



Hon Tim Nicholls MP
Member for Clayfield
Treasurer and Minister for Trade

TOQ-04307

14 OCT 2013

Councillor Mark Jamieson
Mayor
Sunshine Coast Regional Council
Locked Bag 72
SUNSHINE COAST MAIL CENTRE QLD 4560

Dear Mayor *Jamieson Mark,*

Maroochydore Central Precinct – Financial and Governance Arrangements

Thank you for your letter of 22 August 2013 regarding the financial and governance arrangements for the Maroochydore Central Precinct project for the Sunshine Coast Regional Council (SCRC).

I note that you have proposed a special purpose vehicle under the *Corporations Act 2001* to oversee the development of the project, deliver necessary infrastructure and progressively release land in the precinct on the open market.

Pursuant to section 73(1) of the *Statutory Bodies Financial Arrangements Act 1982* (SBFA Act), I have granted specific approval for the SCRC to enter into a type 1 financial arrangement under section 60A of the SBFA Act, whereby the SCRC establishes a special purpose vehicle under the *Corporations Act 2001* to manage the project delivery, marketing and sales of the Maroochydore Central Precinct. As you will note, this approval has been granted subject to a number of conditions. A copy of the relevant SBFA Act specific approval instrument is attached for your records.

In relation to your question about *ex gratia* relief for the proposed transfer of the site to the legally separate entity, duty applies unless an exemption or concession applies.

The *Duties Act 2001* provides an exemption to facilitate changes to a corporate structure that makes internal adjustments to corporate arrangements. A number of conditions apply to prevent exploitation of the exemption by acquiring property in other circumstances without paying duty. For example, the entities are required to be group companies from the time the relevant property is acquired, or have been group companies for three years at the time the property is subsequently transferred.

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Where there is a liability under the *Duties Act 2001*, ex gratia relief from duty is usually only provided in cases where an anomaly or inconsistency in State tax legislation results in it applying in an unintended manner. On the basis of the information provided, Queensland Treasury and Trade is unlikely to recommend the provision of any ex gratia relief in this case.

If you require further information or assistance, your officers may contact Mr Gerard Benedet, Chief of Staff of my office on (07) 3224 6900.

Yours sincerely



Tim Nicholls
Treasurer and Minister for Trade

Encl.

Statutory Bodies Financial Arrangements Act 1982

SPECIFIC APPROVAL UNDER DIVISION 3 OF PART 9

Pursuant to section 73(1) of the *Statutory Bodies Financial Arrangements Act 1982* (SBFA Act), I hereby grant specific approval for the Sunshine Coast Regional Council (the Council) to enter into a "type 1 financial arrangement" under section 60A of the SBFA Act, whereby the Council establishes a special purpose vehicle under the *Corporations Act 2001* to manage the project delivery, marketing and sales of the Maroochydore Central Precinct. This approval is granted on the following conditions:

1. that the Council does not provide any form of guarantee to the special purpose vehicle or its undertakings;
2. that the special purpose vehicle does not borrow from Queensland Treasury Corporation and that any borrowings be from the commercial sector; and
3. that the Council does not guarantee or underwrite any borrowings that the special purpose vehicle accesses from the commercial sector.



TIM NICHOLLS
TREASURER AND MINISTER FOR TRADE
14/12/2013

