

2015/2016

Annual Report





© Sunshine Coast Regional Council 2009-current.
Sunshine Coast Council™ is a registered trademark of Sunshine Coast Regional Council.

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

Information contained in this document is based on available information at the time of writing. All figures and diagrams are indicative only and should be referred to as such. While the Sunshine Coast Regional Council has exercised reasonable care in preparing this document it does not warrant or represent that it is accurate or complete. Council or its officers accept no responsibility for any loss occasioned to any person acting or refraining from acting in reliance upon any material contained in this document.



Acknowledgement of Country

Sunshine Coast Council acknowledges the traditional Country of the Kabi Kabi Peoples and the Jinibara Peoples of the coastal plains and hinterlands of the Sunshine Coast and recognise that these have always been places of cultural, spiritual, social and economic significance. We wish to pay respect to their Elders – past, present and emerging – and acknowledge the important role Aboriginal and Torres Strait Islander people continue to play within the Sunshine Coast community.



Contents

Welcome	4		
Section 1: Introduction	5	Section 3: Annual disclosures	38
Message from the Mayor	6	Corporate governance	39
Message from the Chief Executive Officer	8	Councillor remuneration	40
About our region - Key statistics	10	Councillor expenses and facilities	41
Sunshine Coast local government area divisions	10	Councillor meeting attendance	42
Sunshine Coast local government region	11	Conduct and performance of councillors	43
Councillors	12	Remuneration packages to senior contract employees	43
Leadership team	13	Public sector ethics	44
Our organisation	14	Registers	44
		Beneficial enterprises	44
Section 2: Implementation of corporate and operational plans	16	National competition policy	45
A new economy	18	Administrative action complaints	45
A strong community	22	Service, facility, activity supplied by another Local Government	45
An enviable lifestyle and environment	26	Service, facility, activity for which special rates/charges levied	45
Service excellence	30	Summary of concessions for rates and charges	46
A public sector leader	34	Changes to tenders	48
		Overseas travel	49
		Grants to community organisations	51
		Glossary	60
		Section 4: Financial Information	62

Welcome

Welcome to Sunshine Coast Council's Annual Report 2015/2016.

This report describes council's achievements in delivering services to the Sunshine Coast region and shows council's progress in delivering the actions from the *Corporate Plan 2014-2019* and *Operational Plan 2015-2016*.

The annual report is one of the ways council connects with our community and is the culmination of regular reporting. It shows:

- Council's commitment to achieve its vision for our region
- The results of actioning the corporate and operational plans
- Details of council's achievements
- Details of the services that have been provided to our region
- Transparency and accountability of council



Section 1

Introduction



Message from the Mayor

This is an exciting time to be on the Sunshine Coast and 2015-2016 has been a historic marker in time, as a number of our region's transformative projects have moved from planning to implementation.

Council's plan for the region was affirmed by the community at the March 2016 local government election, providing a clear impetus to continue the journey we commenced in 2012.

Our council has been entrusted by the residents of the Sunshine Coast to shape a prosperous future – one which offers enduring employment opportunities, better access to facilities and services, greater connectivity between communities and an outstanding natural environment. This is not something we take lightly and it drives the approach our council takes as an organisation in everything that we do.

Our region is evolving as a leading city region, with new precincts, projects and developments helping to shape a future for the Sunshine Coast that is smart, healthy and creative – a region that has a strong identity of its own, but is intimately connected with the world.

In the last financial year, council's region-making initiatives that will help build a more prosperous future for our community, achieved some important milestones.

After several years of intensive work, council secured the approvals required from the State and Federal Governments of the Environmental Impact Statement for the expansion of the Sunshine Coast Airport. This will now enable council to proceed to implement its financing strategy for this project, which will deliver an economic benefit to the region of some \$4.1 billion through to 2040.

Australia's only greenfield central business district at Maroochydore is also out of the starting blocks. On 9 February 2016, I had the honour of assisting Premier Anastacia Palaszczuk turn the first sod to mark commencement of work on the Maroochydore City Centre – a project that will deliver more than 30,000 jobs by 2040 and a \$4.4 billion contribution to the Sunshine Coast economy. Our development company, SunCentral Maroochydore Pty Ltd, also commenced marketing of the initial commercial precincts and there has been a strong level of interest from the private sector in wanting to play a part in developing what will become Australia's first truly smart city.

The Sunshine Coast also attracted interest from across the globe when we commenced construction of the Sunshine Coast Solar Farm at Valdora in April 2016. Delivering a utility scale, grid-connected 15 megawatt solar farm is a strong and very tangible demonstration of council's sustainability credentials. Once operational in 2017, council will be offsetting 100% of its electricity consumption with electricity generated from a renewable source. Once again, we are leading the way nationally in an area of importance to our community and indeed, many other Australians.

Our leadership in charting a smart, healthy and creative region was also reflected in council's endeavours to secure the infrastructure that will underpin our region's participation (and that of Queensland) in the digital economy. In July 2015, council made application to the Australian Communications and Media Authority for the declaration of a submarine cable protection zone off-shore from the Sunshine Coast. The delivery of an international broadband submarine cable would potentially enable the region, and south east Queensland, to attract an entirely new calibre of business investment, as well as provide the eastern seaboard of Australia with an alternative point of connection to global broadband communication networks. Work is progressing on this initiative which also has strong bi-partisan support from other tiers of government, given the broader State and national benefits it would deliver.

During the year council also initiated a new campaign to promote the Sunshine Coast as the major events capital of regional Australia. "The World is Coming" campaign, showcased the extensive portfolio of major sporting, music and lifestyle events being hosted on the Sunshine Coast in 2016, which are estimated to contribute about \$100 million to the region. A centrepiece of this program of events was the hosting of the Australian Surf Lifesaving Championships in April, returning to the Sunshine Coast after 36 years.

At the heart of our agenda however, is the community we serve and the important charge that rests with council to preserve the region's outstanding natural assets for current and future generations. Through the facilities that we deliver and maintain for our community – from sporting fields to community halls to libraries – to the important work we do with our residents in protecting our foreshores, maintaining our public parks and gardens and working to improve the health



I doubt you'll find another region in Australia that has a future as exciting as the one we have here on the Sunshine Coast.

and quality of our waterways. This is the day to day work of council that often goes unnoticed, but is a crucial part of ensuring the richness and vitality of our community and way of life remains second to none. Council's partnerships across the community in many of these services and initiatives are testament not only to the dedication and commitment of our staff but also the personal investment that our community is making in its own future.

Something that I am particularly proud of is council's commitment to expanding the region's conservation estate through the use of our Environment Levy. Over the last four years, our council has acquired more land to add to the conservation estate than any of our predecessors and we are deeply committed to continuing this expansion further. Our natural assets are an intrinsic part of who we are and what we value as a community. Council's work with the Queensland Government throughout the year to shape the next iteration of the South East Queensland Regional Plan is not only about accommodating growth and new employment nodes, but also about ensuring that our commitment to our natural assets and landscape values, like preservation in perpetuity of the regional inter-urban break, is well recognised in this important policy and planning document for our region.

In rounding off the year, council achieved the second highest financial sustainability rating available for a local government – and no other council in Queensland is higher than our organisation. Council also received its seventh consecutive unqualified audit report from the Queensland Audit Office. With our continuing prudent fiscal discipline, this not only enables council to invest in the future of the region, it also gives confidence to ratepayers that the financial management of their council is in good hands.

As I travel the length and breadth of this region, I continue to encounter people who are optimistic about their future and that of their families. I also detect that confidence is continuing to grow and I doubt you'll find another region in Australia that has a future as exciting as the one we have here on the Sunshine Coast.

Our Annual Report provides a window into how our council is helping to shape that future. It reflects the efforts of councillors and staff and I commend them all for their outstanding passion, enthusiasm and commitment to our beautiful Sunshine Coast.

Mark Jamieson
Mayor

“

The council is, I believe, one of the pre-eminent councils in Queensland, and on its way to be number one in Australia.



8



Message from the Chief Executive Officer

In September 2015 I arrived on the Sunshine Coast to take up the position of Chief Executive Officer of an already highly successful organisation.

During this time I have been working closely with the Mayor and Councillors, the Executive Leadership Team and senior managers, and meeting and connecting with as many employees as possible. The council is, I believe, one of the pre-eminent councils in Queensland, and on its way to be number one in Australia.

I would like to thank the Mayor, Deputy Mayor and Councillors for their commitment and leadership over the past financial year. Their aspirations for the region are enabling the organisation to strive for excellence in its governance and service standards.

Financially the council is in excellent shape. The organisation has achieved seven consecutive unqualified audits and also awarded the second highest credit ranking available by the Queensland Treasury Corporation. No other council in Queensland is higher than the Sunshine Coast – that’s an outstanding achievement.

I have been greatly impressed by the high level of enthusiasm that everyone has for the organisation and the region. I can’t speak highly enough of the skills of our workforce and I believe there is a great level of depth across the organisation. Our people are physically doing the work of the council and delivering outcomes for our community every day and I thank them for their tireless efforts.

The 2016 local government election was held on Saturday 19 March. One new councillor representing Division 4 was elected due to the past councillor not recontesting the election. The Mayor and all sitting Councillors were re-elected. The direction of the council has been reaffirmed by the

community and this will ensure the continuity of the important services being delivered in our region, which will in turn create a bright future for the region.

The Queensland Government released the State Coordinator General's report in 2016, accepting the Environmental Impact Statement (EIS) for the Sunshine Coast Airport Expansion Project. This means the project is now a step closer to delivery. The expansion of the airport by 2020 is expected to contribute \$4.1 billion to the Sunshine Coast economy.

Expressions of interest were invited from investors and developers to be a part of the new Maroochydore city centre which will be the most technologically advanced CBD in Australia. This offer is a unique opportunity for companies and businesses in the professional services, education, research and development, business tourism and civic services sectors to secure a presence in the Maroochydore and be part of creating a brand new city centre in one of the fastest-growing regions in the country.

Council continued to dedicate resources towards a range of place making initiatives in the region. These important projects included Bulcock Street streetscape project (Caloundra), Evans Street four land upgrade (Maroochydore), Maroochydore city centre civil works, design of the Palmwoods Town Square, and master plans were developed for Caloundra Centre, Bli Bli, Palmwoods and Mooloolaba.

In a council led consortium, that included the Melbourne Storm Rugby League Club and the University of the Sunshine Coast, a licence was secured for a national netball team on the Sunshine Coast. This is a major coup for our region with the new national competition commencing in March 2017.

The Environment Levy program delivered many opportunities for council to work collaboratively with the community to protect the lifestyle and environmental values of the Sunshine Coast. During the past year 0.99 square metres of land per resident was acquired for conservation and preservation purposes. Two new land parcels were acquired adding approximately 80 hectares to council's conservation estate, and there was continued investment into improving the health of riparian areas along Bells Creek and Maroochy River. Council also provided support for 115 landholders to undertake environmental improvement activities on private lands.

Council has continued to develop ongoing collaborations to support and build a smart region. Programs supported included Inaugural Mayor's Telstra Technology Awards, Sunshine Coast Hackfest, Start-Up Weekend, GovHack and hosting the Advance QLD Investment and Innovation Summit in May 2016.

Enhanced infrastructure, increased spectator seating, improved field lighting and parking are some of the key recommendations of the Sunshine Coast Stadium Facility

Development Plan 2015-2030, which was adopted by council during the year. As the region's premier venue for sport and recreation, it is estimated that the Sunshine Coast Stadium generates \$12.6 million annually in economic impact on the region's Gross Regional Product.

Council remains focused on ensuring a balanced approach to the community, environmental and economic interests of the region. This is being achieved through a range of services, capital works projects, support programs, environmental acquisitions, forward planning initiatives and community engagement.

More than ever before it is important we strengthen our relationships and work positively with other levels of government, Federal and State MPs and commercial entities to deliver better outcomes for the Sunshine Coast and our community.

There continues to be a strong focus on ensuring our customer service standards are enhanced and, at the same time, we are also driving the provision of key capital works delivery while keeping costs down so we can provide value for money to our residents.

I am proud to report a team of six council employees achieved national recognition in 2016 in winning the Australasian Local Government Management Challenge. The council team were victorious against others teams from around Australia and New Zealand. The annual event is run by the Local Government Professional Association and aims to help maintain and promote problem solving, team work and leadership skills within the workplace.

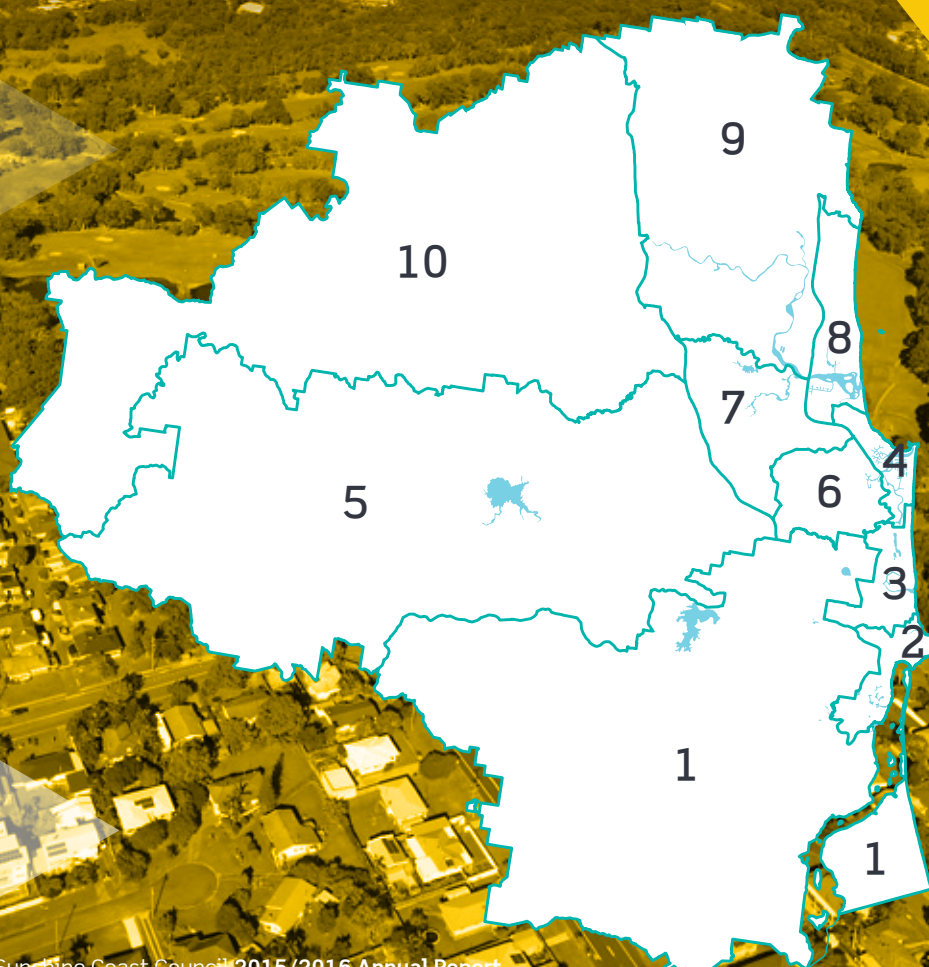
Working with council's wider leadership team, my focus over the next 12 months is on developing workforce and leadership practices that build a productive culture. It is important the organisation is focused on performance, capability building, personal accountability and nurturing of leadership potential.

Michael Whittaker
Chief Executive Officer

About our region - Key statistics

The Sunshine Coast Council area is located in South-East Queensland, about 100 kilometres north of Brisbane. It is bounded by the Noosa region in the north, Gympie in the west, the Coral Sea in the east, the Moreton Bay region in the south, and the Somerset region in the south-west. The Sunshine Coast is a diverse region with picturesque hinterland towns, coastal urban centres, waterways, national parks, state forests, bushland, rural areas and scenic mountains.

Sunshine Coast local government area



The Sunshine Coast local government region

The Sunshine Coast has:

- ▶ An area of **2291km²**
- ▶ **130 kilometres** of coastline
- ▶ **More than 3700 kilometres** of waterways
- ▶ **1102** recreation parks / landscape and amenity reserves
- ▶ **5883 hectares** of environmental reserves
- ▶ **2848 kilometres** of roads
- ▶ **1140 kilometres** of pathways
- ▶ **130, 216** rateable properties
- ▶ **10 million** waste and recyclable collections per annum (domestic and commercial)

The economy:

- ▶ **\$12.36 billion** Gross Regional Product[#]
- ▶ **6789** building approvals issued by council and private certifiers+, with an estimated value of construction of more than **\$1.29 billion**
- ▶ **2389** development approvals⁺

Source:

National Institute of Economic and Industry Research (NIEIR) ©2016.
+ Sunshine Coast Council Development Indicators reports.



Current population estimate

290,000 persons

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:
1 July 15 - 19 March 16
Economic Development
21 April 16 - 30 June 16
Region Making Projects,
Regional Advocacy and
Intergovernmental Relations



Deputy Mayor
Division 2
Cr Tim Dwyer

Portfolio:
1 July 15 - 19 March 16
Regional Projects
21 April 16 - 30 June 16
Corporate Strategy and
Finance; and councillor
assisting on Economic
Development and Innovation



Deputy Mayor
1 July 15 - 4 April 16
Division 4
Cr Chris Thompson

Portfolio:
1 July 15 - 19 March 16
Finance and Water; and
Corporate Planning



Division 1
Cr Rick Baberowski

Portfolio:
1 July 15 - 19 March 16
Transport Strategy
21 April 16 - 30 June 16
Transport, the Arts and
Heritage



Division 3
Cr Peter Cox

Portfolio:
1 July 15 - 19 March 16
Economic Development;
Health and Medical Precinct
and Education
21 April 16 - 30 June 16
Place Development and
Design



Division 4
5 April - 30 June 16
Cr John Connolly

Portfolio:
21 April 16 - 30 June 16
Councillor assisting on
Planning and Development;
and councillor assisting on
Tourism, Events and Sport



Division 5
Cr Jenny McKay

Portfolio:
1 July 15 - 19 March 16
Community Programs; and
Environment
21 April 16 - 30 June 16
Community and Environment;
and councillor assisting
the Mayor on International
Relations



Division 6
Cr Christian Dickson

Portfolio:
1 July 15 - 19 March 16
Regional Planning
21 April 16 - 30 June 16
Planning and Development



Division 7
Cr Ted Hungerford

Portfolio:
1 July 15 - 19 March 16
Service Delivery
21 April 16 - 30 June 16
Governance and Customer
Service; and councillor
assisting on Local
Infrastructure Delivery



Division 8
Cr Jason OPray

Portfolio:
1 July 15 - 19 March 16
Economic Development -
Tourism, Sport, Major Events
21 April 16 - 30 June 16
Tourism, Events and Sport



Division 9
Cr Steve Robinson

Portfolio:
1 July 15 - 19 March 16
Economic Development -
New and Emerging
Industries
21 April 16 - 30 June 16
Economic Development and
Innovation



Division 10
Cr Greg Rogerson

Portfolio:
1 July 15 - 19 March 16
Place Management and
Delivery
21 April 16 - 30 June 16
Local Infrastructure Delivery;
and councillor assisting on
Tourism, Events and Sport

Leadership team

The Chief Executive Officer and five Directors make up council's Executive Leadership Team. This team has the shared responsibility for providing the organisation with leadership and direction to achieve the outcomes determined by council.



Chief Executive Officer
Commenced 21 September 2015

Michael Whittaker



Director Community Services

Coralie Nichols



Director Corporate Services

Ray Turner



Director Economic Development and Major Projects

Greg Laverty



Director Infrastructure Services

Andrew Ryan



Director Planning and Environment

Warren Bunker



Our organisation

Council's structure consists of six departments.

Elected council (Mayor and Councillors)

Chief Executive Officer

Community Services Department

Community Facilities and Planning

Community Relations

Community Response

Corporate Services Department

Procurement and Contracts

Corporate Governance

Finance

Information Communication Technology Services

Property Management

Human Resources

Economic Development and Major Projects Department

Commercial

Economic Development

Sunshine Coast Airport

Communication

In April 16 changes were made to the structure to improve alignment and strategic focus. These include the Office of the Mayor and CEO being recognised as a Department and renaming of two departments being:

- Planning and Environment Department
- Economic Development and Major Projects Department



Council has been awarded a **silver certificate** under the 50:50 Vision Councils for **Gender Equity Program**



Council supports

efforts to create jobs for **youth, long-term unemployed** and other groups

Infrastructure Services Department

- Project Delivery
- Civil Asset Management
- Environmental Operations
- Parks and Gardens
- Transport Infrastructure Management
- Waste and Resource Management
- Fleet and Quarry Services

Planning and Environment Department


- Major Urban Developments
- Strategic Planning
- Transportation and Infrastructure Policy
- Environment and Sustainability Policy
- Development Services

Office of the Mayor and CEO

- Office of the Mayor and CEO
- Audit and Assurance
- Legal Services
- Strategy and Coordination

Section 2

Implementation of corporate and operational plans



Council remains firmly committed to its vision for the Sunshine Coast first articulated in 2009:

To be Australia's most sustainable region – vibrant, green, diverse

In contributing to achieving the vision for the region, council's purpose is:

“
To serve the community well and position the region for the future
”

The Corporate Plan is structured around five corporate goals (shown below), each supported by a suite of outcomes that council is committed to achieve. Highlights under each of the corporate goals are detailed in the following pages.

Corporate goals 2014-2019

A new economy

A strong community

An enviable lifestyle and environment

Service excellence

A public sector leader

A new economy

18

Providing the regional policy, regulatory settings and identity that shape a globally competitive economy

Outcomes

- 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

Highlights for 2015/16

Maroochydore city centre

Construction of Stage 1 of the new Maroochydore city centre started with the first sod for the development turned by Queensland Premier Annastacia Palaszczuk and Mayor Mark Jamieson. Stage 1 construction includes the bulk earth works and public realm (road corridors, canals and waterways, utility placements).

Expressions of Interest were invited from investors and developers to be a part of the new city centre which will be the most technologically advanced Central Business District (CBD) in Australia. The new 53-hectare Maroochydore city centre offers 150,000m² of commercial space and 65,000m² of retail floor area.

The highly anticipated CBD is forecast to create more than 30,000 jobs for the region by 2040 and provide a \$5.9 billion boost to the Queensland economy over the project's 20-year life.



A new record achieved **960,000** passengers through Sunshine Coast Airport

Sunshine Coast Airport expansion

The development of the Environmental Impact Statement (EIS) for the expansion of the Sunshine Coast Airport was completed in order to secure the necessary approvals and reduce the risk to a potential investor of having to pursue regulatory approvals prior to the project commencing. The State Coordinator-General approved the EIS after considering more than 2200 submissions received from both the draft EIS and the Additional Information to the EIS periods. The Commonwealth Government provided approval to construct and operate a new runway, revised apron and expanded passenger terminal. This means the project is now a step closer to delivery.

Council is seeking a partner to progress the project through Expressions of Interest. The expansion by 2020 is expected to contribute \$4.1 billion to the Sunshine Coast economy.

Airport passenger growth

Sunshine Coast Airport set a new 12-month passenger record with 964,362 people flying in and out of the airport in the 12 months from July 1, 2015 to June 30, 2016, beating the old record set in January 2009.

Building our economy

There has been a significant positive shift in the regional economy. Strong indicators that the commitment to the *Sunshine Coast – The Natural Advantage: Regional Economic Development Strategy 2013-2033* and its implementation are producing results include:

- Gross Regional Product for the broader Sunshine Coast region (inclusive of Noosa) increased to more than \$16 billion in 2015. (Source: AEC Group May 16)
- The region has been independently ranked for two consecutive years as having the second highest performing regional (i.e. non capital city) economy in Queensland, and fifth highest performing regional economy nationally. (Source: Australian Local Government Association: State of the Regions Reports 2014-2015 and 2015-2016)
- Business confidence in the region has been highly ranked in the last three successive Westpac CCIQ Business Confidence Surveys with the Sunshine Coast having the highest level of business profitability, sales and revenue of any region in Queensland. (Source: Westpac CCIQ Queensland Business Confidence Survey, December 15)

Focusing on the economic future

Council has worked collaboratively with the Sunshine Coast Economic Futures Board to broaden the regional economy and support the growth in the new industries such as education, healthcare and professional services. The Board has a strong commitment to building innovation and entrepreneurial sectors and has continued to seek new investment opportunities in the region associated with the seven high-value industries.

Building council's reputation and attracting investors

Council's partnerships were enhanced and new avenues for regional promotion built through a number of international and national investment missions to destinations including Hong Kong, China, South Korea, USA, New Zealand, Singapore, Philippines, Indonesia, Sydney, Melbourne and Canberra.





Major achievements:

- Sunshine Coast Airport expansion moved a step closer with the environmental impact statement approved
- Record number of passengers flew in and out of Sunshine Coast Airport
- Development activity reached a seven-year high
- \$180 million of total purchasing spend was awarded to local business
- Major events generated about \$100 million in economic activity

Supporting local business

\$180 million (65%) of the total purchasing spend for 2015/16 financial year was awarded to local business. This is a great win for the local business economy.

The World is Coming

“The World is Coming” promotional campaign has showcased the outstanding range of events to be hosted by the Sunshine Coast in 2016. The region will host 60 major sporting, music and lifestyle events this year, estimated to contribute about \$100 million to the local economy. These events are forecast to attract 150,000 visitors and supporters from more than 70 countries.

Caloundra South development

A significant milestone for the Sunshine Coast occurred with the launch of the Caloundra South development. The 20,000-lot project will be delivered over the next 30 to 40 years and will create thousands of new jobs and economic stimulation. For the past five years council has led the intensive negotiations that have delivered a major win in the form of the Infrastructure Agreement that has been secured for the Caloundra South development area.

Palmview development

The Palmview Planning Scheme Amendment gazetted on 1 April 16 allowed for the negotiated Infrastructure Agreement signed with the three landowners to become fully effective. One of the developers of the land, Investa, advanced the master planning for its landholding with the first development application lodged with council. It is expected that the first homes will be completed by early 2017.



In 2015/16 the Sunshine Coast hosted

44 major events

attracting 140,000 visitors



Bokarina Beach

Council approved the Master Plan for Bokarina Beach, including conditions to minimise the impact of development on turtle nesting sites, with the recommendation forwarded to the State Government for ratification. The Master Plan covers about 30 hectares with building heights up to eight stories and will include:

- 291 detached houses
- 829 multiple dwelling units
- Commercial space
- Retail and tourism space
- Village park
- Recreation and community facilities including two hectares of recreational parkland area
- Surf Lifesaving Club

Kawana Health Precinct

The Kawana Health Precinct continued to take shape as construction on the Sunshine Coast University Hospital entered the final stages before the hospital opens in 2017. Master Plans for the Kawana Health Precinct and development processes for key sites in the area were finalised.

The broader Kawana area has also had a number of developments progress, including the approval of Master Plan applications for Birtinya Island.

Major events

In 2015/16 the Sunshine Coast region hosted 44 major events, attracting 140,000 visitors/participants from outside the region, generating about \$100 million in economic activity.

Sunshine Coast Jobs Show

A major employment initiative undertaken by council was the inaugural Jobs Show, resulting in over 160 job placements.

Performance Measures

Measure	Annual Target	Performance Result
Council actions in the Regional Economic Development Strategy implemented in accordance with agreed timelines	70%	77%
Local business graduates' satisfaction with council's Export and Capability Program	75%	96%
Estimated economic impact from council-supported major and regional events	\$53 million	\$98.6 million
Development applications decided within target decision timeframes	90%	93%



A strong community

Highlights for 2015/16

Experiencing our heritage

Our heritage, our stories was launched and provides a comprehensive heritage guide to the Sunshine Coast region. The easy-to-use guide includes information on the Coast's aboriginal sites, historic sites, museums and heritage places, and historical societies and research collections. Heritage is an important asset of our region and for this reason the Cultural Heritage Levy was introduced in 2009 to provide ongoing funds towards a range of heritage-related initiatives. The new Heritage Discovery Guide is just one initiative funded by the levy.

Community grants

In addition to grants from mayoral and councillor discretionary funding, \$3.8 million was provided to more than 760 grant applicants for one-off projects, events and activities that benefit our region.

Library services

Council held more than 1800 library programs over the financial year with more than 46,000 participants. Council also launched its state-of-the-art mobile library which has the latest technology for all the community to access. The fully accessible new mobile library was an enhancement to library services aimed at improving access to information and technology for the region. The mobile service also includes technology such as iPads to access the many online resources provided for free to library members.

Supporting an engaged, resilient and inclusive community that embraces diversity

Outcomes

- Safe and healthy communities
- Resilient and engaged communities
- Culture, heritage and diversity are valued and embraced
- People and places are connected

More than 9000 events held at community venues



Events Centre Caloundra

Council is committed to increased investment in the Events Centre Caloundra. Some of the key improvements over the next five years will include new seating, an air conditioning upgrade, improved disability access and various backstage upgrades. The enhanced capital works investment is expected to improve the experience for both patrons and visiting artists to the venue.

Community venues

More than 9000 events were held at community venues over the financial year, attracting more than 600,000 patrons.

Building a smart region

Council continued to develop ongoing collaborations between research institutions, business and industry to support initiatives, innovation and growth. Programs supported included:

- Inaugural Mayor's Telstra Technology Awards
- Sunshine Coast Hackfest
- Second Generation Innovation challenge
- Start-Up Weekend
- Start-Up Weekend Youth
- GovHack
- Advance QLD Investment and Innovation Summit

Sunshine Coast safety

Council has endorsed the *Sunshine Coast Community Safety Action Plan 2016-2020*. The Community Safety Action Plan delivers on council's Corporate Plan commitment for a strong community and supporting an engaged, resilient and inclusive community that embraces diversity. The plan will focus on the delivery of actions through three priority areas - stronger, resilient and safer communities.

A creative community

Sunshine Coast Art Prize 2016

The 2016 Sunshine Coast Art Prize received a total of 625 entries. This was a substantial increase of 84% on the 2015 entries.

New art and photography awards

The 10th year of the Sunshine Coast Art Prize celebrated the introduction of the inaugural Environment Art Award, supported by the Living Smart Program and the Landscape and Wildlife Photography Award, supported by the Environment Levy.

Sunshine Coast Arts Advisory Board

The important role of arts and culture in the region was formally recognised by council with the endorsement of the Sunshine Coast Arts Advisory Board. The Board will be tasked with providing strategic advice and recommendations to council to grow the arts on the Coast. Expressions of interest for Board members were called in April 16.





Major achievements:

- More than 9000 events were held at community venues, attracting more than 600,000 patrons
- Delivered more than 1800 library programs and workshops to more than 46,000 participants
- Provided \$3.8 million in grants to more than 700 community applicants

National netball team

A consortium that included council, the Melbourne Storm Rugby League Club and the University of the Sunshine Coast secured a licence for a national netball team on the Sunshine Coast. The Sunshine Coast Lightning will enter the new nationally televised competition in 2017.

Sunshine Coast Stadium

Enhanced infrastructure, increased spectator seating, improved field lighting and parking are some of the key recommendations of the *Sunshine Coast Stadium Facility Development Plan 2015-2030*, which was adopted by council. As the region's premier venue for sport and recreation, it is estimated that the Sunshine Coast Stadium generates \$12.6 million annually in economic impact on the region's Gross Regional Product. Expanding the capacity and capability of the stadium to host larger scale events has the potential to further increase the economic and community benefits to the region.

Caloundra Music Festival

The ever popular Caloundra Music Festival was held in October 15, attracting around 32,000 people over four days. It is recognised nationally as a highlight of the festival calendar. The festival is a major contributor to the Coast economy and continues to put Kings Beach, Caloundra and the Sunshine Coast in the national spotlight.



More than **1800**
library programs



Hosting major sporting events and teams

Council rolled out the welcome mat over the past year to host a number of significant sporting events and teams. These included:

- The Qantas Wallabies camp at Sunshine Coast Stadium
- An NRL pre-season trial game between the Melbourne Storm and Wests Tigers
- The first year of the Melbourne Rugby League Club's Storm Academy based at the Sunshine Coast Stadium, with a team playing in the NRL's National Youth Competition, the Holden Cup
- International Va'a Federation World Elite and Club Sprint Championships
- The Color Run
- Tag World Cup, which attracted more than 26,000 spectators and participants
- Sunshine Coast Home Show and Caravan Camping Expo
- Gatorade Triathlon Series
- Triathlon Pink
- The launch of the 2016 Australasian Police and Emergency Services Games

- Pre-season camps for AFL clubs St Kilda, Hawthorn, Collingwood, Melbourne, Brisbane Lions, GWS Giants and the Western Bulldogs
- The School Sport Australia 2016 Combined Australian Football National Championship

Capital Works Program

The Transport Capital Works Program was implemented.

Performance Measures

Measure	Annual Target	Performance Result
Average patron satisfaction with council venues provided for hosting community events and programs	70%	90%
Increased patronage of council controlled major sporting facilities, performance and community venues	≥ 5%	35%
Increase in new library memberships	≥ 5%	6.1%
Ratio of desexed animals registered with council compared to total animal registrations	91%	92%

An enviable lifestyle and environment

26

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

Outcomes

- Healthy natural ecosystems and protected remnant vegetation
- Well-managed and maintained open space, waterways and foreshore assets
- A reputation for innovative environmental practices
- A region shaped by clever planning and design

Highlights for 2015/16

Protecting the environment

Council worked collaboratively with the community to protect the lifestyle and environmental values of our region. Highlights included:

- Establishment and management of environmental reserves
- Rehabilitation projects on the Pumicestone Passage, Mary River and Maroochy River
- Monitoring fauna populations
- 22 community Environment Levy partnerships
- Pest management, Flying-fox and koala programs

Protecting our beaches

Council pumped more than 20,000 cubic metres of sand onto Maroochydore beach as part of its ongoing re-nourishment program. This helped with the very successful staging of the 2016 Australian Surf Lifesaving Championships.

A Sand Sourcing Study was undertaken to understand the impact of beach erosion and identify innovative ways to re-nourish foreshores. The study considered a number of regional erosion hotspots within our region and how these can be addressed in a sustainable way



77 new Land for Wildlife properties

Environmental land purchases

Council's Environment Levy Land Acquisition Program acquired two properties located in the Sunshine Coast Hinterland to protect and enhance a number of endangered species of flora and fauna spread across 80 hectares of land. Since the program began in the early 1990s, council has purchased almost 3000 hectares of environmentally significant land in a bid to preserve and improve the biodiversity of the region.

Land for Wildlife Program

Highlights include:

- 77 new Land for Wildlife properties registered with a total property size of 850 hectares
- 20 workshops and field days held, involving 300 members
- Land for Wildlife Incentive Program provided 22,725 native plants, installed 239 nest boxes and offered weed management materials and training to 32 landholders
- Landholder Environment Grants program provided \$329,600 of funding to 115 properties to conduct bushland rehabilitation, revegetation and other conservation works
- Five new Voluntary Conservation Agreements (VCA) protecting 77 hectares of habitat
- The total area of habitat protected through the VCA program on the Sunshine Coast now exceeds 1090 hectares

Pumicestone Passage

The *Pumicestone Passage and Catchment Action Plan 2013-2016* was released in October 15 in partnership with the Moreton Bay Regional Council. The catchment area covers 785 square kilometres, 58% of this is within Sunshine Coast Council boundaries. The plan outlines a range of actions, including what is being done to improve water quality, protect and restore wildlife, minimise impacts from population growth, and improve social values and economic values.

Mary Cairncross Centre

Mary Cairncross Scenic Reserve received a boost with the improvement of a main walking trail. The upgrade is one of many recreational projects on council's \$183 budgeted capital works program to improve our region's beautiful outdoors. The construction of the new \$4.7 million Mary Cairncross Scenic Reserve Discovery Centre, café and boardwalk will improve council's ability to reflect the conservation values of the reserve. More than 200,000 people visit the Mary Cairncross Scenic Reserve each year and the new centre will improve the experience at this destination.





Major achievements:

- A number of key centres throughout the region are being revitalised and transformed
- 2830 hectares of environment land acquired since the 1990s
- 115 landholder environment grants approved to the value of almost \$330,000
- 77 new Land for Wildlife properties registered with a total property size of 850 hectares

Planning and designing places

The following key areas are being revitalised to improve our region's lifestyle and the environment:

- Maroochydore City Centre - Civil works commenced
- Caloundra City Centre - Masterplan developed
- Bulcock Street – Major transformation
- Evans Street – Major road transformation
- Coolum Civic Centre – Jack Morgan Park upgrade and revitalisation
- Palmwoods – Masterplan developed
- Mooloolaba – Masterplan developed
- Nambour - Activation Plan adopted
- Bli Bli – Masterplan developed

Caloundra transformation

The Bulcock Street makeover is well underway and is set to reinvigorate the Caloundra area, bringing visitors, activities and events to the area. The upgrade, which is scheduled to be completed in late 2016, aims to build on the existing character, enhancing the look and feel whilst incorporating advanced smart city technology.

Maroochydore accessibility

Council's \$20 million Evans Street upgrade progressed significantly with earth and civil works being undertaken. The Evans Street Upgrade involves the duplication of Evans Street from Maroochydore Road to Plaza Parade from two lanes to four, two new signalised intersections at School Road and Millwell Road East and U-turn facilities at School Road and Maroochydore Road. This is one of the largest projects undertaken by council and work is due for completion in late 2016.



22

community Environment
Levy partnerships



Mooloolaba bikeway

Families and bike riders of all ages and abilities are now taking advantage of Mooloolaba's new separated bikeway which runs between Minyama and Mooloolaba. This new bikeway provides a safe avenue for cyclists and has revitalised the precinct. This infrastructure compliments council's goal to provide safe coastal bikeways between Coolum and Caloundra whilst also helping to ease traffic congestion.

Coolum upgrade

Council officially opened the first stage upgrade of Jack Morgan Park in Coolum, including the refurbished Coolum Civic Centre. Surrounding external infrastructure upgrades consist of new outdoor seating areas and trees, better footpaths and lighting, bike racks, way-finding signage, and a safer "drop off" zone for vehicle passengers.

Coolum Sports Complex

Council has worked with the State Government on a \$2.4 million expansion to the Coolum Sports Complex. This upgrade was part of council's Coolum Sports Complex Masterplan. The new multi-use field caters for a variety of sports, including junior cricket and soccer. The expansion includes a new field, which has a synthetic turf cricket pitch with a junior boundary, a training area, 78 car parks with LED lighting, pathways, smart city field lighting and shade trees.

Reducing emissions

Nambour landfill gas field expansion has resulted in a significant increase in gas being captured and flared at the site, further reducing emissions that are a contributor to global warming. The expansion has resulted in an average increase in gas captured and flared from 45,894m³ per month to 393,226m³ per month.

Capital works program

The following capital works programs were implemented:

- coast and canals
- environmental assets
- parks and gardens
- holiday parks
- waste
- stormwater



Performance Measures

Measure	Annual Target	Performance Result
Council's greenhouse gas emissions reduced (tonnes per employee)	23	23.5
Audited parks meeting maintenance standards	90%	95.4%
Hectares of land per resident acquired through environment levy for conservation and preservation purposes maintained	1.5sqm	.99sqm
Increase in landholders and community groups partnering with council in environmental and conservation programs	7.5%	13.1%

Service excellence

30

Providing value-for-money services responsive to the needs of the community

Outcomes

- Customer focussed services
- Services and assets are efficient, appropriately maintained and managed to meet the needs of a growing community
- Sustainable waste and resource management services

Service delivery 2015/16

Customer satisfaction survey

In November 15, council conducted its bi-annual Community Satisfaction Survey. The survey is important for understanding the community's view of the importance of each of council's services and the level of satisfaction with each service. This is an important part of council's review process, and a consideration in the annual prioritisation and allocation of financial and human resources. Satisfaction with council's overall performance increased by 15% - rating 3.74 out of 5 compared to 3.51 in 2012. Across all services, council scored 66, three points higher than in 2012, and one point higher than the mean average for 23 comparable metropolitan councils across Queensland and New South Wales.

Connecting with customers

Customer service centres provided a variety of ways for customers to interact with the organisation, including in person, by phone and online. During the year around:

- 39,000 customers visited a service counter
- 37,000 customers emailed
- 177,000 customers phoned the main call centre
- 6000 customers took advantage of council's live-chat facility



177,000 customers
phoned the main call centre

Development service support

Council works closely with the community to provide development services.

Key indicators included:

- \$1.29 billion building approvals recorded
- 40,900 development enquiries
- 44,000 PD online users, an increase of 40%
- 14,609 applications received
- 1760 plumbing inspections conducted at Sunshine Coast Public University Hospital
- 359 free pre-lodgement meeting requests

Building and development activity

Development activity achieved a seven-year high point with 2015 one of the busiest years on record for development in our region. A total of \$1.29 billion in building approvals were issued for the 2015/16 year, and the number of approvals increased 15% on previous year. November 2015 resulted in the largest lot approval month since 2009, with 429 new lots created.

Significant developments approved included:

- Global YOU! headquarters and Coles supermarket in Sippy Downs
- Aged care facilities at Coolum and Warana
- A large medical complex in Birtinya
- A \$20 million development at Bli Bli for new commercial offices, short-term accommodation units, hotel, gym, tavern and children's play area as well as streetscape upgrades

Making it easier to connect with council

New web platform

Council launched a new web platform, incorporating a new design and improved functionality behind the scenes. The update included a contemporary and responsive design which allows our website to be easily and accurately viewable on all mobile devices, as well as desktop or laptop computers. The search capability and revised navigation will make it far easier for our community to find what they are looking for quickly, and complete tasks on the website easily and efficiently.

Council App

Council created and launched an app to provide customers with an efficient and user friendly way of connecting with the organisation. The app streamlines communications, enabling council to serve residents more quickly and efficiently, while also providing useful information to visitors, such as the locations of wifi and patrolled beaches. While providing key services, the app can also offer interactive experiences for visitors.

Trialling smart technology

Council has opened the doors of its first Smart Centre at 63 Bulcock Street, Caloundra. The Smart Centre showcases how we are introducing smart, energy efficient and new technology solutions, which will enhance the Sunshine Coast's liveability, workability and sustainability.





Major achievements:

- Customer satisfaction with council's services increased by 15%
- 177,000 phone calls from customers were received at our main call centre
- 40% increase in PD Online users
- Construction on the Sunshine Coast Solar Farm commenced

Solar farm construction

Council's quest to become Australia's first local government to offset its entire electricity consumption from green energy, powered ahead with the announcement that Downer Utilities Australia Pty Ltd had been awarded the tender to construct a 15 megawatt (MW) solar farm on council-owned land. Council is striving to become Australia's most sustainable region and the Sunshine Coast Solar Farm at Valdora will help achieve that vision. This project will enable our council to become the first local government in Australia to build a utility scale, grid-connected solar farm. The 15MW solar farm, covering 24 hectares of a 49 hectare site, will be the biggest solar farm in Queensland. By mid 2017, the solar farm will offset 100% of the organisation's electricity consumption across all its facilities and operations. This will include our administration buildings, swimming pools, performance venues and community centres, our holiday parks, libraries, art gallery and sport and recreation facilities. Energy produced by the solar farm will also go into the electricity grid.

Improving road safety

Council endorsed the *Sunshine Coast Road Safety Plan 2016-2020* which describes the vision for the Sunshine Coast to be recognised as a place which provides a safe travel environment for all road users. Targets to evaluate the progress towards this vision include fewer fatalities, hospitalisations and total crashes in our region than the Queensland average. The plan focuses on driver education, crash investigation and prevention, pedestrian and cycling facilities and speed management measures.



By mid 2017
the solar farm will offset

100% of the

organisation's electricity consumption



Disaster readiness

The revised *Sunshine Coast Council Local Disaster Management Plan 2015-18* was endorsed by council and builds on the previous plan with the focus on ensuring the safety of the Sunshine Coast community. It aims to preserve lives and prevent injuries, to mitigate property damage and to protect the environment. The new plan provides guidance for council, emergency service agencies, non-government organisations, volunteer groups and the community.

Sippy Creek Animal Pound

Construction of the new animal pound facility commenced. The new pound will bring the existing small animal compound at Tanawha and large animal compound at North Landsborough together. It will include a cattery building with 32 individual cat enclosures, 32 individual kennel modules, assessment facility for administering animal procedures, a large animal enclosure and central administration and reception building.

Pest management

A Pest Survey Program was conducted with properties in the localities of Peachester, Conondale, Eudlo, Hunchy, Mapleton, Reesville, Witta, Weyba Downs, Tanawha and North Arm being inspected for declared pest plants. In addition, officers performed routine night time feral animal surveying in the areas of Kenilworth, Conondale and Cambroon in April to

determine the distribution, population, size, habitat use and impacts of feral animals. Council also worked with Queensland Parks and Wildlife Service to implement the coastal fox control program from Mudjimba to Peregrin.

Surf Life Saving Championships

The Australian Surf Lifesaving Championships were held on the Sunshine Coast in April 16. Four years of planning went into the single largest event the Coast has ever hosted, with more than 7000 surf lifesavers participating in more than 400 events. Council was heavily involved in the preparation work to ensure the event was a success. Works included the beach replenishment program, maintenance of parks and gardens, promotion of our region, event management, permits and the delivery of all works and projects in and around the event precinct.

Performance Measures

Measure	Annual Target	Performance Result
Operating surplus ratio (<i>ratio between operating revenue and operating expenses</i>)	3.5%	6.5%
Asset sustainability ratio (<i>spending on existing assets through renewal</i>)	70%	88%
Asset consumption ratio (<i>ratio of asset current value relative to replacement value</i>)	80%	78%
Capital works achieving physical completion	90%	76%
Percentage of successful prosecutions relating to vicious dog attacks	97%	100%
Ratio of customer interactions conducted online compared to other contact channels	27%	28.5%
Percentage of calls to customer contact centre answered within 60 seconds	80%	89.5%
Waste diversion rate	32%	38.25%

A public sector leader

34

Delivering a high performance organisation, supported by good governance and robust decision-making

Outcomes

- Robust and transparent decision making
- A financially sustainable organisation
- An employer of choice
- Productive, professional partnerships

Highlights for 2015/16

Strong financial management

Council received a clean audit report for 2014/15. This is the seventh consecutive year that council has achieved this outcome.

Council's 2014/15 financial statements were audited by the Queensland Audit Office (QAO) to ensure accounting and legislative compliance. The QAO issued an unqualified audit report and confirmed an operating surplus of \$33.19 million for the year. This is a significant result and also the sixth consecutive year that council had achieved operating surpluses. The 2014/15 financial statements show the Sunshine Coast community's net assets have increased by 8.9% over the previous year to a total of \$4.5 billion. All three financial sustainability measures improved compared to the previous year.

Delivered a balanced
\$717 million
budget for 2016/17



Council budget

In June, council approved a \$717 million budget for the 2016/17 financial year which focused on building Australia's smart region – economically and environmentally – while also delivering the core services which continue to grow a strong community. The budget included a \$253 million capital works program and a positive operating result of \$30.9 million.

The 2016/17 budget highlights included:

- \$59 million for environment
- \$63 million for parks and gardens
- \$46 million for economic initiatives and major events, airport and holiday parks
- \$33 million for libraries, galleries and community facilities
- \$100 million to maintain, renew and replace roads, pathways and stormwater assets

General rates increased by 2.5%, and waste management charges for a wheelie bin by 1.7%. Combined, this resulted in a 2.2% increase which is in line with the LGAQ Council Cost Index. Combined increases of \$20 for Environment, Heritage and Transport levies were also adopted.

Local Government Election

The 2016 Local Government Election was held on Saturday, 19 March 16. The mayor and all sitting councillors who sought re-election were successful with one new councillor, representing Division Four, also elected.

Local Government Management Challenge

A team of six employees from across the organisation achieved national recognition in winning the Australasian Local Government Management Challenge. The council team was victorious against other teams from around Australia and New Zealand. The annual event is run by the Local Government Professional Association and involves hundreds of local government employees. It aims to help maintain and promote problem solving, team work and leadership skills within the workplace.

Recognising employee excellence

The inaugural CEO Excellence Awards were presented. These awards are part of council's employee recognition program designed to notice, share, recognise and celebrate employees who are living council's values each day.

The award recipients were recognised for:

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



Major achievements:

- Clean audit report for the seventh consecutive year
- Delivered a balanced \$717 million budget for 2016/17
- Recognised with more than 15 awards

Awards for excellence

Council continues to be recognised as an outstanding organisation receiving a number of significant awards. They included:

- Council's Customer Contact team receiving the Highly Commended Award for Customer Service Team of the Year at the National Local Government Customer Service Network Awards
- Council receiving the 2015 Group Wildlife Conservation Award by the Australia Zoo Wildlife Warriors for the suite of environmental programs that council delivers
- Council receiving a Merit Award at the Australian Information Industry Association Awards for the innovative Disaster Hub website
- Council being announced as the joint winner of the 2015 LGM Queensland Risk Management Excellence Awards at the annual LGAQ conference. The award, shared with Cairns Regional Council, recognises council's Risk Awareness Project
- Council being recognised with a Silver Award in the *5050Vision – Councils for Gender Equity* program at the annual LGAQ conference
- Council's Director of Infrastructure Services, Mr Andrew Ryan, being named the Institute of Public Works Engineering of Australia (IPWEA) Queensland Engineer for 2015
- Council's library service being acknowledged by the International Federation of Library Associations and Institutions (IFLA). The library service achieved third prize in the 13th IFLA BibLibre International Library Marketing Awards (2016) for its creative pop up library campaign

Sunshine Coast Council
recognised

with more than
15 awards



- The Place Making Mooloolaba Master Plan earning two awards at the 2016 Australian Institute of Landscape Architects State Awards
- Council and the Nursery and Garden Industry QLD winning the Events Award at the Parks and Leisure Australia QLD Branch Awards for The Queensland Garden Expo
- The Mary Grigor Centre design and construction being recognised with a Gold Award at the National Trust Queensland Heritage Awards
- The *Pumicestone Passage and Catchment Action Plan 2013-2016* receiving a highly commended award at the prestigious Healthy Waterways Awards
- The Sunshine Coast Light Rail Project earning recognition at the 2016 Sunshine Coast Regional Architecture Awards
- The *Sunshine Coast Social Strategy* being recognised as a winner of the Australian Business Award for Community Contribution
- Council receiving national recognition by winning the Policies, Programs and Concepts Large Scale category at the Planning Institute of Australia Urban Design Awards for the development of the *Sunshine Coast Light Rail - Shaping Our Future* program

- *Sunshine Coast Light Rail – Shaping our Future* receiving a commendation for the Best Planning Ideas – Large Project Award at the National Awards for Planning Excellence 2016, and winning the State Urban Design Award at the Architecture awards (Karl Langer Award for Urban Design)

Capital works

Capital works programs for Fleet, Quarries, Information Communication Technology and Building and Facilities were implemented.

Performance Measures

Measure	Annual Target	Performance Result
Reduction in work time (days per month) lost due to workplace injuries	Average 85 days per month	Average 42.5 days per month
Right to information application decisions set aside or amended on external review	< 5 (7.5%)	0
Net financial liabilities	46.8%	9.7%
Debt servicing ratio (<i>indicates ability to repay loans</i>)	4.8	4.2
Unqualified audit (<i>auditors report provides assurance about reliability of financial reports</i>)	Unqualified	Unqualified 2014-15
“Open data sets” published on council’s website increased	112	130



Section 3 Annual disclosures

Corporate governance

Governance at Sunshine Coast Council focuses on the ethical business activities and relationships between councillors, senior management, employees, the community, government departments, business clients and other key stakeholders.

The Corporate Governance framework provides the mechanism through which council's vision and objectives are set, monitored, reviewed and achieved. It involves the development of appropriate systems, policies, processes and structures, all of which guide the business practices and culture of the organisation.

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

Risk management

Risk management is the identification, assessment and prioritisation of risks. It also includes the steps taken to minimise such risks.

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 risk types are monitored and reported:

Strategic risks

- Council receive a quarterly report at the confidential session of the ordinary meeting
- Audit Committee receive a report each meeting

Operational risks

- Audit Committee receive information on strategic risks and all operational risks exceeding the set risk tolerance
- Directors monitor their department risks each quarter

Project risks

- Governance committees overseeing large projects, monitor project risks

Audit Committee

The overall objective of the Audit Committee is to assist the council and the Chief Executive to discharge their duties in accordance with the Audit Committee Charter:

- 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, Executive Management, External Audit and Internal Audit, to exchange information and views

Three formal Audit Committee meetings were held throughout the year with the Committee comprised of both councillors and independent external representatives as follows:

- Mr Peter Dowling AM (Independent Chair)
- Mr Len Scanlan (Independent Member)
- Cr Tim Dwyer
- Cr Christian Dickson
- Cr Chris Thompson (1 July 15 to 4 April 16)

Key activities undertaken by the Audit Committee during the year include:

- Monitor Financial Statement annual preparation process and review the draft Financial Statements prior to certification
- Oversee governance reporting including risk management and work health and safety
- Review both external and internal audit plans, reports and recommendations

External Auditors, Directors and Internal Auditors also attend meetings and contribute toward a culture of continuous improvement. The Audit Committee is an Advisory Committee reporting to council.

Audit and Assurance

The Audit and Assurance team conduct activities in accordance with best practice principles including guidance issued by the Institute of Internal Auditors. Activities for the period July 15 to June 16 covered revenue, expenditure, contributed assets, associated systems and internal control processes across operational areas of council and the provision of advice and assistance to council staff.

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 15 to 30 June 16.

Councillor remuneration and superannuation

Councillor	Salary (\$)	Employer Superannuation (\$)
Mayor Mark Jamieson	210,269	25,232
Cr Rick Baberowski	127,663	15,320
Cr Tim Dwyer Councillor: 1 July 15 to 6 April 16 Deputy Mayor: 7 April 16 to 30 June 16	131,270	15,752
Cr Peter Cox	127,663	15,320
Cr John Connolly Councillor: 5 April 16 to 30 June 16	26,531	3184
Cr Jenny McKay	127,663	15,320
Cr Christian Dickson	127,663	15,320
Cr Ted Hungerford	127,663	15,320
Cr Jason O'Pray	127,663	15,320
Cr Stephen Robinson	127,663	15,320
Cr Greg Rogerson	127,663	15,320
Cr Chris Thompson Deputy Mayor: 1 July 15 to 4 April 16	115,410	13,849

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 in carrying out their duties.

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 table below shows the total expenses incurred by councillors under the policy in the 2015/16 financial year.

Councillor expenses

Councillor	Expenses (\$)
Mayor Mark Jamieson	1417
Cr Rick Baberowski	1462
Cr Tim Dwyer Councillor: 1 July 15 to 6 April 16 Deputy Mayor: 7 April 16 to 30 June 16	3872
Cr Peter Cox	3778
Cr John Connolly Councillor: 5 April 16 to 30 June 16	461
Cr Jenny McKay	3525
Cr Christian Dickson	1946
Cr Ted Hungerford	3899
Cr Jason O'Pray	4397
Cr Stephen Robinson	688
Cr Greg Rogerson	2910
Cr Chris Thompson Deputy Mayor: 1 July 15 to 4 April 16	3214

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

- Administrative support of one full-time equivalent officer per councillor
- Office accommodation at one of three council owned or leased premises as well as access to meeting rooms
- Business and communication tools
- Mobile devices* and
- Vehicle#

* With the exception of the mayor, councillors are invoiced 5% of the total call and data charges in recognition of costs attributable to personal use of such devices.

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.

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

Councillor meeting attendance

Council meetings comprised ordinary meetings, special meetings and strategic discussion forums.

The Ordinary Meeting has a membership comprising all councillors and the mayor.

	Ordinary Meetings*	Special Meetings*	Strategic Discussion Forums**
Meetings held:	12	8	11
Mayor Jamieson	11	8	9
Cr Baberowski	12	7	10
Cr Dwyer	11	7	8
Cr Cox	12	8	11
Cr Connolly: 5 April 16 to 30 June 16 (attended all scheduled meetings)	3	4	2
Cr McKay	12	7	10
Cr Dickson	10	5	10
Cr Hungerford	12	8	9
Cr O'Pray	12	8	10
Cr Robinson	12	7	10
Cr Rogerson	12	8	11
Cr Thompson: 1 July 15 to 4 April 16	9	4	8

*All councillors are required to attend Ordinary and Special meetings

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

To ensure appropriate standards of conduct and performance are maintained by councillors, a code of conduct has been adopted and a process is in place to deal with complaints. The Code of Conduct for Councillors sets out the standards of behaviours expected of councillors of Sunshine Coast Council. The requirements of the code are in addition to the roles, responsibilities and obligations of councillors set out in the Local Government Act 2009.

During the year the following matters relating to conduct of councillors were raised:

Orders and recommendations made under section 180(2) or (4) of the Act	Nil
Orders made under section 181 of the Act: <i>Cr Rogerson – Order made reprimanding the councillor for inappropriate conduct in relation to treatment of staff</i>	1
Complaints about the conduct or performance of councillors for which no further action was taken under section 176C(2) of the Act	3
Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act	Nil
Complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act	2
Complaints referred to the department's chief executive under section 176C(4)(a) of the Act	Nil
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	Nil
Complaints to which section 176C(6) of the Act applied	Nil

Remuneration packages to senior contract employees

Council has five Directors who are senior contract employees reporting to the Chief Executive Officer.

CEO and senior contracted employees	Total remuneration package per employee
1	\$390,000 - \$450,000
5	\$250,000 - \$280,000

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 as part of council's employee induction program.

Education and training

During the 2015/16 financial year, 74 Code of Conduct training sessions were rolled out across the entire organisation. The compulsory training sessions highlighted the role all council employees have in maintaining the reputation and high standing of council and the importance of working together to build a culture of ethical practice, openness and integrity. The effective and equitable implementation and administration of the council's Code of Conduct relies on the commitment, skills and professionalism of all council employees and is reinforced with regular education and awareness programs. Council will continue to deliver education and awareness sessions to all employees on council's Code of Conduct as part of the 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 information management system
- Beneficial enterprises
- Business activities to which the code of competitive conduct applies
- Business activities to which the competitive neutrality principle applies
- Community engagement
- Contract register
- Councillor register of interests
- Delegations
- Environmentally relevant activities
- Fees and charges
- Financial asset information management system
- Gifts and disclosure
- Local laws
- Pre-qualified suppliers
- Registered animals
- Regulated dogs
- Roads

Beneficial enterprises

Council participated in beneficial enterprises with the following entities during the 2015/16 financial year:

- Forestry Products Queensland Pty Ltd
- SunCentral Maroochydore Pty Ltd
- Sunshine Coast Destination Ltd trading as Visit Sunshine Coast
- Sunshine Coast Events Centre Pty Ltd

National Competition Policy

Council conducted the following business activities during the 2015/16 financial year:

- Waste and Resource Management
- Sunshine Coast Airport
- 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 2015/16 by the Queensland Competition Authority for competitive neutrality complaints.

Service, facility, activity for which separate rate/special rates/charges levied

- Environment Levy
- Transport Levy
- Heritage Levy
- Montville Beautification Levy
- Tourism and Major Events Levy
- Rural Fire Charge
- Brightwater Estate Landscaping Charge
- Twin Waters Maintenance Charge
- Sunshine Cove Maintenance Charge
- Mooloolah Island Maintenance Charge
- Emergency Management Levy

For additional information refer to the revenue analysis of the Financial Statement 2015/2016.

Administrative action complaints

Council is committed to dealing with complaints fairly, confidentially, promptly and in a respectful manner. It is also committed to providing a superior level of service to its customers, and to open and transparent government. Council aspires to provide a level of service and conduct its business in a way that does not attract complaints. However, where a customer is not satisfied, council is equally committed to the prompt and efficient resolution of complaints. This process supports council's priority to ensure clear accountabilities, ethical standards of behaviour and a commitment to act in accordance with the "local government principles" within the Act.

Council's Administrative Action Complaints Management Process is made available to the public via council's external website as well as being available to staff.

During 2015/16 council received and resolved 97 administrative action complaints. This represented a 24% increase over the 2014/15 (73 complaints) financial year.

Four complaints were not resolved under the process as they were assessed as outside the scope however, relevant advice was provided to each customer to assist in resolving their concerns.

An emphasis is placed on complaints being appropriately managed by operational areas in the first instance. Following this is a robust internal review process with improvements provided where appropriate. There is a demonstrable commitment to managing customer concerns promptly and respectfully.

Service, facility, activity supplied by another Local Government

Nil

Summary of concessions for rates and charges

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 objects do not include making a profit or an entity that provides assistance or encouragement for arts or cultural development and is one of the following:

- Boy Scout and Girl Guide association
- Surf Lifesaving and Coastguard organisation
- Community sporting organisation – not-for-profit organisations without a commercial liquor licence or a community club liquor licence
- Community cultural or arts organisation – not-for-profit organisations without a commercial liquor licence or a community club liquor licence
- Charitable organisation
 - a) Not-for-profit organisation; and
 - b) Registered as a charity institution or a public benevolent institution; and
 - c) Providing benefits directly to the community; and
 - d) Endorsed by the Australian Tax Office - Charity Tax Concession

The concession shall be 100% of the general rate.

Deferral of general rate

Chapter 4 Part 10 of the Local Government Regulation 2012 allows council to enter into an agreement with certain ratepayers to defer payment of their general rates. Council's pensioner rate deferral concession for eligible pensioners shall be allowed under Chapter 4, Part 10 of the Local Government Regulation 2012, Section 120(1) (a) and council's business and enterprise rate deferral concession to eligible businesses or enterprises shall be allowed under Chapter 4, Part 10 of the Local Government Regulation 2012, Section 120(1) (d).

Deferment for pensioners

To assist eligible pensioners who have experienced large increases in the value of their property as determined by the Department of Natural Resources and Mines or have experienced financial hardship, council will allow deferment of up to 50% of the general rate. The deferred rates will accumulate as a debt against the property until it is sold or until the death of the ratepayer. The deferment of general rates applies only to ratepayers categorised in Differential General Rates Categories 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 28 and 30.

To be eligible to defer up to 50% of the general rate the applicant must:

- own and occupy the property; and
- have no overdue rates and charges on the said property; and
- be the holder of a Pension Concession Card issued by Centrelink or the Department of Veteran Affairs; OR
- a Repatriation Health (Gold) Card issued by the Department of Veteran Affairs; OR
- a Commonwealth Seniors Health Card; OR
- a Queensland Seniors Card issued by the Queensland State Government

Note that automatic eligibility applies to those ratepayers currently receiving a Pension Concession on their rate notice. Eligibility for those ratepayers with a Seniors Card will be assessed accordingly.

Deferment for businesses or enterprises

To assist businesses and enterprises in accordance with the Business Investment Policy, council will allow deferment of the general rate to approved applicants under the Sunshine Coast Investment Incentive Scheme. The deferred rates will accumulate as a debt against the property until it is sold or until the payment is required in accordance with the provisions of the Sunshine Coast Investment Incentive Scheme.

Additional Charges

Additional Charges will be applied to all deferred general rates under Section 122(5) of the Local Government Regulation 2012. The additional charges will be equivalent to compound interest, calculated in daily rests and set at 90 day bank bill rate as at the adoption of the 2015/16 Budget.

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 landowners that satisfy Council that payment of the rates and charges will cause them hardship.

The granting of this concession will be subject to conditions as included in council resolutions, policy and procedural documents prepared from time to time.

Pensioner Concessions

Council's pensioner rate concession to eligible pensioners shall be allowed under Chapter 4, Part 10 of the Local Government Regulation 2012.

2.4.1 Eligibility Criteria

The pensioner:

- Must comply with eligibility criteria contained in the Queensland Government's Rate Subsidy Scheme and must possess a current, valid qualifying concession card, namely:
 - Pensioner Concession Card issued by Centrelink or the Department of Veteran Affairs; OR
 - Repatriation Health (Gold) Card – (for all conditions) issued by the Department of Veteran Affairs; and
- Must be the owner (either solely or jointly), or be an eligible life tenant, in accordance with the guidelines for the State Government Rate Subsidy Scheme, of property within the region which is their principal place of residence, AND must have (either solely or jointly) with a co-owner, the legal responsibility for payment of rates and charges which are levied in respect of the said property by the council. In the case of joint ownership, the concession will apply only to the approved pensioner's proportionate share of the applicable rates and charges, except where the co-owners are an approved pensioner and his/her spouse. In this situation the concession will apply to the full amount of applicable rates and charges; and
- Must, if a 'first time' applicant, lodge and complete the prescribed application to be entitled to a rate concession. The information on this application form will be used by council to verify the eligibility of all pensioners (Centrelink and Veteran Affairs pension recipients). Upon proof of eligibility, the entitlement to a concession will commence from either the card start date shown on the Pensioner Concession Card or the date of occupation of their principal place of residence or the start of the current rating period, whichever is the latter date. Such entitlement shall continue until the sale of that property or until the entitlement to a pension ceases to exist; and
- Must, if an 'existing' applicant, lodge another application if required by council OR on the acquisition of a replacement property within the region; and
- Must have owned, or otherwise paid rates on, property within the region for the preceding three years. Pensioner concession may be allowed where the applicant has paid rates on property within the region for five of the last 10 years, so long as the "gap" between ownerships in this period does not exceed 12 months. If currently not eligible and upon meeting the qualifying period of 3 years, rating concession will be applied from the start of the next rating period. Discretion may be applied in relation to

contribution to the region regarding continuous residency, consistent with pensioner concession arrangements as listed above. For holders of the Repatriation Health (Gold) Card issued by the Department of Veteran Affairs who have been classified as totally and permanently incapacitated the three year ownership provision is waived.

2.4.2 Method of Calculation – Per Property

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

2.4.2.1 Single Owner on the Maximum Rate of Pension

Where the pensioner is in receipt of the maximum level of pension and has sole title to the property that is their principal place of residence, the concession shall be 25% of the general rate up to a maximum amount of \$230.00 per annum.

2.4.2.2 Joint Owner on the Maximum Rate of Pension

Where the pensioner is in receipt of the maximum level of pension, the property is their principal place of residence and they own the property jointly with one or more eligible people, the concession shall be 25% of the general rate up to a maximum amount of \$180.00 per annum.

2.4.2.3 Single Owner not on the Maximum Rate of Pension

Where the pensioner is not in receipt of the maximum level of pension and has sole title to the property that is their principal place of residence, the concession shall be 25% of the general rate up to a maximum amount of \$115.00 per annum.

2.4.2.4 Joint Owner not on the Maximum Rate of Pension

Where the pensioner is not in receipt of the maximum level of pension, the property is their principal place of residence and they own the property jointly with one or more eligible people, the concession shall be 25% of the general rate up to a maximum amount of \$65.00 per annum.

Changes to tenders

Item No	Contract No.	Contract Title	Details of changes
1	R14302	Streetscape Project – Brisbane Road, Mooloolaba	Minor changes to tender specification regarding requirements of methodology for delivery
2	ITT1441	Supply of Cleaning Products	Changes to tender specification amending the configurations of Separable Portions. Respondents were asked to provide updated pricing taking into account this change
3	ITT1448	Road Surfacing, Rehabilitation and Associated Works	Changes made to estimated quantities in the Schedule of Rates
4	ITT1515	Construction of Access Road and Car Park – Reserve 1000 Sports Complex, Caloundra – Stage 1 and 2	Changes made to timing details and broadening of scope. Notice issued to all Respondents
5	R14303	Landscape Construction – Evans Street Maroochydore	Changes made to timing and scope. This required a revised Schedule of Rates
6	ITT1453	Landscape Construction Works – Maroochy River Foreshore, Bradman Avenue, Maroochydore	Changes made to reduce scope of works. Notice issued to all continuing Respondents
7	ITT1532	Design and Construct Caloundra Landfill Cell 9 Rising Main	Changes made to increase scope of works. Notice issued to all Respondents
8	ITT1523	Construction of Change Room, Grand Stand and Car Park at Maroochydore Junior Rugby League Club	Changes made to decrease scope of works. Notice issued to all Respondents
9	ITT1555	Sunshine Coast Airport – Terminal Screening Modifications	Changes made to decrease scope of works. Notice issued to all Respondents
10	ITT1522	Construction of Indoor Training Facility – Caloundra Cricket Ground	Changes made to scope of works. Notice issued to all Respondents
11	ITT1557	Sunshine Coast Airport Cleaning Services	Changes made to scope document to take into account minimum resourcing levels required at the airport terminal building during operating hours. Notice issued to all Respondents

Overseas travel

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

Attendee	Destination	Purpose	Cost (\$)
Mayor Mark Jamieson	Hong Kong, Shenzhen, Shanghai, Seoul, San Francisco	Major Capital Markets Mission to generate investor interest in Sunshine Coast Council Major Projects and attend BIO 2016	20,855
Cr Tim Dwyer	Auckland, New Zealand	Sunshine Coast Leaders Program	600 cost to council
Cr Jenny McKay	Xiamen, China	Participation in Sunshine Coast delegation to attend the China International Fair for Investment and Trade (CIFIT)	980 ¹
Cr Jason O'Pray	Auckland, New Zealand	To increase awareness of the region's offer as a sports training and tourism destination in particular showcasing the region's venues in sports disciplines planned for the 2018 Gold Coast Commonwealth Games	1677
Cr Chris Thompson	Singapore	Inspect and obtain briefings from relevant government agencies on the development and operation of the pneumatic waste collection systems installed throughout Singapore	7218
Andrew Ryan	London, Stockholm, Helsinki	Review underground waste vacuum systems in operation	2500
Brian Beswick	Washington, USA	Invited as a speaker and to understand how other global cities have used open data to further smart cities ideals	Nil cost to council
David Hopper	Auckland, New Zealand	To increase awareness of the region's offer as a sports training and tourism destination in particular showcasing the region's venues in sports disciplines planned for the 2018 Gold Coast Commonwealth Games	1678
David Hopper	Auckland, New Zealand	Sunshine Coast Leaders Program	600 cost to council
Craig Matheson	Hong Kong, Shenzhen, Shanghai, Seoul, San Francisco	Major Capital Markets Mission to generate investor interest in Sunshine Coast Council Major Projects and attend BIO 2016	14,385
Peter Pallot	Jakarta, Indonesia	Airline discussions/route development delegation	2022
Peter Pallot	Auckland, New Zealand	Airline discussions/route development delegation	1852
Peter Pallot	Manila, Phillipines	Attend the Routes Asia 2016 Conference	5415
Jackie Schmidt	Auckland, New Zealand	Airline discussions/route development delegation	1852
Michalie Steel	Manila, Phillipines	Attend the Routes Asia 2016 Conference	5369

Gabrielle Troon	Xiamen, China	Participation in Sunshine Coast delegation to attend the China International Fair for Investment and Trade (CIFIT)	2749
Tony McDougall	Rotorua, New Zealand	IPWEA NZ Conference, Engineers conference	3403
Michael Whereat	Amsterdam, Gemany	Presentation at two conferences in Berlin and study tour of smart city initiatives	1150 ²
Ron Piper	Auckland New Zealand	To meet with Auckland City Regeneration Agency (Panuku Development Auckland) to discuss governance models and inspect new Wynard Quarter development and other mixed use developments	1800
Tamara Clarkson	Auckland, New Zealand	To meet with Auckland City Regeneration Agency (Panuku Development Auckland) to discuss governance models and inspect new Wynard Quarter development and other mixed use developments	1800

¹ Cr McKay's accommodation and on-ground transport costs were met by the Xiamen Municipal Government

² Balance travel costs were met by Australian Smart Communities Association

Grants to community organisations

Successful recipients of Mayoral and Councillor Discretionary Funding for 2015/16:

Mayor Jamieson: Total 2015/16 Allocation \$50,000 (+ \$9110 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Buderim Male Choir	Concert	500
Rotary Club of Caloundra	2016 RYDA Road Safety Program	1000
University of the Third Age	30th Anniversary Commemoration	500
Sunshine Coast Legacy Group	Remembrance Day Concert	500
Festuri	2015 Festuri Event at Caloundra Fringe Festival	5000
Sunshine Coast Rainbow Network	Rainbow Serpent Photographic Exhibition	1004
Landsborough School of Arts Memorial Hall	Stationery Supplies	300
Maroochy River Rowing Club	Shed Construction Septic System	10,000
Maroochydore Revitalisation Association	Ocean Street World Festival 2016	4000
Woombye Snakes Football Club	Floodlight Upgrade Project	5000
Coolum Beach Junior Rugby League Club	City Country Cultural Exchange Carnival	2000
Buderim War Memorial Community Association	Buderim ANZAC Day 2016	1100
Transfer of Funds	Allocation to Minor Operational Works Budget	23,406
Sunnykids	Mentoring Through Sport Program	4800

Division 1 Cr Baberowski: Total 2015/16 Allocation - \$50,000 (+ \$12,846 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Rotary Club of Caloundra	2016 RYDA Road Safety Program	500
Queensland Country Women's Association Beerwah	Promotion of Beerwah Tower Green Markets	1390
Transfer of Funds	Allocation to Minor Operational Works Budget	2024
Transfer of Funds	Allocation to Minor Operational Works Budget	11,190
Transfer of Funds	Allocation to Minor Operational Works Budget	954
Transfer of Funds	Allocation to Minor Operational Works Budget	1400

Division 2 Cr Dwyer: Total 2015/16 Allocation - \$30,000

Applicant	Project	Amount Funded (\$)
Caloundra Fringe Film Festival	2016 Caloundra Fringe Film Festival	20,000
Rotary Club of Caloundra	2016 RYDA Road Safety Program	500
Caloundra State School P&C	Caloundra Lighthouse Artwork	1640
Festuri	2015 Festuri Event at Caloundra Fringe Festival	1500
Pelican Waters Caloundra Swim Club	Dolphin Stop Watches	3383
Jaguar Drivers' Club of Qld	Jaguar National Rally April 2016	500
Caloundra Branch Little Athletics	Caloundra Open Day	460
Kawana Junior Rugby League	Training Equipment	500
Caloundra Committee of Services to the Ageing	Portable Urn	352

Division 3 Cr Cox: Total 2015/16 Allocation - \$20,000 (+ \$4110 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Rotary Club of Caloundra	2016 RYDA Road Safety Program	500
Sunshine Coast Legacy Group	Remembrance Day Concert	250
Kawana Park Junior Australian Football Club	Install Electrical Connection For New Irrigation Pump	873
Kawana Dolphins NRL Masters Team	Daniel Morcombe Cup	1000
The Treehouse Initiative	2nd Annual Sunshine Coast Kids' Christmas Party	500
Crime Stoppers Qld (Sunshine Coast Branch)	Crime Stoppers Van Awning	1228
Sunshine Coast Community and Sporting Club	High Performance Sports and Community Hub - Preliminary Structural Engineering Design	9500
Sunnykids	Mentoring Through Sport Program	4800
endED	Business Plan	1016
SunnyKids Inc	SunnyKids Village Buddies Program – Stage 1	4000

Division 4 Cr Thompson and Cr Connolly: Total 2015/16 Allocation - \$50,000

Applicant	Project	Amount Funded (\$)
Cr Thompson Allocations: 1 July 15 to 4 April 16		
Alexandra Headland Surf Life Saving Club	Easement Construction Works	30,000
Sunshine Coast Legacy Group	Remembrance Day Concert	500
Kawana Waters Surf Life Saving Club	Beach Safety Equipment	1000
Kawana Tennis Club	New Club Signage	1500
Sailability Sunshine Coast	2016 Sailability Concert	1000
Mooloolaba Bowls Club	Ladies Two Day Fiesta Fours	3000
Sunshine Coast Midweek Ladies Tennis Association	Breast Cancer Research Tennis Day	1000
Rotary Club of Kawana Waters	Purchase of a Projector	874
Cr Connolly Allocations: 5 April 16 to 30 June 16		
Sunshine Coast Community and Sporting Club	Detailed Engineering Plans	5000
SunnyKids Inc	SunnyKids Village Buddies Program – Stage 1	6000

Division 5 Cr McKay: Total 2015/16 Allocation - \$50,000 (+ \$30 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Friends of Maroochy Botanic Gardens	Bushland Vibes: Enjoy, Explore, Experience	1448
Woombye Community & Business Association	Town Sign Refurbishment	660
Mooloolah Valley Community Association	Moofest	500
Palmwoods Memorial Hall	100 Year Anniversary E.S. & A. Bank	500
Transfer of funds	Allocation to Minor Operational Works Budget	12,000
Woombye Snakes Soccer Club	Christmas on the Field	2000
Chevallum State School P&C	Strawbfest 2015	420
University of the Third Age	30th Anniversary Commemoration	250
Parkrun Australia	Nambour Parkrun Start-up	910
Palmwoods Bowls Club	Ladies Two Day Fiesta	200
Palmwoods Memorial Hall	Christmas on Little Main Street	1215
Mooloolah Primary School P&C	Mooloolah Art and Fair 2015	500
Hinterland Bush Links	Subtropical Forests Ecology Course	500
Montville Chamber of Commerce	Restoration of Telephone Box	4000
Palmwoods Community and Business Association	Summer Fair	300
Montville Chamber of Commerce	Street Lighting for Montville Christmas 2015	540
Special Olympics Sunshine Coast	Special Olympics Golf Classic 2015	500
Montville Village Association	Moveable Piano	200
Mooloolah Valley Community Association	Christmas Lights in the Park	500
Palmwoods Scout Group	Cuboree	500
Montville Village Association	Security Chain Fence	930
Sunshine Valley Men's Shed	Second Half of Tractor Shed and Ceiling Fans	3696
Barung Landcare	Children's Woodworking Workshops at the Maleny Wood Expo	1500
Palmwoods Community and Business Association	Australia Day Citizenship Ceremony and Aussie Day Street Party	1000
Woombye Snakes Football Club	Flood Light Upgrade	15,000

Division 6 Cr Dickson: Total 2015/16 Allocation - \$50,000

Applicant	Project	Amount Funded (\$)
Sunshine Coast Spartans	Protective Equipment	750
Lions Club of Buderim	Buderim Street Party 2015	2500
Bellflower Resort Community Gardens	Continuing Development of Existing Gardens	1000
Buderim War Memorial Community Association	Buderim's Expo 2015	2500
Rotary Club of Caloundra	2016 RYDA Road Safety Program	500
University of the Third Age	30th Anniversary Commemoration	1000
Sunshine Coast Legacy Group	Remembrance Day Concert	1500
Sunshine Coast Health Foundation (Wishlist)	The House the Coast Built Merchandise	1250
Fusion Sunshine Coast	Insurance Costs	3000
The Treehouse Initiative	2nd Annual Sunshine Coast Kids Christmas Party	500
Maroochy River Rowing Club	Shed Construction, pipe laying for plumbing	1000
Headland Buderim Croquet Club	Replace Ageing Lawn Irrigation System	5000
Transfer of funds	Allocation to Minor Operational Works Budget	25,000
Brightwater Neighbourhood Centre	Brightwater One Way Screws Project	1000
Chancellor Park State College P&C	Boys Life Skills Mentoring Project	1000
Sunshine Coast Hockey Association	Equipment for State Championships	637
Mountain Creek Neighbourhood Watch	Fridge Magnets	226

Division 7 Cr Hungerford: Total 2015/16 Allocation - \$30,000

Applicant	Project	Amount Funded (\$)
Buderim War Memorial Community Association	Buderim's Expo 2015	5000
Transfer of Funds	Allocation to Minor Operational Works Budget	25,000

Division 8 Cr O'Pray: Total 2015/16 Allocation - \$50,000 (+ \$4842 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Disabled Surfers Association Sunshine Coast	New Surfboards and BBQ	3470
Twin Waters Residents Association	19th Birthday Party	116
CareFlight Rescue	Project Live and Breathe	4851
University of the Third Age	30th Anniversary Commemoration	500
Sunshine Coast Rowing Club	Purchase of Boat	6000
Maroochy North Shore Lions Club	Lions Convention 2016	4445
Sunshine Coast Legacy Group	Remembrance Day Concert	400
USC Spartans Swim Club	Quickbooks Subscription	180
STEPS Group Australia Ltd	The Sunshine Coast's Very Special Chrissy	4000
Sunshine Coast Sports Hall of Fame	2015 Sunshine Coast Hall of Fame Induction Ceremony	1000
Surf Life Saving Sunshine Coast	Sunshine Coast Surf Life Saving Youth Development Program	1500
Maroochydhore Revitalisation Association	Ocean Street World Festival 2016	2000
Marcoola Community Group	Administrative and Promotional Equipment	2000
Maroochydhore Uniting Church	Replacement of Ride-On Mower	3000
Mudjimba Beach Board Riders	PA System	2400
Maroochydhore Tennis Club	Undercover Shade Areas	1000
Marcoola Surf Life Saving Club	Youth Development and Junior Activities	6500
Maroochydhore Revitalisation Association	Ocean Street Road Closure Trial	4000
Town of Seaside Parkrun	Defibrillator	1990
SunnyKids	4 x Fun Adventure Rally	4000

Division 9 Cr Robinson: Total 2015/16 Allocation - \$50,000 (+ \$5000 carry over 2014/15)

Applicant	Project	Amount Funded (\$)
Coolum and District Netball Association	Shade Structure	10,000
Coolum Men's Shed	Shed Slab	10,000
Ausfunk Power	Purchase of Sprung Floor and Mats	15,000
Maroochy River Rowing Club	Shed Construction Septic System	10,000
Maroochy River Rowing Club	Cultural Heritage Consultation	2000
Maroochy River Rowing Club	Earth Works (Spoil Removal)	1564
Coolum Men's Shed	Site Preparation	1702
Coolum Beach Surf Life Saving Club	Defibrillator	2600

Division 10 Cr Rogerson: Total 2015/16 Allocation - \$50,000

Applicant	Project	Amount Funded (\$)
Friends of Maroochy Botanic Gardens	Bushland Vibes: Enjoy, Explore, Experience	1427
Kenilworth Pony Club	Building Approval Fees – Canteen Project	1202
Nambour Community Centre	Nambour Together	500
Mary Valley Community News Association	Isaac Moore Park Information Session	700
Mapleton Bowls Club	Building Upgrade 2015	2000
Sunshine Coast Health Foundation	Community Movie Screening	400
Nambour Alliance	TrackFest	700
Mapleton & District Community Association	Advertising for New Hall Trustees	231
Transfer of Funds	Allocation to Minor Operational Works Budget	4000
Nambour & District Historical Museum Association	Soil Testing and Engineering Drawings for New Deck	3000
Mapleton & District Community Association	Transport of Community Members to Nambour Museum	450
Yandina Bowls Club	Cold Room Refurbishment	781
Sunshine Coast Creative Alliance	Turn Up! Conference	2618
Parkrun Australia	Nambour Parkrun Start Up	910
Sunshine Coast Legacy Group	Remembrance Day Concert	526
Nambour Alliance	Retro Rocks Nambour 2015	2869
Maroochy River Rowing Club	Under Slab Plumbing for New Shed	5000
Nambour Alliance	Tramfest	950
Nambour Community Preschool and Kindergarten	Water Tank for Sustainable Water Practices	1024
Transfer of Funds	Allocation to Minor Operational Works Budget	450
The Nambour Tramway Company	Company Registration	1050
Special Olympics Sunshine Coast	Special Olympics Golf Classic 2015	500
Nambour Alliance	Social Videos for Tramfest Event	400
Yandina Community Centre	New Sign for Building	870
Mapleton Community Hall	Spoon Drain Fitment and Driveway Repair	2000

Division 10 Cr Rogerson: Continued

Applicant	Project	Amount Funded (\$)
Nambour Bowls Club	Toilet Upgrade	10,000
The Nambour Tramway Company	Distribution and Power Switch Boards for Street Stalls	3905
Sundale Men's Shed	Purchase Makita Table Saw Bench	549
Transfer of Funds	Allocation to Minor Operational Works Budget	391
Yandina School of Arts	2006 - 2016 Book on the Last 10 Years of Yandina School of Arts	400

Glossary

Capital works program

A council plan, which prioritises the construction of the necessary infrastructure (e.g. roads, bridges, buildings) to support the development of the region.

Corporate Plan

Strategic document that identifies the priorities for council for the next five years and beyond.

Governance Framework

Outlines the relationship between the governing and accountability processes of council. It covers management structure, management standards and control and review processes.

Infrastructure

The basic facilities, services and installations needed for the functioning of a community or society, such as transport networks, drainage, water and sewerage and the like.

Liveability

Numerous factors that equate to a community's quality of life.

Operational Plan

Details the activities and projects that council will undertake during a 12-month period to achieve the broader strategic direction and outcomes identified in the Corporate Plan which are funded through the budget.

PD Online

Is a self-help planning and development tool. It allows users to access:

- basic property information; and
- information on past and current development, building and plumbing applications

Place making

Capitalises on a local community's assets, inspiration, and potential, ultimately creating good public spaces that promote people's health, happiness, and wellbeing.

Robust decision-making

Decision framework that identifies potential strategies and evaluates the outcomes.

Seven high-value industries

Industries which have the greatest potential for success in the New Economy. High-value industries include:

- Health and well-being
- Education and research
- Professional services and knowledge industries
- Tourism, sport and leisure
- Agribusiness
- Clean technologies; and
- Aviation and aerospace

Sustainable

Meeting the needs of the present without compromising the ability of future generations to meet their own needs



Section 4 Financial Information

Community Financial Report 2015/16

The objective of this report is to provide an easy to understand representation of Sunshine Coast Council's recent financial performance.

Financial Statements

The financial statements consist of four reports, and notes that accompany the reports. 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, it assists the reader to have 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 is also called the Community Equity.

Statement of Changes in Equity

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

Statement of Cash Flows

The statement of cash flows show 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 ratios measure Council's financial sustainability by looking at the relationships between different financial categories. These ratios are also used for comparison purposes when looking at benchmarking with other Councils.

Business Activities – Full Cost Recovery Performance

Full cost recovery performance of Council's business activities reports on the value of Council's investment in these activities.

Statement of Comprehensive Income

Revenue

Where did the money come from?

Council received \$399 million in recurrent operating revenue during the 2015/16 year with the major source of this revenue generated from the rates and utility charges. Total operating revenue increased by \$18.6 million (4.9%) on the previous year.

Revenue	\$'000
Rates & Utilities (61.4%)	245,114
Fees & Charges (16.0%)	63,934
Interest Received (8.4%)	33,394
Grants & Other (7.5%)	29,894
Unitywater (6.7%)	26,553
Total	398,889

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 2015/16 year were \$373 million which was an increase of \$25.7 million (7.4%) on the previous year.

Expenses	\$'000
Employee Benefits (33.4%)	124,671
Materials & Services (44.7%)	166,626
Finance Costs (3.4%)	12,513
Depreciation & Amortisation (18.2%)	67,784
Contributions to Controlled Entities (0.3%)	1,218
Total	372,811

The Net Operating Result

The operating profit

The net operating result for Council for the 2015/16 year was \$26 million. This result allows Council to meet its debt repayments and capital expenditure commitments.

Statement of Financial Position

Assets - Liabilities = Community Equity

Assets

What do we own?

The value of all assets we controlled as at 30 June 2016 totalled \$5.040 billion. This figure is further broken down into current assets \$367 million (7.3%) and non-current assets \$4.672 billion (92.7%). 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).

Assets	\$'000
Cash & Cash Equivalents (6.3%)	318,556
Trade & Other Receivables (8.9%)	449,828
Inventories & Other (1.1%)	55,511
Property Plant & Equipment (73.0%)	3,677,433
Investments in Associates (10.7%)	538,212
Total	5,039,540

Liabilities

What do we owe?

The value of all liabilities as at 30 June 2016 was \$406 million. This figure is further broken down into current liabilities \$100 million (24.5%) and non-current liabilities of \$307 million (75.5%). 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.

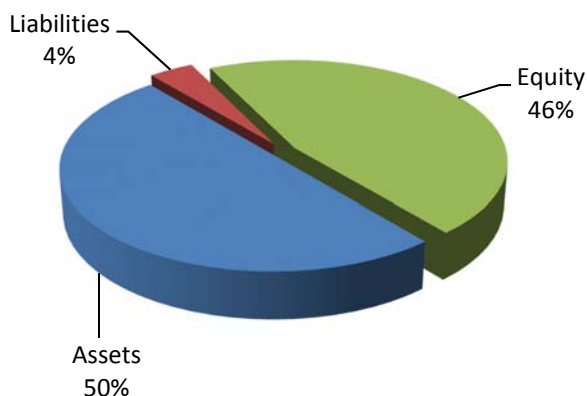
Liabilities	\$'000
Trade & Other Payables (11.2%)	45,539
Borrowings (72.5%)	293,979
Provisions (12.5%)	50,805
Other Liabilities (3.8%)	15,350
Total	405,673

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 2016, the Community Equity for Council was \$4.634 billion, an increase of \$169 million (3.8%) from the prior year.

The majority of this increase is due to Council's Net Result for the year of \$157 million. The Net Result is made up of the Operating Result of \$26 million, along with Capital items such as grants, subsidies, contributions and donations as well as losses incurred on the disposal of assets or discontinued operations.



Council's total Community Equity (\$4.634 billion) is made up of:

- **Accumulated Surplus** the profit or loss results of all financial years (\$666.4 million).
- **Asset Revaluation** which is the accumulated value of the assets in excess of what we have paid for the assets \$889.1 million.
- **Regional Capital** being the initial and ongoing investment of the Community \$4.411 billion.

Statement of Cash Flows

Cash Flow

Cash in, cash out.

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

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

Overall cash balances for Council increased by \$31.2 million for the financial year. The majority of this increase (38%) relates to Grants, Subsidies, Contributions and Donations, with 36% due to increased receipts from Fees and Charges, Sales and Recoverable Works.

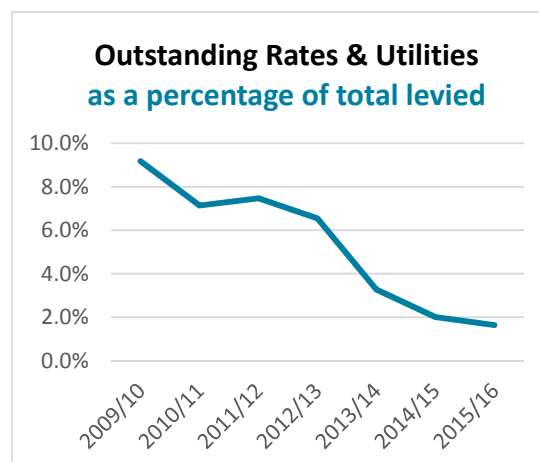
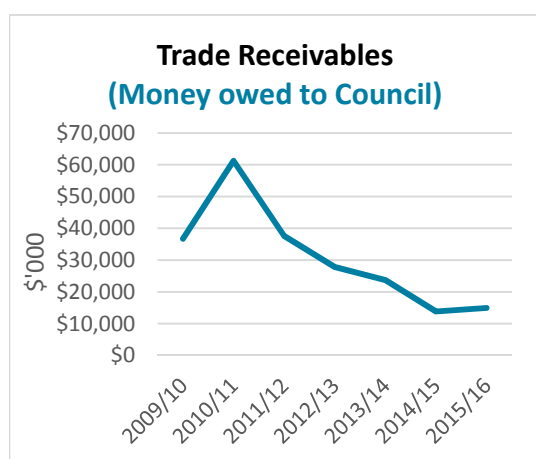
Capital Expenditure

Building Assets

	\$000
Buildings and Facilities	8,557
Parks and Gardens	14,317
Stormwater	4,475
Strategic Land and Commercial Properties	7,284
Sunshine Coast Airport & Aerodrome	4,496
Transportation (Roads)	58,040
Waste	7,027
Coasts and Canals	1,641
Other	13,851
Total Council Base Capital Program	119,687
Corporate Major Projects	70
Maroochydore City Centre	12,608
Solar Farm	9,372
Sunshine Coast Airport Runway	892
Total Region Making Projects	22,942
TOTAL	142,629

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. It also includes work on Council owned 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.

Trade Receivables comprise amounts owed to Council for Rates & Utilities, Infringements and Infrastructure Charges as well as services provided by Sunshine Coast Airport, Quarries, Waste and Holiday Parks. Outstanding **Rates & Utilities** have reduced over the past 6 years as illustrated by the graph below.



Measures of Financial Sustainability (Ratios)

Ratios

Ratio	Description	%
Operating Surplus Ratio	Measures the extent to which operating revenues raised cover operational expenses.	6.5%
Net Financial Liabilities Ratio	Measures the extent to which the net financial liabilities of Council can be repaid from operating revenue.	9.7%
Asset Sustainability	Measures the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	88.0%

Council's financial ratios for 2015/16 are showing a positive result which is an indication that there is surplus revenue to fund future capital expenditure and meet all its debt servicing obligations.

Business Activities – Full Cost Recovery Performance

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

2015/16 Financial Data	Waste and Resources Management	Sunshine Coast Airport	Sunshine Coast Holiday Parks	Quarries Business Unit
	\$'000	\$'000	\$'000	\$'000
Operating Revenue	54,610	18,138	14,596	7,349
Community Services Obligations	542	122	0	0
Total Operating Revenue	55,152	18,260	14,596	7,349
Operating Expenditure excluding interest	38,685	8,512	6,678	6,637
Depreciation	2,678	1,883	503	440
Competitive Neutrality Costs excluding income tax equivalent	279	678	418	5
Total Operating Expenditure	41,642	11,073	7,599	7,082
Earnings before Interest and Tax (EBIT)	13,510	7,187	6,997	267
Return on Capital (pre-tax nominal) %	16.6%	8.9%	18.3%	7.6%
Target Return on Capital	9,722	9,877	4,308	499
Weighted Average Cost of Capital %	9.5%	12.0%	12.2%	11.0%
Surplus (Shortfall) EBIT to target return	3,788	(2,690)	2,689	(232)
Value of Council's Investment in the Business Activity	70,609	103,016	44,028	5,287

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.

2015/16 Financial Statements Contents

1. FINANCIAL STATEMENTS.....	69
Statements of Comprehensive Income	69
Statements of Financial Position	70
Statements of Changes in Equity	71
Statements of Cash Flows	72
2. NOTES TO THE FINANCIAL STATEMENTS.....	73
1. Significant accounting policies	73
2. Analysis of results by function	85
3. Revenue analysis.....	88
4. Employee benefits.....	89
5. Materials and Services.....	90
6. Finance costs	90
7. Depreciation and amortisation	90
8. Contribution to controlled entities.....	91
9. Capital expenses.....	91
10. Cash and cash equivalents	91
11. Trade and other receivables	92
12. Inventories.....	93
13. Investment in associate.....	93
14. Other assets.....	95
15. Assets held for Sale	95
16. Property, plant and equipment	96
17. Property, plant and equipment – Fair Value.....	99
18. Intangible assets	108
19. Trade and other payable	108
20. Borrowings	108
21. Loans	108
22. Provisions.....	109
23. Other liabilities.....	110
24. Asset revaluation surplus	110
25. Commitments for expenditure	111
26. Contingent liabilities	112
27. Superannuation.....	113
28. Operating lease income	114
29. Controlled entities	114
30. Trust funds	114
31. Reconciliation of net result for the year.....	115
32. Financial instruments	115
33. National Competition Policy	120
34. Events after the reporting period.....	122
3. MANAGEMENT CERTIFICATE	123
4. INDEPENDENT AUDITORS REPORT.....	124

1. FINANCIAL STATEMENTS

Statements of Comprehensive Income For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income					
Revenue					
Recurrent Revenue					
Net rates and utility charges	3 (a)	245,114	238,518	245,114	238,518
Fees and charges	3 (b)	66,008	58,353	63,934	56,590
Sales - contract and recoverable works	3 (c)	16,290	12,624	16,391	12,664
Grants, subsidies, contributions and donations	3 (d)	13,503	13,189	13,503	13,189
Share of tax equivalents of associate	3 (e)	10,099	9,147	10,099	9,147
Dividend Income	3 (f)	-	-	16,454	16,927
Interest received	3 (g)	33,481	33,266	33,394	33,220
Share of profit of associate	3 (h)	51,130	41,225	-	-
Total Recurrent Revenue		435,626	406,321	398,889	380,254
Capital Revenue					
Grants, subsidies, contributions and donations	3 (i)	135,396	140,541	135,396	140,541
Total Recurrent and Capital Revenue		571,022	546,863	534,286	520,796
Capital Income					
Change in estimate for future landfill restoration provision	22	3,538	-	3,538	-
Total Income		574,561	546,863	537,824	520,796
Expenses					
Recurrent Expenses					
Employee benefits	4	(127,715)	(119,194)	(124,671)	(117,678)
Materials and services	5	(166,278)	(155,989)	(166,626)	(154,235)
Finance costs	6	(12,571)	(11,623)	(12,513)	(11,607)
Depreciation and amortisation	7	(67,785)	(62,360)	(67,784)	(62,359)
Contributions to controlled entities	8	-	-	(1,218)	(1,187)
Total Recurrent Expenses		(374,349)	(349,166)	(372,811)	(347,066)
Capital Expenses					
Loss on disposal property, plant and equipment	9	(1,374)	(5,093)	(1,374)	(5,093)
Discount rate adjustment to landfill restoration provision	22	(6,558)	(8,240)	(6,558)	(8,240)
Total Expenses from Continuing Operations		(382,281)	(362,499)	(380,742)	(360,399)
Net Result (deficiency) from Continuing Operations		192,280	184,362	157,082	160,396
Discontinued Operations					
Profit / (Loss) for the year from discontinued operations Noosa Shire Council		-	(1,562)	-	(1,562)
Net Result (deficiency) from Discontinued Operations		-	(1,562)	-	(1,562)
Net Result (deficiency)		192,280	182,801	157,082	158,835
Other Comprehensive Income					
Increase / (decrease) in asset revaluation surplus	24	(1,074)	201,234	(1,074)	201,234
Total Other Comprehensive Income		(1,074)	201,234	(1,074)	201,234
Total Comprehensive Income for the year		191,206	384,035	156,008	360,069

FINANCIAL STATEMENTS

Statements of Financial Position

For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets					
Current Assets					
Cash and cash equivalents	10	320,010	288,371	318,556	287,386
Trade and other receivables	11	14,934	13,881	14,935	13,819
Inventories	12	8,179	1,338	8,069	1,254
Other assets	14	25,112	25,682	25,058	25,646
		368,234	329,272	366,617	328,106
Non-Current assets held for sale	15	490	-	490	-
Total Current Assets		368,724	329,272	367,107	328,106
Non-Current Assets					
Trade and other receivables	11	434,393	434,393	434,893	434,893
Inventory (land)	12	21,894	-	21,894	-
Property, plant and equipment	16	3,656,930	3,515,519	3,656,929	3,515,947
Investments in associates	13	635,341	600,665	538,212	538,212
Intangible assets	18	20,504	20,774	20,504	20,774
Total Non-Current Assets		4,769,062	4,571,351	4,672,433	4,509,827
TOTAL ASSETS		5,137,786	4,900,624	5,039,540	4,837,932
Liabilities					
Current Liabilities					
Trade and other payables	19	44,834	41,770	44,434	41,630
Borrowings	20	19,848	13,838	19,848	13,838
Provisions	22	20,210	17,560	20,127	17,560
Other liabilities	23	15,350	12,425	15,350	12,425
Total Current Liabilities		100,242	85,593	99,759	85,453
Non-Current Liabilities					
Trade and other payables	19	1,162	1,370	1,105	1,296
Borrowings	20	274,131	253,331	274,131	253,331
Provisions	22	30,707	32,932	30,678	32,932
Total Non-Current Liabilities		306,000	287,633	305,914	287,559
TOTAL LIABILITIES		406,242	373,226	405,673	373,011
NET COMMUNITY ASSETS		4,731,543	4,527,398	4,633,867	4,464,921
Community Equity					
Asset revaluation surplus	24	889,133	890,207	889,133	890,207
Retained surplus (deficiency)		(569,100)	(774,319)	(666,355)	(836,375)
Regional capital		4,411,510	4,411,510	4,411,089	4,411,089
TOTAL COMMUNITY EQUITY		4,731,543	4,527,398	4,633,867	4,464,921

FINANCIAL STATEMENTS

Statements of Changes in Equity

For the year ended 30 June 2016

Consolidated

	Notes	Regional Capital \$'000	Asset revaluation surplus \$'000	Retained surplus \$'000	Capital and other reserves \$'000	Total \$'000
For the Year Ended 30 June 2016						
Balance as at 1 July 2015		4,411,510	890,207	(774,318)	-	4,527,399
Opening balance adjustment	16	-	-	12,938	-	12,938
Increase (decrease) in asset revaluation surplus	24	-	(1,074)	-	-	(1,074)
Net result		-	-	192,280	-	192,280
Balance at 30 June 2016		4,411,510	889,133	(569,100)	-	4,731,543
For the Year Ended 30 June 2015						
Balance as at 1 July 2014		4,411,510	695,598	(962,523)	-	4,144,585
Correction of prior period error		-	-	5,028	-	5,028
Opening balance adjustment	16	-	-	375	-	375
Opening balance adjustment	24	-	(6,625)	-	-	(6,625)
Increase (decrease) in asset revaluation surplus	24	-	201,234	-	-	201,234
Net result		-	-	182,802	-	182,802
Balance at 30 June 2015		4,411,510	890,207	(774,318)	-	4,527,399

Council

	Notes	Regional Capital \$'000	Asset revaluation surplus \$'000	Retained surplus \$'000	Capital and other reserves \$'000	Total \$'000
For the Year Ended 30 June 2016						
Balance as at 1 July 2015		4,411,089	890,207	(836,375)	-	4,464,921
Opening balance adjustment	16	-	-	12,938	-	12,938
Increase (decrease) in asset revaluation surplus	24	-	(1,074)	-	-	(1,074)
Net result		-	-	157,082	-	157,082
Balance at 30 June 2016		4,411,089	889,133	(666,355)	-	4,633,867
For the Year Ended 30 June 2015						
Balance as at 1 July 2014		4,411,089	695,598	(1,000,613)	-	4,106,074
Correction of prior period error		-	-	5,028	-	5,028
Opening balance adjustment	16	-	-	375	-	375
Opening balance adjustment	24	-	(6,625)	-	-	(6,625)
Increase (decrease) in asset revaluation surplus	24	-	201,234	-	-	201,234
Net result		-	-	158,835	-	158,835
Balance at 30 June 2015		4,411,089	890,207	(836,375)	-	4,464,921

FINANCIAL STATEMENTS

Statements of Cash Flows

For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Receipts from customers		336,951	317,188	324,912	313,814
Payments to suppliers and employees		(301,986)	(282,918)	(290,337)	(279,447)
Interest and dividends received		60,025	59,340	59,947	59,294
Recurrent grants and contributions		13,503	13,189	13,503	13,189
Borrowing Costs	20	(10,865)	(9,021)	(10,865)	(9,021)
Finance Costs	21	(1,648)	(2,586)	(1,648)	(2,585)
Net cash inflow (outflow) from operating activities	31	95,981	95,192	95,513	95,244
Cash flows from investing activities					
Payments for property, plant and equipment		(138,839)	(111,459)	(138,838)	(111,457)
Payments for intangible assets		(3,721)	(3,793)	(3,721)	(3,793)
Net movement in loans and advances		-	4,283	-	4,283
Proceeds from sale of property, plant and equipment		6,218	2,913	6,217	2,913
Grants, subsidies, contributions and donations		45,189	33,379	45,189	33,379
Net cash inflow (outflow) from investing activities		(91,153)	(74,677)	(91,153)	(74,674)
Cash flows from financing activities					
Proceeds from borrowings		40,423	53,700	40,423	53,700
Repayment of borrowings		(13,612)	(10,754)	(13,612)	(10,754)
Proceeds from issue of share capital		-	500	-	-
Net cash inflow (outflow) from financing activities		26,811	43,446	26,811	42,946
Net increase (decrease) in cash and cash equivalents held		31,638	118,961	31,171	118,516
Cash and cash equivalents at beginning of financial year		288,371	169,410	287,386	168,871
Cash and cash equivalents at end of the financial year	10	320,010	288,371	318,556	287,386

2. Notes to Financial Statements

For the Year Ended 30 June 2016

1. Summary of Significant Accounting Policies

1.01 Basis of Preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in accordance with the Local Government Act 2009 and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

Recurrent/Capital Classification

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

Capital 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.

The following transactions are classified as either "Capital Income" or Capital 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".

1.02 Statement of Compliance

These general purpose financial statements comply with all 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.

1.03 Fair Value

Sunshine Coast Regional Council is compliant with AASB 13 Fair Value Measurement in effect since 01 January 2013. The recognised fair values of financial and non-financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

- Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets/liabilities.
- Level 2 - Fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices).
- Level 3 - Fair values that are derived from data not observable in a market.

Fair Value continued

Fair value measurement requires taking a market based perspective, and to that end consideration is given to asset characteristics that market participants would take into account such as the market itself, its nature, existence, and the participants in that market.

The valuation premise includes identifying the alternative highest and best use of the asset from a market perspective. The determination of the highest and best use involves considering what is physically possible, legally permissible and financially feasible, such that the determination maximises value to the market participant. If the determination can be made within the scope of these factors then the alternative highest and best is to be considered in a valuation.

The technique aims to maximise the use of observable inputs and minimises the use of unobservable inputs.

Where external valuers are used the proficiency of the valuers is assessed, the underlying key assumptions made are disclosed, and the valuations are carried out at an appropriate level of frequency so as to ensure that asset carrying values do not materially differ from their fair value.

1.04 Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Sunshine Coast Regional Council as at 30 June 2016. The council and its controlled entities together form the economic entity which is referred to in these financial statements as the consolidated entity. In the process of reporting the council as a single economic entity, all transactions and balances with entities controlled by the council have been eliminated."

Council had an interest in two (2) subsidiaries during the year being Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd. Council wholly owns the issued shares of these entities.

(ii) 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 associates are accounted for in the financial statements using the equity method and are carried at the lower of cost and recoverable amount. Under this 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.

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.

1.05 Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards and interpretations has not resulted in any material changes to Council's accounting policies.

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 Amendments to Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities. Generally Council applies standards and interpretations in accordance with the respective commencement dates.

Adoption of New and Revised Accounting Standards continued

The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 Financial Instruments and AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities are the only new accounting standards with a future application date that are expected to have a material impact on Council's financial statements.

From 1 July 2016 AASB 124 Related Party Disclosures will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

AASB 16 Leases was issued in February 2016 and is effective for periods commencing January 2019. Council is yet to assess the future impact on its financial statements.

Other than that above standards, the amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are judged by management not likely to have a material impact on the financial statements.

1.06 Currency

The council uses the Australian Dollar as its functional currency and its presentation currency.

1.07 Constitution

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

1.08 Date of Authorisation

The financial report was authorised for issue on the date it was submitted to the Auditor-General for certification. This is the date the management certificate is signed.

1.09 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

- Valuation and depreciation of property, plant and equipment - Note 1.15 and Note 16
- Impairment of property, plant and equipment - Note 1.17
- Employee benefits and provisions - Note 1.18, 1.19 and Note 22
- Contingent liabilities - Note 26

1.10 Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial period.

1.11 Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

(i) Rates and Levies

Rate revenue is recognised at the time rates are levied which is the commencement of the rating period or when rate monies are received, whichever is earlier.

(ii) Grants and Subsidies

Grants, subsidies and contributions revenues are recognised as a receivable when Council has a right to receive the income, it is probable that the future economic benefit will flow to the entity and the amount can be reliably measured, otherwise the amount is recognised upon receipt. Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Where Council has an obligation to use a grant, subsidy or contribution in a particular manner, and is considered to be reciprocal, the amount is recognised as a liability until such time as Council has extinguished any obligation set by the grantor. As the various obligations are fulfilled the grant or subsidy is recognised as revenue.

(iii) 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.

(iv) Non-cash Contributions

Non-cash contributions including physical assets, in excess of \$5,000 in value are recognised as revenue and as non-current assets. Non-cash contributions below \$5,000 are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of roads, stormwater, and park equipment are recognised as revenue when the development comes on-line and assets are placed on a maintenance agreement with the developer. At this point Council obtains control of the assets and the developer provides sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at fair value as at the date of acquisition.

(v) Cash Contributions

Council receives cash contributions from property developers to construct assets such as roads and footpaths. Where agreements between Council and the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers these contributions are recognised as revenue when the related service obligations are fulfilled.

(vi) Interest and Dividends

Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of Unitywater, which is an associate of Sunshine Coast Regional Council.

(vii) Other Revenue including Contributions

Other revenue is recognised as a receivable when it is probable that it will be received and the amount can be reliably measured, otherwise the amount is recognised upon receipt.

1.12 Financial Assets and Financial Liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Sunshine Coast Regional Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

- Cash and cash equivalents (Note 10)
- Trade and other receivables - measured at amortised cost (Note 11)

Financial liabilities

- Trade and other payables - measured at amortised cost (Note 19)
- Borrowings - measured at amortised cost (Note 20)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of financial instruments is determined as follows:

- The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.
- The fair value of borrowings, as disclosed in Note 20 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the council repaid it in full at balance date. As it is the intention of the council to hold its borrowings for their full term, no adjustment provision is made in these accounts.
- The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 32.

1.13 Inventories

(i) Equipment, Stores and Quarries

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.

Inventories held for distribution are:

- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charge.

These goods are held at cost adjusted for any loss of service potential.

(ii) Land Inventories Held for Resale

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 will be accounted for under AASB 102 Inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated costs to make the sale.

Inventories continued

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.

1.14 Non-current Assets Held for Sale

Land held with the intention of selling without further development or change in use, and is available for immediate sale, is classified as held for sale. This land is valued at the lower of its carrying amount or fair value less costs to sell. Land being actively marketed, with sale is highly probable within the next twelve months, is classified as a current asset and accounted for under AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

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.

1.15 Property, Plant and Equipment

Each class of property, plant and equipment is carried at fair value or cost, less where applicable, any accumulated depreciation and accumulated impairment losses. 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 \$1), are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the council are:

- Land and Improvements
- Buildings
- Plant and Equipment
 - Fleet
 - Other plant and equipment
- Infrastructure
 - Road and bridge network
 - Stormwater and drainage network
 - Other infrastructure assets
- Work in progress

(i) Acquisition of Assets

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.

The cost of property, plant and equipment being constructed by Council includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

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 for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

(ii) Capital and Operating Expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets, are treated as capital expenditure. 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.

Property, Plant and Equipment continued

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, while expenditure that relates to replacement of a major component of an asset to maintain its service potential and extend its useful life is capitalised.

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.

(iii) Valuation

Land, buildings, infrastructure and heritage assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement. The fair values mean the estimated amount for which an asset could be exchanged in an active market on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Non-current physical assets measured at fair value are 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 valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 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 or value of the assets at the date of inspection.

Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with the relevant indices independently published by the Australian Bureau of Statistics. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements, and buildings classes in the intervening years, management engage independent, professionally qualified valuers to perform a 'desktop' valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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 used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 17.

Any revaluation increments arising on 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 depreciation is restated proportionately with the change in carrying amount of the asset and any change in the estimated useful life.

Property, Plant and Equipment continued

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(iv) Land Held Under Deed of Grant in Trust (DOGIT)

The Department of Natural Resources and Mines administers nine parcels of land, which have been granted to and are judged to be controlled by Council in terms of Deeds of Grant in Trust under Section 34 of the *Land Act 1994*. The value of these assets has been included in land assets (Note 16). These parcels are used by Council for sport, recreation, showground and park purposes.

The land is currently valued at fair value. Council is able to derive future economic benefits from the use of the land, although not the legal owner, however, these land parcels have restrictions on use and are held for specific purposes.

(v) Land Under Roads

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. The Sunshine Coast Regional Council currently does not have any such land. Land under the road network within Sunshine Coast region that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

(vi) Depreciation

Land and Road 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.

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.

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 depreciated 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 16.

(vii) Capital Works in Progress

The cost of property, plant and equipment being constructed by the council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

1.16 Intangible Assets

Only intangible assets which have a cost exceeding \$5,000 are recognised as non-current assets in the financial statements, with items with a lesser value being expensed.

Expenditure on internally generated intangible assets is recognised from the date of the approval by the council of a capital expenditure authorisation for the acquisition or development of the asset.

Expenditure on internally generated assets, up to the decision to generate the asset in a particular form, is research expenditure and is not capitalised.

It has been determined that there is not an active market for any of the council's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation methods and estimated useful lives are reviewed at the end of each reporting period and adjusted where appropriate. Useful lives are in the range of 2 to 10 years.

1.17 Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the 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.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use.

An impairment loss is expensed immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, only to the extent that the assets carrying value does not exceed the carrying value that would have been determined, net of depreciation, if no impairment had been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase and recognised in the asset revaluation surplus.

1.18 Liabilities - Employee Benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(i) Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 19 as a payable.

(ii) Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 19 as a payable.

Liabilities - Employee Benefits

(iii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution Council makes to the superannuation plan which provides benefits to its employees. Details of arrangements are set out in Note 27.

(iv) Long Service Leave

A liability for long service leave is measured as 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 on-costs. The estimates are adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the 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. This liability is reported in Note 22 as a provision.

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.

(v) Sick Leave

Council's on going obligation to meet sick leave entitlements are met as and when the obligation occurs. No provision is made for this liability.

1.19 Provision for Rehabilitation

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable the council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of Quarries and Landfill sites.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current capital market yield bond rate is considered an appropriate rate with a maturity date corresponding to the anticipated date of the restoration.

(i) Landfill Rehabilitation

The 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 calculation of this provision 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 provision recognised is reviewed at least annually and updated based on the facts and circumstances available at the time.

(ii) Quarry Rehabilitation

The 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 this provision 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 provision recognised for quarry rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration will occur no sooner than 2070.

1.20 Borrowings and Borrowing Costs

Loans payable are measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. Borrowing costs, which includes interest calculated using the effective interest method and administration fees, are expensed in the period in which they arise, unless attributed to a specific capital project where the costs are capitalised as part of the qualifying asset during construction. Costs that are not settled in the period in which they arise are added to the carrying amount of the borrowing.

Gains and losses on the early redemption of borrowings are recorded in other revenue / expense.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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 ensure that sustainability indicators remain within acceptable levels at all times.

1.21 Components of Equity

(i) 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 incremental changes in the carrying value of classes of non-current assets since 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.

1.22 Rounding

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero.

1.23 Trust Funds Held for Outside Parties

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the Trust Account by the council. The council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. The monies are disclosed in Note 30 to the Financial Statements for information purposes only.

1.24 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). 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. The council pays payroll tax to the Queensland Government on certain activities.

Summary of Significant Accounting Policies

Taxation continued

Unitywater pays Council an income tax equivalent in accordance with the requirements of the *Local Government Act 2009*. Where the activity of such an entity 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. These transactions are eliminated upon consolidation.

Notes to the Financial Statements

For the year ended 30 June 2016

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:

- **Infrastructure Services**

Infrastructure Services is responsible for the delivery, operations and maintenance of Council's infrastructure, both the built and the natural environment. It encompasses all 'hard' infrastructure including, roads, drainage systems, canals, parks, buildings and facilities, as well as the pristine 'natural' assets such as waterways, bushlands, lakes and beaches. Operations include transport infrastructure management, quarries, civil asset management, fleet, parks and gardens, environmental operations, waste and resource management, major project delivery and disaster management.

- **Economic Development and Major Projects**

The Economic Development and Major Projects Department focuses on strategic planning and management for both the region and the organisation. The department is responsible for the Coast's economic development and corporate strategy. This includes Council's commercial entities and strategic marketing. This department has responsibility for major commercial projects, communications, economic development, and operating the Sunshine Coast Airport.

- **Community Services**

Community Services Department plays a pivotal role in building a strong and successful organisation, capable of delivering on the community's and Council's vision by providing contemporary leadership in the functional areas of community capacity building and partnerships and service delivery. Major areas of focus include community planning, sport and recreation, environmental health, vector control, regulated parking, cemeteries, libraries and art galleries.

- **Planning and Environment Department**

The Planning and Environment Department prepares the integrated policy and strategy framework for the region covering land use, environment, transportation, open space, flooding and drainage and social infrastructure. It also deals with the various aspects relating to development covering planning applications, subdivisions, engineering and landscaping works, building and plumbing through to compliance with associated legislative requirements. These functions contribute to sustainable development by planning for growth and facilitating change, providing reliable information and advice, protecting and enhancing our environment and lifestyle, building prosperous communities, planning for infrastructure and advocating for the community.

- **Region Making Projects**

Region Making Projects encompass Council's current game changing initiatives including the Maroochydore City Centre, Sunshine Coast Airport Expansion Project and the Solar Farm. Each of these projects is visionary and innovative, will build the Sunshine Coast economy, create jobs and add significantly to the liveability of the region.

Notes to the Financial Statements

For the year ended 30 June 2016

Analysis of Results by Function continued

- **Corporate Services**

The Corporate Services Department plays a pivotal role in building a strong successful organisation capable of delivering on the community's vision and Council's strategy themes; identifying and putting into action best new way opportunities and driving service delivery excellence for our customers and the community. This department has primary responsibility for corporate governance, finance, human resources, information and communication technology, property management and procurement.

- **Office of the Mayor and CEO**

The Office of the Mayor and CEO provides strategic support and advice to the Mayor, Councillors, CEO, Executive Leadership Team and the wider organisation. The department delivers organisational leadership for key corporate initiatives, legal advice, audit compliance, statutory and corporate meeting management and facilitates government, business and community relationships.

Notes to the Financial Statements
For the year ended 30 June 2016

(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 Recurring Operations	Net Result	Assets
	Recurring	Capital			Recurring	Capital					
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000
Infrastructure Services	87,693	91,321	(29,391)	149,623	(243,747)	(7,959)	46,319	(205,388)	(139,126)	(55,765)	3,005,862
Economic Development & Major Projects	31,177	-	(6,035)	25,142	(39,128)	(68)	9,740	(29,456)	(4,246)	(4,314)	130,164
Community Services	31,820	-	(17,908)	13,912	(92,941)	(285)	29,749	(63,477)	(49,280)	(49,565)	156,812
Planning and Environment	43,775	44,251	(16,364)	71,661	(66,447)	-	27,383	(39,064)	(11,654)	32,597	13,764
Region Making Projects	52	-	-	52	(1,359)	-	-	(1,359)	(1,307)	(1,307)	106,112
Corporate Services	335,804	3,362	(61,763)	277,403	(64,452)	381	21,832	(42,239)	231,421	235,164	1,626,825
Office of the Mayor and CEO	3,862	-	(3,832)	31	(28)	-	270	242	272	272	-
Controlled Entities Net of Eliminations	36,738	-	-	36,738	(1,540)	-	-	(1,540)	35,198	35,198	98,247
Total Consolidated	570,920	138,934	(135,293)	574,561	(509,643)	(7,932)	135,293	(382,281)	61,278	192,280	5,137,786

Notes to Financial Statements
For the Year Ended 30 June 2016

	Gross Program Income		Elimination of Inter-Function Transactions	Total Income	Gross Program Expense		Elimination of Inter-Function Transactions	Total Expenses	Net Result from Recurring Operations	Net Result	Assets
	Recurring	Capital			Recurring	Capital					
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Infrastructure Services	59,546	44,718	(30,002)	74,262	(192,612)	(12,971)	47,376	(158,206)	(115,692)	(83,944)	2,893,709
Economic Development & Major Projects	21,841	-	(6,278)	15,563	(25,037)	-	10,088	(14,949)	614	614	198,298
Community Services	12,463	2	(23,028)	(10,562)	(59,479)	(289)	35,217	(24,551)	(34,826)	(35,113)	150,749
Regional Strategy and Planning	23,864	95,013	(15,672)	103,205	(39,485)	-	29,679	(9,807)	(1,615)	93,398	12,359
Corporate Services	258,588	808	(67,234)	192,163	(31,773)	(74)	23,461	(8,386)	186,942	183,777	1,582,819
Office of the Mayor and CEO	52	-	(3,879)	(3,827)	246	-	272	518	(3,309)	(3,309)	-
Controlled Entities Net of Eliminations	176,060	-	-	176,060	(147,118)	-	-	(147,118)	28,942	28,942	62,690
Total Consolidated	552,414	140,541	(146,093)	546,863	(495,258)	(13,333)	146,093	(362,499)	61,056	184,362	4,900,624

Notes to Financial Statements
For the year ended 30 June 2015

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
Note				
3. Revenue analysis				
Operating revenue				
(a) Rates and utility charges				
General rates	195,761	186,292	195,761	186,292
Waste management	43,818	47,056	43,818	47,056
Tourism and special levies	8,804	8,185	8,804	8,185
Environment levy	7,819	7,637	7,819	7,637
Rural fire levy	396	386	396	386
Valuation fees	90	69	90	69
	256,687	249,625	256,687	249,625
Total rates and utility charge revenue				
Less: discounts	(7,753)	(7,345)	(7,753)	(7,345)
Less: pensioner remissions	(3,065)	(3,056)	(3,065)	(3,056)
Less: rebates	(756)	(707)	(756)	(707)
	(11,573)	(11,107)	(11,573)	(11,107)
Net rates and utility charges	245,114	238,518	245,114	238,518
(b) Fees and charges				
Airline service charges	8,249	6,891	8,249	6,891
Application fees (development)	5,418	4,471	5,418	4,471
Holiday parks	14,440	13,550	14,440	13,550
Cemetery fees	1,242	958	1,242	958
Parking fees	2,428	2,012	2,428	2,012
Refuse tip fees	5,592	5,401	5,592	5,401
Registration fees	1,019	1,112	1,019	1,112
Search fees	1,167	1,146	1,167	1,146
Waste service charges	463	396	463	396
Change of ownership fees	936	837	936	837
Fines and penalties	2,466	2,298	2,466	2,298
Venue hire	1,350	1,152	1,350	1,152
Security service fees	2,244	1,952	2,244	1,952
Development services	11,184	8,675	11,184	8,675
Development Services	8,709	6,410	8,709	6,410
	-	-	-	-
Permits and licences	1,361	1,266	1,361	1,266
Other fees and charges	6,448	6,238	4,374	4,474
	66,008	58,353	63,934	56,590
(c) Sales - contract and recoverable works				
Lease revenue	6,412	5,435	6,412	5,435
Recoverable works	665	239	665	239
Sale of recyclables	2,065	2,477	2,065	2,477
Other revenue	7,148	4,472	7,250	4,513
	16,290	12,624	16,391	12,664
(d) Grants, subsidies, contributions and donations				
Government grants and subsidies commonwealth	10,461	10,356	10,461	10,356
Government grants and subsidies state	2,018	1,955	2,018	1,955
Contributions	1,025	878	1,025	878
	13,503	13,189	13,503	13,189

Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Revenue analysis continued</i>					
(e) Share of tax equivalents of associate		10,099	9,147	10,099	9,147
(f) Dividend income		-	-	16,454	16,927
(g) Interest received					
Interest received from associate		23,284	23,967	23,284	23,967
Interest received from cash and term deposits		9,431	8,361	9,344	8,315
Interest from overdue rates and utility charges		766	938	766	938
		33,481	33,266	33,394	33,220
(h) Share of profit of associate		51,130	41,225	-	-
Total Recurrent Revenue		435,626	406,321	398,889	380,254
Capital revenue					
(i) Grants, subsidies, contributions and donations					
Recurrent					
Government grants and subsidies commonwealth		6,991	3,242	6,991	3,242
Government grants and subsidies state		5,807	5,197	5,807	5,197
Developer contributions		32,391	24,951	32,391	24,951
Infrastructure from developers at fair value		90,207	107,151	90,207	107,151
		135,396	140,541	135,396	140,541
Provision for restoration of landfill					
Discount rate adjustment to landfill restoration provision	22	3,538	-	3,538	-
Total Income		574,561	546,863	537,824	520,796
4. Employee benefits					
Total wages and salaries		101,582	95,248	98,613	93,748
Councillors' remuneration *		1,722	1,677	1,722	1,677
Annual, sick and long service leave entitlements		16,257	15,722	16,257	15,722
Superannuation	27	18,179	15,769	18,104	15,752
		137,739	128,416	134,695	126,900
Other employee related expenses		3,889	3,255	3,889	3,255
		141,628	131,671	138,584	130,155
Less :Capitalised employee expenses		(13,913)	(12,477)	(13,913)	(12,477)
		127,715	119,194	124,671	117,678
* Councillor remuneration represents salary, superannuation contributions and other allowances paid in respect of carrying out their duties.					
Total Council employees at the reporting date:					
Elected Members		11	11	11	11
Staff		1579	1473	1553	1447
Total full time equivalent employees		1590	1484	1564	1458

Notes to the Financial Statements

For the year ended 30 June 2016

	Note	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
5. Materials and services					
Advertising		1,810	1,518	1,810	1,518
Audit of annual financial statements by the Auditor General of Queensland		200	263	200	263
Consultancy fees		5,031	4,204	5,031	4,204
Commissions paid		2,323	2,425	2,323	2,425
Contract services parks and gardens		12,723	11,360	12,723	11,360
Contract services waste collection		27,581	28,333	27,581	28,333
Contract services other		42,583	36,535	42,583	36,535
Donations		3,608	2,592	3,608	2,592
Electricity		9,071	8,729	9,071	8,729
Entertainment and hospitality		484	444	484	444
Equipment < \$5,000		1,136	1,132	1,136	1,132
Fuel		2,266	2,786	2,266	2,786
Grants to community organisations		7,644	7,278	7,644	7,278
Insurance		2,428	2,448	2,428	2,448
Legal fees		2,825	3,184	2,825	3,184
Library resources		1,545	1,306	1,545	1,306
Materials road base		5,084	3,348	5,084	3,348
Operating leases - rentals		7,192	7,760	7,192	7,758
Plant and equipment hire		5,378	6,001	5,378	6,001
Security services		1,361	1,188	1,361	1,188
Software and maintenance		4,873	4,153	4,873	4,153
Telecommunications		3,780	3,205	3,780	3,205
Water and sewerage charges		4,175	3,680	4,175	3,680
All other materials and services		16,737	18,132	17,085	16,381
		171,836	162,003	172,184	160,250
Less: Capitalised expenses		(5,558)	(6,014)	(5,558)	(6,014)
		166,278	155,989	166,626	154,235
6. Finance costs					
Finance costs charged by the Queensland Treasury Corporation *		10,865	9,021	10,865	9,021
Bank charges and credit card fees		864	793	806	777
Finance costs due to unwinding(waste provision)	22	481	1,772	481	1,772
Impairment of debts		278	(10)	278	(10)
Other finance costs		82	47	82	47
		12,571	11,623	12,513	11,607
* Interest includes \$10.865M operating cost and \$3.097M capitalised against the Maroochydore City Centre project.					
7. Depreciation and amortisation					
(a) Depreciation of non-current assets					
Buildings		5,617	5,322	5,617	5,322
Road and bridge network		30,434	28,158	30,434	28,158
Stormwater and drainage network		10,574	10,281	10,574	10,281
Plant and equipment		4,373	4,671	4,373	4,671
Other infrastructure		13,070	11,066	13,069	11,065
Land improvements		-	-	-	-
	16	64,067	59,498	64,066	59,498

Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Depreciation and amortisation continued</i>					
(b) Amortisation of intangible assets					
Software	18	3,717	2,862	3,717	2,862
Total depreciation and amortisation		67,785	62,360	67,784	62,359
8. Contributions to controlled entities					
Contributions to controlled entities		-	-	1,218	1,187
		-	-	1,218	1,187
Total recurrent expenses					
		374,349	349,166	372,811	347,066
9. Capital Expenses					
Gain/loss on disposal of non-current assets					
Proceeds from the sale of plant, equipment and intangibles		(878)	(612)	(878)	(612)
Less carrying amount sold		715	420	715	420
Less carrying amount disposed		-	45	-	45
		(163)	(147)	(163)	(147)
Proceeds from the sale of property, land and improvements		(5,340)	(2,301)	(5,340)	(2,301)
Less carrying amount sold		5,466	2,601	5,466	2,601
		127	300	126	300
Replacement of roads, stormwater and other infrastructure					
Less carrying amount:					
Replaced and renewed		1,410	3,866	1,410	3,866
Disposed and written-off		-	1,074	-	1,074
		1,410	4,940	1,410	4,940
Loss on disposal of property, plant and equipment, and intangibles		1,374	5,093	1,374	5,093
Provision for restoration of land					
Discount rate adjustment to refuse restoration provision	22	(5,987)	(8,240)	(5,987)	(8,240)
Discount rate adjustment to quarry rehabilitation liability		(571)	-	(571)	-
		(6,558)	(8,240)	(6,558)	(8,240)
10. Cash and cash equivalents					
Total cash and equivalents		320,010	288,371	318,556	287,386
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 \$50 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.					
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:					
Externally imposed expenditure restrictions		128,279	105,522	128,279	105,522
Internally imposed expenditure restrictions		9,704	28,436	9,704	28,436
Total unspent restricted cash		137,983	133,958	137,983	133,958

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Cash and cash equivalents continued</i>				
* Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:				
Constrained works	65,897	62,867	65,897	62,867
General	45,493	32,077	45,493	32,077
Levy Funded	11,464	6,235	11,464	6,235
Special purpose	5,426	4,344	5,426	4,344
Total unspent restricted cash	128,279	105,522	128,279	105,522
* Internally imposed expenditure restrictions at the reporting date:				
Constrained works	637	1,596	637	1,596
General	7,883	19,124	7,883	19,124
Levy Funded	-	4,652	-	4,652
Special purpose	1,185	3,064	1,185	3,064
Total unspent restricted cash	9,704	28,436	9,704	28,436
11. Trade and other receivables				
Receivables represent amounts owed to Council at year end.				
Trade receivables are recognised initially at the amounts due at the time of sale or service delivery (i.e. the agreed purchase price or contract price). Settlement of these amounts is required within 30 days from invoice date.				
The collectability of receivables is assessed periodically and, if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced with allowance being made for impairment. The impairment loss is recognised in financial costs. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated cash flows, discounted at the effective interest rate. Increases in the allowance for impairment are based on loss events. All known bad debts were written-off against the allowance for impairment at 30 June. Subsequent recoveries of amounts previously written off are credited against finance costs in the Statements of Comprehensive Income.				
<u>Current</u>				
Rates and utility charges	4,645	5,511	4,645	5,511
Infringements	2,904	2,984	2,904	2,984
Infrastructure charges	821	1,485	821	1,485
Trade debtors	5,134	3,114	5,134	3,114
GST receivable	2,877	1,974	2,877	1,974
Other debtors	16	444	17	382
Less allowance for impairment	(1,463)	(1,631)	(1,463)	(1,631)
	14,934	13,881	14,935	13,819
Movement in accumulated impairment losses (other debtors) is as follows:				
Opening balance at 1 July	1,631	2,232	1,631	2,232
Impairment debts written off during the year	(422)	(521)	(422)	(521)
Additional impairments recognised	274	556	274	556
Impairments reversed	(20)	(636)	(20)	(636)
Closing balance at 30 June	1,463	1,631	1,463	1,631
<u>Non-Current</u>				
Loans at amortised cost				
Shares in controlled entities	-	-	500	500
Loan to associate - subordinated debt	434,393	434,393	434,393	434,393
	434,393	434,393	434,893	434,893

Notes to the Financial Statements

For the year ended 30 June 2016

	Consolidated 2016 Note \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Trade and other receivables continued</i>				
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 any rate receivables.				
Interest is charged on outstanding rates at 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.				
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 2016 was 5.36% (2015 5.47%).				
12. Inventories				
Current				
Equipment, stores and quarries *	2,019	1,338	1,909	1,254
Land being developed for resale **				
Opening land inventory at 1 July 2015	-	-	-	-
Transfer from non-current land assets	4,647	-	4,647	-
Inventory conversion costs	1,513	-	1,513	-
Closing land inventory at 30 June 2016	6,160	-	6,160	-
Closing current inventories at 30 June 2016	8,179	1,338	8,069	1,254
Non Current				
Land held for future development and resale **				
Opening land inventory at 1 July 2015	-	-	-	-
Transfer from non-current land assets	19,216	-	19,216	-
Inventory conversion costs	2,678	-	2,678	-
Closing land inventory at 30 June 2016	21,894	-	21,894	-
Closing non-current inventories at 30 June 2016	21,894	-	21,894	-
* Hand held equipment, stores and quarries are internal stocks verified by annual stocktake.				
Land acquired for the Maroochydhore City Centre (MCC) precinct is currently classified as a mix of public realm land (62%) which continues to be recognised as a Council land asset in Property, Plant and Equipment and land held for development and resale (38%). The allocation				
** between these two classifications and requisite accounting treatment is based on a management estimation drawn from SunCentral Maroochydhore 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 and confirmed with the Development Manager 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 next 20 years. Current land inventory is Stage 1 due for release in 2016/17 and 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 convert the land ready for resale and other directly attributable costs such as project overheads and borrowing costs.				
13. Investment in associates				
Sunshine Coast Regional Council has an investment in one associate as at 30 June 2016.				
Name of Associate	Northern SEQ Distributor-Retailer Authority (trading as Unitywater)			
Principal Activity	Provision of Water and Wastewater Services			
Place of Operation	Moreton Bay and Sunshine Coast Regions			
Proportion of Ownership Interest	37.51%			

Notes to the Financial Statements

For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
Note				
<i>Investment in associates continued</i>				
<u>(1) Background</u>				
The <i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (the Act)</i> 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 (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.				
<u>(2) Contractual Agreements</u>				
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.				
<u>(3) Returns to Council</u>				
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 2016 is 5.36% (2015: 5.47%).				
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.				
Interest received and receivable from the Authority	23,284	23,967	23,284	23,967
Tax received and receivable from the Authority	10,099	9,147	10,099	9,147
As a party to the Participation Agreement, Council receives a proportional share of net profits as a participation return. Returns are paid from post-tax operating profits.				
Participation returns received and receivable from the Authority	-	-	16,454	16,927
<u>(4) Participation Rights</u>				
Participation rights in the Authority are recognised at initial value plus share of undistributed profits.				
	2016	Restated 2015		
Movement in carrying amount				
Investment	600,665	576,367	538,212	538,212
Share of profits after tax and before dividends	51,130	41,225	-	-
Dividends received /receivable	(16,454)	(16,927)	-	-
Carrying amount at the end of the financial year	635,341	600,665	538,212	538,212
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 2016 financial statements is detailed below.				

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
Note				
<i>Investment in associates continued</i>				
Extract from the Authority's Statement of Comprehensive Income	2016	Restated 2015		
Total revenues	650,411	613,222		
Ordinary expenses	(465,157)	(463,553)		
Profit before income tax equivalent	185,254	149,669		
Income tax equivalent expense	(48,944)	(39,764)		
Total profit (after tax)	136,310	109,905		
Share of Profit of Associate	51,130	41,225		
Total assets	3,498,677	3,374,904		
Total liabilities	(1,796,944)	(1,765,616)		
Net assets	1,701,733	1,609,288		
<p>During 2015/16 Unitywater identified a prior period error in their financial statements that related to the amount of decommissioned physical assets incorrectly retained, asset contributed from developers, and developer contributions recorded in each financial year since 1 July 2011.</p> <p>As Unitywater pay a percentage of profit to Council, this prior period error consequently alters the share of profit and associated investment in Unitywater that Council previously recorded. As a result, Council had overstated its share of profit of associate revenue in the amount of \$3.9 million and overstated its investment in associate assets in the amount of \$3.9 million during the 2014/15 financial year.</p> <p>Consequently to correctly reflect the impacts of this prior period error, Council has adjusted the 2014/15 comparative amounts in the Statement of Comprehensive Income and Statement of Financial Position.</p>				
14. Other assets				
<u>Current</u>				
Prepayments	4,485	4,571	4,432	4,536
Accrued revenue	20,626	21,110	20,626	21,110
	25,111	25,682	25,058	25,646
15. Non-current assets classified as held for sale				
Opening balance at 01 July 2015	-	-	-	-
Transfers from non-current assets	490	-	490	-
Closing balance at 30 June 2016	490	-	490	-
Non-current assets held for sale are land parcels identified by Council as surplus to requirements.				

Notes to the Financial Statements
For the year ended 30 June 2016

16. Property, Plant and Equipment

(a) Council – 30 June 2016

Basis of measurement	Note	Land & Improvements Fair Value 2016 \$'000	Buildings Fair Value 2016 \$'000	Plant & Equipment Cost 2016 \$'000	Road & Bridge Network		Stormwater & Drainage Network		Other Infrastructure Fair Value 2016 \$'000	Capital Works in Progress Cost 2016 \$'000	Total 2016 \$'000
					Fair Value 2016 \$'000	Fair Value 2016 \$'000	Fair Value 2016 \$'000	Fair Value 2016 \$'000			
Asset Values											
Opening gross value as at 01 July 2015		611,423	300,272	61,156	1,783,782	1,098,493	402,202	84,985	4,342,313		
Adjustment to opening balance	16 (c)	-	-	-	5,340	7,189	-	-	12,529		
Additions at cost		-	-	-	-	-	-	138,838	138,838		
Transfer from capital works in progress *		16,158	8,990	7,047	48,938	9,037	27,773	(117,943)	-		
Contributed assets at valuation	9	12,477	309	-	40,144	32,606	4,671	-	90,207		
Disposals		(2,882)	(7,921)	(3,527)	(2,347)	(435)	(1,369)	-	(18,481)		
Revaluation adjustment to other comprehensive income (ARS)	24	14,233	11,432	-	(26,811)	(16,634)	7,633	-	(10,147)		
Transfer to/from intangibles	18	-	-	-	-	-	-	274	274		
Transfer to current assets held for sale	15	(490)	-	-	-	-	-	-	(490)		
Transfer to inventories	12	(28,055)	-	-	-	-	-	-	(28,055)		
Transfers between classes		-	11	-	-	-	(11)	-	-		
Closing gross value as at 30 June 2016		622,864	313,093	64,675	1,849,046	1,130,256	440,899	106,154	4,526,988		
Accumulated Depreciation and Impairment											
Opening accumulated depreciation balance as at 01 July 2015		-	73,833	30,979	382,455	229,315	109,784	-	826,366		
Opening accumulated impairment balance as at 01 July 2015		-	-	-	-	-	-	-	-		
Adjustment to opening balance	16 (c)	-	-	-	434	(844)	-	-	(410)		
Revaluation adjustment to other comprehensive income (ARS)	24	-	1,178	-	(6,179)	(3,586)	(487)	-	(9,074)		
Depreciation provided in period	7	-	5,617	4,373	30,433	10,574	13,069	-	64,066		
Depreciation on disposals	9	-	(5,337)	(2,812)	(1,456)	(304)	(981)	-	(10,890)		
Transfers between classes		-	(2)	-	-	-	2	-	-		
Closing accumulated depreciation		-	75,289	32,539	405,687	235,155	121,388	-	870,058		
Closing accumulated impairment		-	-	-	-	-	-	-	-		
Closing accumulated balances as at 30 June 2016		-	75,289	32,539	405,687	235,155	121,388	-	870,058		
Total Book Value at Period End											
		622,864	237,803	32,136	1,443,359	895,101	319,511	106,154	3,656,929		
Range of estimated useful life in years		-	2-100	2-60	5-150	5-135	2-100	-	-		
* Additions comprise:											
Renewals and replacements		-	4,494	-	35,590	3,545	8,915	-	52,544		
Upgrades		-	613	-	3,606	275	3,598	-	8,092		
New additions		24,986	3,412	4,543	23,121	654	21,487	-	78,204		
Total additions		24,986	8,518	4,543	62,317	4,475	33,999	-	138,839		

Notes to the Financial Statements
For the year ended 30 June 2016

Property, Plant and Equipment continued

(b) Council – 30 June 2015

Basis of measurement	Note	Stormwater & Drainage										Total	
		Land & Improvements Fair Value 2015 \$'000	Buildings Fair Value 2015 \$'000	Plant & Equipment Cost 2015 \$'000	Road & Bridge Network Fair Value 2015 \$'000	Stormwater & Drainage Network Fair Value 2015 \$'000	Other Infrastructure Fair Value 2015 \$'000	Capital Works in Progress Cost 2015 \$'000					
Asset Values		489,719	289,804	58,925	1,732,702	904,192	362,224	89,975	3,927,541				
Opening gross value as at 01 July 2014	16 (c)	-	-	-	4,243	-	3,113	-	7,356				
Adjustment to opening balance		-	-	-	-	-	-	-	111,821				
Additions at cost		29,572	5,216	3,113	46,571	4,467	27,872	(116,812)	-				
Transfer from capital works in progress *		71,111	570	-	17,507	16,188	1,774	-	107,151				
Contributed assets at valuation	9	(2,490)	(504)	(1,540)	(8,315)	(42)	(4,976)	-	(17,867)				
Disposals		23,511	5,186	-	(8,926)	173,688	12,853	-	206,310				
Revaluation adjustment to other comprehensive income (ARS)	24	-	-	658	-	-	(658)	-	-				
Transfers between classes		611,423	300,272	61,156	1,783,783	1,098,493	402,202	84,985	4,342,313				
Closing gross value as at 30 June 2015		-	-	-	-	-	-	-	-				
Accumulated Depreciation and Impairment		-	49,579	27,165	379,838	197,001	109,159	-	762,741				
Opening accumulated depreciation balance as at 01 July 2014	16 (c)	-	-	-	-	-	-	-	-				
Opening accumulated impairment balance as at 01 July 2014		-	-	-	1,702	-	626	-	2,328				
Adjustment to opening balance	24	-	19,325	-	(22,421)	22,055	(7,257)	-	11,702				
Revaluation adjustment to other comprehensive income (ARS)	7	-	5,322	4,671	28,158	10,281	11,065	-	59,497				
Depreciation provided in period		-	(392)	(1,118)	(4,822)	(21)	(3,548)	-	(9,902)				
Depreciation on disposals	9	-	-	261	-	-	(261)	-	-				
Transfers between classes		-	73,833	30,979	382,455	229,315	109,784	-	826,366				
Closing accumulated depreciation		-	-	-	-	-	-	-	-				
Closing accumulated impairment		-	73,833	30,979	382,455	229,315	109,784	-	826,366				
Closing accumulated balances as at 30 June 2015		611,423	226,439	30,177	1,401,328	869,178	292,418	84,985	3,515,947				
Total Book Value at Period End		-	2-100	2-60	5-150	5-135	2-100	-	-				
Range of estimated useful life in years		8	3,527	-	24,601	3,831	6,658	-	38,625				
* Additions comprise:		-	931	49	1,129	850	4,947	-	7,906				
Renewals and replacements		24,510	2,263	1,437	15,215	593	21,274	-	65,290				
Upgrades		24,518	6,721	1,486	40,945	5,274	32,879	-	111,821				
New additions		-	-	-	-	-	-	-	-				
Total additions		-	-	-	-	-	-	-	-				

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment continued

(c) Prior Period Adjustment

(i) Recognition and Derecognition of Roads and Stormwater Network Assets

The recognition and derecognition of roads and stormwater assets were the result of systems alignment between the financial asset register and the geospatial information systems. The process involved validating asset records in both systems and where this was not possible the assets were either written-off or initially recognised in the current period.

All assets corrected have been accounted for at their fair value as at the reporting date and have been disclosed in Note 16 under the respective classes of Property, Plant and Equipment.

This error is judged by management to be immaterial and the measurement and disclosure requirements of AASB 108 have not been applied in determining the period specific effect or cumulative effect of the error.

Recognition and Derecognition of PP&E by asset class:

	Consolidated 30 June 2016 \$'000	Council 30 June 2016 \$'000
Gross value of road network movement	5,339	5,339
Accumulated depreciation and impairment	(434)	(434)
Net Value of road movement	4,905	4,905
Gross value of stormwater network movement	7,188	7,188
Accumulated depreciation and impairment	844	844
Net Value of stormwater movement	8,032	8,032
Total net value	12,937	12,937

(ii) Initial Recognition of Non-current Assets not previously recognised

The initial recognition of non-current assets relates to items of property, plant and equipment that should have been brought to account in previous financial years but have been identified and placed in the financial asset register during the current reporting period.

All identified assets have been initially recognised within the accounts at their fair value as at the reporting date and have been disclosed in Note 16 for the respective classes of Property, Plant and Equipment. While the error is judged to be immaterial, management have elected to make retrospective adjustments as at 1 July 2014 per the provisions of AASB 108 without observing all the disclosure requirements associated with this standard.

Initial recognition of PP&E by asset class:

	Consolidated 30 June 2015 \$'000	Consolidated 01 July 2014 \$'000	Council 30 June 2015 \$'000	Council 01 July 2014 \$'000
Gross value of buildings added	570	570	570	570
Accumulated depreciation and impairment	(214)	(214)	(214)	(214)
Net value of buildings added	356	356	356	356
Gross value of plant and equipment added	18	18	18	18
Accumulated depreciation and impairment	-	-	-	-
Net value of plant and equipment added	18	18	18	18
Total net Value	374	374	374	374

Notes to the Financial Statements

For the year ended 30 June 2016

17. Property, Plant and Equipment - Fair Values

Property, plant and equipment with the exception of Plant and Equipment are measured at fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment, and the *Local Government Regulation 2012*. The fair values are reported in accordance with the fair value hierarchy provided by AASB 13 Fair Value Measurement which is discussed in detail in Note 1.

Valuation techniques used to determine fair values

The fair values of financial and non-financial assets that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as possible on entity specific estimates. If the significant inputs required to value an asset at fair value are based on observable market data, the asset is included in level 2 valuations. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3 valuations. This is the case for most Council building and infrastructure assets which are of a specialised nature where there is no active market for the assets.

Valuation techniques

As at 30 June 2016

Financial Class	Valuation	Technique 2016	Technique 2015	Level
Land	Independently Valued	Valuation Update	Interim Indexation	2 - 3
Buildings	Independently Valued	Valuation Update	Valuation Update	2 - 3
Other Infrastructure	Independent & Internal	Valuation Update	Valuation Update	3
Other Parks	Independent & Internal	Interim Indexation	Depreciated Replacement Cost	3
Roads and Bridges	Independent & Internal	Interim Indexation	Depreciated Replacement Cost	3
Stormwater Drainage	Independent & Internal	Interim Indexation	Depreciated Replacement Cost	3

Plant and Equipment is held at Historical Cost and therefore is not measured under one of the above valuation techniques.

The following tables represent Council's assets measured and recognised at fair value at 30 June 2016. All fair value measurements are recurrent and categorised as either level 2 or level 3 fair value measurements. There have been no transfers between levels during the current financial period. Council has no assets and liabilities measured at fair value on a non-recurring basis.

Recognised fair value measurements and changes in valuation levels

As at 30 June 2016

Significant factors:

Non-financial assets

Land
Buildings
Other - Facility Infrastructure
 - Park Infrastructure
Roads and Bridges
Stormwater and Drainage

Level 2	Level 3	Total
other observed inputs	unobserved inputs	
\$'000	\$'000	\$'000
335,942	286,922	622,864
3,040	234,764	237,803
-	142,619	142,619
-	176,892	176,892
-	1,443,359	1,443,359
-	895,101	895,101
338,981	3,179,657	3,518,638

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Land and Improvements (Level 2 and 3)

Land and improvements are reported at fair value for the year ended 30 June 2016.

Changes in Land fair values during the period were determined with the assistance of an independent valuer.

Land fair values were last comprehensively determined by Asset Valuation Services for year ended 30 June 2014. Values were based on analysis of sales evidence and comparisons, with consideration also given to the existence of restrictions and active markets. Where there were no restrictions and an active market was present, level 2 observable inputs were used to determine fair value measurement. Where there were restrictions and an active market could not be identified, level 3 unobservable inputs were used to determine fair value measurement.

The Sunshine Coast Local Planning Scheme 2014 was adopted by Council in May 2014. The independent valuers included the revised planning scheme in determining land values by giving consideration to the restrictions on land use as defined by the Planning Scheme, and the impact these restrictions would have on the valuation of the land by market participants. Consideration was also given to other restrictions such as the existence of a deed of trust and the intended use of land where this had a significant impact on market value.

Asset Valuation Services developed a set of market based regional indices on behalf of Council for application in determining land fair value in the interim years between comprehensive revaluation as at 30 June 2015 and as at 30 June 2016. Valuers used a valuation technique that included indexing and maximised the relevant observable market inputs for the Sunshine Coast region. Indexation was based on land sales transactions and assessment of median/average price movement in the past twelve months for specific areas as follows:

Land Category	Average Increase
Hinterland	3%
Suburban Areas	4%
Coastal Areas	3%
Environmental Open Space Reserves	0%
Average Regional Land Value Movement	3.3%

Additions during the financial period are reported at cost of acquisition, which represents fair value.

Buildings (Level 2 and 3)

Building assets are reported at fair value for the year ended 30 June 2016 based on a desktop valuation.

Building fair values were last comprehensively determined by independent valuer, Australian Pacific Valuers (APV) for year ended 30 June 2014. Where there was a market for Council building assets, 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. The most significant inputs into this valuation approach were price per square metre for individual buildings.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Council buildings are typically of a specialised nature such that there is no active market for these assets. Fair value for these assets was measured on a cost approach by determining depreciated replacement cost. The gross current values were derived from reference to relevant recent construction data. As there is no depth of market for specialised buildings, the net current value is determined as the current depreciated replacement cost.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different patterns of consumption and/or useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, the pattern of consumption of the asset's future economic benefit, and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

Building fair values were updated by independent valuer, Australian Pacific Valuers (APV) for year ended 30 June 2016. Desktop valuations typically adjust prior comprehensive fair values to recognise current year movement in market value or replacement cost and remaining service potential.

Where there is an active market for Council building assets, 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. The most significant inputs into this valuation approach were price per square metre for individual buildings (level 2).

Where there was no depth of market, fair value has been derived using a cost approach; current replacement cost less accumulated depreciation adjusted to reflect the consumed or expired service potential of the building asset (level 3). Current replacement cost is derived from reference to recent cost of construction data for each particular building type and the observed movement applied as an index. Depreciation is calculated at the individual component level on a straight line basis.

Additions during the financial period are reported at cost of acquisition or cost of construction, which represents fair value.

Infrastructure Assets (Level 3)

Infrastructure assets are reported at fair value for the year ended 30 June 2016.

All Council infrastructure assets are held at fair value using a cost approach valuation technique. The depreciated 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.

Current Replacement Cost

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.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

A comprehensive revaluation of infrastructure assets is carried out every three years and was last undertaken during the 2014/2015 financial year at which time unit rates were developed to calculate the replacement cost of infrastructure assets. This process was performed in consultation with external independent engineers. The rates were developed to reflect Council's costs of construction at the time and also included the development of on cost rates and other factors associated with valuing the replacement of these assets. Assumptions and method of application are also developed and disclosed.

The unit rates (labour and materials) and quantities applied to determine the Current Replacement Cost of an asset or asset component are typically based on a "Brownfield" assumption to account for the costs associated with the replacement of the asset in situ.

A comprehensive revaluation includes physical verification, spatial alignment and condition assessment processes. Unit rates are applied to spatial dimensions and fair values are reported to reflect condition, if available, or age of the asset consistent with the principles of a cost approach embodied in AASB 13 Fair Value Measurement.

In the interim, between comprehensive revaluations, asset values are adjusted to reflect changes in the cost of constructing infrastructure by referencing recent data applicable for the region and applying the movement as an index.

Accumulated Depreciation

Assets are recognised at component level and componentisation is based around significance and behaviour. In determining the level of accumulated depreciation asset cost is systematically allocated over a defined useful life. Allowance has been made for the typical asset life cycle and renewal treatments. Estimated useful lives are disclosed in Note 16 and residual values are not recognised for infrastructure.

While the unit rates can be supported by market evidence (level 2), the estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

Road and Bridge Infrastructure (Level 3)

The Sunshine Coast Local Planning Scheme 2014 was adopted by Council in May 2014. This Planning Scheme 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 formation.

The fair value of these assets was restated as at 30 June 2016 to reflect changes in the cost of construction for the region. The AASB Producer Price Index "Road and Bridge Construction - Queensland (3101)" is referred to. This index decreased by 1.505 % from June 2015 to June 2016. Management judge the change in this index to be the most appropriate measure for reflecting changes in fair value of assets of this nature.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Average costs for each of the key components:

Asset Category	Key Cost Components	Measurement Unit	Cost/Unit \$
Sealed roads	Pavement: gravel	cubic metre	205.01
	Surface: Spray seal	square metre	9.25
	Surface: Asphalt	cubic metre	549.92
Formation		square metre	33.55
Unsealed roads	Gravel	cubic metre	256.26
Bridges	Concrete	square metre	5,582.87
	Timber	square metre	3,684.69
Traffic signals	Intersection	each	238,357.42
	Pedestrian	each	107,260.84
Pathway	Concrete	square metre	99.81
Kerb and channel	Concrete	linear metre	52.25
Retaining walls	Material	square metre	437.45

Average increase to cost of construction for each major component:

Component	Unit	2016		2015	
		Sealed Roads	Unsealed Roads	Sealed Roads	Unsealed Roads
Seal	\$/m2	\$ 16.50	n/a	\$ 16.75	n/a
Pavement	\$/m2	\$ 51.25	\$ 63.10	\$ 52.04	\$ 65.04
Formation	\$/m2	\$ 33.55	\$ 41.30	\$ 34.06	\$ 42.58

Sealed Roads

For sealed roads, a consumption assessment is undertaken cyclically and is based on four health indices, each expressed as a numerical value to provide an estimate of current health, the proportion of health remaining and the remaining useful lives of the assets. The four health indices used were:

- 1) The Pavement Health Roughness Index (PHNI), which is a function of both the surface roughness and of lane average annual daily traffic (AADT). Perfect health (as indicated by roughness) is retained for all traffic levels up to a roughness of 40 NAASRA (National Association of Australian State Road Authorities) per roughness counts per kilometre.
- 2) The Pavement Health Rutting Index (PHRI), which is a function of mean rut depth, annual rainfall and lane AADT. Perfect health (as indicated by rutting) is retained for all levels of traffic and rainfall until mean rut depth is 2mm.
- 3) The Surface Health Cracking Index (SHCI), which is a function of the percentage area of cracking, the annual rainfall and the lane-AADT. A larger percentage cracking and annual rainfall combined with high traffic levels causes a migration of base and sub base material resulting in damage to the underlying pavement from the ingress of water.
- 4) The Surface Health Texture Index (SHTI), which is a function of the percentage of road affected by texture distresses, rainfall and lane AADT. The index covers surface distresses caused by ravelling and stripping, leading to the loss of stone, which affects the waterproofing provided by the road surface.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

An aggregate of these indices is used to determine condition based on the asset accounting condition scale.

Condition Assessment	Index Value	Consumption (Range)	Consumption (Average)	Remaining Useful Life
Excellent	80 - 100	0 - 20%	10%	90%
Very good	60 - 80	20 - 40%	30%	70%
Good	40 - 60	40 - 60%	50%	50%
Fair	20 - 40	60 - 80%	70%	30%
Poor	< 20	80 - 100%	90%	10%
Nil	Nil	Non-existent	100%	Non-existent

Bridges

For bridges, a consumption assessment is undertaken cyclically and includes a visual inspection to determine condition. Where a review is deemed appropriate the condition scale outlined above is used as a basis for assessment of fair value, remaining service potential and remaining useful life.

Additions during the financial period are reported at cost of construction, which represents fair value.

Stormwater and Drainage Infrastructure (Level 3)

A comprehensive valuation of Council's stormwater and drainage assets is carried out every three years. In the interim the valuation of stormwater and drainage assets is indexed by reference to an appropriate measure of the cost of constructing these assets. As a large proportion of stormwater and drainage assets are located under or nearby roadways and often constructed at the same time the changes in construction costs are similar and accounted for accordingly. The last comprehensive revaluation of stormwater infrastructure was completed as at 30 June 2015.

Additions during the financial period are reported at cost of construction, which represents fair value.

Whilst a straight line useful life is assumed to be true at the outset, an annual cyclical review of fair value is carried out in order to determine where there is a departure from assumptions and expected pattern of consumption of future economic benefits embodied in the assets has occurred.

Average costs for each of the key components:

Asset Category	Key Cost Components	Measurement Unit	Cost/Unit
Stormwater	Pits - concrete	based on type and dimensions	\$3,652.13
	Pipes - material	type and linear metre	\$1,167.81
	Open drains - concrete	linear metre	\$118.17
	Water quality devices	each	\$30,425.51

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Average increase to cost of construction for each major component:

Diameter (mm)	Unit	% Network	2016	2015
			Pipes	Pipes
< 600 mm	\$/m	70%	\$322.37	\$327.30
600-1300 mm	\$/m	27%	\$1,183.93	\$1,202.02
> 1300 mm	\$/m	3%	\$4,566.90	\$4,636.69

Additions during the financial period are reported at cost of construction, which represents fair value.

Other - Facility Infrastructure (Level 3)

Fair values were updated by Australian Pacific Valuers (APV) using a desktop valuation technique in 2015/16. Desktop valuations typically adjust prior comprehensive fair values to recognise current year movement in market value or replacement cost and remaining service potential.

Council facilities, such as aquatic centres, holiday parks, and waste recycle 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 depreciated 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.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different patterns of consumption and/or useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, the pattern of consumption of the asset's future economic benefit, and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

Additions during the financial period are reported at cost of acquisition or cost of construction, which represents fair value.

Other - Park Infrastructure (Level 3)

Park assets are reported at fair value for the year ended 30 June 2016.

Park, sport and open space infrastructure assets were comprehensively revalued during the year ended 30 June 2015 by GHD - Consulting Engineers.

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 a depreciated replacement cost (DRC) 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. Annual depreciation is calculated at component level on a straight line basis.

Additions during the financial period are reported at cost of acquisition or cost of construction, which represents fair value.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Plant & Equipment

Plant and Equipment assets are reported at Historical Cost for the year ended 30 June 2016.

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

Waste Landfill Cells

Waste landfill cells fair values were determined by Council engineers as at 30 June 2016. Current Replacement Cost was calculated by reference to landfill cell area and volume specifications, estimated labour and material inputs, services costs, and overhead allocations. Material and services costs were determined by reference to Council's existing supplier contracts and labour costs. Costs for each of the key components were dependant on the scope and timing of works undertaken and existed within the following ranges:

Asset category	Key cost components	Measurement unit	Cost/Unit \$
Waste landfill cells	Preliminary and preparation	per cubic metre	2.00 - 8.00
	Excavation	per cubic metre	2.50 - 5.00
	Base liner and leachate drain	per cubic metre	28.00 - 35.00
	Construction		
	Stormwater management system	per cubic metre	18.00 - 25.00

Depreciated Replacement Cost was determined through assessment of the remaining air space for each landfill cell, which was also used to determine remaining useful life. Waste landfill valuations are included in level 3 valuations.

Notes to the Financial Statements

For the year ended 30 June 2016

Property, Plant and Equipment - Fair Values continued

Sunshine Coast Airport

Sunshine Coast Airport assets are reported across asset financial classes as per Note 16. Assets are reported at fair value for the year ended 30 June 2016.

Building and other facility asset fair values were last comprehensively determined by independent valuer Australian Pacific Valuers as at year ended 30 June 2014.

Fair values for these assets were measured on a cost basis by determining depreciated replacement cost. The gross current values were derived from reference to relevant recent construction data. The net current value is determined as the current depreciated replacement cost.

Asset fair values were updated by independent valuer Australian Pacific Valuers for year ended 30 June 2016. Desktop valuations typically adjust prior comprehensive fair values to recognise current year movement in market value or replacement cost and remaining service potential.

Land fair values were last comprehensively determined by Asset Valuation Services for year ended 30 June 2014. Values were based on analysis of sales evidence and comparisons, with consideration also given to the existence of restrictions and active markets. Where there were no restrictions and an active market was present, level 2 observable inputs were used to determine fair value measurement. Where there were restrictions and an active market could not be identified, level 3 unobservable inputs were used to determine fair value measurement.

The Sunshine Coast Local Planning Scheme 2014 was adopted by Council in May 2014. The independent valuers included the revised planning scheme in determining land values by giving consideration to the restrictions on land use as defined by the Planning Scheme, and the impact these restrictions would have on the valuation of the land by market participants. Consideration was also given to other restrictions such as the existence of a deed of trust and the intended use of land where this has a significant impact on market value.

Asset Valuation Services determined land fair values for year ended 30 June 2016 by using an index valuation technique that maximise the relevant observable market inputs for the Sunshine Coast region. Indexing was based on land sales transactions and assessment of median/average price movement in the past twelve months. An average 4% increase to land values was determined for the Mudjimba area.

Additions during the financial period are reported at cost of acquisition or cost of construction, which represents fair value.

Net Fair value of Sunshine Coast Airport asset

	2016 \$'000	2015 \$'000
Land	54,315	49,748
Buildings	22,372	21,327
Other Infrastructure	36,379	33,687
Plant and Equipment (held at Historic Cost)	2,796	3,220
Intangibles	173	214
	116,035	108,196

Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
18. Intangible assets					
<u>Software</u>					
Opening gross carrying value		23,905	20,541	23,905	20,541
Additions at cost		3,749	3,793	3,749	3,793
Disposals		-	(429)	-	(429)
Closing gross carrying value		27,654	23,905	27,654	23,905
<u>Accumulated amortisation</u>					
Opening balance		6,741	4,266	6,741	4,266
Amortisation in the period		3,717	2,862	3,717	2,862
Disposals		-	(387)	-	(387)
Closing accumulated amortisation		10,458	6,741	10,458	6,741
<u>Capital Works in Progress</u>					
Opening gross carrying value		3,611	3,974	3,611	3,974
Transfer between PP&E	16	(274)	-	(274)	-
Additions at cost		3,721	3,430	3,721	3,430
Capital works completed		(3,749)	(3,793)	(3,749)	(3,793)
Closing gross carrying value		3,309	3,611	3,309	3,611
Closing carrying value at 30 June 2016		20,504	20,774	20,504	20,774
19. Trade and other payables					
Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.					
<u>Current</u>					
Creditors and accruals		34,491	31,377	34,091	31,537
Annual leave		9,762	9,742	9,762	9,551
Other employee entitlements		581	651	581	542
		44,834	41,770	44,434	41,630
<u>Non-Current</u>					
Annual Leave		1,162	1,370	1,105	1,296
		1,162	1,370	1,105	1,296
20. Borrowings					
<u>Current</u>					
Queensland Treasury Corporation		19,848	13,838	19,848	13,838
<u>Non-Current</u>					
Queensland Treasury Corporation		274,131	253,331	274,131	253,331
21. Loans					
(i) Queensland Treasury Corporation		293,979	267,169	293,979	267,169
Classified as:					
- Current Debt Pool		19,848	13,838	19,848	13,838
- Non-current Debt Pool		274,131	253,331	274,131	253,331
		293,979	267,169	293,979	267,169

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Loans continued</i>				
(i) Queensland Treasury Corporation				
- Opening balance (Book Value)	267,169	224,223	267,169	224,223
- Loans raised	40,423	53,700	40,423	53,700
- Repayments	(27,575)	(23,149)	(27,575)	(23,149)
- Interest - Includes capitalised interest	13,963	12,394	13,963	12,394
- Balance at the end of the year (Book Value)	293,979	267,169	293,979	267,169
Balance at the end of the year (Market Value)	340,301	297,022	340,301	297,022
<p>The market value represents the value of the debt if the Council repaid the debt as at 30 June 2016. As it is the intention of the 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 5.21% (5.33% in 2015).</p> <p>Borrowings are all in Australian dollars and carried at amortised cost, interest being expensed as it accrues.</p> <p>No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland State Government.</p>				
22. Provisions				
<u>Current</u>				
Long service leave	17,768	17,097	17,685	17,097
Landfill rehabilitation	2,443	318	2,443	318
Quarry rehabilitation	-	144	-	144
	20,210	17,560	20,127	17,560
<u>Non-Current</u>				
Long service leave	4,817	4,788	4,788	4,788
Landfill rehabilitation	23,403	25,867	23,403	25,867
Quarry rehabilitation	2,487	2,277	2,487	2,277
	30,707	32,932	30,678	32,932
Details of movements in Landfill and Quarry provisions:				
Long service leave				
Balance at beginning of financial year	21,885	21,083	21,885	21,083
Long service leave entitlement arising	2,986	3,011	2,986	3,011
Long Service entitlement paid	(1,447)	(1,957)	(1,447)	(1,957)
Long Service entitlement extinguished	(952)	(252)	(952)	(252)
Balance at end of financial year	22,471	21,885	22,472	21,885
Landfill Rehabilitation				
Balance at beginning of financial year	26,186	16,776	26,186	16,776
Increase (decrease) in provision due to effect of interest rate movement	5,987	-	5,987	-
Increase (decrease) in provision due to unwinding of discount	417	1,529	417	1,529
Increase (decrease) in provision due to change in estimate	(3,000)	8,240	(3,000)	8,240
Increase (decrease) in provision as a result of actual expenditure incurred during the year	(3,744)	(360)	(3,744)	(360)
Balance at end of financial year	25,846	26,186	25,846	26,186

Notes to the Financial Statements
For the year ended 30 June 2016

	Note	Consolidated	Consolidated	Council	Council
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
<i>Provisions continued</i>					
Quarry Rehabilitation					
Balance at beginning of financial year		2,421	2,178	2,421	2,178
Increase (decrease) in provision due to effect of interest rate movement		571	248	571	248
Increase (decrease) in provision due to unwinding of discount		64	-	64	-
Increase (decrease) in provision due to change in estimate		(538)	7	(538)	7
Increase (decrease) in provision as a result of actual expenditure incurred during the year		(30)	-	(30)	(12)
Balance at end of financial year		2,487	2,433	2,487	2,421

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.

Landfill Site	Expected Closure Year	Post Closure Monitoring Cost Completion Year
Coolum	2009	2039
Buderim	2005	2035
Pierce Avenue	2028	2058
Nambour Landfill	2022	2052
Old Buderim Landfill	1989	2019

At 30 June 2016 the net present value of the projected costs over the next 30 years has been assessed as \$22.437 million.

Capital Market Yields - Government 10 year bond rate for 2016 was 1.98% (2015 3.01%).

23. Other liabilities

Current

Non policy developer contributions
Unearned revenue

8,299	5,919	8,299	5,919
7,051	6,506	7,051	6,506
15,350	12,425	15,350	12,425

24. Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:
Balance at beginning of period

Land and improvements
Buildings
Road and bridge network
Stormwater and drainage network
Other infrastructure

23,511	-	23,511	-
45,618	59,757	45,618	59,757
500,967	487,472	500,967	487,472
253,440	101,807	253,440	101,807
66,670	46,561	66,670	46,561
890,207	695,598	890,207	695,598

Net adjustment to road assets to reflect a correction to a prior year unit rate

16

-	(6,625)	-	(6,625)
-	(6,625)	-	(6,625)

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Asset revaluation surplus continued</i>				
Net adjustment to non-current assets to reflect a change in current fair value				
Land and improvements	14,233	23,511	14,233	23,511
Buildings	10,254	(14,139)	10,254	(14,139)
Road and bridge network	(20,633)	20,120	(20,633)	20,120
Stormwater and drainage network	(13,048)	151,633	(13,048)	151,633
Other infrastructure	8,120	20,109	8,120	20,109
	(1,074)	201,234	(1,074)	201,234
Closing balance of the asset revaluation surplus is comprised of the following asset categories:				
Land and improvements	37,744	23,511	37,744	23,511
Buildings	55,872	45,618	55,872	45,618
Road and bridge network	480,334	500,967	480,334	500,967
Stormwater and drainage network	240,392	253,440	240,392	253,440
Other infrastructure	74,790	66,670	74,790	66,670
	889,133	890,207	889,133	890,207
25. Commitments for expenditure				
Operating leases				
Minimum lease payments in relation to non-cancellable operating leases are as follows:				
Within one year	5,443	5,067	5,443	5,067
One to five years	6,845	5,915	6,845	5,915
Greater than five years	468	2,568	468	2,568
	12,756	13,550	12,756	13,550
Contractual commitments				
Contractual commitments at balance date but not recognised in the financial statements are as follows:				
Within one year	99,803	40,159	99,756	40,159
One to five years	89,494	108,147	89,486	108,147
Greater than five years	24,807	44,311	24,807	44,311
	214,104	192,617	214,049	192,617
Capital commitments				
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:				
Aerodromes	42	101	42	101
Buildings and Facilities	574	1,011	574	1,011
Coast and Canals	155	287	155	287
Corporate Major Projects	30	-	30	-
Divisional Allocations	656	1,097	656	1,097
Environmental Operations	-	336	-	336
Fleet	-	759	-	759
Holiday Parks	-	132	-	132
Information Technology	180	972	180	972
Parks, Gardens and Reserves	-	1,851	-	1,851
Quarries	100	179	100	179
Stormwater	437	989	437	989
Strategic Land and Planning	3,808	5,554	3,808	5,554
Sunshine Coast Airport	1,964	2,417	1,964	2,417
Transportation	3,099	9,618	3,099	9,618
Waste	-	2,849	-	2,849
These expenditures are payable within one year	11,045	28,153	11,045	28,153

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
Note				
26. Contingent liabilities				
Details and estimates of maximum amounts of contingent liabilities are as follows:				
At 30 June 2016 there are 32 insurance claims under management with Council's public liability insurer, LGM. The amount required assuming the claims proceed to settlement is:	247	354	242	354
At 30 June 2016 there are 6 compulsory land acquisition claims pending and are not expected to exceed:	2,030	6,945	2,030	6,945
Total Contingent Liabilities	2,277	7,299	2,272	7,299

Caloundra South Priority Development Area (PDA)

Caloundra South is a proposed new Sunshine Coast master planned community with the potential to enhance regional amenity, prosperity and liveability as well as the ongoing preservation and rehabilitation of environmentally sensitive areas.

The Caloundra South vision and project name "Aura, the City of Colour" were launched on 1 October 2015.

On 2 November 2015, the Caloundra South Priority Development Area Infrastructure Agreement (Local Government Infrastructure) commenced and formally took effect.

The signing of the tripartite infrastructure agreement ensures all the necessary local government infrastructure required to service the Caloundra South PDA will be provided at no extra cost to Council, beyond that which would normally be the responsibility of Council and funded by rates, and delivered in a coordinated manner.

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 \$3,229,416.99.

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 2016 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Notes to the Financial Statements

For the year ended 30 June 2016

27. Superannuation

The Sunshine Coast Regional Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 Employee Benefits.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The Regional DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant employers subject to advice from the scheme's actuary. As at the reporting date, no changes had 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.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date".

In the 2015 actuarial report the actuary has recommended no changes to the employer contribution levels at this time.

Under the *Local Government Act 2009* the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities.

Sunshine Coast Regional Council made 6.32% of the total contributions to the plan for the 2015/16 financial year.

The next actuarial investigation will be conducted as at 1 July 2018.

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
<i>Superannuation continued</i>				
The amount of superannuation contributions paid by Sunshine Coast Regional Council to the superannuation scheme in this period for the benefit of employees was:				
4	18,179	15,769	18,104	15,752
28. Operating lease income				
The minimum lease payments are payable as follows:				
Within one year	3,582	4,246	3,582	4,246
One to five years	8,316	10,357	8,316	10,357
Greater than five years	10,522	11,845	10,522	11,845
	22,420	26,448	22,420	26,448
29. Controlled entities				
The council has a 100% controlling interest in Sunshine Coast Events Centre Pty Ltd and SunCentral Maroochydore Pty Ltd.				
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 the development of the new Maroochydore City Centre - a 53 hectare former golf course that will include commercial, retail, residential and cultural precincts with over 40 percent of the site dedicated to parks and waterways. In June 2016, SunCentral Maroochydore Pty Ltd officially invited Expressions of Interest in the new city centre with Stage 1 land expected to be available for sale during 2016/17.				
The following table shows revenue and expenses before consolidating eliminations.				
	SunCentral Maroochydore PL		Sunshine Coast Events Centre PL	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Revenue	8,646	429	3,332	2,994
Expenses	(8,593)	(383)	(3,292)	(2,943)
Surplus / (deficit)	53	46	40	51
30. Trust funds				
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities.				
	-	-	5,641	4,474
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.				

Notes to the Financial Statements
For the year ended 30 June 2016

	Consolidated 2016 \$'000	Consolidated 2015 \$'000	Council 2016 \$'000	Council 2015 \$'000
31. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities				
Net result	192,280	182,802	157,082	158,835
Non-cash items				
Depreciation and amortisation	67,785	62,359	67,784	62,359
Share of net profit of associate	(34,676)	(24,298)	-	-
	33,109	38,061	67,784	62,359
Investing activities				
Net loss on disposal of property, plant and equipment	1,374	5,093	1,374	5,093
Capital grants and contributions	(135,396)	(140,541)	(135,396)	(140,541)
(Profit) / Loss on transfer of net assets on discontinued operations	-	1,562	-	1,562
	(134,023)	(133,886)	(134,023)	(133,886)
Changes in operating assets and liabilities				
(increase)/decrease in receivables	(2,310)	6,078	(527)	6,030
(increase)/decrease in inventory	(681)	158	(655)	157
increase/(decrease) in payables	4,256	(10,241)	4,013	(10,471)
increase/(decrease) other liabilities	2,925	2,520	1,525	2,520
increase/(decrease) in other provisions	425	9,700	314	9,700
	4,615	8,215	4,670	7,936
Net cash inflow from operating activities	95,981	95,192	95,513	95,244

32. Financial Instruments

Financial Risk Management

Council's principal financial investments comprise cash and cash equivalents, investments, loans at amortised cost and borrowings. The main purpose of these financial instruments is to provide the financial capability to support Council's operations and acquisition of non-current assets.

Council's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council.

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.

Notes to the Financial Statements

For the year ended 30 June 2016

Financial Instruments continued

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. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council does not enter into derivatives.

Sunshine Coast Regional Council measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

Credit risk exposure

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations. These obligations arise principally from the council's investments and receivables from customers.

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 these defaults.

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

The Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC), loans to Unitywater and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks/financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

The subordinate loan to Unitywater, which represents \$434,394,000 has been renegotiated to terminate on 30 June 2033 and is not secured.

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

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of impairment.

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

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

Notes to the Financial Statements

For the year ended 30 June 2016

Financial Instruments continued

Council's maximum exposure to credit risk is as follows:

Financial Assets	Note	2016	2015	2016	2015
		Consolidated		Council	
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	10	320,010	288,371	318,556	287,386
Receivables - rates	11	4,644	5,511	4,645	5,511
Receivables - other	11	10,290	8,370	10,290	8,308
Other credit exposures					
Guarantees	26	3,229	3,363	3,229	3,363
Loan to Unitywater - Subordinate	11	434,393	434,393	434,393	434,393
Debt and working Capital					
Shares Held in Controlled Entities	11	-	-	500	500
		772,566	740,009	771,613	739,461

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.

The following represents an analysis of the age of the Council's financial assets that are either fully performing, past due or impaired:

Consolidated 2016

Fully performing (\$000's)	Past due (\$000's)					Total (\$000's)
	Not past due	30-60 days	61-90 days	Over 90 days	Impaired	
Receivables	11,126	946	390	3,935	(1,463)	14,934
Loans and advances to Unitywater	-	-	-	434,393	-	434,393
	11,126	946	390	438,328	(1,463)	449,327

Consolidated 2015

Fully performing (\$000's)	Past due (\$000's)					Total (\$000's)
	Not past due	30-60 days	61-90 days	Over 90 days	Impaired	
Receivables	10,890	641	297	3,683	(1,631)	13,881
Loans and advances to Unitywater	-	-	-	434,393	-	434,393
	10,890	641	297	438,077	(1,631)	448,274

Council 2016

Fully performing (\$000's)	Past due (\$000's)					Total (\$000's)
	Not past due	30-60 days	61-90 days	Over 90 days	Impaired	
Receivables	11,126	947	390	3,935	(1,463)	14,935
Loans and advances to Unitywater	-	-	-	434,893	-	434,893
	11,126	947	390	438,828	(1,463)	449,828

Notes to the Financial Statements

For the year ended 30 June 2016

Financial Instruments continued

Council 2015						
Fully performing (\$000's)	Past due (\$000's)					Total (\$000's)
	Not past due	30-60 days	61-90 days	Over 90 days	Impaired	
Receivables	10,828	641	297	3,683	(1,631)	13,819
Loans and advances to Unitywater	-	-	-	434,893	-	434,893
	10,828	641	297	438,577	(1,631)	448,712

Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 20.

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 table sets out the liquidity risk of financial liabilities held by the 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	0 to 1 year	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Trade and other payables	34,491	-	-	34,491
Loans - QTC	29,635	119,952	257,687	407,274
Loans - other	-	-	-	-
	64,126	119,952	257,687	441,765
2015				
Trade and other payables	31,377	-	-	31,377
Loans - QTC	27,575	109,872	237,175	374,622
Loans - other	-	-	-	-
	58,952	109,872	237,175	405,999

Notes to the Financial Statements

For the year ended 30 June 2016

Financial Instruments continued

Council	0 to 1 year	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Trade and other payables	34,091	-	-	34,091
Loans - QTC	29,635	119,952	257,687	407,274
	63,726	119,952	257,687	441,365
2015				
Trade and other payables	31,538	-	-	31,538
Loans - QTC	27,575	109,872	237,175	374,622
	59,114	109,872	237,175	406,161

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.

Interest rate risk

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

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

Consolidated

	Net carrying amount		Profit		Equity	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	-	-	4,344	4,349	4,344	4,349
Financial liabilities	(3,403)	(2,970)	(3,403)	(2,970)	(3,403)	(2,970)
Net total	(3,403)	(2,970)	941	1,379	941	1,379

Council

	Net carrying amount		Profit		Equity	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	-	-	4,344	4,349	4,344	4,349
Financial liabilities	(3,403)	(2,970)	(3,403)	(2,970)	(3,403)	(2,970)
Net total	(3,403)	(2,970)	941	1,379	941	1,379

The risk in borrowing is effectively managed by borrowing only from the Queensland Treasury Corporation 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.

Notes to the Financial Statements

For the year ended 30 June 2016

Financial Instruments continued

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
	\$'000	\$'000
2016		
Queensland Treasury Borrowings	293,979	340,301
2015		
Queensland Treasury Borrowings	267,169	297,022

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 with QTC 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 value of debt is provided by QTC. 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 rate method.

33. National Competition Policy

- a) Before the end of each financial year, the Minister must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity".

The thresholds for the 2015-16 financial year are as follows:

- (1) for water and sewerage combined activities - \$13,600 million
- (2) for other activities - \$9 million

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

Notes to the Financial Statements

For the year ended 30 June 2016

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

A business activity of a local government is divided into two categories:

Roads business activity means

- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement or;
- (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

Other business activity, referred to as type three activities, means the following:

- (i) trading in goods and services to clients in competition with the private sector, or
- (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents any activities cost(s) which would not be incurred if the activities primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

The Council has resolved to apply the CCC to the following activities:

- Sunshine Coast Airport
- Waste Management
- Quarry Operations
- Holiday Parks

The following activity statements are for activities subject to the competitive code of conduct:

	Airport	Quarry Operations	Holiday Parks	Waste
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000
Revenue for services provided to Council	15	6,945	-	1,122
Revenue for services provided to external clients	18,123	404	14,596	53,488
Community Service Obligations	122	-	-	542
	18,260	7,349	14,596	55,152
Less : Expenditure	14,087	7,188	7,727	44,969
Surplus / (deficit)	4,173	160	6,869	10,183

Notes to the Financial Statements

For the year ended 30 June 2016

Description of CSO's provided to business activities:

Activities	CSO Description	Net cost 2016 \$'000
Sunshine Coast Airport	Reduce lease rentals and landing fees to community bodies	122
Waste Management	Waste collection and disposal charges for charitable organisations	542

Sunshine Coast Airport Runway Project

The Sunshine Coast Airport Runway project represents the ongoing development of an airport that has been operational and evolving for more than 50 years. As the region continues to grow the airport must expand to meet the needs of the community and to continue to support the development of the region's economy.

The Runway Project will deliver a new 2450m x 45m runway fully compliant with regulatory standards, runway end taxiway loops, an expanded apron and terminal facilities and associated infrastructure.

The project will enable direct flights to more destinations across Australia, Asia and the Western Pacific, enhancing national and global connections. It will generate jobs and economic growth, boost tourism, help export businesses and secure air access to the Sunshine Coast for generations to come.

The Queensland State Coordinator General's report delivered on 19 May 2016 has approved the Environmental Impact Statement (EIS) for the Sunshine Coast Airport Expansion Project.

It is envisaged the new runway will be open and operating in 2020.

Council has agreed to seek a partner to progress the project and has undertaken an Expression of Interest process to identify the preferred partner. This process will then progress through Indicative and Binding Bid stages before the preferred partner is known.

34. Events after the reporting period

There are no material adjusting events after the balance date.

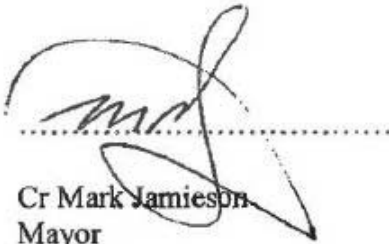
MANAGEMENT CERTIFICATE

For the year ended 30 June 2016

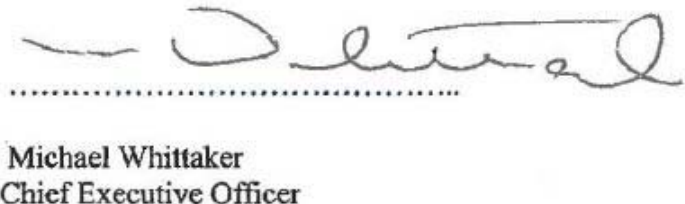
These general purpose financial statements have been prepared pursuant to section 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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 55, 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.


.....
Cr Mark Jamieson
Mayor

Sunshine Coast Regional Council


.....
Michael Whittaker
Chief Executive Officer

Sunshine Coast Regional Council

Dated 10th October 2016

Dated 10th October 2016

3. INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Sunshine Coast Regional Council

Report on the Financial Report

I have audited the accompanying financial report of the Sunshine Coast Regional Council, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

The Council's Responsibility 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 prescribed accounting requirements identified in the Local Government Act 2009 and Local Government Regulation 2012, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

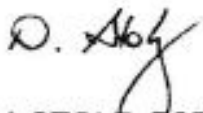
Opinion

In accordance with s.40 of the Auditor-General/ Act 2009 -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Sunshine Coast Regional Council and the consolidated entity for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

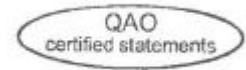
Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D A STOLZ FCPA
(as delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane



Current Year Financial Sustainability Statement
Sunshine Coast Regional Council
For the year ended 30 June 2016

Measures of Financial Sustainability

Council's performance at 30 June 2016 against key financial ratios and targets:

		Consolidated 2016	Council 2016	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	14.1%	6.5%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	88.0%	88.0%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	8.6%	9.7%	not greater than 60%

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 2016.

Certificate of Accuracy

For the year ended 30 June 2016

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 ... 10th ... October 2016


 Michael Whittaker
 Chief Executive Officer
 Sunshine Coast Regional Council
 Dated ... 6th ... October 2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Sunshine Coast Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Sunshine Coast Regional Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. 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.

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

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Sunshine Coast Regional Council, for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter- Basis of Accounting

Without modifying my opinion, attention is drawn 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.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D A STOLZ FCPA
(as delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Long-Term Financial Sustainability Statement
Sunshine Coast Regional Council
For the year ended 30 June 2016

Measures of Financial Sustainability Council	Measure	Target	Actuals at 30 June 2016	Forward Estimates									
				30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2024	
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	6.5%	7.4%	7.7%	7.8%	9.5%	9.2%	6.7%	8.3%	8.9%	9.5%	
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	88.0%	85.5%	76.3%	76.5%	73.6%	76.2%	75.6%	77.5%	72.9%	74.5%	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	9.7%	40.5%	51.9%	65.2%	92.7%	93.3%	16.9%	13.0%	8.7%	5.8%	

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 table shows whether Sunshine Coast Regional Council is performing within accepted target ranges. It clearly indicates that council is achieving or out-performing the identified benchmarks in both of the key liquidity measures apart from the years 2019 to 2021 for the Net Financial Liabilities Ratio.

Consultation with Queensland Treasury Corporation (QTC) was undertaken for the financial assessment of the Sunshine Coast Airport Runway Project, particularly Council's ability to manage the Net Financial Liabilities ratio. QTC have stated their acceptance of Council exceeding the target Net Financial Liabilities ratio range for years 2019 to 2021, subject to further review of the Sunshine Coast Runway Project business case.


For the Asset Sustainability ratio, there is an ongoing review of asset management plans that will confirm the desired level of expenditure on the renewal and refurbishment of council assets. This will enable a review of the capital program to ensure an appropriate level of work is scheduled for existing assets.

Certificate of Accuracy


For the year ended 30 June 2016

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 . 10th October 2016



Michael Whittaker
 Chief Executive Officer
 Sunshine Coast Regional Council
 Dated . 10th October 2016



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

