

# Statement of Corporate Intent

As at [insert date] 2014

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[insert name of NewCo]

XXXXX Pty Ltd

draft

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## 1. Introduction

This Statement of Corporate Intent represents the performance contract between [XXXXX Pty Ltd] (**Company**) and its sole member, the Sunshine Coast Council (**Council**) on the Company's expected level of performance in relation to delivering and managing Council's landholding in the Maroochydore City Centre Priority Development Area (**MCC**). In discharging its responsibilities, the Company acknowledges the strategic reasons why Council acquired the MCC site and undertakes to reflect these reasons when performing its core business. These reasons include:

- A long-standing and un-met community service requirement for the provision of facilities for the Sunshine Coast population and to deliver the Principal Activity Centre for the Sunshine Coast Region as identified in the 2005-2026 South East Queensland Regional Plan prepared by the Queensland State Government.
- Following a market failure, an acknowledgement by Council that the private sector was not prepared to deliver the civic infrastructure and core community facilities required by the community.
- The ability to secure the MCC land to ensure that the necessary civic infrastructure for a high functioning principal activity centre and core community facilities would be delivered for the Sunshine Coast.
- The ability to secure core infrastructure corridors to facilitate the cost effective and timely development of the MCC.
- The ability to create significant employment and investment opportunities in Maroochydore.
- The ability to create an economic stimulus for the Sunshine Coast.

Council expects that the Company will give effect to and deliver the aspirations of Council to achieve a high density city centre, and to deliver an identifiable city heart for the wider Sunshine Coast.

The Statement of Corporate Intent is not legislatively required but has been prepared to be read with the Constitution and Corporate Plan of the Company as adopted from time to time. It details the Company's business objectives, strategies and governance, as agreed with the Council.

Under the Company's Constitution, and upon the recommendation of the Shareholder, the Board must adopt a Statement of Corporate Intent and must manage the Company in accordance with that Statement of Corporate Intent.

The Company is a special purpose entity established by the Council to be responsible for delivering and managing the MCC PDA as part of a 'beneficial enterprise' as defined under the *Local Government Act 2009* (Qld) (**LGA**). The Company is a proprietary company incorporated under the *Corporations Act 2001* (Cth) and is not a 'corporate entity' as defined under LGA.

## 2. Company Objects

The Company's objects are to:

- Promote, facilitate, carry out and control the development, disposal and management of land and other property within the MCC Priority Development Area (PDA);
- Achieve an appropriate balance between commercial and non-commercial functions;
- Ensure the MCC becomes a high density city centre and identifiable city heart for the wider Sunshine Coast;
- Accommodate public facilities and entertainment that benefit the general community; and
- Achieve excellence and innovation in the management of integrated private/public open space and park areas.

## 3. Corporate objectives and strategies

### 3.1 Core business

The Company's core business is to deliver and manage the MCC.

### 3.2 Corporate objectives

#### (a) Mission

To assist the Council to deliver a viable and contemporary city centre.

The Company will do this by:

- (i) attracting business, community and investor interest in the MCC;
- (ii) having regard to Council's and the State's broader planning requirements such as the Sunshine Coast Planning Scheme 2014, the Maroochydore City Centre Priority Development Area Development Scheme and the Regional Economic Development Strategy 2013-2033;
- (iii) promoting and developing further Council land holdings in the Maroochydore Principal Regional Activity Centre, which are made available to XXXXX Pty Ltd by the Council from time to time; and
- (iv) ensuring contemporary and responsive governance arrangements are in place to facilitate responsiveness to market conditions and investor demand.

#### (b) Specific Project Objectives

The Primary Objective of the MCC is to create a vibrant, attractive, workable precinct with access to services, employment and public transport.

Other identified objectives for the MCP include:

- (i) successful land use and transport interaction;

- (ii) successful pedestrian active transport and public transport oriented development;
- (iii) successful place-making;
- (iv) quality sub-tropical urban design and contemporary architecture;
- (v) economic benefits through investment and job creation;
- (vi) contribution to public realm and improved community facilities; and
- (vii) appropriate financial return to Council.

### **3.3 Corporate values**

The Company is committed to:

- achieving excellence in design, delivery and performance;
- respecting our people, the community and our partners;
- delivering high quality and contemporary community infrastructure;
- innovative, creative, inspirational and sustainable development;
- integrity and honesty in its actions;
- collaborative relationships and partnerships; and
- generating a return on investment for its shareholders.

## **4. Governance Issues**

### **4.1 Corporate Plan**

The Board must consult the Company's sole member, the Council, on the creation of, and any amendment to, the Company's Corporate Plan.

The Corporate Plan means the corporate plan (if any) which:

- (a) documents the future direction, goals and priorities for the Company; and
- (b) guides the Company's decision-making, budget operations and resource allocations to achieve the future direction, goals and priorities,

### **4.2 Budget**

**4.3 The Company's annual budget must be approved by its sole member, the Council, unless, or until, the Company generates sufficient surplus of revenue less expenditure so that it is financially independent from Council contributions. Decision-making**

The Board is solely responsible for the management of the Company in accordance with the Company's Constitution.

**4.4 Preparation of accounts and financial statements**

The Company's accounts and financial statements must be prepared in accordance with the requirements of the Corporations Act. If the Company is classified as a 'small proprietary company' under the Corporations Act and for that reason alone it is not required under the Corporations Act to prepare financial statements, the Company must still prepare half-yearly and yearly financial statements for each financial year as if it was directed to do so by its sole member, the Council.

**4.5 Reporting to shareholders**

**(a) Quarterly Reporting**

The Company must prepare and provide its sole member, the Council with a quarterly report for each quarter of each financial year.

The quarterly report monitors the performance of the Company as well as highlighting any major achievements within the reporting period and appraising its future prospects.

**(b) Annual Reporting**

The Company must prepare and provide to its sole member, the Company, an annual report for each financial year.

If the Company is classified as a 'small proprietary company' under the Corporations Act and for that reason alone is not required under the Corporations Act to prepare financial statements, the Company must still prepare half-yearly and yearly financial statements for each financial year as if it was directed to do so by its sole member, the Council.

The annual report must contain all the documents which are required to be contained in an annual report required under the Corporations Act regardless of whether the Company is required to prepare an annual report under the Corporations Act, including financial statements for the full financial year. The annual report should also monitor the performance of the Company as well as highlight any major achievements within the reporting period and appraise its future prospects.

**4.6 Employment and industrial relations policies**

Consideration may be given to establishing mechanisms for persons who are employed by the Council to be directly employed by the Company or seconded to the Company (where appropriate).

**4.7 Subsidiary corporate entity**

The Company has no subsidiary entities and there is no proposal for the establishment of any subsidiary entity at this time. The establishment of a subsidiary requires the approval of the Shareholder.

#### **4.8 Borrowings, joint ventures and other partnership arrangements**

The Company must not borrow money or enter into a joint venture or other partnership arrangement with any entity, without the prior approval of the Shareholder.

#### **4.9 Procurement**

The Company will conduct its procurement and contracting activities (including disposal of assets) through development and implementation of policies and procedures with the primary objective being to facilitate the Company fulfilling its Objects and delivering its Core Business.

In doing so, due regard will be given to the following Principles:

- Value for money;
- Open and effective competition
- The development of competitive local business and industry
- Environmental protection; and
- Ethical behaviour and fair dealing.

In giving due regard to these principles, the Company acknowledges that each principle may not receive equal consideration.

