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26 June 2019

Mr Greg Smith
President
Organisation of Sunshine Coast Associations of Residents (OSCAR)
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Dear Greg

Thank you for your letter of 3 June 2019 to Mr. Michael Whittaker in relation to the amended Debt Policy adopted by Council at its Ordinary Meeting on 23 May 2019 and the financing arrangements for the Sunshine Coast City Hall (SCCH) project.

As you will be aware, the final Debt Policy for the 2019-2020 financial year has since been adopted as part of the Council Budget, which was introduced and approved on 20 June 2019.

In relation to your specific questions, I can advise as follows:

- There are no additional business units added to the activities of Council. That said, I would also point out that as articulated in the Debt Policy, Council operates a central treasury model and as such does not generally provide debt funding for specific projects or assets, but rather uses debt funding to finance Council's balance sheet. The exception to this arrangement (ie. provision of debt funding for specific projects) is in respect of Council's contribution to projects of regional significance, which are itemised separately in the Debt Policy (ie. the Sunshine Coast Airport Expansion Project, the Maroochydore City Centre and the Sunshine Coast International Broadband Submarine Cable network).
- The variance in borrowings for 2019/20 for the Council business units between 28 February 2019 (ie. \$16.369 million) and 23 May 2019 (ie. \$37.806 million) is principally due to revisions in the timing for the drawdown of borrowings. It should also be noted that while the Debt Policy provides a schedule of total borrowing for the relevant year, it does not automatically mean that the Council would draw down the full borrowings identified in any given year.

In relation to financing the cost to construct the SCCH, Council does not ordinarily release project budgets prior to tender processes as this can inhibit council's ability to secure the best possible price for the works, which it always seeks to do in the interests of ratepayers. Whilst the total financing requirements for the project will not be known until the completion and award of the construction tender, borrowings will likely be a major source of finance required for this project.

Thank you again for making contact with Council on this matter.

Yours sincerely



Warren Bunker
Acting Chief Executive Officer