



Recognising and upholding excellence in local
government

Mail: PO Box 105
Coolum Beach QLD 4573
Mobile: 0417 577 881
Email: mail@oscar.org.au

28 April 2018

Mr Greg Laverty
Group Executive Economic and Community Development
Sunshine Coast Regional Council
Email: mail@sunshinecoast.qld.gov.au

Dear Greg

Subject: Sunshine Coast Regional Council Budget 2017/18 and the Palisade transaction

Thank you for your reply to previous correspondence on this subject and your letter dated 7 March 2018 which has partially clarified some of the issues of concern to our members and the community in general.

It would be appreciated if you could provide us with additional information as detailed below:

- 1 We requested copies of the leases that apply to this transaction. The Freehold lease provided needs to be read in conjunction with the other lease documents included on page 29 of the document and in particular the SCA Framework Agreement. Please, could you provide copies of these leases so that we can assess this major transaction properly?
- 2 In the budget figures, assets held for sale total \$83.545m. The airport land component is stated as \$33.443m. How much of the remaining \$50.102 relates to airport assets.
- 3 You have advised that the write down of airport land from \$46m to \$33m resulted in a loss of \$13m. In 2016, the last reported valuation of the airport land was \$54.315m. Please clarify where your figure of \$46m came from and explain the reduction of \$21m in the value of the land between June 2016 and February 2017?
- 4 We note your comments on how the transaction is to be funded, which is a separate issue to clarifying write-downs. What are the funding costs for the project and how will these be recovered including the opportunity cost of \$67m lump sum already received?

Your further assistance on this matter will be appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Smith', is written over a light blue horizontal line.

Greg Smith
President