

Beneficial Enterprises Policy

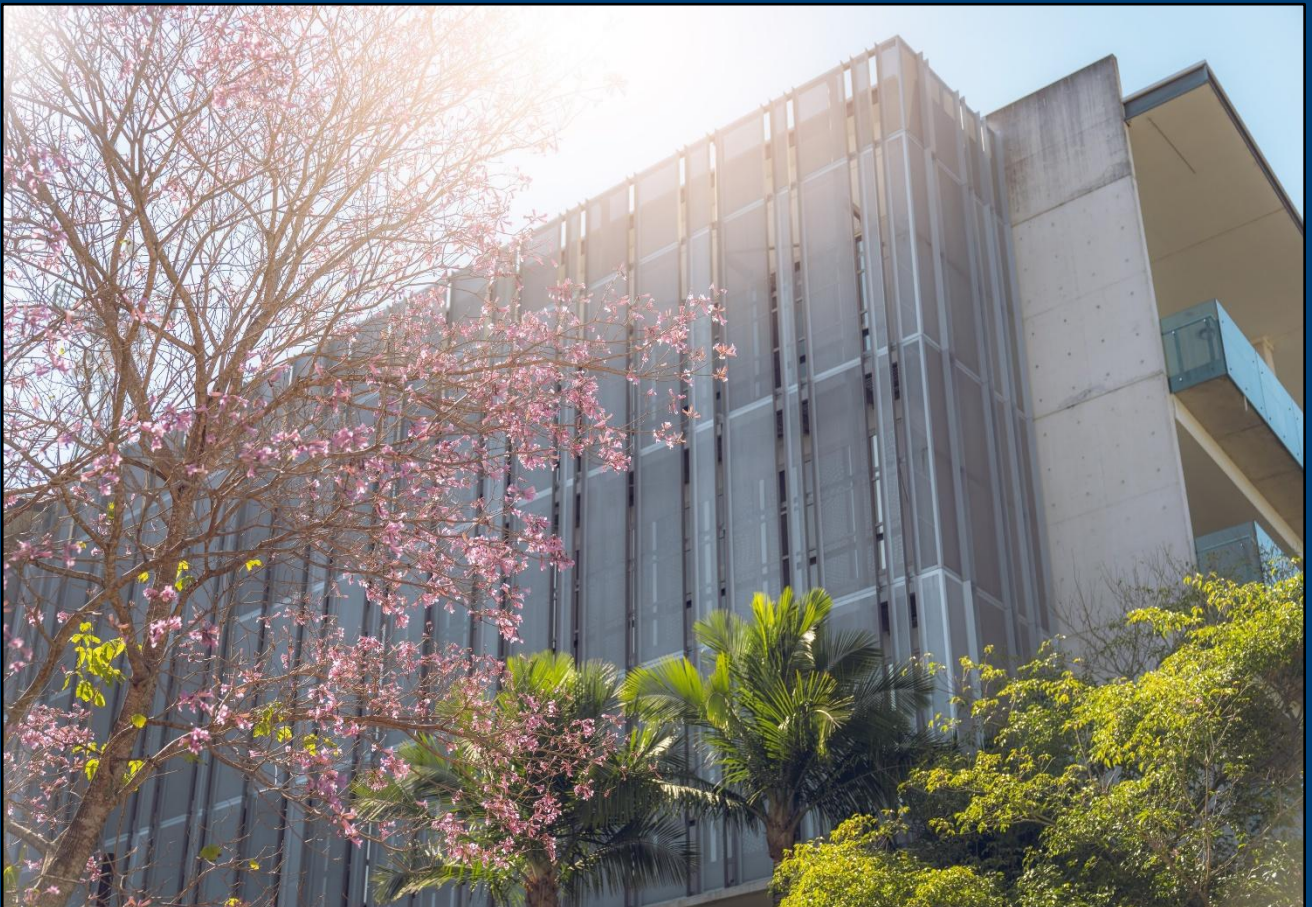


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1. Purpose

1.1 Overview

The purpose of this policy is to guide Logan City Council's approach to the establishment, governance, and management of beneficial enterprises. Beneficial enterprises are independent legal entities controlled by Council, created to deliver public value and support the city's strategic objectives. This policy will ensure that beneficial enterprises are established and managed in a manner that is transparent, accountable, and aligned with best practice governance standards.

1.2 Legislative Alignment

This policy operates within a comprehensive statutory framework shaped by Queensland legislation, including the *Local Government Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*. Beneficial enterprises must also comply with the *Corporations Act 2001* (Cth) and are subject to oversight by the Queensland Audit Office under the *Auditor-General Act 2009*. This policy is supported by Council's Best Practice Framework for Beneficial Enterprises and aligns with the ASX Corporate Governance Principles and Recommendations (4th Edition, 2019).

2. Principles

Council applies a consistent, principles-based approach to the establishment and management of beneficial enterprises, guided by the following key principles:

2.1 Public Value

Council will only establish or participate in beneficial enterprises where there is a clear and demonstrable public benefit, aligned with Council's strategic vision and community needs.

2.2 Good Governance

Beneficial enterprises will be governed in accordance with nationally recognised best practice, including the ASX Corporate Governance Principles. This includes clear roles and

responsibilities, effective board structures, and robust oversight mechanisms.

2.3 Transparency and Accountability

Council is committed to transparency and accountability in all stages of beneficial enterprise activity, from establishment to ongoing operation and reporting. Decisions will be made in the public interest, with regular disclosure of performance and financial outcomes. Risks associated with beneficial enterprises will be identified, assessed, and managed proactively to ensure that appropriate controls, monitoring, and reporting are in place that safeguard public assets.

3. Our Approach to Beneficial Enterprises

3.1 Establishment and Approval

Council will consider the establishment, acquisition, or participation in a beneficial enterprise only after a rigorous 2 stage decision-making process:

- Stage 1: Establishment of a public interest case, including in-principle Council approval and assessment of strategic benefits, risks, and alignment with community needs.
- Stage 2: Preparation and approval of a formal business case, including governance arrangements, financial viability, risk assessment, and compliance with legislative requirements.

All decisions to establish, acquire, monitor, or wind up a beneficial enterprise must be made by Council resolution.

3.2 Governance and Oversight

Beneficial enterprises will be governed by an independent board with the skills and experience necessary to deliver on their objectives.

Council will ensure that governance arrangements reflect the ASX Corporate Governance Principles, including clear separation of Council and enterprise

management, robust conflict of interest management, and regular board performance evaluation.

Council's interests as shareholder will be represented through formal agreements, regular reporting, and ongoing engagement.

3.3 Performance Monitoring and Reporting

Council will maintain oversight of all beneficial enterprises through regular performance monitoring, financial reporting, and compliance reviews. Beneficial enterprises must provide timely and balanced disclosure of material matters, including financial performance, risk, and strategic direction. Council will publish an annual list of all Council beneficial enterprises in its annual report.

3.4 Winding Up or Divestment

Council may resolve to wind up or divest from a beneficial enterprise where it no longer delivers public value, aligns with Council's strategic objectives, meets performance expectations, or is in the public interest. Any decision to wind up or divest will be informed by a comprehensive assessment of public interest, financial and legal implications, and stakeholder impacts.

4. Definitions

Beneficial Enterprise: An independent legal entity controlled by Council, directed to benefiting, and reasonably expected to benefit, the whole or part of Logan city, as defined under the *Local Government Act 2009* (Qld).

Control: The capacity of an entity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of another entity.

Best Practice Framework for Beneficial Enterprises: The Council-endorsed framework providing strategic and operational guidance for the establishment, governance, and management of beneficial enterprises.

5. Document Control

Version Control	File Number	Document Number	Council Min No.	Description of Change	Effective Date
1.0	1163784-1	13134210	187/2019	Creation.	04/12/2019
2.0	1163784-1	13134210	27/2026	Updated policy adopted by Council.	10/04/2026