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

Dear Mr Laverty

Subject: Sunshine Coast Regional Council Budget 2017/18- further clarification.

Thank you for the reply dated 21 December 2017 in response to our letters dated 25 September and 9 December 2017. The Mayor has requested we direct any further queries on this matter to you.

Attached is our summary of how we see the reported financial dealings in respect to the sale of the Sunshine Coast Airport, as reported by yourselves and others in the media and in your 2017/18 Budget.

Could you please confirm that these numbers are accurate and if not could you please provide the correct figures? We assume the write down of the land was to comply with the new accounting standard AASB16. Could you also confirm that SCRC has received the initial payment of \$67m?

Our members are keen to understand the details of the lease arrangement, and we assume it would be registered by now. Therefore, we would like to request that you provide us with a full copy of the lease/s in respect to the Palisade deal.

We have been advised that a new Master Plan for the airport will be developed by Sunshine Coast Airport (Pty) Ltd, to be completed by 2020. Can the community have Council's assurance that, as the land owners, it will ensure the participation of the community in the consultation processes undertaken in developing the Master Plan?

Thank you for your assistance.

Yours sincerely

Greg Smith
President

Summary of Financial arrangement on the sale of the Sunshine Coast Airport to Palisade

The Deal

Royalties over 99 years as detailed in the lease	\$205m
Purchase of new runway by Palisade	\$290m
Purchase of existing airport assets and business	\$67m
	\$15m
Savings on transferring terminal upgrade to Palisade	\$28m
Total deal	\$605m

The new runway

SCRC to build a new runway for handover by 2022 (EEIS approval \$347m less \$28m terminal estimate)	\$319m
Proceeds from Palisade purchase of runway in 2022	\$290m
SCRC shortfall	\$29m

Existing airport business prior to sale

Net assets as at Feb 2017 – (estimate)	\$113m
Proceeds from sale to be paid/paid when?	\$67m
Second payment - 2022	\$15m
Write down of land value	\$31m
Balance	\$Nil

The estimate of net assets above appear to be low and our estimate was closer to \$123m. Can you clarify this for us please?