

Sunshine Coast
Council

FINANCIAL PERFORMANCE REPORT



January 2012



Contents

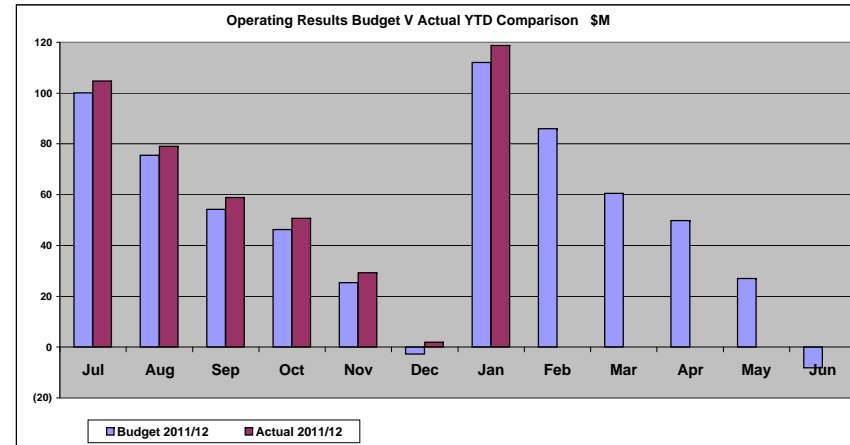
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Summary Operating Statement

31 January 2012

SUMMARY OPERATING STATEMENT					
For the Period Ending 31 January 2012					
Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %

Operating Revenue	418,968	416,908	349,785	349,637	(148)	(0.0%)
Operating Expenses	335,519	343,892	190,188	183,434	(6,755)	(3.6%)
Interest Expense	12,495	12,495	7,490	7,414	76	(1.0%)
Depreciation	68,620	68,649	40,028	40,028	(0)	0.0%
Operating Surplus/(Deficit)	2,334	(8,129)	112,079	118,762	6,683	4.7%
Transfer from Reserves	18	10,992	10,992	10,992	0	0.0%
Transfer to Reserves	(352)	(706)	(706)	(706)	0	0.0%
Balance	2,000	2,157	122,364	129,047	6,683	5.5%



Operating Net Result

Council's financial results at 31 January 2012 show the organisation with a \$6.6 million better than forecasted operating position against the year to date budget.

The 31 January 2012 operating surplus variation of \$6.6 million is made up of lower than anticipated operating expenses of \$6.7 million.

Operating Revenue

With the January general rate run, the impact of prepayments has been reduced and operating revenue has a year to date unfavourable variance of \$148,000. This variance is made up of lower than expected rates revenue of \$1.3 million and an unfavourable variance in development application fees of \$1.2 million. These unfavourable variances have been offset by favourable variances in interest revenue of \$779,000 and internal revenues of \$1 million.

Operating Expenses

The favourable variance in operating expenses of \$6.7 million is made up a lower than budgeted spend on material & services of \$6.4 million.

Operating Revenue

31 January 2012

Operating Revenue

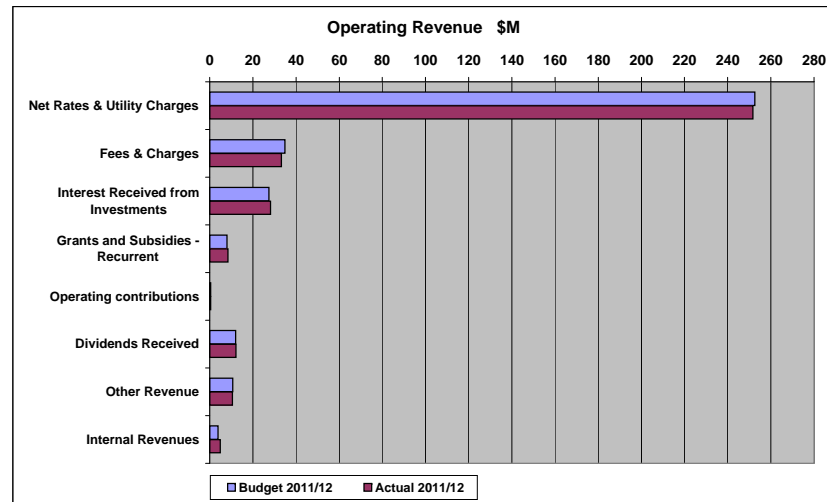
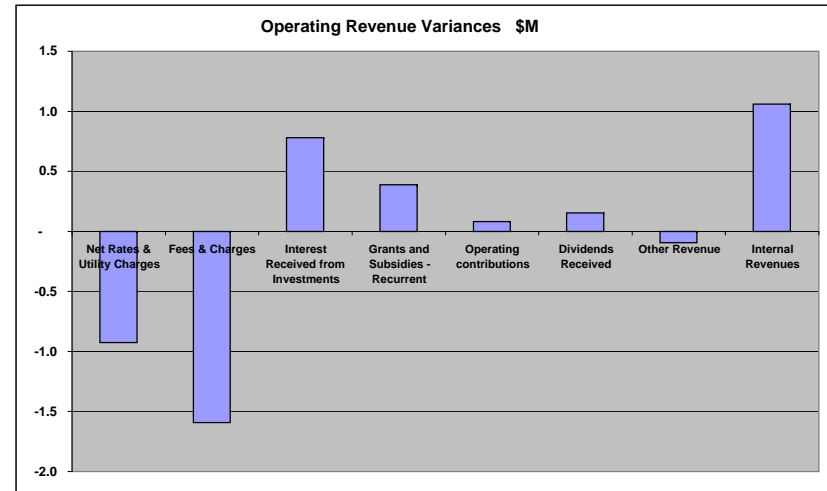
As at 31 January 2012 operating revenues are unfavourable to budget by \$148,000

With the January rate run, the year to date growth in rated properties was 0.9% compared with a budget of 1.5%. This shortfall in growth has resulted in a \$1.3 million unfavourable variance in general rates revenue

Development application fees remained steady in the month of January, and are continuing to show a year to date unfavourable variance of \$1.2 million

Interest received from investments continues to show a favourable variance of \$779,000, although this variance may be impacted in the coming months due to the decrease in interest rates.

Internal revenue continues to show a positive trend due to higher than budgeted internal recoveries to capital works.



Operating Expenses

31 January 2012

Operating Expenses

At 31 January 2012, operating expenses were \$6.7 million or 3.6% under budget due to an underspend in materials and services of \$6.4 million.

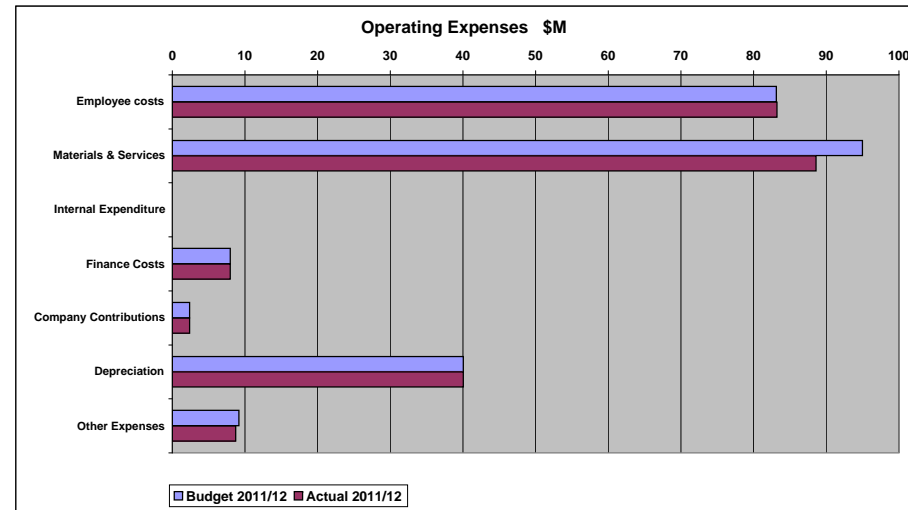
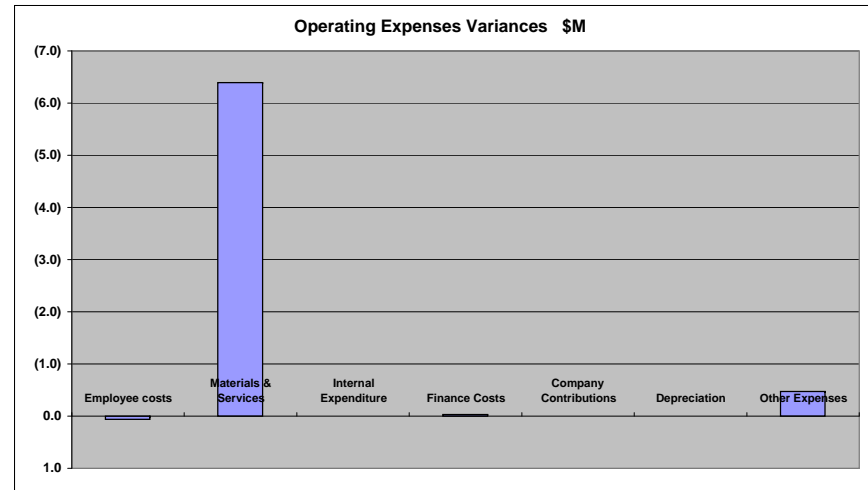
The year to date labour variance is showing an unfavourable variance of \$62,000. The turn around in the labour variance can be attributed to a high volume of annual leave taken across council during late December 2011 and throughout January 2012.

Capitalised labour for the Finance and Business Department and the Parks and Gardens Branch was also adjusted resulting in a favourable labour movement of \$735,000.

The underspend on materials and services continues, with a year to date favourable variance of \$6.4 million. This favourable variance is across 3 departments with favourable variances of \$2.9 million for Infrastructure Services, \$2.2 million for Finance and Business and \$940,000 for Regional Strategy and Planning.

Of the favourable materials and services variance, approximately \$900,000 relates to grants or levy expenditure, which if not spent by end of year will be transferred to reserves. \$330,000 relates to legal appeals which will be settled before the end of the year and \$940,000 relates to an underspend in Building & Facilities, which could potentially relate to purchase orders not being receipted on time.

There are no other operating expenditure issues at 31 January 2012.



Summary Capital Statement

31 January 2012

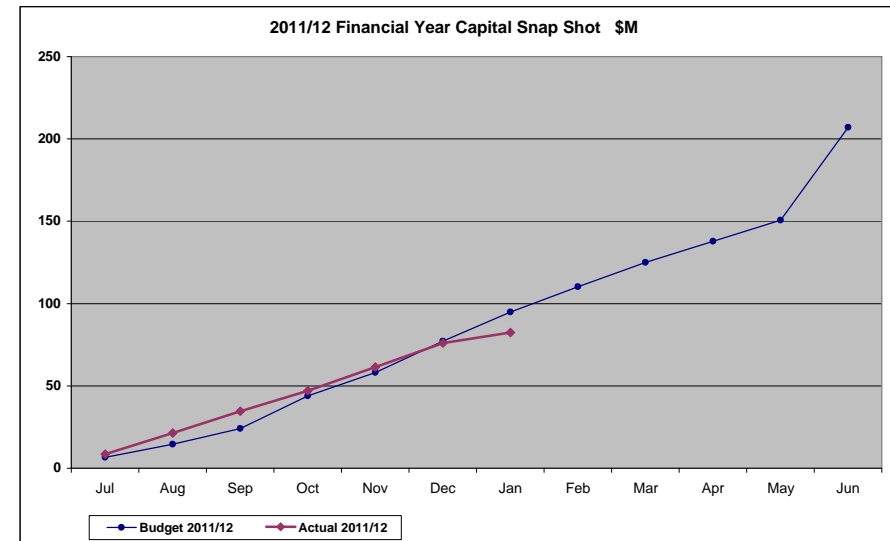
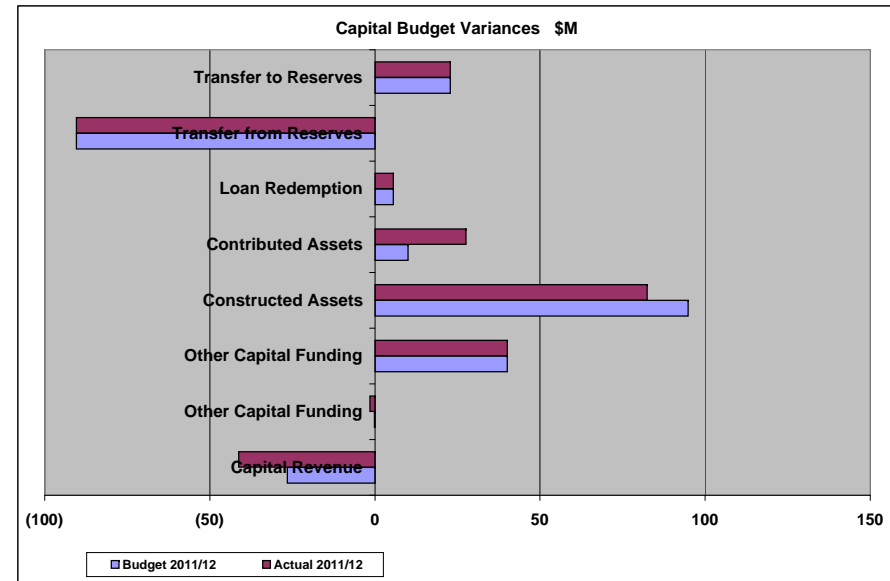
SUMMARY CAPITAL STATEMENT For the Period Ending 31 January 2012						
	Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %

Operating Contribution / Shortfall	2,000	2,157	122,364	129,047	6,683	5.5%
Capital Revenue	(45,646)	(57,304)	(26,567)	(41,212)	(14,645)	55.1%
Other Capital Funding	(110,508)	(111,419)	(40,229)	(41,496)	(1,267)	3.2%
Constructed Assets	189,732	207,030	94,882	82,403	(12,479)	(13.2%)
Contributed Assets	20,000	20,000	10,000	27,532	17,532	175.3%
Loan Redemptions	11,473	11,473	5,610	5,610	0	0.0%
Net Capital Result	63,051	67,623	(78,667)	(96,210)	(17,543)	22.3%
Transfer from Reserves	(78,130)	(90,406)	(90,406)	(90,406)	0	0.0%
Transfer to Reserves	15,079	22,783	22,783	22,783	0	0.0%
Balance	(0)	0	(146,289)	(163,832)	(17,543)	0.0%

Capital Net Result

At 31 January 2012, \$82.4 million or 39.8% of council's \$207 million 2011/2012 capital works program was financially complete.

Capital project spend is currently tracking \$12.5 million behind budget.





Capital Works by Program - January 2012

Capital Expenditure

At 31 January 2012, \$82.4 million or 39.8% of council's \$207 million 2011/2012 capital works program was financially complete.

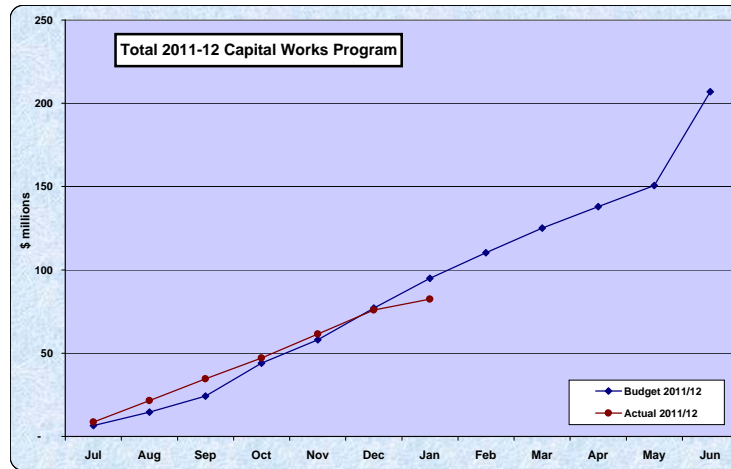
Capital project spend is currently tracking \$12.5 million behind budget or 13%.

Within the 2011/12 Capital Works Program, \$31 million has been allocated to the Horton Park land acquisition, which has not yet been finalised. Excluding the Horton Park land acquisition, the year to date spend of \$82.4 million can be compared to a reduced Capital Works Program of \$176 million, and a financial completion rate of 46.8%.

Infrastructure Services has spent \$67.9 million at the end of January 2012. Cash flow profiles will be reviewed to reflect any changes to construction schedules as a result of the wetter than normal conditions experienced in January. At the end of January 2012 capital works for Infrastructure Services are on track to achieve the 90% delivery target as a minimum by financial year end.

The Sunshine Coast Airport is behind their year to date budget by \$1.5 million, in part due to the position of Assets and Major Project Manager being vacant for majority of the financial year. This position is being filled by a contractor in February 2012, and the full budget program is still expected to be completed by year end.

Program	Original Budget \$000s	Current Budget \$000s	Year to Date Actual \$000s	% of Annual Budget Spent
Transportation	63,797	68,762	38,813	56.4%
Strategic Land & Comm Properties	43,942	46,324	7,540	16.3%
Buildings and Facilities	15,329	13,572	4,079	30.1%
Parks and Gardens	14,346	16,521	7,716	46.7%
Coast and Canals	5,720	7,345	2,031	27.7%
Stormwater	5,697	5,572	5,468	98.1%
Information Technology	5,455	7,044	3,699	52.5%
Fleet	3,900	3,201	1,071	33.4%
Divisional Allocations	3,169	3,678	1,876	51.0%
Environmental Assets	1,274	1,582	908	57.4%
Aerodromes	450	450	0	0.1%
Waste	13,272	16,495	6,211	37.7%
Sunshine Coast Airport	7,211	9,713	1,410	14.5%
Quarries	3,565	2,960	238	8.0%
SC Holiday Parks	2,605	3,810	1,342	35.2%
TOTAL	189,732	207,030	82,403	39.8%



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Capital Projects Expense with a Budget Variation > \$50,000

31-January-2012

Description	Account #	Program	Sub-Program	Budget Full Year	Actual YTD Dec	Variance To Budget Full Year \$	Comments
A9423 - Gympie Tce Noosa - various culverts stg 1	A9423	Stormwater	Stormwater Management	507,920	1,027,711	519,791	This is the first stage of a two stage project. Culverts for both stages ordered at the end of 2010/11 were not received until this financial year and funding was not carried over. Additional over expenditure has resulted from several different aspects: difficulties within the trenching for a water main and Telstra services; tidal impacts to working conditions with the levels of work being below river levels; traffic control due to the importance of the road to service the local commercial area. This will be referred to BR3 for adjustment.
A9517 - WOR - LATM Minor signs & line marking	A9517	Transportation	Transport Management	122,278	367,814	245,536	Overspend reflects level of emergent work required to rectify hazardous signs and linemarking issues throughout the region when they are identified. Will be adjusted at next budget review.
A6597 - Lower Duckholes Cr Open Drain Rehab	A6597	Stormwater	Stormwater Quality Management	253,473	454,609	201,136	New adaptors for duckbill valves had to be manufactured once culverts had been cleared and dewatered. Extra cost for sediment and erosion control. To be adjusted from overall Stormwater budget at the next budget review.
A8967 - Razorback Road - Flood Damage	A8967	Transportation	Sealed Road Network	133,279	265,671	132,392	NDRRA partially funded works to repair flood damage failures as result of January 2011 flood event, with no budget originally set for these works. Adjusted at BR2 to meet the cost at that time, but have required further work and adjustment at the next budget review.
A8924 - Black Pinch Rd Landslide	A8924	Transportation	Sealed Road Network	241	127,257	127,016	NDRRA partially funded works to repair flood damage failures as result of January 2011 flood event, with no budget originally set for these works. Adjusted at BR2 to meet the cost at that time, but have required further work and adjustment at the next budget review.
A8922 - Towen View Court Landslide	A8922	Transportation	Sealed Road Network	6,364	131,667	125,303	NDRRA partially funded works to repair flood damage failures as result of January 2011 flood event, with no budget originally set for these works. Adjusted at BR2 to meet the cost at that time, but have required further work and adjustment at the next budget review.
A9732 - Jampot Rd - Inundation - Resheeting Required	A9732	Transportation	Reseals and Rehabilitation	0	117,772	117,772	NDRRA partially funded works to repair flood damage failures as result of January 2011 flood event, with no budget originally set for these works. Adjustment to be sought at the next budget review.
A4935 - Cal'dra Admin Bldg - Emergency Generator	A4935	Buildings and Facilities	Corporate Buildings	407,502	521,941	114,439	Project has \$200k in reserves that will be drawn down in the next budget review to fund this expenditure.
A9900 - Kawana Aqua - Replace 50m Pool Heat Pump	A9900	Buildings and Facilities	Community Facilities	0	111,631	111,631	Budget and purchase order raised in 2010/2011, but delays experienced in receiving equipment from overseas. The shortfall will be funded from 2011/2012 program at the next budget review.
B0117 - KARAWATHA DRIVE 2107_101	B0117	Transportation	Reseals and Rehabilitation	55,174	163,347	108,173	This project should be viewed in conjunction with five others (B0118 - B0122) all for consecutive works along Karawatha Drive, which are to be consolidated in December accounts. The combined total expenditure of these six jobs show an underspend of \$84k YTD.
A4890 - Proclaim Upgrade	A4890	Information Technology	Information Technology	573,500	658,600	85,100	Additional funding was required to develop specific business area training courses in the form of eLearning and face to face delivery. These training resources will remain available for future skilling of new workers.
A8965 - Donnelly's Road - Flood Damage	A8965	Transportation	Sealed Road Network	75,015	157,490	82,475	NDRRA partially funded works to repair flood damage failures as result of January 2011 flood event, with no budget originally set for these works. Adjusted at BR2 to meet the cost at that time, but have required further work and adjustment at the next budget review.
B0027 - SUNSET DRIVE 4117_101	B0027	Transportation	Reseals and Rehabilitation	136,800	216,851	80,051	Scope of works was increased to rehabilitate the whole road rather than the planned work covering only half. The resultant shortfall will be funded from within the overall reseal subprogram.
A7660 - Cooloom Beach Caravan Pk Amenities No 2	A7660	Caravan Parks	Caravan Parks	517,691	593,974	76,283	Overspend due to contract variations and project management fees not forecasted for.
A7206 - North Shore Community Ctre RLCIP Grant	A7206	Buildings and Facilities	Community Facilities	605,140	672,996	67,856	This project should be viewed in conjunction with C1030 North Shore Community Centre, with the combined total expenditure showing an underspend of \$135k YTD.
A9675 - Replace Pickering Bridge Moy Pocket Rd	A9675	Transportation	Bridges	150,000	202,328	52,328	An initial budget estimate of \$150k for Council works as part of a special funding offer of \$3m from DTMR to undertake this project has been expended and an adjustment will be made at BR3 to recognise the total funds transfer from DTMR.
A9492 - Claymore Rd Sippy Downs-Stage 1 Bikeway	A9492	Transportation	Strategic Pathway & On Road Cycle Networks	1,150,000	1,200,692	50,692	The project is complete and ran slightly over budget due to retaining wall that was required to avoid disturbing federally protected plants species. This will be referred to BR3 for adjustment.
A6658 - Otranto Bulcock Intersection Refuge	A6658	Transportation	Pedestrian & Cyclist Enabling Facilities	0	50,551	50,551	Project was funded in 2010/11 (\$50k) but did not carry over. Funding will be assigned from the overall 2011/12 Transportation budget as part of the next budget review to cover project costs.

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Monthly Budget Amendments - Operating

31-January-2012

Reference	Branch	Operation/Job number & Name	Description	Income & Expense Stmt Line	Amount Dr/(Cr)
					\$000
CS0701	Customer Relations	360290000632900	Customer Contact Operations - Corporate Wardrobe	111 - Employee costs	10
CS0701	Customer Relations	360290000637800	Customer Contact Operations - Telecommunications	112 - Goods and services	(10)
CS0702	All	nat acc 643002	Leases - Office Equip	138 - Other Expenses	(94)
CS0702	Exec Director	301100000630100	Exec Dir CS Dept - Materials savings target	112 - Goods and services	94
CS0703	Customer Relations	290040000611101	Media & PR - Empl Costs	111 - Employee costs	(20)
CS0703	Library & Gallery Services	371950000631800	Unit Mgt, Cultural Heritage & Collections - Contract Serv	112 - Goods and services	20
IS0707	Civil Works Services	Natural account 670703	Adjust fleet internal charges to reflect higher recoveries from capital	115 - Internal Goods and Services	(2,184)
IS0707	Civil Works Services	Natural account 670703	Adjust fleet internal recoveries to reflect higher recoveries from capital	109 - Internal sales/recoveries	2,184
Total Increase / Decrease to Operating Program for Period					0

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Monthly Budget Amendments - Capital

31-January-2012

Reference	PROGRAM	SUB-PROGRAM	JOB NUMBER	JOB NUMBER DESCRIPTION	Amount Dr/(Cr)
					\$'000
REALLOCATIONS PER DELEGATED AUTHORITY					
	Transportation	Sealed Road Network	A8996	Beerburrum St Pavement Rehab Eastbound	(25)
	Transportation	Reseals and Rehabilitation	A8996	Beerburrum St Pavement Rehab Eastbound	25
	Parks and Gardens	Recreation Park & Landscape Amenity - LOCAL	A9556	Boreen Point - Platform Design	175
	Coast and Canals	Coast, Canals and Waterways	A9556	Boreen Point - Platform Design	(175)
	Strategic Land and Commercial Properties	Land Re-Development	B0460	Cooroora Woodworkers Lot 4 Johnson Crt	75
	Strategic Land and Commercial Properties	Commercial Buildings	A7615	Refurbs to Rental Properties	(75)
	Strategic Land and Commercial Properties	Land Re-Development	B0460	Cooroora Woodworkers Lot 4 Johnson Crt	76
	Strategic Land and Commercial Properties	Commercial Property	A7618	Refurb Commercial Properties - Var Loc	(76)
	Strategic Land and Commercial Properties	PIP Transport Corridors	A6185	Land Primary School Crt Link to Pikki St	230
	Strategic Land and Commercial Properties	PIP Transport Corridors	A7632	Land Acq - Evans St Road Corridor Work	(230)
	Buildings and Facilities	Community Facilities	A9265	WOR Implement Public Amenities Strategy	(325)
	Buildings and Facilities	Community Facilities	A9049	Mill Park Toilet Block	300
	Buildings and Facilities	Community Facilities	B0509	Bulcock Bch Esplanade - new Toilet Block	15
	Buildings and Facilities	Community Facilities	B0510	Alexandra Pde Surf Club - new Toilet Block	10
				Sub-Total	(0)
COUNCILLOR ALLOCATIONS (Budget under Sealed Road Network with Projects belonging in other Sub-Programs)					
	Divisional Allocations	Minor Emergent Works	A0719	11/12 Councillor Minor OP Works - Div 6	(20)
	Divisional Allocations	Local Pathways	B0507	Buderim Pines Dve Buderim - footpath	20
	Divisional Allocations	Minor Emergent Works	A0806	10/11 Councillor Emerg Capital - Div 06	(1)
	Divisional Allocations	Local Parks	A0838	11/12 Local Parks Allocation - Div 6	(14)
	Divisional Allocations	Minor Emergent Works	A0819	11/12 Councillor Emerg Capital - Div 6	(31)
	Divisional Allocations	Minor Emergent Works	A0719	11/12 Councillor Minor OP Works - Div 6	(4)
	Parks & Gardens	Recreation Parks & Landscape Amenity	A7558	Buderim District Parkland - improvements	1
	Parks & Gardens	Recreation Parks & Landscape Amenity	A7558	Buderim District Parkland - improvements	14
	Parks & Gardens	Recreation Parks & Landscape Amenity	A7558	Buderim District Parkland - improvements	31
	Parks & Gardens	Recreation Parks & Landscape Amenity	A7558	Buderim District Parkland - improvements	4
	Divisional Allocations	Local Pathways	A8644	Old Gympie Rd Landsborough footpath Boy Scouts to Thompson Rd	(3)
	Divisional Allocations	Local Parks	A8731	Meridan Park Little Mountain - footpath	3
	Divisional Allocations	Minor Emergent Works	A0797	11/12 Councillor Emerg Capital - Div 10	(3)
	Divisional Allocations	Local Pathways	B0514	Delicia Rd Mapleton - footpath - Shay Lane to Lilly Ponds	3
	Divisional Allocations	Minor Emergent Works	A0723	11/12 Councillor Minor OP Works - Div 10	(21)
	Divisional Allocations	Local Pathways	B0514	Delicia Rd Mapleton - footpath - Shay Lane to Lilly Ponds	21
	Divisional Allocations	Minor Emergent Works	A0797	11/12 Councillor Emerg Capital - Div 10	(10)

FINANCIAL REPORT - APP A JANUARY 2012 FINANCIAL PERFORMANCE REPORT

Monthly Budget Amendments - Capital

31-January-2012

Reference	PROGRAM	SUB-PROGRAM	JOB NUMBER	JOB NUMBER DESCRIPTION	Amount Dr/(Cr)
					\$'000
	Divisional Allocations	Local Parks	B0515	Isaac Moore Pk Kenilworth - table seat combo	10
	Divisional Allocations	Minor Emergent Works	A0797	11/12 Councillor Emerg Capital - Div 10	(10)
	Divisional Allocations	Local Parks	B0516	Jasper Bentley Pk Nambour - playground upgrade	10
	Divisional Allocations	Minor Emergent Works	A0797	11/12 Councillor Emerg Capital - Div 10	(32)
	Divisional Allocations	Local Parks	B0517	Robertson Dve Burnside-park improvements	32
	Divisional Allocations	Minor Emergent Works	A0812	10/11 Councillor Emerg Capital - Div 12	(15)
	Divisional Allocations	Local Parks	B0513	Mary River Rd Lower Mill-carpark site electrical wks	15
	Divisional Allocations	Minor Emergent Works	A0812	10/11 Councillor Emerg Capital - Div 12	(2)
	Divisional Allocations	Minor Emergent Works	A0725	11/12 Councillor Minor OP Works - Div 12	(2)
	Divisional Allocations	Minor Emergent Works	A0799	11/12 Councillor Emerg Capital - Div 12	(75)
	Divisional Allocations	Local Pathways	A0864	11/12 Local Pathway Network - Div 12	(26)
	Divisional Allocations	Local Parks	A9818	Bridge St Cooran - 2 netball courts	2
	Divisional Allocations	Local Parks	A9818	Bridge St Cooran - 2 netball courts	2
	Divisional Allocations	Local Parks	A9818	Bridge St Cooran - 2 netball courts	75
	Divisional Allocations	Local Parks	A9818	Bridge St Cooran - 2 netball courts	26
	Divisional Allocations	Minor Emergent Works	A0713	10/11 Councillor Minor OP Works - Mayor	(19)
	Divisional Allocations	Minor Emergent Works	A0813	10/11 Councillor Emerg Capital - Mayor	(75)
	Divisional Allocations	Minor Emergent Works	A0800	11/12 Councillor Emerg Capital - Mayor	(56)
	Divisional Allocations	Local Parks	A9556	Boreen Point - Platform Design	19
	Divisional Allocations	Local Parks	A9556	Boreen Point - Platform Design	75
	Divisional Allocations	Local Parks	A9556	Boreen Point - Platform Design	56
	Divisional Allocations	Minor Emergent Works	A0800	11/12 Councillor Emerg Capital - Mayor	(15)
	Divisional Allocations	Local Parks	B0519	Frogmouth Court Mountain Ck - shade sail	15
	Divisional Allocations	Minor Emergent Works	A0719	11/12 Councillor Minor OP Works - Div 6	(10)
	Divisional Allocations	Local Parks	B0519	Frogmouth Court Mountain Ck - shade sail	10
	Divisional Allocations	Local Parks	B0516	Jasper Bentley Pk Nambour - playground upgrade	(10)
	Parks & Gardens	Recreation Parks & Landscape Amenity	A9807	Jasper Bentley Park infrastructure works	10
	Divisional Allocations	Minor Emergent Works	B0480	Upper Rosemount Rd - survey & design	(4)
	Divisional Allocations	Local Parks	B0521	Lindsay Rd Buderim - seats	4
				Sub-Total	0
	RESERVE TRANSFERS				
	Buildings and Facilities	Corporate Buildings	A8846	Biodiesel - Whole of Region	125
	Strategic Land and Commercial Properties	PIP Transport Corridors	A7621	Land Acq - Sth Coolum Rd/S'coast Bch Dr	805
	Strategic Land and Commercial Properties	PIP Transport Corridors	A6185	Land Primary School Crt Link to Pikki St	999
				Sub-Total	1,928
				Total Increase /(Decrease) to Capital Program for Period	1,928