

Agenda

Ordinary Meeting

Thursday, 28 February 2019

commencing at 9:00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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1 DECLARATION OF OPENING

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

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

That the Minutes of the Ordinary Meeting held on 31 January 2019 be received and confirmed.

5 INFORMING OF PERSONAL INTERESTS**5.1 MATERIAL PERSONAL INTEREST**

Pursuant to Section 175C of the *Local Government Act 2009*, a Councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

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

5.2 CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST

Pursuant to Section 175E of the *Local Government Act 2009*, a Councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees, must inform the meeting about the councillor's personal interest the matter.

The other Councillors must then decide

- (a) whether the Councillor has a real conflict of interest or perceived conflict of interest in the matter and
- (b) if they decide the Councillor has a real conflict of interest or perceived conflict of interest in the matter
 - (i) whether the Councillor must leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on, or
 - (ii) that the Councillor may participate in the meeting in relation to the matter, including by voting on the matter.

6 MAYORAL MINUTE**7 PRESENTATIONS / COUNCILLOR REPORTS**

8 REPORTS DIRECT TO COUNCIL**8.1 OFFICE OF THE CEO****8.1.1 SUNSHINE COAST COUNCIL CORPORATE PLAN 2019-2023****File No:** F2018/17839**Author:** Coordinator Partnerships & Engagement
Office of the CEO**Appendices:** App A - Corporate Plan 2019-2023 5/89

PURPOSE

This report proposes, for Council consideration, adoption of the Sunshine Coast Council Corporate Plan 2019-2023 which will continue to drive the direction and priorities of the organisation in pursuing Council's vision to be *Australia's most sustainable region – healthy, smart, creative*.

EXECUTIVE SUMMARY

Council is committed to undertaking annual reviews of its Corporate Plan with the purpose of maintaining its currency, ensuring that it continues to detail progress towards Council's vision, and aligns with Council and community priorities.

Following internal consultation with Councillors and feedback from across the organisation, the updated Sunshine Coast Council Corporate Plan 2019-2023 (**Appendix A**) is presented for endorsement.

The updated Corporate Plan reinforces Council's existing long-term aspirational vision and strategic direction with its commitment to achieving balance in economic, social and environmental objectives as *Australia's most sustainable region – healthy, smart, creative*.

Annual reviews of the Corporate Plan will guide Council's continued delivery of the vision, meet the expectations of the community, and ensure that Council remains a leading, high performing local authority.

Key elements of the review of the Corporate Plan 2019-2023 include:

1. Aligning the objectives in the Corporate Plan to the next five years (2019-2023).
2. Listing the priority objectives for each of the Corporate Plan Goals over the next five years.
3. Providing emphasis on how Council is interacting with and delivering for the community. This includes presentation of the Corporate Plan Goals as: A Strong Community, A Healthy Environment, A Smart Economy and Service Excellence that are underpinned by An Outstanding Organisation.
4. Adding a purpose statement for the organisation to support the Vision and Values.
5. Improved performance measures, including target measures in each Goal.
6. Refreshing the graphic design and visuals in the final published document.

Further work is being undertaken to build a web platform for the community to have ongoing connection and interaction that focuses on the everyday experiences and tells Council's rich story – serving the community with excellence and positioning the region for the future.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Sunshine Coast Council Corporate Plan 2019-2023”
- (b) adopt the updated 2019-2023 Sunshine Coast Council Corporate Plan (Appendix A) and
- (c) delegate to the Chief Executive Officer, in consultation with the Mayor and Portfolio Councillor Corporate Strategy and Finance to finalise the design for the Sunshine Coast Council Corporate Plan 2019-23.

FINANCE AND RESOURCING

The cost associated with the review of the Corporate Plan 2019-2023 has been met from within the budget of the Office of the Chief Executive Officer.

A limited print run will be undertaken (less than 200 copies) of the document, as well as a potential summary version of the document.

CORPORATE PLAN

| | |
|------------------------------|--|
| Corporate Plan Goal: | <i>An outstanding organisation</i> |
| Outcome: | We serve our community by providing this great service |
| Operational Activity: | S31 - Governance - providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported. |

CONSULTATION

Councillor Consultation

The Strategy and Coordination team within the Office of the Chief Executive Officer have met with Councillors to discuss the approach to the annual review of the Corporate Plan, and drafts of updated content have been provided for review. Councillors were positive regarding the approach to the document.

Internal Consultation

Consultation has occurred internally with the Chief Executive Officer, Board of Management, Group Executive Offices and other leadership team members across the organisation.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community engagement undertaken in relation to the review and development of the Corporate Plan 2019-2023. Community consultation has been undertaken with regard to the endorsed strategic policies and plans underpinning the Corporate Plan 2019-2023.

A communications and engagement plan is being developed to support the Corporate Plan 2019-2023 and the interactive web platform. This will provide ongoing opportunities over the coming 12 months for the community to remain engaged in services and business of Council.

PROPOSAL

Queensland local governments are required to develop and adopt a five year Corporate Plan. (*Local Government Regulation 2012 s. 165*). The regulation also requires a local government to discharge its responsibilities consistent with its five year Corporate Plan.

The existing Corporate Plan 2018-2022 commits Council to an annual review in line with professional corporate and strategic planning practice.

The robustness of the Corporate Plan, the clarity of the priorities it establishes and the preparedness to regularly review deliverables (and adjust resources and effort where required) are all important characteristics of an effective planning and performance framework and of high performing organisations.

The Corporate Plan 2019-2023 allows Council to consider capital and operating priorities and associated resources for the forthcoming annual operational plan and budget to be finalised and adopted by 30 June 2019.

Key conclusions and updates from the review include:

- Retaining the vision, values and goals.
- Introducing a purpose statement for Council: "To serve the community with excellence and position the region for the future."
- Improved performance measures, including target measures against each item.
- New sections to provide a strong focus and articulation on the services provided by Council to the community, highlighted by the ordering of the goals to better support the community focus.
- Refreshing of the visuals, to update the look and feel.

Further work is being undertaken to build a web platform the community can have ongoing connection and interaction with, that focusses on the everyday experiences and tells Council's rich story – serving the community with excellence and positioning the region for the future.

The Corporate Plan 2019-2023 presents a balanced commitment to supporting and connecting the community, preserving natural assets, maintaining the Sunshine Coast lifestyle and developing a stronger economy.

The Corporate Plan 2019-2023 reinforces the links and opportunities between each of these commitments, with improved alignment for customers and the community to be at the centre of Council's business.

Legal

The Corporate Plan 2019-2023 is being developed in line with the requirements of the *Local Government Regulation 2012*. The regulation requires (sections 165 and 166) that a Corporate Plan must:

- outline the strategic direction of the local government
- state the performance indicators for measuring the local government's progress in achieving its vision for the future of the local government area
- outline the objectives of each commercial business unit and
- outline the nature and extent of the significant business activity each commercial business unit conducts

Policy

Once adopted, the updated Corporate Plan becomes the business planning document which will guide the operations of Council up to 2023. All strategies, services, programs and

projects progressed during that time will need to align with one or more of the strategic goals articulated in the Corporate Plan 2019-2023.

Risk

It is considered there are no new risks for Council in adopting the updated Corporate Plan as the vision and strategic intent are consistent with, and build upon, the direction pursued through the Corporate Plan 2018-2022 adopted in November 2017.

Previous Council Resolution

Ordinary Meeting 6 December 2018 (OM18/203)

That Council:

- (a) *receive and note the report titled "Annual Review of the Corporate Plan: Progress Report"*
- (b) *confirm the vision, purpose, values, goals and strategic pathways for inclusion in the Corporate Plan 2019-2023 (Appendix A) and*
- (c) *note that the final draft of the Corporate Plan 2019-2023 will be submitted for consideration in early 2019.*

Ordinary Meeting 9 November 2017 (OM17/209)

That Council:

- (a) *receive and note the report titled "**Updated 2017-2021 Sunshine Coast Council Corporate Plan Review**"*
- (b) *adopt the updated 2017-2021 Sunshine Coast Council Corporate Plan (Appendix A) and*
- (c) *delegate to the Chief Executive Officer, in consultation with the Mayor and Portfolio Councillor Corporate Strategy and Finance to review and make minor amendments to the updated 2017-2021 Sunshine Coast Council Corporate Plan to allow for final editing prior to publication.*

Ordinary Meeting 23 February 2017 (OM17/22)

That Council:

- (a) *receive and note the report titled "**2017-2021 Sunshine Coast Council Corporate Plan**"*
- (b) *adopt the 2017-2021 Sunshine Coast Council Corporate Plan (Appendix A) as amended*
- (c) *note the Chief Executive Officer, in consultation with the Mayor, Portfolio Councillor Corporate Strategy and Finance and Divisional Councillors, may review and make minor amendments to the 2017-2021 Sunshine Coast Council Corporate Plan document to allow for final editing prior to publication and*
- (d) *note the first and subsequent annual reviews of the 2017-2021 Sunshine Coast Council Corporate Plan are to be completed before 31 December each year, in order to guide the operational planning and budgeting cycle for the following financial year.*

Related Documentation

The current edition of the Corporate Plan 2018-2022 is located at <https://www.sunshinecoast.qld.gov.au/Experience-Sunshine-Coast/Healthy-Smart-Creative/Our-Vision>

Related documentation includes all Council endorsed strategies and plans – as identified under each of the five goals in the Corporate Plan.

Critical Dates

Section 165(2) of the *Local Government Regulation 2012* provides that a local government must adopt its five year Corporate Plan in sufficient time to allow an annual operational plan and budget to be adopted for the first financial year that is covered by the Corporate Plan.

Section 165(3) of the *Local Government Regulation 2012* provides that a local government may, by resolution, amend its 5 year Corporate Plan at any time. The existing Corporate Plan (2018-2022) commits Council to an annual review in line with professional corporate and strategic planning practice.

Adoption of the updated Corporate Plan 2019-2023 at the January 2019 meeting allows Council to consider capital and operating priorities and associated resources within the parameters of the updated Corporate Plan; and for the forthcoming annual operational plan and budget to be finalised and adopted by 30 June 2019.

Implementation

Subject to Council's adoption of the Corporate Plan 2019-2023, the following actions are proposed to occur:

- Council's website and intranet updated to replace existing Corporate Plan references and replaced with new Corporate Plan.
- A limited print run to provide hard copies of the Corporate Plan 2019-2023. A potential summary document will also be utilised.
- All staff will be notified of the adoption of the updated Corporate Plan and provided with a link to the new document.
- A web platform will be developed that the community can have ongoing connection and interaction with, highlighting Council's work across the community.
- An ongoing communications engagement plan will be developed and implemented to ensure the community is well informed of Council's corporate plan activities.

8.1.2 QUARTERLY PROGRESS REPORT - QUARTER 2, 2018/19

| | |
|--------------------|---|
| File No: | Council meetings |
| Author: | Coordinator Organisational Performance Office of the Chief Executive Officer |
| Appendices: | App A - CEO's Quarterly Progress Report 39/89 |
| | App B - Operational Plan Activities 51/89 |
| | App C - CEO's Quarterly Snapshot 89/89 |

PURPOSE

This report presents the Quarterly Progress Report for the period 1 October to 31 December 2018 – Quarter 2.

This report has been prepared to inform Council and the community on delivery of the services, implementation of operational activities and significant operating projects from Council's Operational Plan 2018-2019.

EXECUTIVE SUMMARY

Each quarter, Council receives a progress report on the delivery of the Corporate and Operational Plans. The report once adopted, is published and made available to the community.

The Report is comprised of:

- Appendix A – CEO's Quarterly Progress Report
- Appendix B – report on the 186 operational activities flowing from Council's Operational Plan 2018-2019
- Appendix C – CEO's Quarterly Snapshot that is intended for public release through social media channels as part of bringing the corporate plan to life.

Highlights for the quarter ended 31 December 2018 are:

A smart economy

- Australian arm of Vertiv was awarded the contract to design and construct the Sunshine Coast International Broadband Network cable landing station.
- 15,689 guests to the region attended 12 major events which generated approximately \$6.89 million in economic activity for the region.
- Briefings on the *Sunshine Coast International Broadband Network* project were provided to international and Australian bankers and more than 30 Queensland Government senior executives.

A strong community

- The \$5 million pedestrian and cycle Mooloolaba Walk and Ridge Bridge officially opened in early December.
- A three-year agreement with South Sydney Football Club to play a home game annually until 2021 at the Sunshine Coast Stadium was secured.
- The *Integrated Transport Strategy* was endorsed and included specific targets to progressively reduce car travel, increase active travel and public transport by 2041.

A healthy environment

- Over 2000 native trees were provided to residents and nearly 400 street trees planted as part of Council's *Street Tree Master Plan* and *Street Tree Planting Program*.
- In October 2018, Council received confirmation of a funding allocation of \$444,000 and an agreement with *QCoast 2100 Program* has been completed for the funding.
- Six new Land for Wildlife properties were registered, bringing the total to 1099 (863 registered and 236 working towards) with 8843ha being managed for conservation.

Service excellence

- Development.i was released in October 2018 on Council's website, allowing users on any device to navigate, visualise, track and be alerted to development applications.
- 1850 building approvals issued with a construction value of \$407 million.
- Over 68,000 customers assisted through customer contact centres.

An outstanding organisation

- \$65 million of total purchasing spend for the quarter has been to local businesses.
- Detailed business case assessments and analysis to generate technical, economic and delivery outcomes for the Sunshine Coast Exhibition and Convention Facility commenced during the quarter.
- Council received an unmodified audit opinion from Queensland Audit Office for the 2017/18 financial statements, as well as nine green lights out of a possible nine for the related audit assessments.

OFFICER RECOMMENDATION**That Council:**

- (a) receive and note the report titled "Quarterly Progress Report - Quarter 2, 2018/19"**
- (b) note the Chief Executive Officer's Quarterly Progress Report - Quarter 2, 1 October 2018 to 31 December 2018 (Appendix A) on service delivery**
- (c) note the Operational Plan Activities Report - quarter ended 31 December 2018 (Appendix B) reporting on implementation of the Corporate and Operational Plans and**
- (d) note the Chief Executive Officer's Snapshot Report - quarter ended 31 December 2018 (Appendix C) reporting service statistics and highlights.**

FINANCE AND RESOURCING

Financial reporting information is not included in the report. A Financial Performance Report is provided to Council each month covering operating revenue and expenses and capital programs.

CORPORATE PLAN

| | |
|------------------------------|--|
| Corporate Plan Goal: | <i>An outstanding organisation</i> |
| Outcome: | We serve our community by providing this great service |
| Operational Activity: | S31 - Governance - providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported. |

CONSULTATION

Councillor Consultation

Councillor E Hungerford as Portfolio Councillor for Governance and Customer Service has been briefed on this report.

Internal Consultation

Consultation has occurred with each group of Council to provide information on service delivery and status of operational activities.

External Consultation

There has been no external consultation in relation to this report, however the report is made available to the community.

Community Engagement

There has been no community engagement in relation to this report.

PROPOSAL

Under the requirements of the *Local Government Act 2009* and associated Regulations, Council is required to consider a regular report from the Chief Executive Officer outlining the achievements in delivering on the outcomes in its corporate and operational plans.

This report provides information on the following for consideration by Council.

Progress report

The Chief Executive Officer's Quarterly Progress Report – Quarter 2 (Appendix A) consists of a summary of achievements; and supporting information by Corporate Plan Goal covering Delivery of Council's services.

Operational plan activities

The Operational Plan Activities Report – Quarter ended 31 December 2018 (Appendix B) provides details on the implementation of activities outlined in Council's operational plan. It includes the status of each activity covering percentage complete, completion date and progress commentary.

| Status | Number |
|--------------|------------|
| Completed | 19 |
| Underway | 166 |
| Not started | 2 |
| Total | 187 |

Table 1: Summary of all operational activities

Legal

There is a legislative requirement to provide a report on performance against the corporate and operational plans. This report meets the requirements of the *Local Government Act 2009* and Regulation.

Policy

There is no policy associated with the presentation of a quarterly progress report however it is a component of the Strategic Corporate Planning and Reporting Framework.

Risk

In accordance with Council's Risk Management Framework, the risks and opportunities identified in relation to the quarterly progress report include:

- reputation/public image: the report provides complete information on Council's operations and builds a positive reputation for Council with the community
- legislative: the report meets the legislative requirements of the Local Government Act and Regulation, and
- business activity: the report keeps Council informed about the progression of the operational plan activities and provides a timely account of Council's progress to the community.

Previous Council Resolution**Ordinary Meeting 8 November 2018 (OM18/179)**

That Council:

- receive and note the report titled "**Quarterly Progress Report - Quarter 1, 2018/2019**"*
- note the Chief Executive Officer's Quarterly Progress Report - Quarter 1, 1 July 2018 to 30 September 2018 (Appendix A) on service delivery and*
- note the Operational Plan Activities Report - quarter ended 30 September 2018 (Appendix B) reporting on implementation of the Corporate and Operational Plans.*

Related Documentation

- Corporate Plan 2018-2022
- Operational Plan 2018-2019
- Financial information provided to Council in the Financial and Capital management report.

Critical Dates

Quarterly Progress reports are usually presented to Council within eight weeks of the end of the calendar quarter, subject to the scheduled meeting cycle. Legislation requires the report to be presented to Council at intervals of not more than 3 months.

Implementation

The report will be published and available for community access via Council's website. The Chief Executive Officer will provide a verbal report to Council at the Ordinary Meeting.

8.1.3 MOTIONS FOR THE 2019 AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION NATIONAL GENERAL ASSEMBLY

| | |
|--------------------|--|
| File No: | Council Meetings |
| Author: | Coordinator Councillor Governance Office of the CEO |
| Appendices: | App A - ALGA NGA Motion Enhancing Future Drought Resilience21 |

PURPOSE

In accordance with the Australian Local Government Association (ALGA) National General Assembly (NGA) rules, this report presents to Council a motion to be submitted for the 2019 NGA.

EXECUTIVE SUMMARY

The 2019 Australian Local Government Association National General Assembly is scheduled to take place in Canberra from 16 to 19 June 2019. Sunshine Coast Council was invited to participate in the NGA by submitting notices of motion.

The theme for this year's NGA is 'future focused' and acknowledges the need for the sector to come together to ensure the voice of Local Government is heard by an incoming Federal Government.

All motions must be endorsed by Council and be received by ALGA by 11.59pm Friday, 29 March 2019.

The call for motions was forwarded to Councillors and the Board of Management following which Councillor Dwyer proposed a motion titled *Enhancing Future Drought Resilience*. Full details of the motion can be found in Appendix A.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Motions for the 2019 Australian Local Government Association National General Assembly" and
- (b) endorse the motion '*Enhancing Future Drought Resilience*' (Appendix A) to be forwarded to the Australian Local Government Association for inclusion in the 2019 National General Assembly agenda.

FINANCE AND RESOURCING

There are no finance or other resources required as a result of this report beyond that provided under the 2018/2019 Corporate Governance operational budget.

CORPORATE PLAN

| | |
|------------------------------|--|
| Corporate Plan Goal: | <i>An outstanding organisation</i> |
| Outcome: | We serve our community by providing this great service |
| Operational Activity: | S28 - Elected Council - providing community leadership, democratic representation, advocacy and decision-making. |

CONSULTATION

Councillor Consultation

Deputy Mayor, Councillor T Dwyer

Internal Consultation

The call for motions was sent to:

- All Councillors including Mayor and Deputy Mayor and
- Chief Executive Officer and Board of Management.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community consultation undertaken in relation to this report.

PROPOSAL

The 2019 Australian Local Government Association National General Assembly is scheduled to take place in Canberra from 16 to 19 June 2019. Sunshine Coast Council was invited to participate by submitting notices of motion.

The NGA is a platform for Local Government to address national issues and lobby the Federal Government on critical issues facing the sector. Motions should be submitted under the 'future focused' theme and be relevant to the work of Local Government nationally.

Councillor Dwyer submitted one motion for consideration by Council:

That the Australian Local Government Association lobby the Federal Government to develop options (in partnership with Local Governments, State Governments, bulk water providers and water retailers) that improve drought resilience across Australia – particularly with regard to the agricultural sector – through more efficient storage, movement and use of all types of water, including recycled water and storm/rain water.

Full details of the motion are located at Appendix A.

Legal

There are no legal implications relevant to this report.

Policy

There are no current policy implications associated with this report.

Risk

Motions not received by ALGA by the due date will not be included in the 2019 NGA agenda.

Previous Council Resolution

There are no previous Council Resolutions associated with this report.

Related Documentation

There is no related documentation affiliated with this report.

Critical Dates

Endorsed motions must be received by ALGA by 11.59pm on Friday, 29 March 2019.

Implementation

If resolved by Council, the motion will be forwarded to the Australian Local Government Association for consideration in the National General Assembly agenda.

8.1.4 2020 LOCAL GOVERNMENT ELECTIONS - DIVISIONAL BOUNDARY REVIEW

File No: Council meetings
Author: Coordinator Councillor Governance
Office of the CEO

PURPOSE

The *Local Government Act 2009* (the Act) requires that all divided local governments review their electoral quotas and provide the Minister for Local Government, Racing and Multicultural Affairs (the Minister) as well as the Queensland Electoral Commissioner with written notice of the results by 1 March 2019. The purpose of this report is to inform Council of the outcome of that review.

EXECUTIVE SUMMARY

Council is required to review whether each of its divisions has a reasonable proportion of electors and provide the Minister as well as the Queensland Electoral Commissioner with written notice of the results by 1 March 2019.

Sections 15 of the Act requires that each division of a local government must have a reasonable proportion of electors.

The review of voter numbers for each division has been undertaken based on data provided by the Electoral Commission of Queensland (ECQ) as at 31 January 2019. This data indicates that Division 9 currently exceeds the maximum quota allowable under the Act.

Council and the community may be invited to put forward submission into the review in due course.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “2020 Local Government Elections - Divisional Boundary Review” and
- (b) request the Chief Executive Officer to provide written notice to both the Queensland Electoral Commissioner and Minister for Local Government, Racing and Multicultural Affairs by 1 March 2019 that Sunshine Coast Regional Council Division 9 exceeds the quota specifications under section 15 of the *Local Government Act 2009*.

FINANCE AND RESOURCING

There are no finance or other resources required as a result of this report beyond that provided under the 2018/2019 Corporate Governance operational budget.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*

Outcome: 5.3 - Strong and accountable leadership enabling, Councillors, individuals and teams to do their best

Operational Activity: 5.3.3 - Local Government Electoral Boundary Review Submission.

CONSULTATION

Councillor Consultation

Consultation with Councillors in relation to this report has not been necessary at this stage. Council and/or individual Councillors may be able to make submission once called to do so.

Internal Consultation

Chief Strategy Officer, Office of the Mayor and CEO

Chief of Staff, Office of the Mayor and CEO

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

It is not appropriate for Council to undertake community engagement activities at this time. The Change Commission will likely invite submissions and undertaken community consultation as part of its determination process.

PROPOSAL

Section 16 of the *Local Government Act 2009* (the Act) requires local governments to review whether each of its divisions has a reasonable proportion of electors and provide the Minister as well as the Queensland Electoral Commissioner with written notice of the outcome of the review by 1 March in the year preceding quadrennial local government elections.

Only the Minister may propose a local government change, including changes to divisions of local governments.

Section 15 of the Act provides that each division of a local government area must have a reasonable proportion of electors. A reasonable proportion of electors is calculated by dividing the total number of electors in the local government area by the number of Councillors (excluding the Mayor), plus or minus a 10% margin (quota).

The ECQ has provided Council with the total number of electors per division as at 31 January 2019. Table A below demonstrates that Division 9 exceeds the allowable quota.

Table A – Electors per Division at 31 January 2019

| Division | Electors at 31/01/2019 | Average Enrolment | Low Quota | High Quota | Deviation from Quota |
|-----------------|-------------------------------|--------------------------|------------------|-------------------|-----------------------------|
| 1 | 24,154 | 22,446 | 20,201 | 24,690 | 7.61 |
| 2 | 21,073 | 22,446 | 20,201 | 24,690 | - 6.11 |
| 3 | 23,760 | 22,446 | 20,201 | 24,690 | 5.86 |
| 4 | 20,774 | 22,446 | 20,201 | 24,690 | - 7.45 |
| 5 | 20,876 | 22,446 | 20,201 | 24,690 | - 6.99 |
| 6 | 21,968 | 22,446 | 20,201 | 24,690 | - 2.13 |
| 7 | 21,555 | 22,446 | 20,201 | 24,690 | - 3.97 |
| 8 | 22,482 | 22,446 | 20,201 | 24,690 | 0.16 |
| 9 | 25,183 | 22,446 | 20,201 | 24,690 | 12.20 |
| 10 | 22,630 | 22,446 | 20,201 | 24,690 | 0.82 |

Total 224,455

The Change Commission is responsible for assessing whether a local government change proposed by the Minister is in the public interest and may conduct its assessment in any way it considers appropriate. In accordance with section 19 of the Act, this may include seeking submission from affected local governments and public hearing.

In correspondence dated 19 September 2018, ECQ encouraged local governments to make change proposals as part of their reviews. However, Council may also make submission and propose boundary changes when called upon to do so by the Change Commission. Council may equally allow the Change Commission to make its assessment independently and without making submission.

This report seeks Council's authorisation for the CEO to provide written notice of the outcome of the review in accordance with the Act; that is that Division 9 exceeds quota.

Legal

Section 16 of the Act provides that local governments must review their electoral quotas and give the Minister and the Electoral Commissioner written notice of the results by 1 March 2019.

Section 15 of the Act states that each division of a local government area must have a reasonable proportion of electors.

Policy

No Council policies relate to this report.

Risk

Council is required to submit the outcome of this review in writing to the Minister and the Electoral Commissioner by 1 March 2019.

Previous Council Resolution

There are no previous Council resolutions that relate to this report.

Related Documentation

There is no related documentation relevant to this report.

Critical Dates

The Minister and the Electoral Commissioner must be notified in writing the results of Council's review by 1 March 2019.

Implementation

The requisite correspondence confirming the outcome of the review will be forwarded to the Minister and the Electoral Commissioner prior to 1 March 2019 under the signature of the Chief Executive Officer.

8.2 CUSTOMER ENGAGEMENT AND PLANNING SERVICES**8.2.1 DEVELOPMENT APPLICATION FOR MATERIAL CHANGE OF USE OF PREMISES TO ESTABLISH A DUAL OCCUPANCY AT 41A BLAXLAND STREET, GOLDEN BEACH**

| | |
|--------------|--|
| File No: | MCU18/0225 |
| Author: | Senior Development Planner Customer Engagement & Planning Services Group |
| Attachments: | Att 1 - Detailed Assessment report MCU18/0225..... 33 Att 2 - Proposal Plans 45 |

Link to Development.i:

<https://developmenti.sunshinecoast.qld.gov.au/Home/FilterDirect?filters=DANumber=MCU18/0225>

| SUMMARY SHEET | |
|-------------------------------------|---|
| APPLICATION DETAILS | |
| Applicant: | Robert Bindon |
| Owner: | Robert Bindon |
| Consultant: | Vision Design Planning |
| Proposal | Development Permit for Material Change of Use of Premises to Establish a Dual Occupancy |
| Properly Made Date: | 24 August 2018 |
| Information Request Date: | 21 September 2018 |
| Information Response Received Date: | 5 October 2018 |
| Decision Due Date | 17 December 2018 |
| Number of Submissions | Nil |
| PROPERTY DETAILS | |
| Division: | 2 |
| Property Address: | 41A Blaxland Street GOLDEN BEACH |
| RP Description: | Lot 6 RP 93762 |
| Land Area: | 701m ² |
| Existing Use of Land: | Single detached dwelling |
| STATUTORY DETAILS | |
| Planning Scheme: | Sunshine Coast Planning Scheme 2014 (29 June 2018) |
| SEQRP Designation: | Urban Footprint |
| Strategic Plan Designation: | Urban |
| Planning Area / Locality: | Golden Beach/Pelican Waters local plan area |
| Planning Precinct / Zone: | Low density residential zone in Precinct LDR1 (Protected Housing Area) |
| Assessment Type: | Impact |

PURPOSE

The purpose of this report is to seek Council's determination of an application for a Development Permit for Material Change of Use of Premises to Establish a Dual Occupancy at 41A Blaxland Street Golden Beach.

The application is before Council at the request of the Divisional Councillor.

EXECUTIVE SUMMARY

The proposal relates to an existing dwelling house which includes a secondary dwelling (under single ownership) since approximately 2006. It is proposed to convert the existing dwelling house to a *Dual occupancy* resulting in two separate freehold lots with a dwelling on each lot.

Under the *Sunshine Coast Planning Scheme 2014*, *Dual occupancies* are not intended to occur in the *Low density residential LDR 1 (Protected Housing area)* and are identified as an inconsistent use. The application has not provided sufficient justification to overcome this inconsistency with the planning scheme and is considered unable to be justified given the nature of the inconsistency with the higher order zoning based provisions of the planning scheme.

The application is therefore recommended for refusal.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Development Application for Material Change of Use of Premises to establish a Dual Occupancy at 41A Blaxland Street, Golden Beach" and
- (b) REFUSE application number MCU18/0225 for a Development Application for Material Change of Use of Premises to establish a Dual Occupancy at 41A Blaxland Street, Golden Beach for the following reasons:
 - (i) The proposal conflicts with the Strategic Framework of the Sunshine Coast Planning Scheme 2014.
 - (ii) The proposal conflicts with the *Low density residential zone code* of the Sunshine Coast Planning Scheme 2014.
 - (iii) The proposal conflicts with the *Dual occupancy code* of the Sunshine Coast Planning Scheme 2014.
 - (iv) The applicant has not demonstrated sufficient grounds to justify approval despite the conflicts with the Planning Scheme and the proposal cannot be conditioned to comply.

FINANCE AND RESOURCING

In the event of an approval, infrastructure charges would be applicable to the proposed development.

CORPORATE PLAN

Corporate Plan Goal: **Service excellence**

Outcome: 4.4 - Service quality assessed by performance and value to customers

Operational Activity: 4.4.6 - Position Development Services to effectively meet business and legislative requirements into the future with a focus on statutory assessment and compliance, ensuring timely decision making, positive customer experiences and strong industry engagement.

CONSULTATION

Councillor Consultation

The Divisional Councillor T Dwyer has requested that the matter be brought to Council for consideration.

Internal Consultation

The application was forwarded to the following internal Council specialists:

- Principal Development Engineer, Engineering and Environment Assessment Unit
- Senior Landscape Officer, Engineering and Environment Assessment Unit
- Coordinator Planning Scheme and Projects, Strategic Planning Branch

Their assessment forms part of this report.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

The application was impact assessable and was publicly notified for a period of 15 business days from 18 October to 9 November 2018 in accordance with the *Planning Act 2016*.

No submissions were received in relation to the application.

PROPOSAL

The application seeks approval for a Development Permit for Material Change of Use of Premises to establish a *Dual occupancy*. The proposal relates to an existing dwelling house which includes a secondary dwelling (under single ownership) since approximately 2006. It is proposed to convert the existing dwelling house to a *Dual occupancy* resulting in two separate freehold lots with a dwelling on each lot.

The proposed Dual occupancy comprises one 2 bedroom unit and one 3 bedroom unit. Proposed Unit 1 would have a gross floor area of 136m² and proposed Unit 2 would have a gross floor area of 138m². The maximum height of the building would be 4.5m.

The site is located in Golden Beach, on a flat and regular parcel of land as shown below:



The application states that the existing dwelling house on the subject site was renovated and extended in 2006. The renovation resulted in a floor plan suitable to accommodate, more or less independently, two family sub-groups in each end of the dwelling. The proposed development entails predominantly internal works by sealing off the connection between the two living areas, some additions to the building exterior and the creation of an additional covered car parking space for proposed Unit 1.

Assessment against Sunshine Coast Planning Scheme 2014

The application is impact assessable because the site is located in the *Low Density residential zone, Precinct LDR1 (Protected Housing Area)* in which *Dual occupancies* are identified by the *Sunshine Coast Planning Scheme 2014* as impact assessable, inconsistent uses.

The specific mechanisms of the Low density residential zone code of the Sunshine Coast Planning Scheme 2014 precluding dual occupancy from the Precinct LDR 1 (Protected housing area) are:

- Overall outcome 6.2.1.2 (2) (c) – dual occupancies may only be established outside identified protected housing areas;
- Overall outcome 6.2.1.2 (2) (o) – an inconsistent use is not intended to occur in the *Low density residential zone*;
- Table 6.2.1.2.1 – dual occupancies are only consistent uses where not located in *Precinct LDR 1 (Protected housing area)*

The Sunshine Coast Planning Scheme 2014 Part 3 Strategic Framework, 3.3.4.1 Specific Outcome (d) provides that: Existing established residential neighbourhoods that are identified as protected housing areas are retained generally in their current form.

The current form of the area is characterised by low rise, single dwelling houses on typically large lots. Whilst it is acknowledged that the proposed development relates to the conversion of an existing, established dwelling to a Dual occupancy, the proposal would establish twice the density envisaged for the site and create two households on two separate titles, with each having the ability to be further changed and modified independently into the future.

To overcome the conflict with the Strategic Framework, the applicant has argued that the retention of the existing built form (other than the addition of a carport and other minor embellishments) rather than the construction of a new building is consistent with Part 3 Strategic Framework, 3.3.4.1 Specific Outcome (d), as well as with specific Outcome (d) which seeks to ensure that urban consolidation "... is compatible with and sympathetic to the preferred character of the local area". The grounds provided are not sufficient to overcome the conflict with the planning scheme, because the development is proposing to introduce a new, inconsistent use type to the site and that use does not ensure the retention of the existing low density, single detached housing character.

Under the Sunshine Coast Planning Scheme 2014, Dual occupancies are not intended to occur in the Low density residential LDR 1 (Protected Housing area) and are identified as inconsistent uses. The application has not provided sufficient justification to overcome this inconsistency with the planning scheme and is considered unable to be justified given the nature of the inconsistency with the higher order zoning based provisions of the planning scheme.

Council's Strategic Planning Branch were consulted as part of the application process and their assessment reinforces the Council officer recommendation to refuse this application.

Legal

There are no legal implications relevant to this report.

Policy

The application has been assessed against the *Sunshine Coast Planning Scheme 2014* and all relevant Council policies.

Risk

This matter can be appealed to the Planning and Environment Court by the applicant. Council will proceed with any required actions resulting from any legal action.

Previous Council Resolution

There is no previous Council resolution relevant to this report.

Related Documentation

A copy of the officers' full and detailed assessment report is included as Attachment 1 to this report. The detailed assessment report contains all the specific assessment details under the planning scheme considered in Council's assessment of this application.

A copy of the proposed architectural drawings are provided as Attachment 2 to this report.

Critical Dates

Council's decision for the application was due on 17 December 2018. Given a decision has not been made by this date, the applicant may elect to take a deemed refusal. This results in the decision being taken to the Planning and Environment Court to consider the matter.

Implementation

Council officers will communicate the outcome of Council's resolution to the applicant and submitters as appropriate.

8.2.2 COMMERCIAL USE OF COMMUNITY LAND APPLICATION PROCESS

| | | |
|---------------------|---|-----------|
| File No: | Council meetings | |
| Author: | Coordinator Community Land Permits and Parking Customer Engagement & Planning Services Group | |
| Appendices: | App A - Proposed Activities and Locations | 63 |
| | App B - Proposed fees and charges | 73 |
| Attachments: | Att 1 - Community Land and Complementary Commercial Activity Policy | 75 |
| | Att 2 - Location and Activity Assessment | 83 |

PURPOSE

The purpose of this report is to seek Council endorsement of the proposed activities and locations for the 2019-2022 High-use / high-impact commercial use of community land application process.

EXECUTIVE SUMMARY

The 2016 High-use / high-impact commercial use of community land permits are due to expire on 30 June 2019. These permits allow businesses on the Sunshine Coast to conduct commercial activities on Council-controlled land such as, refreshment vans, learn to surf lessons and beach equipment hire businesses.

The *Community Land and Complementary Commercial Activity Policy* (refer to Attachment 1) was adopted by Council in April 2011 and reviewed in May 2017. Since April 2011, Council has endorsed the implementation of two (2) High-use / high-impact commercial use of community land expression of interest processes, awarding three (3) year permits to successful applicants for the following permit periods:

- 1 July 2013 to 30 June 2016; and
- 1 July 2016 to 30 June 2019.

As per Council's *Community Land and Complementary Commercial Activity Policy*, it is a requirement that an application process be conducted every three (3) years, including a review of existing activities and locations.

Following consultation with Councillors and internal stakeholders, it was determined that there would be some activities and locations not included in the 2019 application process, due to either:

- businesses not taking up the opportunity,
- the activity and location was not supported previously,
- the proposal is inconsistent with the purpose of the land,
- the proposal has the potential to create significant damage,
- the proposal is difficult to administer and manage, or
- the proposal is more suited to an alternative permit arrangement.

An outcome of Council's Ordinary Meeting on 18 May 2017 resulted in the need to consider the option of roving permits as part of the review of activities and locations for inclusion in the 2019 High-use / high-impact commercial use of community land application process.

Furthermore, Council officers have also considered one (1) new activity and location being horse riding tours at Lake Weyba Foreshore and the Lake Weyba Bushland Reserve Network. A location and activity assessment for this new activity has been included as Attachment 2.

Please refer to Appendix A for a summary of the proposed locations and activities.

Should Council decide to endorse the proposed recommendations, this will amount to at least 32 permits to be included in the 2019-2022 High-use / high-impact commercial use of community land application process, and will form the basis of the activities to be advertised in March 2019. Prospective businesses will be able to make application to conduct their business on Council-controlled land for the period 1 July 2019 to 30 June 2022, once the application process opens on 4 March 2019.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Commercial use of Community Land application process"**
- (b) endorse the implementation of a further expression of interest process for the awarding of three year permits for the period 1 July 2019 to 30 June 2022**
- (c) endorse the proposed locations and activities to be included in the 2019-2022 High-use / high-impact commercial use of community land application process, as outlined in Proposed Locations and Activities (Appendix A)**
- (d) note fees and charges for the 2019-2022 High-use / high-impact commercial use of community land application process will be as per Council's adopted 2018/19 fees and charges**
- (e) endorse the proposed fees and charges, including the annual rental fees, proposed discounts, pro-rata arrangements and payment options for all new permits issued from 1 July 2019 to 30 June 2022, as outlined in Proposed Fees and Charges (Appendix B)**
- (f) endorse the proposed application process for any vacant high-use / high-impact commercial permit locations following the awarding of permits in June 2019 and**
- (g) endorse the proposed application process for any new requests for high-use / high-impact commercial activities on Council-controlled land.**

FINANCE AND RESOURCING

The implementation of the 2019-2022 High-use / high-impact commercial use of community land application process has been financed from the Customer Engagement and Planning Services Group core budget 2018/2019.

All administration costs associated with the application process will be accommodated by the Customer Response Branch and undertaken in conjunction with other role responsibilities.

All applicants will be required to pay a non-refundable application fee of \$544.00. This is the current adopted application fee for the 2018/19 Financial Year. This application fee will cover the costs associated with assessing an application.

Those successful in being awarded a permit will be required to pay an annual rental fee based on the land they use to operate their business. Currently the 2018/19 annual rental fee is \$95.00 per square metre land used. This fee has had no annual CPI increases since the awarding of three (3) year permits in 2016. As such, it is proposed that the annual rental fee be increased to \$97.00 per square metre of land used for High-use / high-impact permits issued for the period 1 July 2019 to 30 June 2022.

Various discounts are also available based on the amount of time the land is used. For example, some proposed activities have the ability to operate on Council-controlled land for a full day. Other proposed activities are required to remove all equipment from Council-controlled land and car parks following each lesson (or activity); however they have the ability to operate any time between 7am and 7pm, seven days a week.

All information pertaining to fees and charges must be included into the information packs that will be available to prospective business operators at the time of application. Therefore, it is necessary that the fees and charges be endorsed by Council prior to the application process opening on 4 March 2019.

Proposed fees and charges, including annual rental fees, proposed discounts, pro-rata arrangements and payment options, are outlined in Proposed fees and charges (Appendix B).

CORPORATE PLAN

Corporate Plan Goal: *Service excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S23 - Local amenity and local laws - maintaining and regulating local amenity through local laws, regulated parking, community land permits and management of animals, overgrown land and abandoned vehicles.

CONSULTATION

Councillor Consultation

Councillor input was sought in November 2018 in relation to the activities and locations to be included in the 2019-2022 application process.

Internal Consultation

Internal stakeholder consultation has been undertaken in relation to the review of activities and locations for inclusion in the 2019-2022 application process. The following Council groups and branches have been consulted with during the initial stages of the application process:

- Built Infrastructure Group (Parks and Gardens)
- Business Performance Group (Property Management)
- Customer Engagement and Planning Services Group (Customer Response)
- Economic and Community Development Group (Economic Development)
- Liveability and Natural Assets Group (Environmental Operations)
- Mayor and CEO Group (Legal Services, Financial Services)

External Consultation

There has been no external consultation undertaken as part of this report. However, ongoing discussions have taken place with external agencies in relation to the permitting of commercial use activities that are adjacent to areas where additional approvals are required, such as on-water activities on Pumicestone Passage and Maroochy River.

Community Engagement

There has been no community engagement undertaken as part of this report. However, the community, including prospective business operators, will be invited to submit an application following Council endorsing the activities and locations to be included in the 2019-2022 application process.

PROPOSAL

Sunshine Coast community land is already in high demand for the community use it is intended for, and Council receives increasing numbers of proposals for commercial activity on this land. Forecasted population growth, increased living densities, a more health-aware and physically activity community, and the use of community spaces by the large number of visitors that enjoy the region are all factors contributing to the increased demand.

As outlined in Council's *Community Land and Complementary Commercial Activity Policy*, Council is committed to ensuring that land set aside for the community is preserved for such community use in accordance with its obligations under the *Land Act 1994*, *Local Government Act 2009* and relevant Council local laws.

Council's policy outlines the framework and principles for making decisions about the allocation and use of community land for commercial activities. This policy ensures that community use remains paramount, while allowing for the operation of commercial activities in circumstances that also provide a benefit to the community. Therefore Council may consider granting approval for commercial use of community land in line with Council's vision.

The 2016 High-use / high-impact commercial use of community land permits are due to expire on 30 June 2019. These permits allow businesses on the Sunshine Coast to conduct commercial activities on Council-controlled land. Such activities include refreshment vans, learn to surf lessons and beach equipment hire businesses.

As per Council's *Community Land and Complementary Commercial Activity Policy*, it is a requirement that an application process and review of existing activities and locations be conducted every three (3) years.

In determining the activities and locations for inclusion in the 2019 application process, the following was taken into consideration:

- feedback from Divisional Councillors and internal stakeholders in relation to existing activities and locations, and
- introduction of new activities and locations, including roving permits as per Council's resolution at its Ordinary Meeting on 18 May 2017 and one (1) new activity at Lake Weyba Foreshore and the Lake Weyba Bushland Reserve Network

Council resolved at its Ordinary meeting on 18 May 2017 to consider the option of roving permits as part of the review of activities and locations for inclusion in the 2019 High-use / high-impact commercial use of community land application process.

In reconsidering the provision of roving permits, it was determined that this option was not about providing additional locations, but more about providing flexible arrangements for permit holders.

While roving permits supports local business and provides permit holders with alternative locations to undertake their business operations, this type of permit does have the potential to result in the following implications:

- multiple permit holders operating from the same location at any given time, particularly when activities such as 'learn to surf lessons' relies on a particular wind condition e.g. a north facing beach

- increased risk to community safety as a result of various permit holders operating from already high demand locations
- increased commercial use of community land and inability to protect community land for use by the community
- conflict and/or impacts placed on permit holders approved to operate at a set location and
- inability to successfully manage the use of public land in conjunction with other approved activities, such as major events and weddings.

Given the difficulty in managing and administering processes to mitigate the abovementioned implications, Council officers advise that roving permits should not be supported at this time.

Furthermore, Council officers have also considered one (1) new activity and location that being horse riding tours at Lake Weyba Foreshore and the Lake Weyba Bushland Reserve Network. Following consultation with both the Divisional Councillor and internal stakeholders, this proposed activity and location is not supported for the following reasons:

- the proposal is inconsistent with local law requirements, in that horses are excluded generally from any park or reserve, and all animals from the foreshore, unless a sign permits the animal. Currently the area is not sign-posted allowing horses, or any other animal,
- the proposal is inconsistent with the purpose of Council's land set aside for Nature Reserve,
- the proposal has the potential to result in significant degradation and damage to the reserve trail, including damage to the lake foreshore, and
- the proposal is unlikely to provide a full economic benefit to the Sunshine Coast region.

A location and activity assessment for this new activity has been included as Attachment 2.

To allow initial planning and preparation of the 2019-2022 application process, Council officers are seeking Council endorsement of the activities and locations to be included in the 2019-2022 permit period. Please refer to Appendix A for a summary of the proposed locations and activities.

Following a review of the activities and locations, businesses will be able to make application to conduct their business on Council-controlled land for the period 1 July 2019 to 30 June 2022.

The proposed timeline for the new application process is as follows:

| Month | Activity |
|---------------|---|
| February 2019 | Council endorsement regarding activities and locations for inclusion in 2019 application process and preparation of application process, including application forms and key communications to interested businesses. |
| March 2019 | Advertise application process |
| April 2019 | Assess received applications |
| May 2019 | Council to endorse the issuing of permits to successful applicants |
| June 2019 | Notify applicants of Council decision and issue permits |

Should Council decide to endorse the proposed recommendations, this will amount to at least 32 permits to be included in the 2019-2022 High-use / high-impact commercial use of community land application process, and will form the basis of the activities to be advertised in March 2019.

Prior to the application process being advertised, it is necessary that Council endorse the fees and charges associated with the use of Council-controlled land for High-use / high-impact permits. This will ensure prospective business operators are aware of the costs associated with operating their business on Council land for the period 1 July 2019 to 30 June 2022.

It is proposed that the application process be open for four weeks, for the period 4 March to 31 March 2019, allowing all interested parties to submit an application. The application process will be heavily advertised, using both internal and external communication tools, with direct mail to relevant target audiences, including prospective business operators.

Following the advertising of the application process closing on 31 March 2019, an assessment panel will convene to assess all applications received. Applications will be assessed based on evaluation criteria outlined in the *Community Land and Complementary Commercial Activity Policy*.

The assessment panel will make final recommendations to Council in May 2019 in relation to successful applicants. It is noted, permits must be issued in early June 2019.

Legal

Council manages land that falls into four categories:

1. freehold land owned by Council
2. reserves under the control or management of Council as Trustee under the *Land Act 1994*
3. roadways (formed and unformed) other than State controlled roads (*Local Government Act 2009* and the *Transport Operations (Road Use Management) Act 1995*)
4. pathways, footpaths, bathing reserves and foreshores (Local Laws).

The holding of the land determines the legal framework that applies. Local laws can apply to Council freehold land and roads, foreshores and bathing reserves. The *Land Act 1994* applies to reserves under the Act that Council holds as trustee.

Council awards permits for High-use / high-impact activities under its *Community Land and Complementary Commercial Activity Policy*. The local law permit that is issued is on the basis that there are no exclusive use or ongoing rights to the land as, under the *Land Act 1994*, Council cannot grant same over a Reserve without meeting further requirements under the Act.

For activities approved to take place on freehold land, pathways, footpaths, bathing reserves, foreshores and roads, the provisions set out in Council's local laws will apply. Applicable local laws include:

- *Local Law 1 (Administration) 2011 and Subordinate Local Law 1 (Administration) 2016, Schedule 6 Commercial use of local government controlled areas and roads*
- *Local Law 4 (Local Government Controlled Areas, Facilities, Infrastructure and Roads) 2011 and Subordinate Local Law 4 (Local Government Controlled Areas, Facilities, Infrastructure and Roads) 2011*
- *Local Law 5 (Parking) 2011 and Subordinate Local Law 5 (Parking) 2011*
- *Local Law 6 (Bathing Reserves) 2011 and Subordinate Local Law 6 (Bathing Reserves) 2011*

As Trustee, Council is required to adhere to the provisions set out in the *Land Act 1994* regarding Trustee Permits, and therefore must comply with the following conditions:

Section 60 Trustee Permits

1. a trustee may issue a trustee permit for the use of all or part of trust land.
2. a trustee permit must not be inconsistent with the community purpose of the trust land and the requirements prescribed under a regulation.
3. if a trustee permit is for more than 1 year, the trustee must lodge a copy of the permit for registration in the appropriate register.
4. a trustee permit must not be for more than 3 years.
5. if there is a registered mandatory standard terms document that applies generally to trustee permits –
 - a. A trustee must not issue a trustee permit under this section unless the standard terms document forms part of the trustee permit; and
 - b. The trustee permit is of no effect if the document does not form part of the trustee permit.
6. subsection (5) applies to a trustee permit whether or not it is required to be registered.

In addition, the *Land Regulation 2009* states the following requirements in relation to Trustee Permits:

Part 2 Reserves and deeds of grant in trust

Division 2 Trustee permits and trustee leases

Subdivision 1 Requirements for trustee permits

Section 13 Requirements for trustee permits – Act, s 60

1. This section prescribes, for section 60 (2) of the Act, the requirements with which a trustee permit must not be inconsistent.
2. A trustee permit for the use of all or part of trust land –
 - a. must state that the Minister or the trustee must give the permittee 28 days notice of the Minister's or the trustee's intention to cancel the permit; and
 - b. may not be issued for a part of the trust land that is subject to a trustee lease; and
 - c. must not allow the construction of structural improvements; and
 - d. may allow the modification or use of structural improvements existing when the permit is issued; and
 - e. if there is a management plan for the trust land under section 48 of the Act – must be consistent with the management plan; and
 - f. must state that it is a condition of the permit that the permittee holds the permit so that the trust land may be used for the community purpose for which it was reserved or granted in trust without interruption or obstruction; and
 - g. must state the permittee's permitted use of the trust land; and
 - h. must not give a right
 - i. To renew the permit; or
 - ii. To be given more secure tenure over the trust land; and

- i. must not allow the permittee to transfer, sublet, mortgage the permittee's right to use the trustee land.

Given trustee land has been included in the approved locations and activities, Council as trustee has an obligation to ensure that these requirements are adhered to, and therefore this has been taken into consideration when determining the proposed activities and locations included in the 2019 High-use / high-impact commercial use of community land application process. These requirements will also be detailed on permits issued to successful applicants.

It is noted that the requirements set out in the *Transport Infrastructure (Waterways Management) Regulation 2012*, along with advice received from Maritime Safety Queensland, necessitates that the granting of permits for the following activities be subject to the successful applicant obtaining approval from the State Government confirming that permission has been granted for a commercial operation to occur in this area:

- kite surfing lessons, Bulcock Beach – Happy Valley
- learn to surf lessons, Bulcock Beach – Happy Valley
- jet ski hire, Bulcock Beach
- kite surfing lessons, Lake Weyba Foreshore.

Policy

The *Community Land and Complementary Commercial Activity Policy* (provided as Attachment 1) articulates Council's position on community land and commercial activity by balancing the needs of the community with the demand for commercial activity. The policy is consistent with the themes and objectives of the Corporate Plan 2018-2022 and is in line with appropriate legislation.

The Policy has also been drafted so that it is consistent with Council's endorsed policy framework, as it is divided into strategic level policy and associated operational procedures. The implementation of these procedures is the primary responsibility of the Customer Engagement and Planning Services Group.

Risk

Possible risks associated with the implementation of the 2019-2022 application process and mitigation strategies include the following:

| Risk | Mitigation |
|---|--|
| Key stakeholders miss important communication and key messages regarding the application process, resulting in significant media attention. | Detailed communication plan has been developed, taking into consideration the multiple and diverse ways of communicating and ensuring key messages are delivered to appropriate audiences. |
| Assessment of applications results in incorrect recommendations being put forward. | Assessment criteria to be clearly documented and adequate training is provided to the assessment panel. |
| Existing permit holders dissatisfied with the process and implementation of the policy. | Ensure open and transparent communication is provided to key stakeholders to alleviate concerns. |
| Council endorsement not received in February 2019 to process with implementation of the application process. | Ensure detailed information is provided to the Mayor and Councillors allowing for an informed decision to be made in February 2019. |

| | |
|--|--|
| Permits are not awarded prior to 30 June 2019. | Ensure commitment to proposed timeline and relevant stakeholders are advised of key dates, leading to new permits being awarded prior to the expiry of existing permits. |
| Applicants are not successful in obtaining a permit. | Ensure a reviewable decision process is in place, as per Council's local laws. |

Previous Council Resolution

Ordinary Meeting, 18 May 2017 (OM17/80)

That Council:

- (a) *receive and note the report titled "Community Land and Complementary Commercial Activity Policy Review"*
- (b) *adopt the Community Land and Complementary Commercial Activity Policy (Appendix A) and*
- (c) *endorse the proposed implementation plan contained in the Implementation section of this report.*

Ordinary Meeting, 10 December 2015 (OM15/243)

That Council:

- (a) *receive and note the report titled "Commercial Use of Community Land"*
- (b) *endorse the proposal to award permits to the recommended applicants for approved locations and activities as detailed in Appendix A and*
- (c) *note that the Chief Executive Officer will make Appendix A publicly available.*

Related Documentation

Related documentation to this report is as follows:

- Corporate Plan 2018-2022
- Sunshine Coast Regional Council Local Laws
- *Land Act 1994*
- *Land Regulation 2009*
- *Local Government Act 2009*
- Sunshine Coast Environment and Liveability Strategy 2017
- Regional Economic Development Strategy 2013-2033
- Sunshine Coast Social Strategy 2015
- *Transport Infrastructure (Waterways Management) Regulation 2012*
- *Transport Operations (Marine Safety) Regulation 2016*

Critical Dates

Permits are to be awarded to successful applicants in May and June 2019, prior to the expiry of existing permits on 30 June 2019. To meet this timeframe, it is proposed:

- that the application process be advertised from 4 March to 31 March 2019;
- assessment of applications take place during April 2019;
- Council consider officer recommendations for successful applicants in May 2019.

Implementation

In order to implement the recommendations as outlined in this report, it is proposed that the following stages be implemented over the coming months:

| Timeline | Stage |
|---------------|---|
| February 2019 | <p>Stage 1: Develop the application process</p> <p>Council officers will develop an application process following feedback received from the consultation stages and in line with the guiding principles of the policy. Application fees will be a component of the application process and based on Council's adopted Fees and Charges for the 2018/19 Financial Year.</p> |
| March 2019 | <p>Stage 2: Advertise the application process</p> <p>The application process will be open for one (1) month, between 4 and 31 March 2019. The application process will be advertised through a variety of methods, these being:</p> <ul style="list-style-type: none"> • online communication tools (intranet, website, e-news, social media) • print media (media releases, advertising in local papers) • spotlight radio. |
| April 2019 | <p>Stage 3: Assessment of applications</p> <p>A panel (Assessment Panel) of industry experts will be formed to carry out the assessment of the applications received. The panel will consist of professionals from diverse industries. Applications will be assessed based on the criteria outlined in Council's policy.</p> |
| June 2019 | <p>Stage 4: Awarding of permits to successful applicants</p> <p>Following final recommendations being made by the Assessment Panel, recommendations will be presented to Council for their consideration. Upon endorsement from Council, permits will be issued to the successful applicants for those areas that fall under the legal framework where the <i>Land Act 1994</i> applies will be registered with relevant external agencies. Council officers will notify the successful applicants of the application process outcomes. Where successful applicants choose not to accept Council's offer to conduct a business on Council-controlled land, Council will make an offer based on the results of Stage 3: Assessment of applications. This will involve Council awarding a permit to the 2nd best applicants, if appropriate.</p> |

8.3 ECONOMIC AND COMMUNITY DEVELOPMENT**8.3.1 CALOUNDRA MUSIC FESTIVAL 2020-2022**

| | |
|---------------------|---|
| File No: | Council meetings |
| Author: | Coordinator Major Events Delivery Economic & Community Development Group |
| Attachments: | Att 1 - IER CMF Report 2018 97 |

PURPOSE

The purpose of this report is to advise Council on the performance of the Caloundra Music Festival (CMF or the Festival) over the last three years and to propose a new three-year funding commitment for 2020/21, 2021/22, and 2022/23.

EXECUTIVE SUMMARY

Over the past 13 years, the Caloundra Music Festival has developed into a unique event delivering positive economic, social and cultural benefits for Caloundra and the Sunshine Coast community.

The Festival has seen growth of 17% in total attendees since 2016, with a total of 33,386 attendees in 2018 and contributing a total direct and incremental expenditure for Caloundra/Sunshine Coast region of more than \$4 million (a 59% increase on 2016) as outlined in Attachment 1. There was an additional direct and incremental expenditure for Queensland in excess of \$1 million which augurs well for ongoing support of the Festival by the State Government.

Importantly, community pride and satisfaction in the event has increased in five out of six criteria since the survey was first conducted in 2016, with:

- 96% agreeing or strongly agreeing that the Caloundra Music Festival adds to the appeal of Caloundra/the Sunshine Coast region
- 98% stating that local residents should feel proud of the Festival
- 98% stating that Caloundra/the Sunshine Coast region is a great location for the Festival
- 98% stating that the Festival creates local employment and
- 99% stating that the Festival generates tourism for Caloundra/the Sunshine Coast region.

The Festival has achieved the budget parameters of staying within a \$250,000 per year funding provision within a three-year cycle, with the event being under by \$40,670 over the most recent 2016-2018 event cycle (out of \$750,000). The event also achieves strong local and state sponsorship totaling \$250,000 (direct and in-kind) in 2018.

Council's sponsorship is commensurate to other major events and for the 2018 year delivered a return on investment of 1:20.

The 2018 Festival faced some challenges as a result of Queensland Government changes to the October long weekend which positioned this weekend in the middle of the school holidays as opposed to the traditional end of the school holidays. This was due to the event dates of the 2018 Commonwealth Games.

The event date was moved to the October long weekend in 2013 after receiving tourism industry feedback that holding the event on a holiday weekend could assist in attracting additional intrastate and interstate visitors.

Intrastate visitors now comprise 40.1% of visitor origins while interstate visitors represent 7.4%.

It is planned that the dates for 2020 and beyond will be discussed with the Caloundra business and tourism community to ensure this element of the event remains strong and contributes positively to Caloundra/the Sunshine Coast region – noting that any change to dates (especially the long weekend) could impact the number of attendees, positive feedback and ultimately financial impact to Council and the region.

Council's continued funding provision will provide the opportunity to:

- further refine the Festival's strategic and operational plans (undertake longer term planning)
- seek three-year sponsorship and contract arrangements (eg Tourism and Events Queensland (TEQ) and private sector sponsors) and
- further improve the Festival's bottom line and Council's return on investment.

During the last three-year cycle, Council received a commercial enquiry about outsourcing the organisation and delivery of the Festival. This enquiry did not progress however Council has the opportunity to again test the market, under an expression of interest process in the following three-year cycle, to determine if there are better models for the organisation of the Festival while delivering the same or better economic, cultural and community benefits to the region.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Caloundra Music Festival 2020-2022" and**
- (b) refer an operational budget of \$250,000 for the Caloundra Music Festival to the annual budget process for council's consideration for the financial years 2020/21, 2021/22 and 2022/23.**

FINANCE AND RESOURCING

The Festival is currently funded until the end of the 2019/20 financial year. Over the last three years, the Caloundra Music Festival has shown the following budget position:

| | 2016 | 2017 | 2018 |
|-----------------------------|--------------------|--------------------|--------------------|
| Revenue | \$2,092,376 | \$2,160,914 | \$2,351,691 |
| Expenditure | \$2,239,016 | \$2,520,062 | \$2,555,233 |
| Net Operating result | (\$146,640) | (\$359,148) | (\$203,542) |

Table 1: Caloundra Music Festival Net Operating Position (excluding staff and corporate on-costs) 2016-2018

The Festival has achieved the budget parameters of staying within a \$250,000 per year funding provision within a three-year cycle, with the event being under by \$40,670 over the 2016-2018 event cycle (out of \$750,000).

The 2017 event position was higher for two reasons. First, being the 10 year anniversary event, the event had higher costs for headline acts and associated event infrastructure. Secondly, Council outsourced large portions of the festival management via a national tender. The concept was to reduce Council's exposure and risk, and at the same time it was anticipated that the external expertise might lead to economies of scale and an improved bottom line. The desired efficiencies were not achieved.

Following the 2017 results the production contract was re-evaluated in 2018 which saw a return to utilising local or Queensland-based suppliers where possible via smaller contracts. Moving forward there will be further efforts to engage local and/or Queensland-based suppliers and reduce costs commensurate to scale of the event.

As has been the practice to date, it will be necessary for Council's contribution to be funded from the annual operational budget.

The event does achieve strong sponsorship which in 2018 reached \$250,000 from a combination of Queensland Government (Tourism & Events Queensland - TEQ) and private companies (mainly local). The contribution from local businesses has been consistent across the last 12 years including local electricians, plumbers, builders, and restaurants providing services to the Festival (in-kind support offsetting costs).

Many of the sponsors from the early years have built successful events businesses off the back of the Festival:

- Alistair Gillett now travels the world providing electrical services to Olympic Games, Commonwealth Games, other festivals etc
- Brent Collauti of Something for Catering is now providing bar services to many festivals and has built a successful events catering business and
- Andrew Murray of ERMS is providing risk management services to many events/organisations throughout Queensland.

The contribution and support from local media outlets such as Sea/Mix FM and Channel 7 has also been significant.

Still, there is scope to attract national level sponsors such as airlines and financial services companies that may want to reach a strong regional audience.

Internal/Staffing Costs

Caloundra Music Festival is managed internally by the Major Events Delivery Team within the Economic Development Branch. The total budget for Major Events Delivery for 2018/19 was \$425,640.

| | 2016 | 2017 | 2018 |
|---|-----------|-----------|-----------|
| Total Major Events Delivery Admin Costs | \$470,309 | \$468,732 | \$425,640 |

Table 2: Staff and Corporate Costs for Major Events Delivery Team 2016-2018

It should be noted that the Major Events Delivery Team that delivers the Caloundra Music Festival each year also works on other projects. In 2018, the team contributed to the successful delivery of the Commonwealth Games program which saw 500 athletes and officials from nine countries train on the Sunshine Coast and generate more than \$1.9 million in economic benefit to the region. The team also supports a range of other Council programs and activities and is not exclusively dedicated to the Caloundra Music Festival delivery, although the costs are reported wholly against this budget for administrative reasons.

CORPORATE PLAN

Corporate Plan Goal: *A New Economy*

Outcome: 1.5 - A natural, major and regional event destination

CONSULTATION

Internal Consultation

- Councillor T Dwyer, Divisional Councillor
- Councillor J O'Pray, Portfolio Councillor
- Group Executive Economic and Community Development
- Executive Manager, Office of the Mayor and CEO
- Head of Economic Development
- Management Accountant

External Consultation

- CEO, Visit Sunshine Coast
- Community (attendees and volunteers) via surveys and event feedback
- Downtown Caloundra Taskforce (a group of seven members informing Council of programs and priorities for Downtown Caloundra and linking to opportunities associated with major events)
- Marketing Manager, Visit Sunshine Coast
- The Caloundra Music Festival is regularly listed by the Sunshine Coast Events Board in its annual list of events and counted in both in its annual economic impact and visitor numbers for the region.

Community Engagement

Many community stakeholder groups have been consulted in the development of the Caloundra Music Festival to date. Caloundra Primary School and its P&F Association are heavily involved in the event planning and delivery each year. The school has benefited from the event and has offered camping on school grounds. In 2018, the school raised in excess of \$40,000 to assist with school programs.

Should this proposal be approved by Council, it is proposed that the Major Events Delivery team engage with a range of local business and community organisations to confirm certain objectives and parameters around the 2020 event and beyond.

PROPOSAL

Since its inception in 2007, the Caloundra Music Festival has developed as a significant event in cultural, economic, environmental and community terms for the region.

Economic

The first Festival was held in 2007 achieving an aggregate (ticketed) attendance of 5,000. In 2018, the Festival achieved an aggregate (ticketed) attendance of 33,386.

An independent tourism assessment report on the 2018 Festival commissioned by TEQ confirmed the following:

- Growth of 17% in total attendees alone since 2016
- Contribution of more than \$5 million in economic benefits via direct and incremental expenditure for Caloundra/the Sunshine Coast region of more than \$4 million (a 59% increase on 2016) and in excess of \$1 million additional for the Queensland economy
- The event represents a return on investment for Council of 1:20 against its direct financial contribution and 1:24 if the Queensland economic impact is also counted.

It is important to note that these figures do not account for spending by locals, or visitors who did not come to the Sunshine Coast with the intention of attending the Festival (although they

did in fact attend the Festival). There is plenty of anecdotal evidence to suggest that many locals do not leave the region during this holiday period so that they can attend the Festival ('staycation'). An argument could be made that preventing leakage is as good as attracting new visitor expenditure. Keeping locals at home for a 'staycation' is certainly a net benefit in terms of the event's environmental footprint.

Importantly, community pride and satisfaction in the event has increased in five out of six criteria since 2016 with:

- 96% agreeing or strongly agreeing that the Caloundra Music Festival adds to the appeal of Caloundra/the Sunshine Coast region
- 98% stating that local residents should feel proud of the Festival
- 98% stating that Caloundra/the Sunshine Coast region is a great location for the Festival
- 98% stating that the Festival creates local employment and
- 99% stating that the Festival generates tourism for Caloundra/the Sunshine Coast region.

Community/Social/Cultural

Over the past 12 years, the Festival has contributed a number of outstanding legacy items to the local community including the following:

- Installation of truss to the amphitheatre stage to improve functionality and safety
- Installation of electrical outlets in and around the Kings Beach Park area which has benefited other community events (paid from Festival funds)
- Installation of Wi-Fi/internet hotspots and analytics
- Installation of new footpaths improving the amenity for local residents
- Installation of additional water and plumbing points throughout Kings Beach Park
- Remodeling of the Edmund Street Car Park
- Installation of permanent fencing to the perimeter of Kings Beach park improving the functionality and creating cost saving measures
- Implementation of Australia's first BYO H2O program for festivals, essentially eliminating the plastic water bottle from the Festival
- Countless opportunities for emerging Sunshine Coast musicians to perform in a world class environment alongside major international artists. In 2018 alone, the Festival provided opportunities to 150 local performers to deliver more than 300 hours of stage performance
- Caloundra Primary School achieving revenues in excess of \$40,000 in 2018 providing overflow accommodation (camping)
- Numerous charities and community organisations benefiting over the past 12 years from promotional ticket giveaways of Festival tickets.

The Festival's growth and success continues to be characterised by the ongoing contribution of approximately 550 volunteers who each provide a minimum of 16 hours (with some providing many more), as well as the involvement of a large number of local businesses and community groups. This is a clear demonstration of community pride totaling in excess of 9,000 volunteer hours.

Strategic Direction

Council has previously committed to establishing the strategic direction for the Festival and investigating the options available to Council regarding the best ongoing delivery model for the event. Since 2015, this has included the following:

- Commissioning of consultancy firm Earthcheck to undertake a comprehensive study into the best *'future service delivery model'* for the Festival and to explore the most efficient way of delivering the Festival to the community
- Commissioning of consultancy firm Earthcheck to develop a comprehensive business plan for the delivery of Caloundra Music Festival for the years 2017-2019
- Comprehensive economic impact reports by TEQ for the 2016-2018 Festivals
- Revising annual business, operational and risk management plans
- Creating a Festival Steering Committee to provide high level strategic advice and operational support to the Coordinator Major Events Delivery (up to and including 2017)
- In 2017 Council received interest from a key partner in 'taking over' the Festival. While there was some discussion, the opportunity did not progress at the time however the option for alternate deliver methods remains open for investigation.

Council's Funding Support

It is proposed that a commitment by Council to a further three-year period of funding provision of \$250,000 per annum will provide the opportunity to:

- further refine the Festival's strategic and operational plans (undertake longer term planning)
- seek three-year sponsorship and contract arrangements (eg TEQ and other private sector sponsors) and
- further improve the Festival's bottom line and Council's return on investment.

It is anticipated that, at the end of this period, the Festival will be in a position to:

- transition to an outsourced delivery model, if that is Council's desire or
- remain within Council, retaining funds to provide further legacy items such as infrastructure development, along with other arts, cultural, community, environmental and tourism outcomes or
- have a decision determined in relation to the viability of continuing the Festival.

Legal

Any legal risks to Council associated with the Festival outlined in the proposal section of this report will be managed through Council's contractual agreement with service providers. The contractual agreement is drafted and settled by Council's legal and procurement areas.

Policy

- Sunshine Coast Council Entertainer Contracting Plan
- Sunshine Coast Council Major Events Strategy 2018-2027
- Sunshine Coast Council Strategic Policy – Events Policy
- Sunshine Coast Council Strategic Policy – Procurement Policy
- Sunshine Coast Council Strategic Policy – Sponsorship
- Sunshine Coast Council Strategic Policy – Sponsorship (governance framework)

Risk

If Council resolve not to support the Festival for a further three years, there will be:

- a decrease in economic benefit (of \$4 million) in tourism visitation and media exposure
- a loss of profile for the region as a major and regional events destination
- a loss of culture and community benefits
- a loss of profile for Caloundra specifically as a premier holiday destination
- a considerable risk to loss of community pride (outlined earlier) and
- potential for other event organisers to consider whether the Sunshine Coast remains event friendly.

Event delivery carries risk. The *WH&S Regulation 1997* specifies how particular WH&S issues must be managed. These guidelines must be followed regardless of any risk management approach. Each year, Council engages a professional company to assess the operational risks associated with the event.

Council's public liability insurance policy through Local Government Mutual provides coverage against claims of negligence in the event of an incident. Since the commencement of the Festival there have been no claims of negligence against Council.

Other potential risks associated with the Festival relate to loss of community support (political and otherwise), budget over-runs (or revenue shortfalls), and negative media reports. Most of the mitigation strategies involve good planning and effective stakeholder communication. A full risk analysis and mitigation strategy is included in the Caloundra Music Festival Business Plan and reviewed annually.

The commitment to a three-year arrangement provides leverage to ensure future opportunities associated with the Festival can be captured.

Previous Council Resolution**Ordinary Meeting 25 January 2017 (OM17/14)**

That Council approve delivery plans for the Caloundra Music Festival from 2017-2019 as discussed in confidential session.

Ordinary Meeting 20 June 2013 (OM13/124)

That Council:

- approve the allocation of an annual operational budget contribution of \$200,000 (ex GST) in the 2014 financial year, reducing to \$180,000 (ex GST) in the 2015 financial year and \$160,000 in 2016 financial year*
- endorse the continuation of the current internal delivery mechanism of the Caloundra Music Festival until 2016 and*
- endorse the development of a Strategic Business Plan by the Caloundra Music Festival Strategic Planning Group, for subsequent consideration and approval by Council.*

Critical Dates

There are no critical dates impacting this report.

Implementation

Should the event funding of \$250,000 per annum for the next three years be approved, the funding will be built into the annual budget process and stakeholder engagement will follow in the lead up to and post the already approved 2019 event.

8.4 BUSINESS PERFORMANCE**8.4.1 JANUARY 2019 FINANCIAL PERFORMANCE REPORT****File No:** Financial Reports**Author:** Coordinator Financial Services
Business Performance Group**Attachments:** Att 1 - January 2019 Financial Performance Report 107**PURPOSE**

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

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 31 January 2019 in terms of the operating result and delivery of the capital program.

The operating result at 31 January 2019 shows an unfavorable variance of \$147,000 compared to the budgeted position. The variation is mainly due to lower than profiled operating expenses which are offset by lower than profiled fees and charges income as shown in the table below. Further detail is provided in the proposal section of this report.

Operating Performance**Table 1: Operating Result as at 31 January 2019**

| | Current Budget \$000 | YTD Budget \$000 | YTD Actuals \$000 | YTD Variance \$000 | YTD Variance % |
|--------------------------|-------------------------------------|---------------------------------|----------------------------------|-----------------------------------|-------------------------------|
| Total Operating Revenue | 451,362 | 369,659 | 367,682 | (1,976) | -0.5% |
| Total Operating Expenses | 435,354 | 242,275 | 240,445 | (1,829) | -0.8% |
| Operating Result | 16,008 | 127,384 | 127,237 | (147) | -0.1% |

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

As at 31 January 2019, \$180.9 million (47.5%) of Council's \$381.1 million 2018/19 Capital Works Program was financially expended.

The core Council Capital Program has progressed 51% of budget, an actual spend of \$79.1 million.

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

OFFICER RECOMMENDATION

That Council receive and note the report titled "January 2019 Financial Performance Report".

FINANCE AND RESOURCING

This report sets out the details of Council's financial performance and investments for the month of January 2019 and meets Council's legislative reporting requirements.

CORPORATE PLAN

| | |
|------------------------------|--|
| Corporate Plan Goal: | <i>An outstanding organisation</i> |
| Outcome: | 5.6 - Information, systems and process underpin quality decisions and enhance customer experience |
| Operational Activity: | 5.6.5 - Manage Councils budget in alignment with sustainability ratios to ensure a sustainable financial position is maintained. |

CONSULTATION

Portfolio Councilor Consultation

Consultation has been undertaken with the Portfolio Councillor, Councillor T Dwyer.

Internal Consultation

This report has been written in conjunction with advice from:

- Group Executive Business Performance
- Chief Finance Officer
- Coordinator Financial Services

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

This monthly financial performance report provides Council with a summary of performance against budget as at 31 January 2019 in terms of the operating result and delivery of the capital program.

The operating result at 31 January 2019 shows an unfavorable variance of \$147,000 compared to the budgeted position.

Operating Revenue

Year to date revenues as at 31 January 2019 of \$367.7 million shows an unfavourable variance of \$2 million.

Table 2: Substantial Revenue variances as at 31 January 2019

| | YTD Budget \$000 | YTD Actuals \$000 | YTD Variance \$000 | YTD Variance % |
|------------------------------------|------------------------|-------------------------|--------------------------|----------------------|
| Fees and Charges | 36,971 | 35,443 | (1,529) | -4.1% |
| Interest Received from Investments | 4,352 | 4,057 | (259) | -6.8% |
| Other Revenue | 7,075 | 6,657 | (418) | -5.9% |

Fees and Charges

Fees and charges revenue of \$35.4 million is \$1.5million lower than the year to date budget. The variance predominantly relates to development services revenue and refuse tip fees, as

a result of declining volumes. The financial year budget has been revised during budget review 2 to align with the projected revenue outcome for 2018/19.

Interest Received from Investments

Council's cash available for investment has decreased compared to the expected budget. This has resulted in a decline in interest received.

Other Revenue

An unfavourable variance of \$418,000 applies to Other Revenue due to recoverable works for external agencies with associated expenditure.

Operating Expenses

Year to date expenditure as at 31 January 2019 of \$240.4 million shows a variance under budget of \$1.8 million.

Employee Costs

As at 31 January 2019 employee costs were above budget by \$937,000 or 1.2%. This unfavourable variance relates to utilisation of internal employees to deliver operating and levy funded projects which is offset by underspends in materials and services.

Council budgets a vacancy rate of 3% across the organisation including core maintenance areas. An overspend has been realised against the budget year to date due to the nature of maintenance delivery. Underspends have been sought within materials and services to align Council's operating result.

Materials and Services

Materials and services account for the majority of the expenditure variance as at 31 January 2019, with all groups underspent budget by a total of \$4.1 million.

\$483,000 of the favourable variance relates to the delivery of operating projects and is partially offset by higher employee costs and other expenses associated with resourcing projects. Total Project expenditure was 53.4% of full year budget as at 31 January 2019.

Built Infrastructure are reporting an underspend mainly attributable to Parks and Gardens, Transport Infrastructure Management and Civil Asset Management. A significant portion of this underspend can be attributed to the expected vacancy rate which is offset in employee costs. Timing issues in traffic signals maintenance contracts have also occurred.

Business Performance are reporting an underspend largely due to an increase in planned maintenance for Council's community facilities resulting in a decrease of costs. Savings are expected to be realised this financial year.

Economic Development and Arts, Heritage & Libraries are also reporting underspends, predominantly relating to program delivery scheduled later in the year.

The financial year budget has been revised during budget review 2 to align with the expected materials and services expenditure for 2018/19.

Capital Expenditure

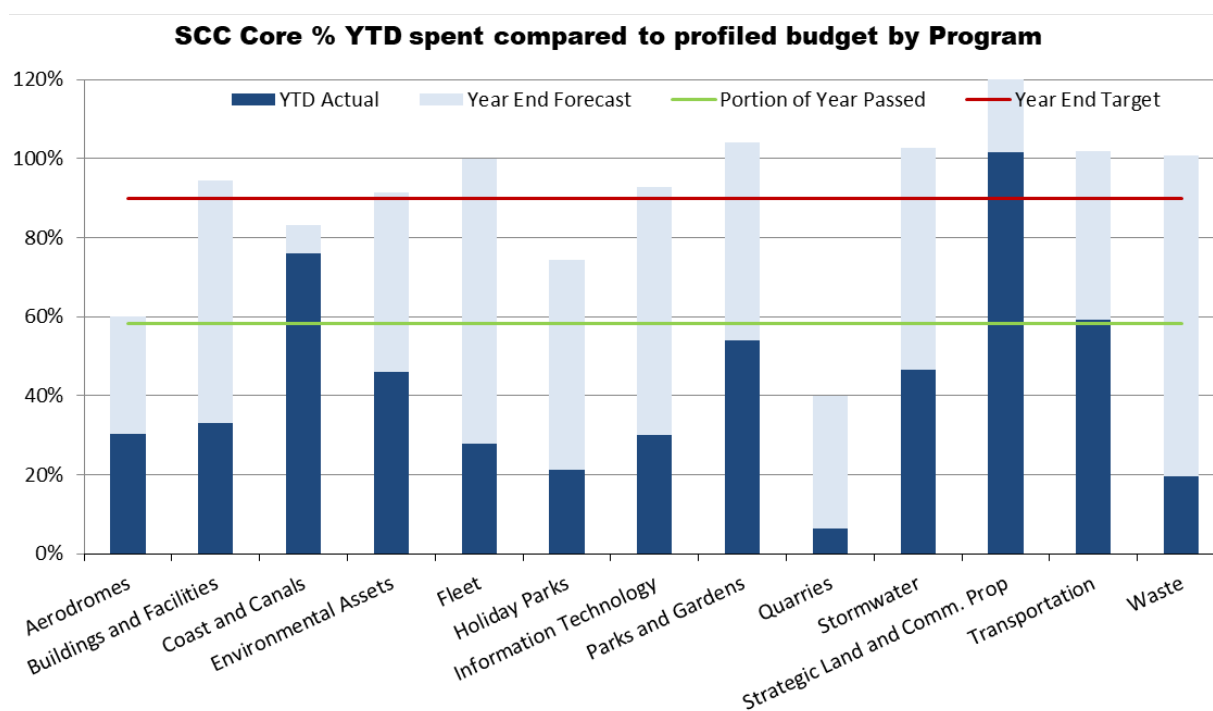
As at 31 January 2019, \$180.9 million (47.5%) of Council's \$381.1 million 2018/19 Capital Works Program was financially expended.

The Core Council Capital Program has progressed 51% of budget, an actual spend of \$79.4 million. The Actual YTD includes all works that have been goods receipted and accrued as at 31 January 2019.

Table 3: Capital Expenditure by Program at 31 January 2019

| Capital Works Program | Current Budget \$000s | YTD Actual \$000s | % of FY Budget Spent | Forecast Year End Actual |
|--|-----------------------|-------------------|----------------------|--------------------------|
| Aerodromes | 40 | 12 | 30.3% | 24 |
| Buildings and Facilities | 17,688 | 5,830 | 33.0% | 16,696 |
| Coast and Canals | 2,229 | 1,692 | 75.9% | 1,857 |
| Environmental Assets | 1,166 | 536 | 46.0% | 1,067 |
| Fleet | 3,000 | 836 | 27.9% | 3,000 |
| Holiday Parks | 1,875 | 397 | 21.1% | 1,397 |
| Information Technology | 9,644 | 2,892 | 30.0% | 8,941 |
| Parks and Gardens | 16,725 | 9,015 | 53.9% | 17,413 |
| Quarries | 1,219 | 76 | 6.2% | 485 |
| Stormwater | 10,535 | 4,917 | 46.7% | 10,812 |
| Strategic Land and Commercial Properties | 13,181 | 13,397 | 101.6% | 15,824 |
| Transportation | 61,806 | 36,535 | 59.1% | 63,061 |
| Waste | 16,738 | 3,274 | 19.6% | 16,857 |
| Total SCC Core Capital Program | 155,847 | 79,410 | 51.0% | 157,435 |
| Corporate Major Projects | 11,428 | 3,090 | 27.0% | 3,175 |
| Divisional Allocations | 7,335 | 2,054 | 28.0% | 2,984 |
| Maroochydore City Centre | 34,557 | 16,909 | 48.9% | 35,307 |
| Submarine Cable IBN | 20,610 | 6,075 | 29.5% | 18,988 |
| Sunshine Coast Airport Runway | 151,345 | 73,383 | 48.5% | 146,431 |
| Total Other Capital Program | 225,275 | 101,511 | 45.1% | 206,885 |
| TOTAL | 381,122 | 180,921 | 47.5% | 364,320 |

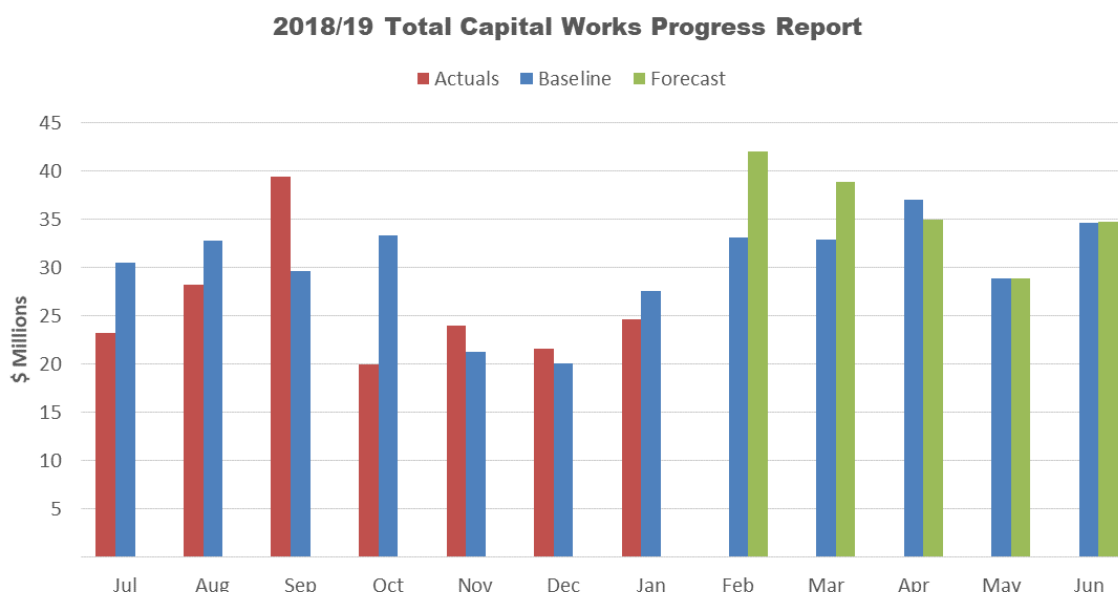
The following graph shows the Core Capital Programs progress to date and year end forecast. Currently the Core Capital Program is forecasting 101% delivery at year end.



The following program updates are provided in relation to programs reporting lower expenditure to date:

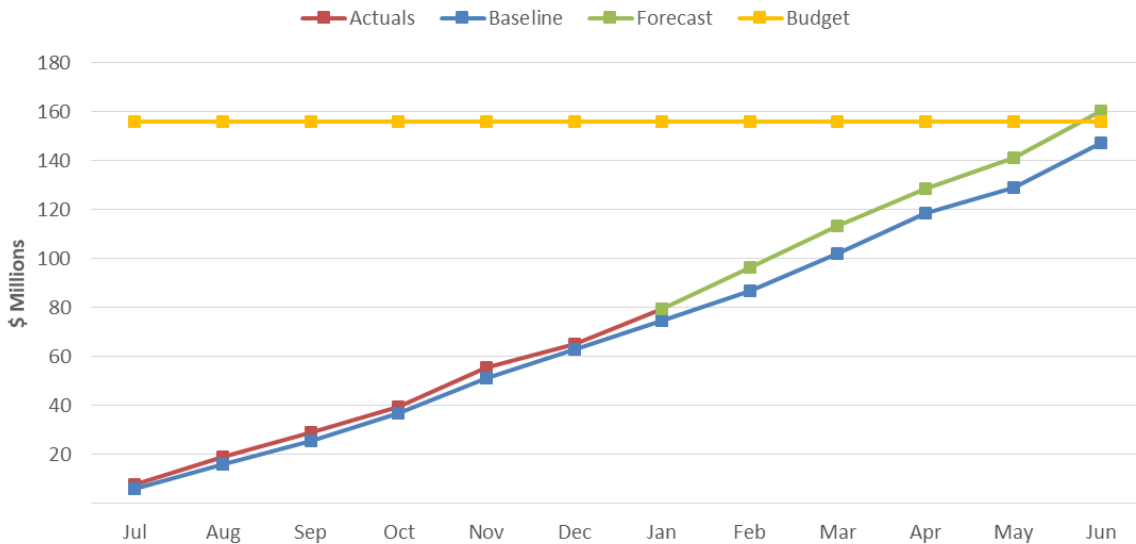
- Buildings and Facilities – 32% of the program budget is assigned to The Events Centre redevelopment which has started construction. \$2 million of renewal and upgrade works to Council’s aquatic centres will be scheduled for the winter months. The program is forecasting 96% completion at year end.
- Fleet - Significant orders in place and plant builds underway for delivery in March, a number of quotes underway to see all fleet delivered by May/June 2019.
- Holiday Parks – The major expenditure for the year relates to the replacement of the amenities at the Cotton Tree Caravan Park. A contractor has been appointed with construction scheduled to commence February 2019. Other significant expenditure relates to land acquisitions for future sites which cannot be forecast at this stage.
- Information Technology – Expenditure to date on corporate systems implementations for customer relations management are reflective of the project continuing through the procurement phase. Council’s asset management and human resource implementation is expected to incur expenditure in the second half of the financial year as the projects progress towards the implementation phase. The program is forecasting 91% completion at year end.
- Quarries – significant budget reduction proposed in BR2 which will change achievability of program completion. Entrance works will be delivered by June 19.
- Waste – The contract for the AWCS collection centre was awarded in October with site preparations commencing in November and construction to begin early 2019. Construction of the Caloundra Landfill Cell 12 will commence in November 2018. Deferral of projects not ready for construction are expected in Budget Review 2.
- Stormwater Program –Significant projects at Buderim, Meridan Plains and Maroochydore are scheduled to be constructed outside of the wet months.

The following graph displays a baseline forecast for the Total Capital Works Program which was captured at the end of September, to include the impacts of Budget Review 1. The graph compares the actual to date and the most recent forecast for the remaining periods, against this baseline. The forecasts are prepared by project managers on each project to reflect their latest estimate of project expenditure up to June 2019.

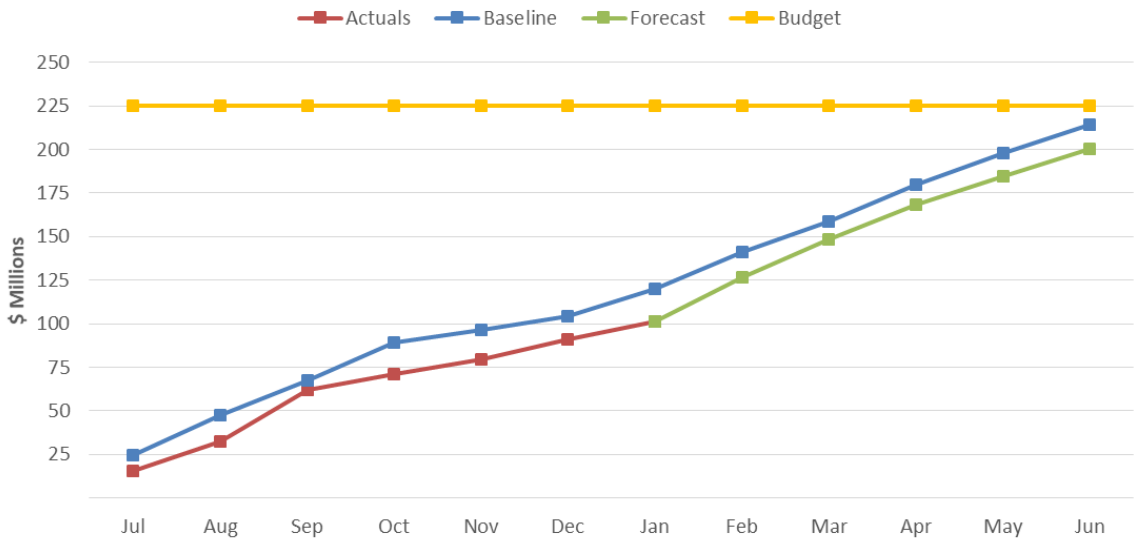


The following two graphs display the cumulative baseline, actual to date and latest forecast compared to the Current Budget provided for in the Core and Other Programs. The baseline reflects project managers estimated forecast following Budget Review 1. Whereas the forecast incorporates the latest information available to project managers in relation to project completion. This forecast will continue to be updated each month and reported against the baseline.

2018/19 Core Capital Works Progress Report



2018/19 Other Capital Works Progress Report



Investment Performance

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 January 2019 Council had \$148.7 million cash (excluding Trust Fund) with an average interest rate of 2.77%, being 0.66% above benchmark. This is compared to the same period last year with \$302.9 million cash (excluding Trust Fund) with an average interest rate of 2.57%, being 0.68% above benchmark.

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

Legal

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

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

Policy

Council's 2018/19 Investment Policy; 2018/19 Debt Policy.

Risk

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

Previous Council Resolution

Ordinary Meeting 13 September 2018 (OM18/155)

That Council:

- (a) receive and note the report titled "**Budget Review 1 2018/19**" and*
- (b) adopt Appendix A as tabled, pursuant to section 170A of the Local Government Act 2009 and sections 169 and 170 of the Local Government Regulation 2012, Council's amended budget for 2018/19 financial year incorporating:*
 - i. the statement of income and expenditure*
 - ii. the statement of financial position*
 - iii. the statements of changes in equity*
 - iv. the statement of cash flow*
 - v. the relevant measures of financial sustainability*
 - vi. the long term financial forecast*
 - vii. the Debt Policy*
- (c) note the following documentation applies as adopted 21 June 2018*
 - i. the Revenue Policy*
 - ii. the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
 - iii. the Revenue Statement*
 - iv. the rates and charges to be levied for the 2018/19 financial year and other matters as adopted 21 June 2018.*

Special Meeting Budget 21 June 2018 (SM18/8)

That Council:

- (a) adopt Appendix A as tabled, pursuant to section 170A of the Local Government Act 2009 and sections 169 and 170 of the Local Government Regulation 2012, Council's budget for 2018/19 financial year incorporating:*
 - i. the statement of income and expenditure*

- ii. the statement of financial position*
- iii. the statements of changes in equity*
- iv. the statement of cash flow*
- v. the relevant measures of financial sustainability*
- vi. the long term financial forecast*
- vii. the Debt Policy*
- viii. the Revenue Policy*
- ix. the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. the Revenue Statement*
- xi. Council's 2018/19 Capital Works Program, endorse the indicative four-year program for the period 2020 to 2023, and note the five-year program for the period 2024 to 2028 and*
- xii. the rates and charges to be levied for the 2018/19 financial year and other matters as detailed below in clauses 3 to 11.*

Related Documentation

2018/19 Adopted Budget

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

8.4.2 SUNSHINE COAST CITY HALL BUILDING - PROJECT UPDATE

File No: Council meeting
Author: Manager Property Management
Business Performance Group

PURPOSE

To provide an update to Council on the Sunshine Coast City Hall project.

EXECUTIVE SUMMARY

Council has resolved to establish a presence within the Maroochydore City Centre including the development of its own premises, currently known as Sunshine Coast City Hall (SCCH). A high level project plan was adopted by Council on 11 October 2018 (OM18/173) and a Project Management Team appointed to deliver this project. Occupation of the completed building is scheduled for 1 July 2022, subject to achievement of all project milestones.

Since the last project update, the following activities have been completed or are underway:

- A Request for Quote procurement process is underway with the sub-consulting design team, due for appointments throughout February and March 2019.
- Architects have commenced the initial phases of the concept design phase

The Program of works endorsed in the SCCH High Level Project Management Plan is currently on schedule in the context of the programmed occupation date and the Project remains on budget.

OFFICER RECOMMENDATION

That Council receive and note the report titled “Sunshine Coast City Hall Building - Project Update”.

FINANCE AND RESOURCING

At this point in time, the necessary resources have been allocated to progress this project for the balance of the current financial year. Sufficient funding exists within the 2018-2019 budget to cover the initial elements of the project. This includes establishment of the project delivery team and the project office and commencement of the design process, including engagement of external design consultants. Funding for this project in 2019/2020 and beyond will be progressed for consideration as part of the standard Council budget process.

CORPORATE PLAN

Corporate Plan Goal: *A smart economy*
Outcome: 1.2 - New capital investment in the region
Operational Activity: 1.2.4 - Partner with a developer to design the Sunshine Coast City Hall and engage in construction.

CONSULTATION**Councillor Consultation**

Councillors have been consulted on this project during ten Council workshops and meetings since February 2017.

Extensive consultation with Councillors and staff will be undertaken during the design development phase, which will encompass the development of the preliminary design

concepts, the procurement and selection of the managing contractor for the design and construction contract and the development and approval of a detailed budget.

Internal Consultation

This report has been written in conjunction with advice from:

- Chief Executive Officer
- Group Executive Business Performance
- Manager Business Development

The contracted Project Director, Project Urban, has also been consulted in the development of this report.

External Consultation

A Communication Plan has been developed for the initial stages of the project, particularly pertaining to the Workplace Transformation Project, including provision of information and updates to external parties.

PROPOSAL

Council has resolved to establish a presence within the Maroochydore City Centre, including the development of its own premises, to be known as Sunshine Coast City Hall (SCCH). Since the last project update provided to Council on 6 December 2018, that following activities have been completed or are underway.

Procurement of Specialist Services

Design Consultancy

As previously noted, the procurement process associated with the Architect has concluded, with the appointment of Cottee Parker Architects, who have commenced work.

The focus has now moved to appointment of sub-consultants who will support the Architect in the development of the concept design. Request for Quote documents have been released to the sub-consultants who are currently preparing responses.

These disciplines include the following, however, it is noted for clarity that further consultants will be required once the relevant scope / brief has been established.

1st Round – Submissions due 18 February 2019:

- Structural Engineer
- Civil Engineer
- Hydraulic and Wet Fire Engineer
- Town Planning
- Landscape Architecture
- Quantity Surveyor
- Building Certifier

2nd Round – RFQ to be issued week commencing 10 February 2019:

- Mechanical and Electrical Engineer
- Sustainability

Program

High level milestones and Council decision points

In accordance with the timeframes articulated in the Council endorsed SCCH High Level Project Management Plan, the high level project milestones and Council decision points are identified as follows:

- Appointment of Principal Architect - completed
- February 2019 – Recommendation of design consultancy team
- April 2019 – Recommendation of concept design
- June 2019 – Submission of Development Application to Economic Development Queensland (EDQ)
- September 2019 – Development Approval by EDQ
- December 2019 – Award of Design and Construction contract

Of the above milestones, the expected June 2019 EDQ submission presents as the initial and current key milestone date. The Project Management Team (PMT) has developed a clear strategy and associated program to achieve this target, inclusive of Council engagement, SCC internal stakeholder review and endorsement.

Design

Following a thorough review of the base building brief, Cottee Parker has commenced the early phases of the concept design. These phases include interrogating the constraints and opportunities of the building site and aligning these with the key development parameters contained within the base building brief (as endorsed by Council). The early phases of the design process involves the Architect bringing together the multitude of elements to the base building brief into workable forms on the site.

Accordingly, as an important facet of the early concept design process, the initial outputs of this phase seek to either reinforce the key development parameters or where applicable challenge and propose alternative parameters for consideration by Council.

The initial key development parameters under review include:

- Floor plate sizes and configuration;
- Carparking configuration; and
- General massing

In addition to this review, consideration will be given to the established parameters of the planning scheme and the statutory processes of EDQ and it is expected that the testing and review of the SCC key development parameters will be completed in early March. The Architect and sub-consultant team will then begin to conceptualise these elements into presentable design form options to be considered by SunCentral and the SunCentral design review panel before finalisation.

Design and Construction (D&C) Contract

Preparation of the tender for the D&C contract is underway. This includes preparation of a bespoke D&C contract, which will incorporate the novation of the existing Architectural and Design Consultancy Contracts and the work resulting from same to the appointed D&C contractor.

The award of the D&C contract is scheduled for December 2019.

Council Engagement Program

As noted, a clear program and strategy for input, review and endorsement has been prepared by the PMT. At the core of this strategy is a proposed review and endorsement proposal for Council engagement, centered around two key presentations by the Architect to Council, being:

1. **Concept Options Review Workshop**
A workshop to be held in late April, presenting concept options for consideration by Councillors. The presentation will include an understanding of the background on the evolution of each option, providing Council with a detailed understanding of the design, and how it responds to the brief, the site and the key development parameters endorsed by Council. The Architect will take feedback on preferred design option(s) and commentary and proceed to finalise the preferred design option for endorsement by Council.
2. **Concept Design Endorsement**
The final concept design will be presented to Council for consideration at the May Ordinary Meeting.

Following consideration by Council of the Concept Design at the Ordinary Meeting of May 2019, engagement will be extended to affected Branch Managers and staff as identified through the Co-location Strategy, in relation to functionality and operations of the building.

Co-Location and Workplace Strategy

As part of the overall Workplace Transformation Project, the Co-location Strategy considers the customer supply chain and its influence on the location of the many service functions delivered by Council staff. To inform a draft of the Co-location Strategy, interdependencies between the functional areas of Council and their customers have been reviewed, then rationalisation of suitable space within the 3 corporate administration centres in the region (Caloundra, Maroochydore and Nambour) has been undertaken.

The recommendations of the draft Co-location Strategy are currently being consulted with the Board of Management, at the same time as Bendelta is undertaking an external peer review.

The next step is engagement with Branch Managers and staff to inform a final draft of the Co-location Strategy prior to commencing the Workplace Strategy where staff will be engaged in relation to workplace design.

Communication and Engagement Plan

A Communication Plan has been developed for the initial stages of the project, particularly pertaining to the first stage of the Workplace Transformation Project – *Co-location Strategy*. The focus of early communications is on the engagement with the Board of Management and affected Branch Managers and Staff in relation to the draft Co-location Strategy. The Communication Plan also includes the provision of information and updates to internal and external parties. Updates were also provided to staff and the community on the content of the January Ordinary Meeting Report for SCCH.

Project Governance / Team Structure

Following the establishment of the SCCH project governance structure, the SCCH Project Control Group (PCG) continues to meet monthly.

The SCCH PCG will continue to provide progress updates to the Maroochydore City Centre Shareholder Representative Group (SRG). The SRG oversees Council's interests in the activities of SunCentral Maroochydore Pty Ltd and the development of the Maroochydore City Centre.

Legal

McCullough Robertson Lawyers have been engaged to provide specialist legal services regarding the major contract/s, primarily the Consultancy Deeds and D&C Contract.

The project will involve a series of procurement activities ranging from consultants and project management personnel through to engagement of design and construction entities.

All procurement for the project will be led by an appointed Procurement Specialist from within Council, with the support of appropriate legal advice.

Policy

The SCCH project is being managed in conformity with Council's Procurement Policy and arrangements for capital projects of this nature.

Risk

A Risk Assessment and Management Plan forms part of the Project Plan, which continues to evolve and will be further developed following a risk workshop with key project delivery stakeholders. This is scheduled for mid-February, with an updated Project Plan scheduled to be presented to Council by March 2019.

Previous Council Resolution**Ordinary Meeting 31 January 2019 (OM19/13)**

That Council receive and note the report titled "Sunshine Coast City Hall Building - Project Update".

Ordinary Meeting 6 December 2018 (OM18/199)

That Council:

- (a) *receive and note the report titled "**Sunshine Coast City Hall Building - High Level Project Plan**" and*
- (b) *endorse the proposed arrangements for the engagement of the Principal Architect, the project high level milestones, the development of the Base Building Brief and the project governance structure to facilitate progression of the Sunshine Coast City Hall project.*

Ordinary Meeting 11 October 2018 (OM18/173)

That Council:

- (a) *receive and note the report titled "Sunshine Coast City Hall Building - High Level Project Plan" and*
- (b) *endorse the Sunshine Coast City Hall Building - High-Level Project Plan (Appendix A).*

Special Meeting 10 September 2018 (SM18/14)

That Council:

- (a) *note the discussions held in confidential session in relation to City Hall*
- (b) *authorise the Chief Executive Officer to make public Attachment 1 to a report considered by Council on 14 September 2017, namely the Staff Relocation Impact Assessment prepared for Sunshine Coast Council by Lucid Economics dated August 2017, excluding appendices B and C on the basis that these appendices may disclose matters that relate to the commercial proprietary interests of Lucid Economics and*

- (c) *request for the Chief Executive Officer to offer for Lucid Economics to present to the Nambour and Caloundra Chambers.*

Ordinary Meeting 14 September 2017 (OM17/181)

That Council resolves because of the specialised nature of the services that are sought from Woods Bagot it would be impractical or disadvantageous to invite quotes or tenders in relation to The Smart Move Project.

Special Meeting 17 August 2017 (SM17/42)

That Council note the discussions held in confidential session in relation to the Smart Move project update.

Special Meeting 23 February 2017 (SM17/4)

That Council receive and note the report titled "New Council Chambers/Budget Monitoring and Financial Risk status report"

Related Documentation

- Lucid Economics report
- Maroochydore City Centre PDA Development Scheme and associated Precinct 3 Plan
- Nambour Activation Plan Project Control Group Charter
- Caloundra Centre Activation Project Control Group Charter
- SunCentral Maroochydore Pty Ltd Shareholder Representative Group Charter

Critical Dates

The occupation of Sunshine Coast City Hall is planned for 1 July 2022.

Implementation

Following Council's consideration of this project progress report, Council officers will continue to advance the SCCH Project in line with the High Level Project Plan.

8.4.3 BUDGET REVIEW 2

File No: Council Meetings
Author: Coordinator Financial Services
Business Performance Group

Report to be provided.

8.5 LIVEABILITY AND NATURAL ASSETS

Nil

8.6 OFFICE OF THE CEO**8.6.1 AUDIT COMMITTEE MEETING 29 JANUARY 2019**

| | | |
|--------------------|---|------------|
| File No: | Council meetings | |
| Author: | Manager Audit and Assurance | |
| | Office of the CEO | |
| Appendices: | App A - Audit Committee Minutes..... | 129 |
| | App B - Audit Committee Charter..... | 155 |
| | App C - Internal Audit Charter | 159 |

PURPOSE

To provide Council with information on matters reviewed at the Audit Committee Meeting held 29 January 2019 (*Section 211 Local Government Regulation 2012*) and make recommendation to Council on any matters that the Audit Committee considers need action or improvement (*Section 105 of the Local Government Act 2009*).

EXECUTIVE SUMMARY

The Audit Committee is a mandatory Advisory Committee of Council established in accordance with Section 105 of the *Local Government Act 2009*. The Committee is comprised of Mr Peter Dowling (External Chair), Mr Len Scanlan (External Member), Councillor T Dwyer and Councillor C Dickson.

The Audit Committee agenda was distributed electronically to all Councillors on 22 January 2019 with agenda reports categorised as Chief Executive Officer's Update, External Audit, Audit and Assurance, and Governance Reporting.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Audit Committee Meeting 29 January 2019"**
- (b) endorse the Audit Committee Minutes 29 January 2019 (Appendix A), Audit Committee Charter 2019 (Appendix B) and Internal Audit Charter 2019 (Appendix C).**

FINANCE AND RESOURCING

Audit Committee operations are covered within the Audit and Assurance branch core budget.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*

Outcome: 5.6 - Information, systems and process underpin quality decisions and enhance customer relationships

Operational Activity: 5.6.19 - Sustainable financial position maintained.

CONSULTATION**Portfolio Councillor Consultation**

Councillors who are members of the Audit Committee.

Internal Consultation

Board of Management

External Consultation

External members of the Audit Committee.

Community Engagement

There has been no community engagement.

PROPOSAL

The Audit Committee is a mandatory Advisory Committee which meets four times each year and is established in accordance with *Section 105 Local Government Act 2009*. The Committee has no delegated authority and is a source of independent advice to Council and to the Chief Executive Officer.

The Audit Committee is comprised of Mr Peter Dowling (External Chair), Mr Len Scanlan (External Member), Councillor T Dwyer and Councillor C Dickson. The Audit Committee agenda was distributed electronically to all Councillors.

The overall objective of the Audit Committee is to assist the Council and the Chief Executive to discharge their duties, in particular:

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

In accordance with *Section 211 of the Local Government Regulation 2012*, the Audit Committee must provide Council with a written report about the matters reviewed at the Audit Committee Meeting and make recommendation to Council on any matters that the Audit Committee considers need action or improvement (*Section 105 of the Local Government Act 2009*).

The matters reviewed at the 29 January 2019 Audit Committee Meeting (refer Minutes Appendix A) were as follows.

Chief Executive Officer's Update

- Update on Council's performance and challenges

External Audit Reports

- Finalisation of Council's 2017/18 Audited Financial Statements
- SunCentral Maroochydore Pty Ltd Annual Report 2017/18
- The Events Centre Caloundra Annual Report 2017/18
- Planning for the 2018/19 Financial Statements

- Update on new accounting standards
- Queensland Audit Office Briefing Note

Audit and Assurance Reports

The following internal audit reports were presented at the meeting.

- Environment Levy
 - Adequate internal controls operating with no material risks determined
 - Scope to improve oversight functions and the ability to readily demonstrate Environmental Levy expenditure is relevant and appropriate by reviewing and revising procedures and guidelines, clarifying what expenditure can be used for and validating wages, salaries and historic allocations
 - Management support all improvement opportunities and have agreed action plan
- Preferred Supplier Arrangements
 - Adequate internal controls operating with one high risk determined
 - Although value for money and ethical dealing principles were largely reflected across the three preferred supplier arrangements reviewed, there is scope to improve oversight and accountability of selection decisions that do not appear to be commensurate with supplier rankings
 - Management support all improvement opportunities and have agreed action plan
 - Committee recommended that *“a further update regarding recommendations associated with the preferred Supplier Arrangements report back to the next Audit Committee meeting”*
- Waste Collection Services – Revenue and Contract Payments
 - Strong internal controls operating with no material risks determined
 - Some minor continuous improvement opportunities identified
 - Management support all improvement opportunities and have agreed action plan
- Corporate Accounts Payable (BDO Review)
 - Strong internal controls operating with no material risks determined
 - No exceptions identified regarding access permissions of creditor systems, the matching and payment of creditor invoices or the approval and processing of bank transfers. Overall the creditor payment controls appear to be appropriately designed and implemented
 - Management support all improvement opportunities and have agreed action plan
- Audit and Assurance Status Report
 - The current financial year’s Internal Audit Work Plan is progressing on schedule and there are 32 audit recommendations in total to be actioned including 8 which have exceeded expected completion dates
- Audit Committee and Internal Audit Charters
 - The Audit Committee Charter amended to reflect legislative reporting requirements to Council
 - The Internal Audit Charter was not amended
 - Committee recommended that *“the attached Audit Committee Charter and the Internal Audit Charter be endorsed”*
- Audit Committee Performance Review – Self Assessment
 - The self-assessment is designed to provide assurance and identify continual improvement opportunities around the Audit Committee and associated governance operations
 - The results indicate that the Audit Committee and associated operations continue to operate to a high standard

Governance Reporting

- Asset Management Audit Recommendations
 - Committee recommended that:
 - *“the Asset Management Branch to develop a clear vision and roadmap for asset management to report back to the Audit Committee in August 2019 “*
 - *“request the Chief Executive Officer to consider establishing an Expert Advisory Panel to peer review Council’s Asset Management approach”*
 - *“provide a management report back to the next Audit Committee meeting as to the timing of addressing the outstanding audit actions”*
- Work Health and Safety Report
- Governance Report

Legal

Compliance with the *Local Government Act 2009* and *Local Government Regulation 2012*.

Policy

There are no policy implications associated with this report.

Risk

Specific risks have been detailed in the various agenda reports.

Previous Council Resolution

Audit Committee and Internal Audit Charters were previously endorsed at Council Ordinary Meeting 22 March 2018.

Ordinary Meeting 22 March 2018 (OM18/38)

That Council:

- (a) *receive and note the report titled “Audit Committee Meeting 29 January 2018” and*
- (b) *endorse the Audit Committee Minutes 29 January 2018 (Appendix A), Audit Committee Charter 2018 (Appendix B) and Internal Audit Charter (Appendix C).*

Related Documentation

Audit Committee Agenda for 29 January 2019 was issued to Councillors 22 January 2019.

Critical Dates

There are no critical dates associated with this report.

Implementation

Implementation of the Audit Committee resolutions, internal and external audit recommendations are monitored by the Audit Committee.

8.7 BUILT INFRASTRUCTURE

Nil

9 NOTIFIED MOTIONS

10 TABLING OF PETITIONS

Petitions only eligible for submission if:

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

11 CONFIDENTIAL SESSION

11.1 CUSTOMER ENGAGEMENT AND PLANNING

**11.1.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - PLANNING APPEAL -
WOOMBYE**

File No: MCU17/2097 & RAL17/2048 (APL18/0051, LEG1326)

Author: Coordinator Appeals Management
Customer Engagement & Planning Services Group

This report is confidential in accordance with section 275 (f) of the *Local Government Regulation 2012* as it contains information relating to starting or defending legal proceedings involving the local government.

11.2 ECONOMIC AND COMMUNITY DEVELOPMENT

Nil

11.3 BUSINESS PERFORMANCE**11.3.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - LAND ACQUISITION
LANDSBOROUGH FOR COMMUNITY PURPOSES****File No:****Author: Senior Project Officer
Business Performance Group**

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

11.4 LIVEABILITY AND NATURAL ASSETS**11.4.1 CONFIDENTIAL - NOT FOR PUBLIC RELEASE - LAND ACQUISITION,
LANDSBOROUGH****File No: F2018/44818****Author: Coordinator Biodiversity and Waterways
Liveability & Natural Assets Group**

This report is confidential in accordance with section 275 (h) of the *Local Government Regulation 2012* as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

11.5 BUILT INFRASTRUCTURE

Nil

11.6 OFFICE OF THE CEO

Nil

12 NEXT MEETING

The next Ordinary Meeting will be held on 28 March 2019 in the Council Chambers, 1 Omrah Avenue, Caloundra.

13 MEETING CLOSURE