbers have resulted in favourable airline and parking fees. This is anticipated to be a timing variance, with full year revenue anticipated to come in on budget.

Other Revenue

The favourable variance of \$700,000 related to:

- \$113,000 in higher recoveries for the Waste retail facility and sale of metal due to higher prices than anticipated during Budget Review 2 2015/16.
- \$96,000 in increased lease revenue and electricity recoupment
- Community Services favourable other revenue of \$168,000, which relates to Sundry recoupment at the Sunshine Coast Stadium (offset by increased expenditure) and other miscellaneous revenue

Operating Expenses

Year to Date (YTD) actual expenditure as at 31 January 2016 of \$204.5 million shows a positive variance of \$5.9 million.

Table 3: Substantial Expenditure variances as at 31 January 2016

Operating Expenditure Large Variances	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Employee Costs	71,554	70,813	(741)	(1.0)
Materials and Services	84,391	79,033	(5,358)	(6.3)
Finance Costs	5,577	6,033	456	8.2

Employee Costs

Employee costs are currently showing a favourable variance of \$740,000, or 1.0%.

- Capitalisation in project delivery and Information Technology branches higher than budgeted \$240,000
- Earlier vacancies in Civil Asset Management, now being filled \$270,000
- Corporate Governance vacancies resulted in YTD favourable variance of \$150,000, not anticipated to be recruited until the new financial year.

Materials and Services

Materials and Services are \$5.4 million favourable to budget at the end of January. There is a general underspend at the end of January across all departments with some more significant areas being:

- Timing variance on new waste contracts yet to incur actual costs \$1.3 million
- Operating projects \$668,000 favourable to budget.
- Property Branch \$314,000 favourable due to a range of timing difference including electricity and water and sewerage costs.

Finance Costs

The unfavourable variance on interest expense of \$460,000 continues to be reviewed. Investigations as to the capitalisation of interest are underway between financial accounting and our external auditors.

Capital Revenue

Capital revenues, at \$59.4 million, are in line with the YTD current Budget of \$61.5 million, due to adjustments made during Budget Review 2 2015/16.

Table 4: Capital revenue variances as at 31 January 2016

Capital Revenue	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Capital Grants and Subsidies	4,048	4,186	138	3.4
Capital Contributions - Cash	18,000	20,713	2,713	15.1
Contributed Assets	39,500	34,230	(5,270)	(13.3)

Capital Expenditure

As at 31 January 2016, \$70.0 million (37.5%) of Council's \$186.6 million 2015/16 Capital Works Program was financially expended (including Region Making Projects). The year to date anticipated spend was \$84.1 million, with financial expenditure 16.8% behind schedule.

The capital sub programs have been adjusted since the Budget Review 2 2015/16 adoption. There is now a new capital program "Corporate Major Projects", which aims to identify projects that are not in the normal course of business, however that also do not fall into the region making category.

The two projects that have been transferred to the Corporate Major Projects are Palmview and Street Lighting. These are being reported separately to the Base Sunshine Coast Capital program.

The base Sunshine Coast Capital Program has expended \$60.8 million against a target of \$68.0 million (-10.5%) as at 31 January 2016.

The region making projects have expended \$9.1 million against a target of \$16.1 million (-43.4%). A full review of the Maroochy City Centre Capital Program is currently underway. It is anticipated that the results of this review will change the expected delivery of the Maroochy City Centre capital budget, which will be included in the April financial Performance Report for Council's consideration.

Table 5: Capital expenditure variances by program as at 31 January 2016

Capital Works Program	Current Budget \$000	YTD Current Budget \$000	YTD Actual \$000	YTD Variance	% Variance on YTD budget
Aerodromes	548	241	211	(31)	(12.6)
Buildings and Facilities	8,781	3,134	2,588	(545)	(17.4)
Coast and Canals	2,067	1,490	1,331	(159)	(10.7)
Divisional Allocations	3,115	1,541	1,338	(203)	(13.2)
Environmental Assets	1,523	948	835	(113)	(12.0)
Fleet	3,935	1,463	1,087	(376)	(25.7)
Holiday Parks	791	278	241	(37)	(13.3)
Information Technology	5,192	3,056	2,175	(880)	(28.8)
Parks and Gardens	15,563	8,335	7,866	(469)	(5.6)
Quarries	496	178	158	(21)	(11.5)
Stormwater	6,478	4,073	3,211	(862)	(21.2)
Strategic Land and Commercial Properties	11,340	2,791	2,565	(226)	(8.1)
Sunshine Coast Airport	6,886	1,200	1,155	(45)	(3.8)
Transportation	64,366	34,019	30,851	(3,168)	(9.3)
Waste	7,818	5,224	5,235	11	0.2
Total SCC Base Capital Program	138,897	67,971	60,846	(7,125)	(10.5)
Corporate Major Projects	2,600	37	37	0	-
Maroochydore City Centre - SCC Delivery	9,904	3,306	5,849	2,544	77.0
Maroochydore City Centre - Suncentral Delivery	24,156	11,643	1,722	(9,921)	(85.2)
Solar Farm	9,866	746	1,150	405	-
Sunshine Coast Airport Runway	1,225	400	393	(7)	(1.9)
Total Other Capital Program	47,751	16,131	9,151	(6,979)	(43.3)
TOTAL	186,649	84,102	69,998	(14,104)	(16.8)

The following Base Capital Projects have further information provided due to YTD spend of less than 40%

Buildings & Facilities

The year to date anticipated spend of \$3.1 million or 35% is due to timing constraints around a number of large projects:

- The construction of the Sippy Creek Animal Pound/Refuge (\$1.8 million), being managed by Project Delivery Branch, represents 34% of the total Sub Program and commenced as scheduled. This is a two year staged project.
- Of the \$850,000 Aquatic Facilities capital program, \$350,000 cannot commence until the end of the summer swimming season and have planned and spending forecasted accordingly.
- A number of new projects for the Events Centre have been scheduled to commence in March due to pre-existing bookings. The theatre seating replacement project of \$500,000 has been through the procurement process and is anticipated to commence in March.

Another significant project for this program is the Roys Road Depot Master Plan. There is a \$309,000 shortfall in year to date spend due to the project requiring a scope redesign. This value engineering exercise has resulted in a saving of over \$300,000 in the total project value. This is a multi-year staged project, with the design and early site preparation works still anticipated to be completed by the end of the financial year.

Additionally \$560,000 worth of projects have had the designs completed and are moving to procurement/delivery phases

Fleet

This \$3.9 million program is currently 28% spent. A further 50% of the program has been committed with a significant portion relating to large roads maintenance trucks that require seven month build time and therefore is expected to be delivered in May/June 2016. The remaining program has orders in progress for smaller plant that also expect delivery May/June 2016.

Holiday Parks

There are two significant projects amounting to 63% of program, both have started to incur costs and expect to expend current year funds by June:

- Maroochy Beach Camp Kitchen is currently moving through the procurement process with construction anticipated between March and June 2016.
- Mudjimba Expansion is a two year project that will commence in April, with further funds available in the 2016/17 program.

Quarries

The \$500,000 Quarry Program is currently 25% spent. A significant portion of the program is attributable to Quarry Development Works which will be informed by a Geotechnical report currently underway. Allocated funds are expected to be delivered this financial year. The other major allocation relates to a staged electrical & computer system upgrade for the asphalt plant. A second progress payment will fall due in the coming months and the full upgrade is still on track for this financial year.

Strategic Land & Commercial Properties

The \$11.5 million land program is predominantly made up of acquisitions associated with the LGIP Transport Corridors and Environmental Land (80%). It is difficult to forecast when expenditure will occur due to the uncertainty associated with negotiations and resumptions. Both of these sub-programs had significant increases at Budget Review 2 2015/16. Settlements have been reached on six of the eleven projects in these programs, with payments soon to follow. Negotiations will continue on others.

Sunshine Coast Airport

Of the \$6.86 million program 61% is under construction/acquisition. The most significant projects are Aerospace Precinct Stage 3 (\$1.7 million) currently progressing through the procurement process; GA Aprons overlays & repairs (\$1.1 million) underway with 57% expenditure to date and a land acquisition where an offer has been made and settlement is expected in June. \$2.3 million (33%) of program is in design/planning phase. There is some risk around International Designations (\$507,000) which is awaiting customs approval this month or the project will have to be delayed until February 2017. Checked Baggage Screen (\$532,000) is earmarked to progress to procurement in March.

Information Technology

The Information Technology program has expended 41.9% of full year budget expended at the end of January 2016, however this is \$880,000 behind forecasted spend. Three major projects make up \$2.4 million or 46% of the ICTS program. These three projects have all commenced and a full expenditure of the 2015/16 budget is on track.

Transportation

The transportation is progressing well with 47.9% of full year budget expended at the end of January, however a comment is being provided due to the significant size of this program. The variance at the end of January 2016 is \$3.2 million behind schedule or 9.3%.

Highlights

- The sub-programs of Bridges, Gravel Roads, Pedestrian/Cycling Facilities, Road Safety, Local Streetscapes and Active Transport total \$14.0 million, and is at 72% spend. All these sub-programs make up 36% of the Transportation Budget, with all running above 50% to date.
- \$11.4 million in construction for Evans St with 52% spent to date, with all funds required to complete the works committed. There is approximately \$1.0 million in contingency which is not anticipated to be spent at this point in time.
- \$10.4 million of the \$21.1 million reseal and rehabilitation program financially completed (121 completed jobs against 293 jobs profiled).

Risks

- \$2 million in 2016/17 design works were brought forward to this financial year during Budget Review 2 2015/16. There are 65 projects identified for completion by end of June 2016, of which 23 (35%) are planned to be completed externally. Currently five designs are complete, with a further five over 50% complete. Additional temporary resources have been provided to facilitate delivery of the design program by the end of the financial year. The Transportation program includes \$2.5 million in land acquisitions which are difficult to forecast.
- The reseals program have identified approx. \$1.0 million in savings due to management of a new contract. Whilst not a significant amount of the overall program, work is underway to ensure that additional roads can be delivered in 2015/16.

Table 6: Capital job quantities and budgeted value by status as at 31 January 2016 (excluding region making projects):

Project summary by Job status (SCC Core only)	Number of Capital Jobs	%	Current Budget \$000	%
Not Started	79	6.4	3,120	2.2
Works in Progress	667	53.7	99,223	71.4
Complete	453	36.5	33,968	24.4
On Hold/Cancelled	42	3.4	2,686	1.9
Total	1,241		138,997	

A full review and update of project status was undertaken during the month of January. This resulted in 142 jobs moving into a completed status. Only \$3.1 million (2.2%) of the value of the core capital program remains in a not started status, of which:

- \$630,000 relates to divisional allocation program waiting for project identification
- \$550,000 relates to whole of region allowances
- Only five jobs with a value of \$100,000 or above have a not started status, of which three have been identified in the commentary above.

Investment Performance & Cash Holdings

Council's investment portfolio remains within the guidelines established under the Investment Policy.

For the month ending 31 January 2016 Council had \$296.7 million in investment cash (excluding Trust Fund) with an average interest rate of 2.98%, being 0.63% above benchmark.

Comparing these results to the same period last year, Council held \$216.3 million in cash (excluding Trust Fund) and the average interest rate was 3.44%, being 0.43% above benchmark.

The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill Index (BAUBIL) and the Bank Bill Swap Rate (BBSW) for term deposits.

Table 7: Cash Flow variances as at 31 January 2016

Net Cash Flows	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Operating Activities	49,215	50,856	1,641	0.0
Investing Activities	(61,394)	(46,470)	14,925	(0.2)
Financing Activities	(6,873)	(6,873)	-	-
Closing Cash Balance	268,333	284,898	16,566	0.1

The financial ledger cash balance at the end of January 2016 was \$289.7 million, which was \$16.6 million above forecasted cash holdings. This higher cash holding is predominantly made up of lower than anticipated spend on capital projects.

Legal

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

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

Policy

Council's 2015/16 Investment Policy, 2015/16 Debt Policy, 2015/16 Revenue Policy and Revenue Statement.

Corporate Services Credit Accounts, Debt Collection and Write Off Policy.

Risk

Failure to achieve the budgeted operating result will negatively impact Council's capacity to complete its capital expenditure program.

Previous Council Resolution

Special Meeting Budget 25 June 2015, Council adopted the 2015/2016 Budget - Council Resolution (SM15/20)

That Council:

- (a) receive and note the report titled "Adoption of the 2015/2016 Budget and Forward Estimates for the 2016/2017 to 2024/2025 Financial Years"
- (b) adopt the 2015/2016 Capital Works Program, endorse the indicative four-year program for the period 2016/2017 to 2019/2020, and note the five-year program for the period 2020/2021 to 2024/2025 (Appendix A) and
- (c) adopt the 2015/2016 Budget Schedules (Appendix B) including Forward Estimates.

Ordinary Meeting 17 September 2015, Council adopted the Budget Review 1 2015/16 (OM15/151)

That Council:

- (a) receive and note the report titled "Budget Review 1 2015/16"*
- (b) adopt the amended 2015/16 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A)*
- (c) establish a Natural Disaster Restricted Cash Component of \$5 million, funded from the 2014/15 operating result and*
- (d) in addition to (b) and (c), amend the budget to include the sum of \$90,000 in 2015/16 budget for Caloundra Skate Park as part of the Aquatic Centre complex.*

Ordinary Meeting 28 January 2016, Council adopted the Budget Review 2 2015/16 (OM16/3)

That Council:

- (a) receive and note the report titled "Budget Review 2 2015/16" and*
- (b) adopt the amended 2014/15 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A).*

Related Documentation

There is no related documentation for this report.

Critical Dates

There are no critical dates for this report.

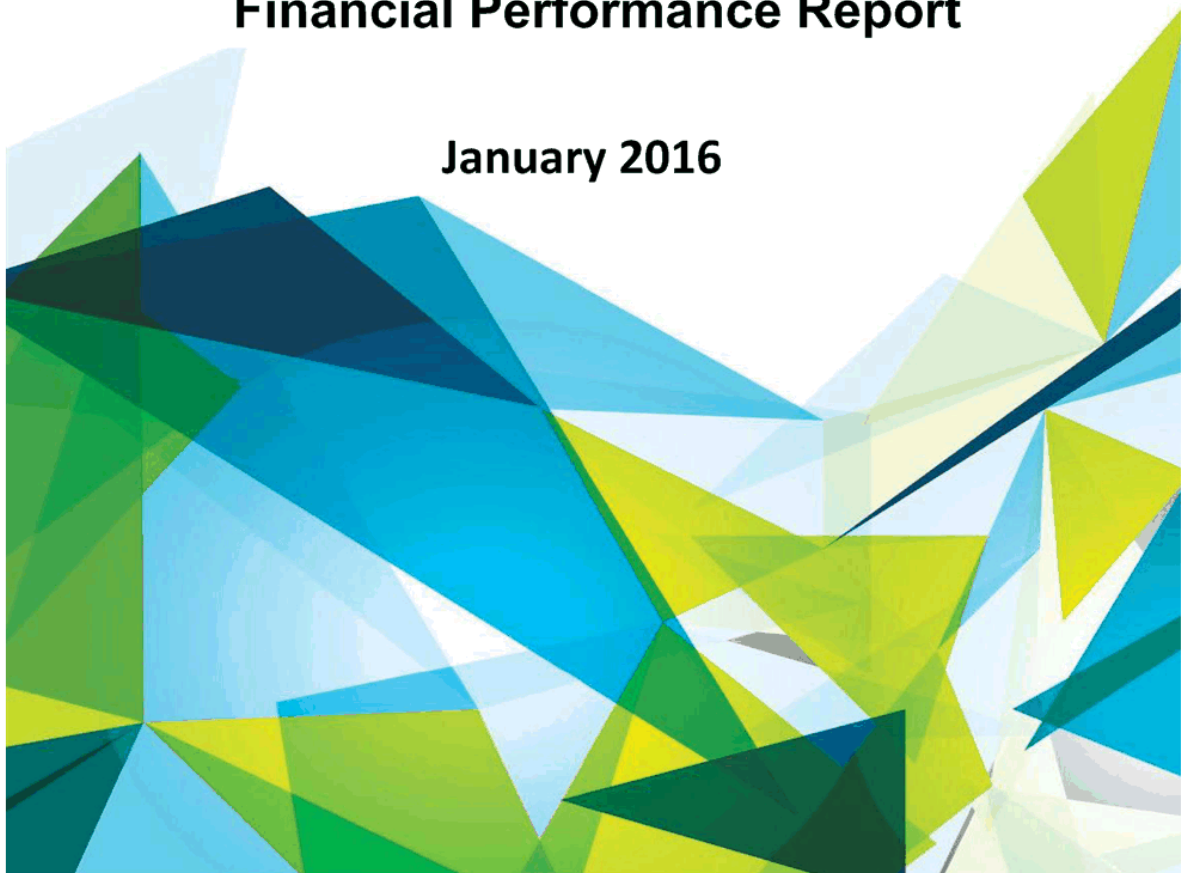
Implementation

There are no implementation details to include in this report.



Financial Performance Report

January 2016



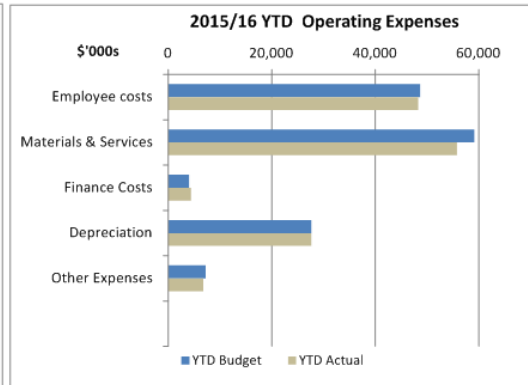
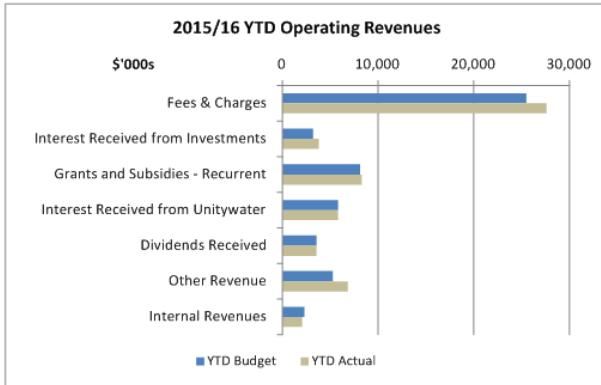
Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT | January 2016
HEADLINE - OPERATING

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Headline - Cash & Balance Sheet	4
Statement Of Income & Expenses	5
Capital Expenditure	6
Investment Performance	7

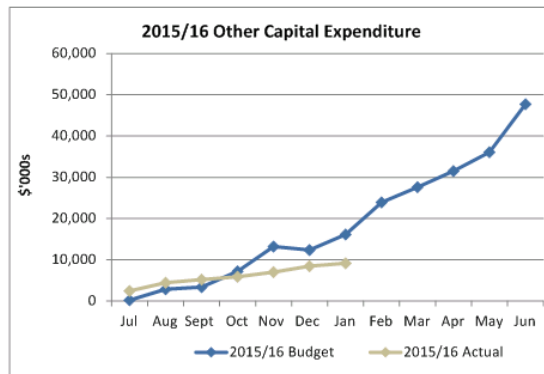
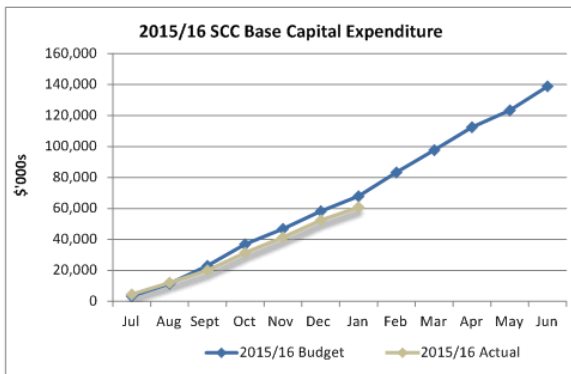
Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT						January 2016
HEADLINE - OPERATING						
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	386,107	395,974	323,342	327,243	3,901	1.2%
Operating Expenses	364,650	371,661	210,439	204,580	(5,859)	(2.8%)
Operating Result	21,457	24,313	112,903	122,663	9,761	8.6%
NET Result	62,975	126,281	174,450	181,792	7,342	4.2%



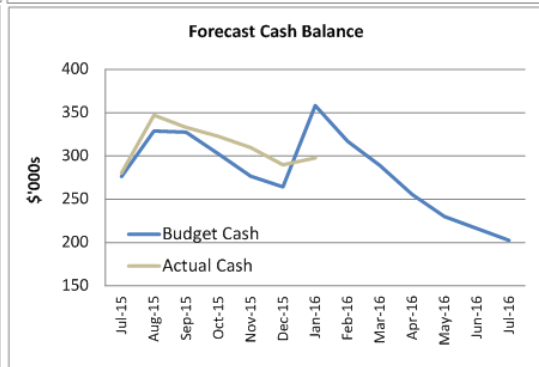
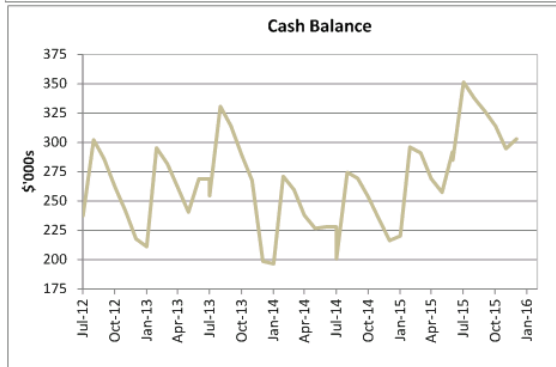
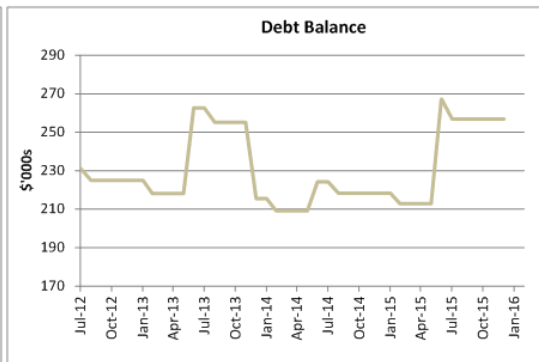
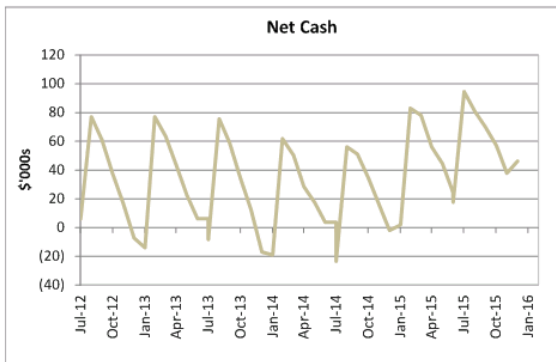
Attachment 1 January 2016 Financial Performance Report

HEADLINE - CAPITAL						
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Capital Revenue	41,518	101,968	61,548	59,416	2,132	
Other Capital Revenues	111,768	111,903	44,058	39,815	4,243	
Total Capital Revenues	153,286	213,871	105,606	99,231	6,374	
Capital Works Expenditure	183,368	186,649	84,102	69,980	14,122	(16.79%)
Other Capital Expenditure	40,156	83,156	22,338	44,536	(22,198)	
Total Capital Expenditure	223,524	269,804	106,440	114,516	(8,076)	
Funds from General Reserve	70,238	55,933	835	15,285	(14,450)	



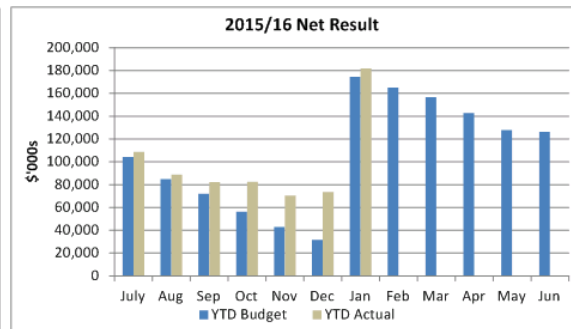
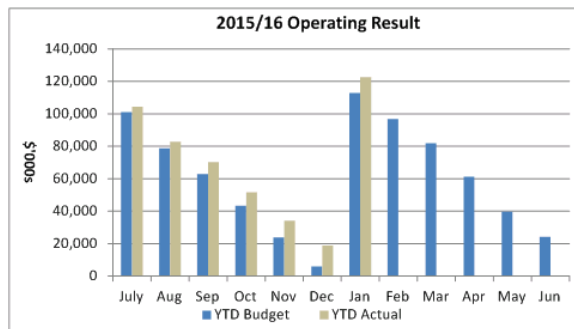
Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT						January 2016
HEADLINE - CASH AND BALANCE SHEET						
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	Current Budget \$000s	Variance \$000s	
CASH FLOWS						
Opening Cash	229,692	287,386	287,386	287,386	0	
Net Cash Inflow/(Outflows) from:						
Operating Activities	71,561	100,195	50,856	49,215	1,641	
Investing Activities	(153,590)	(151,505)	(46,470)	(61,394)	14,925	
Financing Activities	29,181	27,488	(6,873)	(6,873)	0	
Net Increase/(decrease) in Cash Held	(52,848)	(23,822)	(2,488)	(19,053)	16,566	
Cash at year end	176,844	263,564	284,898	268,333	16,566	
BALANCE SHEET						
Current Assets	223,040	314,530	436,112			
Non Current Assets	4,471,353	4,812,716	4,580,221			
Total Assets	4,694,394	5,127,246	5,016,333			
Current Liabilities	92,112	94,722	75,314			
Non Current Liabilities	311,641	306,801	288,036			
Total Liabilities	403,753	401,524	363,349			
Net Community Assets/ Total Community Equity	4,290,641	4,725,722	4,652,984			



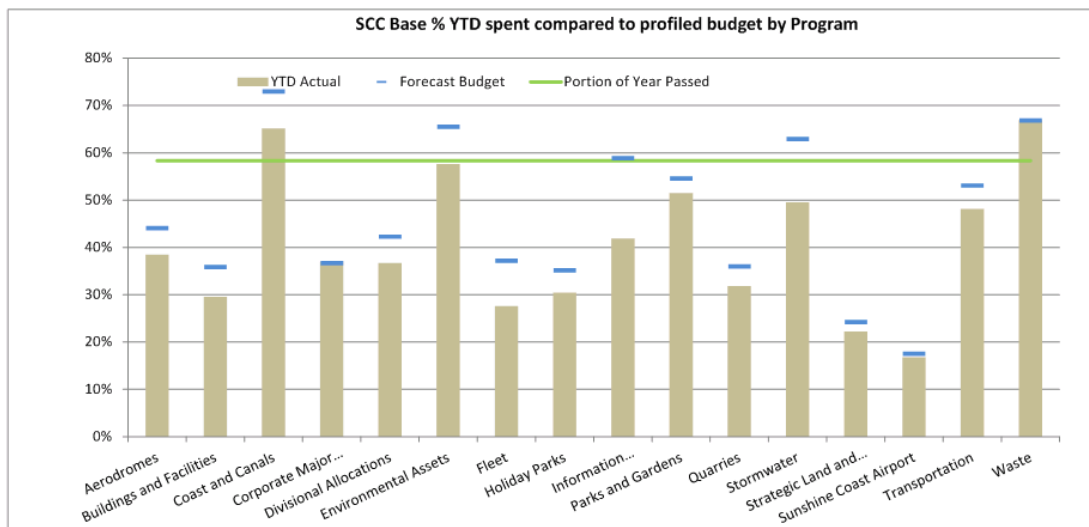
Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT							January 2016
STATEMENT OF INCOME & EXPENSES							
	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
Operating Revenue							
Net Rates and Utility Charges	243,381	244,090	241,689	242,363	673	0.3%	244,090
Fees and Charges	54,733	59,878	37,959	39,893	1,934	5.1%	59,878
Interest Received from Investments	7,700	8,530	5,292	5,313	21	0.4%	8,530
Operating Grants and Subsidies	11,946	12,115	8,892	9,087	195	2.2%	12,115
Operating Contributions	696	1,136	679	616	(64)	(9.4%)	1,136
Interest Received from Unity Water	23,933	23,933	11,645	11,642	(3)	(0.0%)	23,933
Dividends Received	26,162	26,162	4,778	5,088	309	6.5%	26,162
Other Revenue	11,132	13,673	9,423	10,125	701	7.4%	13,673
Internal Sales/Recoveries	6,424	6,458	2,984	3,118	134	4.5%	6,458
Community Service Obligations	(0)	(0)	0	0	(0)	(100.0%)	(0)
Total Operating Revenue	386,107	395,974	323,342	327,243	3,902	1.2%	395,974
Operating Expenses							
Employee Costs	121,667	123,264	71,554	70,813	(741)	(1.0%)	123,264
Materials and Services	148,334	152,133	84,391	79,033	(5,358)	(6.3%)	152,133
Internal Materials and Services	(0)	0	0	0	0	0.0%	0
Finance Costs	9,505	9,618	5,577	6,033	456	8.2%	9,618
Company Contributions	1,218	1,218	1,218	1,218	0	0.0%	1,218
Depreciation Expense	67,058	66,773	38,103	38,108	5	0.0%	66,773
Other Expenses	16,868	18,655	9,596	9,375	(221)	(2.3%)	18,655
Competitive Neutrality Adjustments	0	0	0	0	(0)	(100.0%)	0
Total Operating Expenses	364,650	371,661	210,439	204,580	(5,859)	(2.8%)	371,661
Operating Result	21,457	24,313	112,903	122,664	9,761	8.6%	24,313
Capital Revenue							
Capital Grants and Subsidies	4,894	11,343	4,048	4,186	138	3.4%	11,343
Capital Contributions - Cash	12,000	23,000	18,000	20,713	2,713	15.1%	23,000
Capital Contributions - Fixed Assets	24,624	67,624	39,500	34,230	(5,270)	(13.3%)	67,624
Total Capital Revenue	41,518	101,968	61,548	59,128	(2,419)	(3.9%)	101,968
Net Result	62,975	126,281	174,450	181,792	7,342	4.2%	126,281



Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT							January 2016
CAPITAL EXPENDITURE							
Capital Works Program	Annual		YTD			% of FY budget spent	YTD Variance \$000s
	Original Budget \$000s	Current Budget \$000s	Budget \$000s	Actuals \$000s	Variance on YTD budget		
Aerodromes	215	548	241	211	-12.6%	38.5%	(31)
Buildings and Facilities	6,422	8,781	3,134	2,588	-17.4%	29.5%	(545)
Coast and Canals	1,900	2,067	1,490	1,331	-10.7%	64.4%	(159)
Divisional Allocations	3,590	3,115	1,541	1,338	-13.2%	42.9%	(203)
Environmental Assets	975	1,523	948	835	-12.0%	54.8%	(113)
Fleet	3,118	3,935	1,463	1,087	-25.7%	27.6%	(376)
Holiday Parks	770	791	278	241	-13.3%	30.5%	(37)
Information Technology	3,620	5,192	3,056	2,175	-28.8%	41.9%	(880)
Parks and Gardens	9,975	15,563	8,335	7,866	-5.6%	50.5%	(469)
Quarries	630	496	178	158	-11.5%	31.8%	(21)
Stormwater	5,972	6,478	4,073	3,211	-21.2%	49.6%	(862)
Strategic Land and Commercial Properties	1,350	11,340	2,791	2,565	-8.1%	22.6%	(226)
Sunshine Coast Airport	5,056	6,886	1,200	1,155	-3.8%	16.8%	(45)
Transportation	45,200	64,366	34,019	30,851	-9.3%	47.9%	(3,168)
Waste	4,387	7,818	5,224	5,235	0.2%	67.0%	11
Total SCC Base Capital Program	93,180	138,897	67,971	60,846	-10.5%	43.8%	(7,125)
Corporate Major Projects	9,300	2,600	37	37	1.1%	1.4%	0
Maroochydhore City Centre - Council delivery	7,504	9,904	3,306	5,849	77.0%	59.1%	2,544
Maroochydhore City Centre - Suncentral delivery	24,156	24,156	11,643	1,722	-85.2%	7.1%	(9,921)
Solar Farm	49,228	9,866	746	1,150	54.3%	11.7%	405
Sunshine Coast Airport Runway	0	1,225	400	393	-1.9%	32.0%	(7)
Total Other Capital Program	80,888	47,751	16,094	9,114	-43.4%	19.1%	(6,980)
TOTAL	183,368	186,649	84,102	69,998	-16.8%	37.5%	(14,104)



Project summary by Job status (SCC Base only)	Number of Capital Jobs	%	Current Budget \$000	%
Not Started	79	6.4%	3,120	2.2%
Works in Progress	667	53.7%	99,223	71.4%
Complete	453	36.5%	33,968	24.4%
On Hold	42	3.4%	2,686	1.9%
Total	1,241		138,997	

Attachment 1 January 2016 Financial Performance Report

FINANCIAL PERFORMANCE REPORT January 2016
INVESTMENT PERFORMANCE

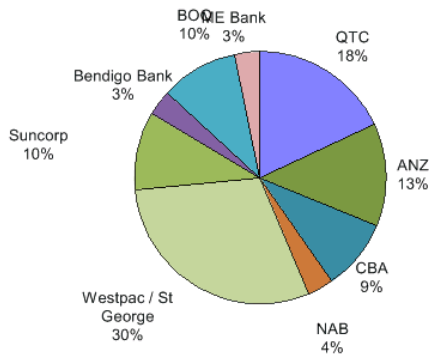
Liquidity as at:		31/01/2016	
		\$'000's	
At-call accounts			
QTC + CBA (excl. trust)		\$76,662	25.38%
Maturities within 7 days			
		\$10,000	0.00%
Total at-call		\$86,662	25.38%
Investment Policy Target			10.00%

Term deposits maturing:		
	\$'000's	Count
within 30 days	\$50,000	1
30-59 days	\$40,000	4
60-89 days	\$40,000	4
90-179 days	\$90,000	4
180-364 days	\$10,000	9
1 year - 3 years	\$0	1
Total	\$230,000	23

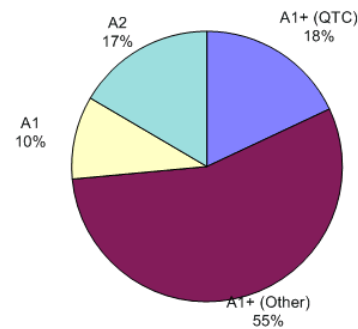
INVESTMENT SUMMARY (including Trust) as at:				Investment Policy				
	31/01/2016		31/10/2015		31/01/2015		Individual Limit	Group Limits
A1+ (QTC)	\$54,417	18.0%	\$68,156	20.8%	\$42,194	19.5%	100%	100%
A1+ (Other)	\$167,628	55.5%	\$199,635	60.9%	\$114,107	52.8%	35%	100%
A1	\$30,000	9.9%	\$20,000	6.1%	\$30,000	13.9%	30%	40%
A2	\$50,000	16.6%	\$40,000	12.2%	\$30,000	13.9%	15%	35%
Total Funds	\$302,045		\$327,791		\$216,301			
FUND SUMMARY								
General Funds	\$296,662		\$323,371		\$214,554			
Trust Funds	\$5,382		\$4,420		\$3,976			
Total Funds	\$302,045		\$327,791		\$218,531			

Investment Portfolio

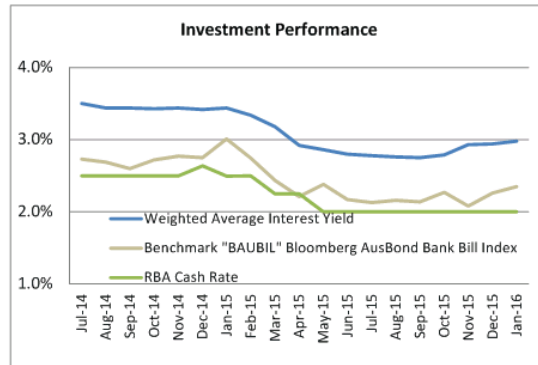
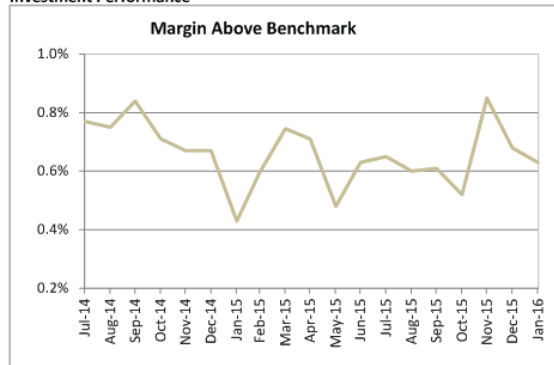
Investment per financial institution (%)



Investment by Standard & Poor's (Short Term Credit Rating)



Investment Performance



8.2.2 DISPOSAL OF AN EASEMENT - ORMONDE TERRACE KINGS BEACH

File No:	EAS 0026 - Statutory Meeting 10 March 2016
Author:	Senior Property Officer Corporate Services Department
Attachments:	Att 1 - Locality Map31
	Att 2 - Survey Plan 179 and 18133
	Att 3 - Survey Plan 18035

PURPOSE

The purpose of this report is to seek an exception from council, in accordance with the *Local Government Regulation 2012*, from the tender/auction process to allow registration of an easement over Council freehold land.

EXECUTIVE SUMMARY

The *Local Government Regulation 2012* provides the process by which a local government may dispose of a valuable non-current asset, which includes land or an interest in land (e.g. easement). It provides that a disposal, other than by tender or auction, may only occur if an exception applies. Section 236 (1) (b) (iv) provides an exemption if the disposal is to a government agency.

Section 236(2) provides that a local government must decide by resolution that an exception applies.

Unitywater upgraded and relocated a sewerage main through three parcels of land described as Part of Lot 179, Part of Lot 180 and Part of Lot 181 on RP 42595 in August 2012. A locality map is provided as **Attachment 1** and proposed Survey Plans provided as **Attachment 2 and 3**.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Disposal of an Easement - Ormonde Terrace Kings Beach”**
- (b) resolve, pursuant to section 236 (2) of the *Local Government Regulation 2012*, that an exception to dispose of an easement in Lot 179, Lot 180 and Lot 181 on RP 42595 other than by tender or auction applies, as the disposal is, pursuant to section 236(1)(b)(i), to a government agency.**

FINANCE AND RESOURCING

The impact of Council’s freehold land was valued at \$70,000 with the cost of the valuation being \$1,210. Should Council resolve that an exception applies, Council will invoice the applicant for the value of the easement and the valuation costs.

All direct expenditure associated with these dealings, including the survey plan and easement documentation will be met by the applicant.

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*
Outcome: We serve our community by providing this great service
Operational Service: S24 - Property management - comprehensive management of council's land and building assets to ensure that Council's property dealings are optimised, centrally managed and supports Council's objectives

CONSULTATION

Internal Consultation

A Request for Comments was circulated to Council Officers in April 2012, with no objections received (subject to a registered easement). A further Request for Comments was circulated in December 2012 due to a design change; again, no objections were received.

External Consultation

Council officers from Property Management have liaised with Unitywater in relation to this matter.

Community Engagement

Due to the internal administrative nature of this report there has been no community engagement.

PROPOSAL

In April 2012 Unitywater sought the consent of Council for easements which were required for the upgrade to the sewerage pump station beneath the Levuka Street public amenities. The works also included the installation of a new sewerage main.

Whilst the earthworks were taking place for this project, the horizontal drill detected an underground tank. The design was amended to account for the necessary changes. An amended Request for Comments was circulated to Council Officers in December 2012, with no objections received.

Works have now been completed on the site and Council Officers will continue to liaise with Unitywater in relation to the easement (standard terms) as well as compensation.

The area has been valued and retrospective compensation will be sought from Unitywater for the easements which are to be registered over part of Lot 179, part of Lot 180 & part of Lot 181 on RP 42595.

Legal

Legal Services have been consulted on section 236 exception process.

Policy

This report was developed in accordance with the Procurement Policy in relation to the disposal of Council assets.

Risk

There are no risk issues to address in relation to this report.

Previous Council Resolution

There are no previous resolutions in relation to this request.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates


There are no specific critical dates for these easements as Unitywater have already undertaken the works.

Implementation


Should Council resolve that an exception apply, the applicant will be invoiced for the land and valuation costs. Upon payment, Council will execute the easement documents and the related survey plan.



Disposal of Easement - Ormonde Tce



Sunshine Coast Council
 Locked Bag 72
 Sunshine Coast Mail Centre QLD 4560

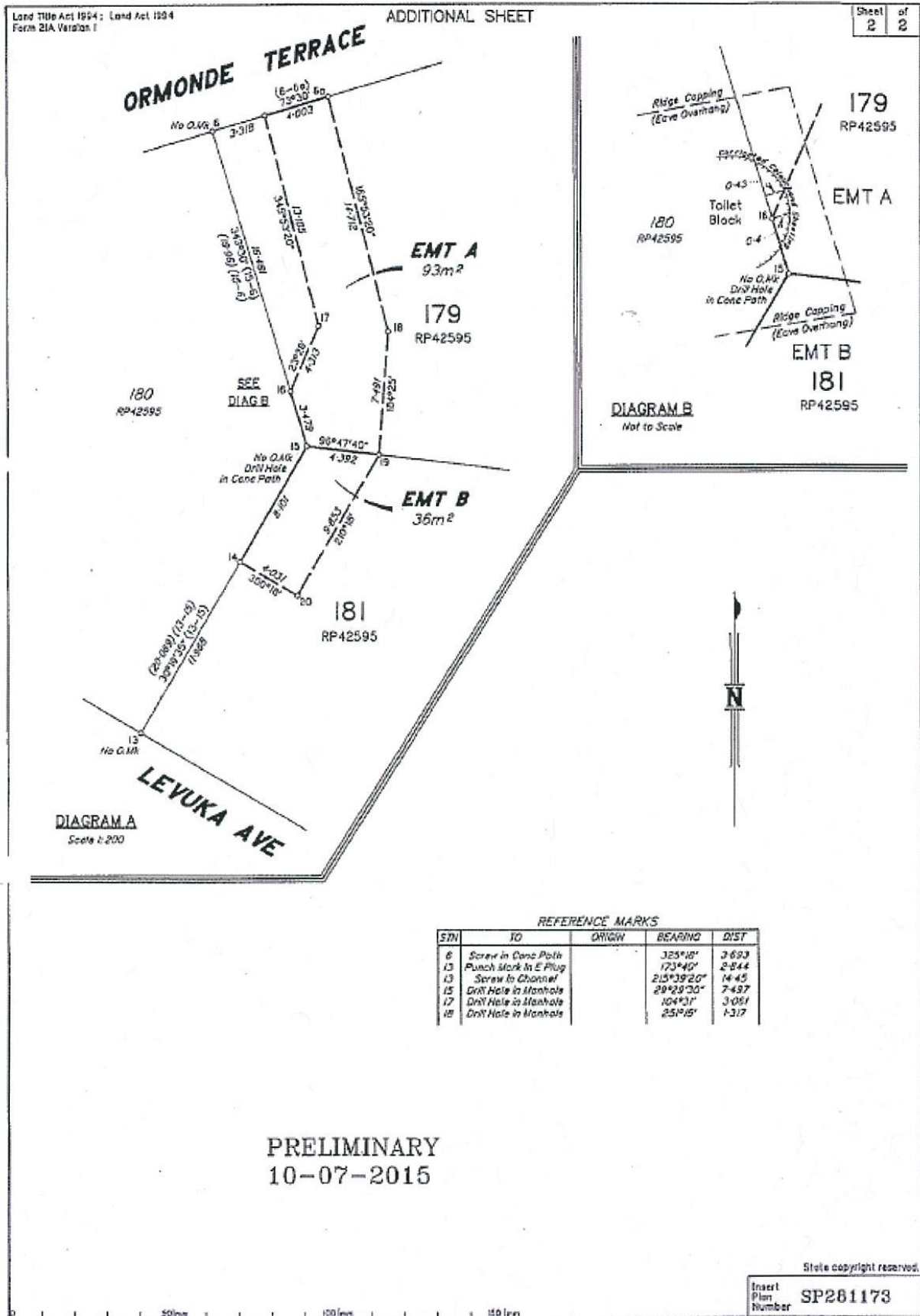


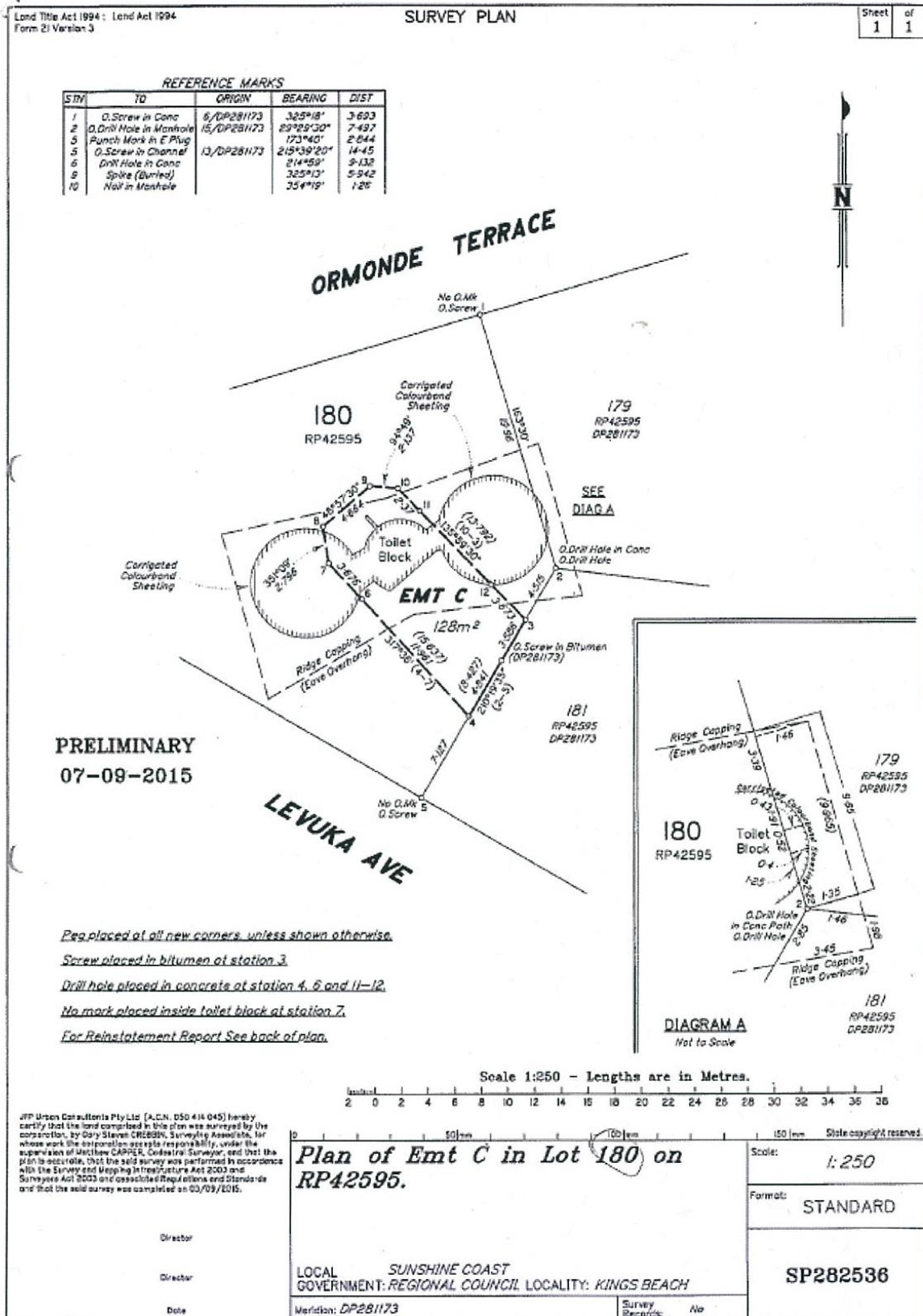
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Date : February 10, 2016 Author :





8.3 COMMUNITY SERVICES

Nil

8.4 INFRASTRUCTURE SERVICES

Nil

8.5 CORPORATE STRATEGY AND DELIVERY**8.5.1 MAJOR AND REGIONAL EVENTS SPONSORSHIP APPLICATION**

File No:	Statutory Meetings
Author:	Senior Major Events Liaison Officer Corporate Strategy and Delivery Department
Attachments:	Att 1 - Major and Regional Events Sponsorship Application (Under Separate Cover) - Confidential

PURPOSE

The purpose of this report is for Council to consider sponsorship of the 2016-2018 MX Nationals Australian Motocross Championships (MX Nationals).

EXECUTIVE SUMMARY

The sponsorship application for the 2016-2018 MX Nationals Australian Motocross Championships was reviewed and assessed by the Sunshine Coast Events Board (the Board) at its meeting on 9 February 2016. Sunshine Coast Events Board has recommended that Council approves sponsorship of this event.

The role of the Council-appointed Sunshine Coast Events Board is to provide strategic advice to Council on issues and collaborative opportunities to support the region's investment in existing major events, identify other possible sources of sponsorship funding, secure new major events for the region, and oversee the implementation of the Council-endorsed Sunshine Coast Major and Regional Events Strategy.

Assessing event sponsorship applications and providing recommendations to Council is a vital activity within the Board's role. An overview of the event follows.

2016-2018 MX Nationals Australian Motocross Championships

The 2016 MX Nationals will consist of 10 rounds across five states (NSW, VIC, WA, SA and Qld) from April to August. The event promoter proposes to stage two rounds on the Sunshine Coast:

- Round 7: 17 July - Conondale
- Round 10/Final Round: 27 and 28 August - Coolum.

The MX Nationals is staged by Williams Event Management (WEM). This company owns the rights to stage the Australian Motocross Championships. It recently entered into a further long term rights agreement with Motorcycling Australia to stage these championships.

Williams Event Management has been at the forefront of the evolving digital media and full broadcast livestreaming movement.

Williams Event Management has offered Council two sponsorship packages for the 2016-2018 MX Nationals:

- a. Round Sponsorship (2 x rounds of the series per year)
- b. Official Series Partner/Official Holiday Destination Designation.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Major and Regional Events Sponsorship Application” and
- (b) approve the sponsorship in accordance with the recommendations of the Sunshine Coast Events Board.

FINANCE AND RESOURCING

Council’s Major and Regional Events sponsorship budget is presently sourced from funds collected through the annual Tourism and Major Events Levy.

CORPORATE PLAN

Corporate Plan Goal:	<i>A new economy</i>
Outcome:	1.5 - A natural, major and regional event destination
Operational Activity:	1.5.1.1 – Manage Council’s major and regional events sponsorship commitments 1.5.1.2 – Support the activities of the Sunshine Coast Events Board 1.5.1.3 - Source and secure new major and regional events

CONSULTATION

Internal Consultation

- Councillor Jason O’Pray, Portfolio Councillor for Tourism, Sport and Major Events
- Manager Economic Development
- Coordinator Tourism and Major Events
- Permits Officer Major Events, Community Services Department
- Senior Management Accountant

External Consultation

- Sunshine Coast Events Board (nine members)

Community Engagement

The opportunity for sponsorship support for major and regional events is advertised on Council’s website. In addition, Council officers work with event owners/promoters of existing events and those who enquire about opportunities for sponsorship. These events have taken place for the past three years at the same locations and community engagement will continue if the sponsorship is approved.

PROPOSAL

The Sunshine Coast Major and Regional Events Strategy recognises the importance of events to the economic and social development of the region – in particular the tourism sector – through greater visitation and destination branding and reputation.

The sponsorship of major and regional events is also predicated on the basis that local businesses derive a benefit from the increase in consumer expenditure that occurs in association with both local and inbound visitor attendance at these events.

In seeking sponsorship commitments under Council's Major and Regional Events Sponsorship Program, an applicant must demonstrate that their event will generate economic benefits for the region and will attract media exposure and promotional opportunities for the Sunshine Coast from outside the region. The event must also attract participants, support personnel and spectators from outside the Sunshine Coast region. Sponsorship applications are reviewed and recommendations made to Council by the Sunshine Coast Events Board at its regular meetings.

The Sunshine Coast Events Board has reviewed and assessed the sponsorship applications outlined in the Executive Summary against agreed evaluation criteria which is based on Tourism and Events Queensland methodology, Council's Major and Regional Events Strategy, and elements of Council's Corporate Plan – including the following:

- Scale of the event
- Sponsorship request
- Television broadcast
- Economic benefits to the Sunshine Coast
- Marketing benefits
- Social benefits
- Environmental impact
- Youth involvement
- Budget
- Event management and planning
- Growth plans
- Legacy
- Local expenditure by the event promoter.

Legal

Any legal risks to Council associated with the sponsorship of this event outlined in the Proposal section of this report will be managed through Council's contractual agreement with each recipient. The contractual agreement is drafted and settled by Council's Chief Legal Officer.

Policy

At the Ordinary Meeting of 20 June 2013, Council resolved (OM 13/114) to adopt the Sunshine Coast Major and Regional Events Strategy 2013-2017 and endorse the establishment of a Sunshine Coast Events Board as an advisory committee of Council.

Sponsorship of the events outlined in the Proposal section of this report is consistent with the objectives of the Sunshine Coast Major and Regional Events Strategy in that these event sponsorship applications represent an opportunity to:

- retain existing major events and protect them from being lost to the region
- maximise the value of existing major events and enable them to grow
- secure new major events and facilitate/develop opportunities in association with these events
- progress the establishment of the region as a national hub for triathlons to provide greater impetus to, and recognition of, the region's major triathlon events and comparable mass participation events and
- reinforce the reputation of the region as a leading destination for the staging of significant events in natural settings, showcasing its natural assets.

Risk

The loss of the MX Nationals to the region would also result in:

- a decrease in economic benefit, tourism visitation and media exposure
- a loss of profile for the region as a major and regional events destination
- a loss of profile as a premier holiday destination and
- a loss of reputation as a major and regional events destination.

Previous Council Resolution

At its Ordinary Meeting of 20 June 2013, Council resolved (OM 13/114) to adopt the *Sunshine Coast Major and Regional Events Strategy 2013-2017* and endorse the establishment of the Sunshine Coast Events Board as an advisory committee of Council.

Council Resolution (OM13/114)

That Council:

- receive and note the report titled "Sunshine Coast Major and Regional Events Strategy"*
- adopt the Sunshine Coast Major and Regional Events Strategy 2013-2017 (Appendix A)*
- under Section 264 of the Local Government Regulation 2012 endorse the establishment of Sunshine Coast Events Board as an advisory committee of Council*
- adopt the Sunshine Coast Events Board Charter (Appendix B) for Sunshine Coast Events Board and authorise the Chief Executive Office to amend as necessary, including amendments to 3.1 Membership (c) to 9 board members and (e) for a 2 year term, and with staggered rotation of the board members*
- appoint Cr O'Pray as the portfolio councillor for Tourism, Sport and Major Events as the Council representative on Sunshine Coast Events Board*
- delegate authority to the Chief Executive Officer to select and appoint members to Sunshine Coast Events Board in order to achieve the broad range of skills as determined by council in consultation with relevant portfolio councillors (being portfolio councillor for Tourism, Sport and Major Events; portfolio councillor for Community Policy and Programs and the Deputy Mayor)*
- vary the current Sponsorship Policy (Appendix C) authorising the Chief Executive Officer to enter into outgoing sponsorship agreements for major and regional events up to the value of \$50,000 (ex GST) following the recommendations received from Sunshine Coast Events Board*
- request the Chief Executive Officer to provide a further report to Council outlining alternative funding sources to boost the major event sponsorship tourism levy funding pool and*
- provide Mr P Franks, the Transfer Manager (Noosa) a copy of the Sunshine Coast Major and Regional Events Strategy for consideration and reference.*

Related Documentation

- Sunshine Coast Council Strategic Policy – Events Policy
- Sunshine Coast Council Major and Regional Events Strategy 2013-2017
- Sunshine Coast Council Organisational Guideline – Sponsorship Provided by Council (outgoing)
- Sunshine Coast Council Strategic Policy – Sponsorship

- Sunshine Coast Council Strategic Policy – Sponsorship (governance framework).

Critical Dates

Council's determination at its meeting of 10 March 2016 is critical to provide sponsorship commitments to Williams Event Management so that it can implement marketing and operational plans for the commencement of the 2016 MX Nationals and to enable it to conclude all contractual documentation before 1 April 2016.

Implementation

The Officer recommendation is that Council approves the sponsorships in accordance with the recommendations of the Sunshine Coast Events Board.

8.6 OFFICE OF THE MAYOR AND THE CEO

Nil

9 NOTIFIED MOTIONS**10 TABLING OF PETITIONS**

Petitions only eligible for submission if:

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

11 CONFIDENTIAL SESSION

11.1 REGIONAL STRATEGY AND PLANNING

Nil

11.2 CORPORATE SERVICES

Nil

11.3 COMMUNITY SERVICES

Nil

11.4 INFRASTRUCTURE SERVICES

Nil

11.5 CORPORATE STRATEGY AND DELIVERY

Nil

11.6 OFFICE OF THE MAYOR AND THE CEO

Nil

12 NEXT MEETING

The next Ordinary Meeting will be held on 21 April 2016 in the Council Chambers, Corner Currie and Bury Streets, Nambour.

13 MEETING CLOSURE