



**Sunshine Coast Council - Total  
 Statement of Income and Expense (i)**

For Period Ending 30 June

	Original Budget	Current Budget	Forecast								
	2022 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
<b>Operating Revenue</b>											
Gross Rates & Utility Charges	347,774	347,774	362,315	376,051	391,799	406,770	423,927	440,148	458,736	476,311	496,452
Interest from Rates & Utilities	790	790	825	858	895	931	972	1,011	1,056	1,098	1,146
Less Discounts, Pensioner Remissions	(5,222)	(5,222)	(5,420)	(5,605)	(5,818)	(6,021)	(6,256)	(6,475)	(6,728)	(6,963)	(7,235)
<b>Net Rates &amp; Utility Charges</b>	<b>343,342</b>	<b>343,342</b>	<b>357,720</b>	<b>371,304</b>	<b>386,877</b>	<b>401,680</b>	<b>418,643</b>	<b>434,684</b>	<b>453,065</b>	<b>470,446</b>	<b>490,363</b>
Fees & Charges	65,577	65,567	67,343	69,128	71,098	73,053	75,208	77,276	79,556	81,744	84,155
Interest Received from Investments	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550
Grants and Subsidies - Recurrent	15,218	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397
Operating contributions	302	302	302	302	302	302	302	302	302	302	302
Unitywater Participation	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838
Other Revenue	19,854	19,880	25,108	35,586	37,702	43,790	39,240	40,336	39,729	31,770	28,576
Internal Revenues	1,752	1,752	1,798	1,846	1,899	1,951	2,008	2,064	2,125	2,183	2,247
<b>Total Operating Revenue</b>	<b>498,433</b>	<b>498,628</b>	<b>520,056</b>	<b>545,951</b>	<b>565,662</b>	<b>588,560</b>	<b>603,187</b>	<b>622,446</b>	<b>642,561</b>	<b>654,230</b>	<b>673,428</b>
<b>Operating Expenses</b>											
Employee costs	156,239	156,866	160,004	164,802	169,745	174,835	180,079	185,479	191,042	196,771	202,673
Materials & Services	187,077	190,896	196,242	202,699	208,390	214,128	220,303	226,402	232,968	239,458	246,447
Finance Costs	12,244	12,244	11,700	11,918	12,135	11,706	11,237	10,784	10,250	9,791	9,347
Company Contributions	3,615	3,615	3,392	2,893	2,674	2,707	2,741	2,776	2,562	2,598	2,635
Depreciation	95,097	95,097	97,452	99,866	102,341	104,878	107,477	110,142	112,874	115,674	118,543
Other Expenses	21,884	22,004	22,004	22,532	23,073	23,627	24,194	24,774	25,369	25,978	26,601
Internal Materials & Services	2	2	2	2	2	2	2	2	2	2	2
Recurrent Capital Expenses	3,444	3,444	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195
<b>Total Operating Expenses</b>	<b>479,602</b>	<b>484,168</b>	<b>493,990</b>	<b>507,907</b>	<b>521,555</b>	<b>535,077</b>	<b>549,228</b>	<b>563,555</b>	<b>578,261</b>	<b>593,466</b>	<b>609,443</b>
<b>Operating Result</b>	<b>18,832</b>	<b>14,460</b>	<b>26,066</b>	<b>38,044</b>	<b>44,108</b>	<b>53,483</b>	<b>53,958</b>	<b>58,891</b>	<b>64,300</b>	<b>60,764</b>	<b>63,986</b>
<b>Non-recurrent Revenue &amp; Expenses</b>											
<b>Capital Revenue</b>											
Capital Grants and Subsidies	18,000	22,555	30,550	38,293	10,150	10,150	10,150	10,150	10,150	10,150	10,150
Capital Contributions	28,631	28,631	28,660	29,004	30,029	29,867	29,786	29,786	29,786	23,942	23,942
Contributed Assets	55,000	55,000	50,417	45,833	41,250	42,281	43,338	44,422	45,532	46,671	47,837
<b>Total Capital Revenue</b>	<b>101,631</b>	<b>106,186</b>	<b>109,626</b>	<b>113,130</b>	<b>81,428</b>	<b>82,298</b>	<b>83,274</b>	<b>84,358</b>	<b>85,468</b>	<b>80,763</b>	<b>81,929</b>
<b>Non-recurrent Expenses</b>											
Profit/Loss on disposal, revaluation & impairment	(7,048)	-	-	-	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-
<b>NET RESULT</b>	<b>107,832</b>	<b>115,063</b>	<b>131,226</b>	<b>146,623</b>	<b>120,898</b>	<b>131,051</b>	<b>132,407</b>	<b>138,327</b>	<b>144,748</b>	<b>136,406</b>	<b>140,692</b>

**Sunshine Coast Council - Total  
 Statement of Financial Position (ii)**

For Period Ending 30 June

	Original Budget	Current Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>											
Cash & Investments	189,030	190,926	161,255	152,062	175,454	196,587	206,871	229,356	249,568	247,253	274,529
Trade and other receivables	17,971	17,979	18,694	19,335	20,066	20,766	21,563	22,319	23,180	23,996	24,926
Inventories	13,219	12,271	12,331	11,977	10,555	10,104	9,915	10,733	10,714	10,702	10,895
Other Financial Assets	23,656	27,428	27,949	28,648	29,364	30,098	30,851	31,622	32,413	33,223	34,054
Non-current assets classified as held for sale	-	-	0	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>243,876</b>	<b>248,605</b>	<b>220,230</b>	<b>212,022</b>	<b>235,440</b>	<b>257,557</b>	<b>269,201</b>	<b>294,031</b>	<b>315,875</b>	<b>315,175</b>	<b>344,404</b>
<b>Non-Current Assets</b>											
Trade and other receivables	747,431	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893
Property, plant & equipment	4,990,212	5,077,225	5,390,995	5,686,682	5,904,912	6,125,583	6,368,658	6,603,191	6,859,795	7,146,359	7,407,946
Investment in associates	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213
Long Term Inventories	37,676	37,676	39,060	37,908	30,672	29,235	28,558	30,800	30,609	30,433	30,851
Intangible assets	12,744	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608
<b>Total Non-Current Assets</b>	<b>6,326,276</b>	<b>6,103,615</b>	<b>6,418,769</b>	<b>6,713,304</b>	<b>6,924,298</b>	<b>7,143,532</b>	<b>7,385,930</b>	<b>7,622,705</b>	<b>7,879,117</b>	<b>8,165,506</b>	<b>8,427,510</b>
<b>TOTAL ASSETS</b>	<b>6,570,152</b>	<b>6,352,219</b>	<b>6,638,999</b>	<b>6,925,327</b>	<b>7,159,737</b>	<b>7,401,088</b>	<b>7,655,131</b>	<b>7,916,737</b>	<b>8,194,993</b>	<b>8,480,681</b>	<b>8,771,914</b>
<b>Current Liabilities</b>											
Trade and other payables	71,032	71,908	68,105	70,206	72,198	74,228	76,365	78,520	80,788	83,075	85,485
Short Term Borrowings	16,862	17,513	23,916	33,459	37,459	43,941	39,735	41,308	31,985	26,883	26,096
Provisions	10,688	26,825	27,553	28,301	29,069	29,859	30,671	31,504	32,361	33,241	34,146
Other	23,240	13,479	22,806	23,376	23,961	24,560	25,174	25,803	26,448	27,109	27,787
<b>Total Current Liabilities</b>	<b>121,822</b>	<b>129,725</b>	<b>142,380</b>	<b>155,343</b>	<b>162,687</b>	<b>172,588</b>	<b>171,945</b>	<b>177,136</b>	<b>171,582</b>	<b>170,309</b>	<b>173,514</b>
<b>Non-Current Liabilities</b>											
Long Term Borrowings	476,535	469,006	486,352	479,824	445,265	399,413	369,855	329,960	305,104	285,255	246,301
Long Term Provisions	70,192	56,592	58,149	59,748	61,391	63,079	64,814	66,596	68,428	70,309	72,243
<b>Total Non-Current Liabilities</b>	<b>546,727</b>	<b>525,599</b>	<b>544,501</b>	<b>539,572</b>	<b>506,655</b>	<b>462,492</b>	<b>434,669</b>	<b>396,556</b>	<b>373,532</b>	<b>355,565</b>	<b>318,544</b>
<b>TOTAL LIABILITIES</b>	<b>668,549</b>	<b>655,324</b>	<b>686,880</b>	<b>694,915</b>	<b>669,343</b>	<b>635,080</b>	<b>606,614</b>	<b>573,692</b>	<b>545,114</b>	<b>525,874</b>	<b>492,058</b>
<b>NET COMMUNITY ASSETS</b>	<b>5,901,603</b>	<b>5,696,895</b>	<b>5,952,119</b>	<b>6,230,412</b>	<b>6,490,394</b>	<b>6,766,008</b>	<b>7,048,517</b>	<b>7,343,045</b>	<b>7,649,878</b>	<b>7,954,807</b>	<b>8,279,856</b>
<b>Community Equity</b>											
Asset revaluation surplus	771,481	772,304	896,108	1,027,778	1,166,863	1,311,425	1,461,527	1,617,727	1,779,812	1,948,335	2,124,044
Retained Earnings	5,130,122	4,924,592	5,056,011	5,202,633	5,323,531	5,454,582	5,586,990	5,725,317	5,870,066	6,006,472	6,155,812
<b>TOTAL COMMUNITY EQUITY</b>	<b>5,901,603</b>	<b>5,696,895</b>	<b>5,952,119</b>	<b>6,230,411</b>	<b>6,490,394</b>	<b>6,766,008</b>	<b>7,048,516</b>	<b>7,343,044</b>	<b>7,649,878</b>	<b>7,954,807</b>	<b>8,279,856</b>

**Sunshine Coast Council - Total  
 Statement of Changes in Equity (iii)**

For Period Ending 30 June

	Original Budget	Current Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital Accounts</b>											
<b>Asset Revaluation Reserve</b>											
<b>Balance at beginning of period</b>	<b>658,724</b>	<b>658,724</b>	<b>772,304</b>	<b>896,108</b>	<b>1,027,778</b>	<b>1,166,863</b>	<b>1,311,425</b>	<b>1,461,527</b>	<b>1,617,727</b>	<b>1,779,812</b>	<b>1,948,335</b>
Asset revaluation adjustments	113,580	113,580	123,804	131,670	139,085	144,562	150,101	156,200	162,086	168,523	175,709
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>772,304</b>	<b>772,304</b>	<b>896,108</b>	<b>1,027,778</b>	<b>1,166,863</b>	<b>1,311,425</b>	<b>1,461,527</b>	<b>1,617,727</b>	<b>1,779,812</b>	<b>1,948,335</b>	<b>2,124,044</b>
<b>Retained Earnings</b>											
<b>Balance at beginning of period</b>	<b>4,712,836</b>	<b>4,795,334</b>	<b>4,924,592</b>	<b>5,056,010</b>	<b>5,202,633</b>	<b>5,323,531</b>	<b>5,454,582</b>	<b>5,586,990</b>	<b>5,725,317</b>	<b>5,870,066</b>	<b>6,006,472</b>
Net result for the period	107,832	115,063	131,226	146,623	120,898	131,051	132,407	138,327	144,748	136,406	140,692
Transfers to capital, reserves and shareholdings	288,514	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	20,940	14,195	193	-	-	-	-	-	-	-	8,648
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>5,130,122</b>	<b>4,924,592</b>	<b>5,056,011</b>	<b>5,202,633</b>	<b>5,323,531</b>	<b>5,454,582</b>	<b>5,586,990</b>	<b>5,725,317</b>	<b>5,870,066</b>	<b>6,006,472</b>	<b>6,155,812</b>
<b>Total</b>											
<b>Balance at beginning of period</b>	<b>4,997,836</b>	<b>5,081,157</b>	<b>5,323,995</b>	<b>5,579,217</b>	<b>5,857,510</b>	<b>6,117,493</b>	<b>6,393,107</b>	<b>6,675,615</b>	<b>6,970,143</b>	<b>7,276,977</b>	<b>7,581,906</b>
Net result for the period	107,832	115,063	131,226	146,623	120,898	131,051	132,407	138,327	144,748	136,406	140,692
Transfers to capital, reserves and shareholdings	288,514	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	20,940	14,195	193	-	-	-	-	-	-	-	8,648
Asset revaluation adjustments	113,580	113,580	123,804	131,670	139,085	144,562	150,101	156,200	162,086	168,523	175,709
<b>Balance at end of period</b>	<b>5,528,702</b>	<b>5,323,995</b>	<b>5,579,218</b>	<b>5,857,510</b>	<b>6,117,493</b>	<b>6,393,107</b>	<b>6,675,615</b>	<b>6,970,143</b>	<b>7,276,977</b>	<b>7,581,906</b>	<b>7,906,955</b>

**Sunshine Coast Council - Total  
 Statement of Cash Flow (iv)**

For Period Ending 30 June

	Original Budget	Current Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>											
Operating Result	18,832	14,460	26,066	38,044	44,108	53,483	53,958	58,891	64,300	60,764	63,986
Adjustments for:											
Depreciation	95,097	95,097	97,452	99,866	102,341	104,878	107,477	110,142	112,874	115,674	118,543
Interest and dividends received	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)
Landfill Quarry Provision	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)
Finance Costs	12,244	12,244	11,700	11,918	12,135	11,706	11,237	10,784	10,250	9,791	9,347
Change in Working Capital	(1,864)	327,041	5,322	5,184	12,199	5,561	4,613	813	4,161	4,272	3,554
<b>Net cash inflow (outflow) from operating activities</b>	<b>66,338</b>	<b>390,871</b>	<b>83,685</b>	<b>98,074</b>	<b>113,758</b>	<b>118,509</b>	<b>120,073</b>	<b>123,321</b>	<b>134,177</b>	<b>132,992</b>	<b>137,820</b>
<b>Cash flows from investing activities</b>											
Payments for property, plant and equipment	(265,501)	(310,525)	(234,832)	(217,601)	(139,024)	(138,671)	(157,188)	(143,936)	(162,054)	(187,130)	(156,272)
Proceeds from disposal non current assets	305,000	-	-	-	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	46,631	51,186	59,210	67,297	40,178	40,017	39,936	39,936	39,936	34,092	34,092
Interest and dividends received	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388
Finance Costs	(12,244)	(12,244)	(11,700)	(11,918)	(12,135)	(11,706)	(11,237)	(10,784)	(10,250)	(9,791)	(9,347)
<b>Net cash inflow (outflow) from investing activities</b>	<b>126,273</b>	<b>(219,195)</b>	<b>(134,934)</b>	<b>(109,835)</b>	<b>(58,593)</b>	<b>(57,971)</b>	<b>(76,101)</b>	<b>(62,396)</b>	<b>(79,981)</b>	<b>(110,441)</b>	<b>(79,139)</b>
<b>Cash flows from financing activities</b>											
Proceeds from borrowings	98,461	96,461	45,475	36,009	5,668	4,518	6,027	2,850	7,300	9,000	1,000
Repayment of borrowing	(286,764)	(283,410)	(23,898)	(33,441)	(37,440)	(43,922)	(39,716)	(41,289)	(41,285)	(33,866)	(32,405)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(188,303)</b>	<b>(186,949)</b>	<b>21,577</b>	<b>2,568</b>	<b>(31,772)</b>	<b>(39,404)</b>	<b>(33,689)</b>	<b>(38,439)</b>	<b>(33,985)</b>	<b>(24,866)</b>	<b>(31,405)</b>
<b>Net increase (decrease) in cash held</b>	<b>4,308</b>	<b>(15,273)</b>	<b>(29,671)</b>	<b>(9,193)</b>	<b>23,392</b>	<b>21,134</b>	<b>10,283</b>	<b>22,486</b>	<b>20,212</b>	<b>(2,315)</b>	<b>27,276</b>
Cash at beginning of reporting period	184,722	206,199	190,926	161,255	152,062	175,454	196,588	206,871	229,357	249,568	247,254
<b>Cash at end of reporting period</b>	<b>189,030</b>	<b>190,926</b>	<b>161,255</b>	<b>152,062</b>	<b>175,454</b>	<b>196,588</b>	<b>206,871</b>	<b>229,357</b>	<b>249,568</b>	<b>247,254</b>	<b>274,529</b>

## Sunshine Coast Council - Total Measures of Financial Sustainability (v)

For Period Ending 30 June

	Original Budget	Current Budget	Forward Estimate								
	2022 \$'000	2022 \$'000	2023 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000
<b>Operating Performance</b>											
Operating Performance Ratio (%)	3.8%	3.0%	5.2%	7.1%	7.9%	9.2%	9.1%	9.6%	10.2%	9.5%	9.7%
<b>Fiscal Flexibility</b>											
Council controlled revenue (%)	82.0%	82.0%	81.7%	80.7%	81.0%	80.7%	81.9%	82.2%	82.9%	84.4%	85.3%
Total debt service cover ratio (times)	4.2 x	3.7 x	3.0 x	4.0 x	3.3 x	3.3 x	3.0 x	3.4 x	3.5 x	4.3 x	5.1 x
Net Financial Liabilities Ratio (%)	83.2%	81.4%	89.5%	88.0%	76.2%	63.5%	55.1%	44.0%	34.6%	31.0%	20.6%
<b>Liquidity</b>											
Cash expense cover ratio (months)	6.2	6.1	5.1	4.7	5.3	5.8	5.9	6.4	6.8	6.6	7.1
<b>Asset Sustainability</b>											
Asset Sustainability Ratio (%)	85.9%	85.6%	88.4%	84.1%	79.9%	79.5%	75.8%	71.5%	74.1%	78.5%	76.8%

### Operating Performance Ratio

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.  
Calculation: Operating Result (excluding capital items) as a percentage of operating revenue

Target: between 0% and 10%

### Council Controlled Revenue Ratio

Indicates the degree of reliance on external funding sources such as operating subsidies, donations and contributions. Council's financial flexibility improves the higher the level of its own source revenue.  
Calculation: Net rates, levies and charges & fees and charges / total operating revenue.

Target: Greater than 60%

### Total Debt Service Cover Ratio

Indicates the ability to repay loan funds. A low cover indicates constrained financial flexibility and limited capacity to manage unforeseen financial shocks.  
Calculation: (Operating result (excluding capital items) + depreciation and amortisation + gross interest expense) / (gross interest expense + prior year current interest bearing liabilities)

Target: Greater than 2 times

### Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.  
Calculation: (Total liabilities - current assets) / total operating revenue (excl. capital items)

Target: not greater than 60%.

### Cash Expense Cover Ratio

Indicates the number of months council can continue paying its immediate expenses without additional cash loans.  
Calculation: (Current year's cash and cash equivalents balance / (total operating expenses - depreciation and amortisation - finance costs charged by QTC - interest paid on overdraft) \* 12

Target: Greater than 3 months.

### Asset Sustainability Ratio

This ratio reflects the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.  
Calculation: Capital expenditure on replacement assets (renewals) / depreciation expense

Target: greater than 90%.

## Sunshine Coast Council

### Capital Program (in 2022 dollars) (vi)

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sunshine Coast Council Core Capital Program</b>											
Aerodromes	200	225	530	200	200	200	200	200	200	200	200
Buidlings & Facilities	12,459	13,045	14,708	12,023	13,583	14,798	23,540	21,241	33,516	40,895	15,850
Coast & Canals	3,125	3,545	3,350	2,937	2,950	3,050	2,590	1,790	2,645	2,750	2,750
Minor Works	4,620	4,160	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Environmental Assets	1,800	1,579	3,050	1,660	2,800	2,800	2,800	3,000	2,840	2,720	2,720
Fleet	3,250	3,250	4,000	4,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Holiday Parks	2,540	2,544	1,050	2,550	2,435	1,355	1,065	2,015	1,965	105	400
Information Communication Technology	6,620	8,522	3,245	3,725	3,375	3,975	3,450	3,750	3,642	3,850	3,800
Parks & Gardens	17,587	19,403	19,955	19,692	15,042	16,931	17,290	11,590	10,776	14,050	6,400
Quarries	635	657	610	210	485	160	160	160	160	160	160
Stormwater	8,201	7,525	8,568	10,202	10,100	9,454	7,236	8,839	8,970	9,865	9,869
Transportation	86,876	90,268	69,101	72,201	73,406	60,275	65,917	65,180	65,417	66,827	71,989
Waste	40,641	42,952	45,145	17,559	4,248	9,748	6,557	1,620	5,770	9,470	1,620
<b>Total Sunshine Coast Council Core Capital Program</b>	<b>188,554</b>	<b>197,675</b>	<b>177,932</b>	<b>151,578</b>	<b>137,744</b>	<b>131,866</b>	<b>139,925</b>	<b>128,505</b>	<b>145,021</b>	<b>160,012</b>	<b>124,878</b>
<b>Other Capital Program</b>											
Corporate Major Projects	60,425	72,661	46,675	61,268	275	-	-	-	-	-	-
Strategic Land & commercial Properties	19,383	31,900	13,090	11,300	4,200	10,000	9,000	6,000	5,800	13,500	8,100
<b>Total Other Capital Program</b>	<b>79,808</b>	<b>104,561</b>	<b>59,765</b>	<b>72,568</b>	<b>4,475</b>	<b>10,000</b>	<b>9,000</b>	<b>6,000</b>	<b>5,800</b>	<b>13,500</b>	<b>8,100</b>
<b>Region Shaping Capital Program</b>											
Maroochydore City Centre	553	1,470	-	-	-	-	-	-	-	-	-
Sunshine Coast Airport Runway Project	-	11,461	-	-	-	-	-	-	-	-	-
<b>Total Region Shaping Capital Program</b>	<b>553</b>	<b>12,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SCC Total Capital Works Program</b>	<b>268,915</b>	<b>315,167</b>	<b>237,697</b>	<b>224,146</b>	<b>142,219</b>	<b>141,866</b>	<b>148,925</b>	<b>134,505</b>	<b>150,821</b>	<b>173,512</b>	<b>132,978</b>



## Strategic Policy

### 2021/22 Debt Policy

Corporate Plan reference:	5.7 A financially sustainable organisation 5.7.1 – A financially sustainable organisation
Endorsed by Council on:	27 May 2021                      Reference Number: OM21/43
Manager responsible for policy:	Chief Financial Officer, Business Performance Group

### Policy statement

The purpose of this policy is to ensure the sound management of Council's existing and future debt. The policy will provide clear guidance for staff in the management of Council's debt portfolio and maintenance of appropriate debt and debt service levels.

New borrowings will only be made to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and for no more than 20 years.

New borrowings will be undertaken in accordance with the Queensland Treasury Corporation Guidelines, the *Statutory Bodies Financial Arrangements Act 1982* and Section 192 of the *Local Government Regulation 2012*.

### Policy scope

This policy applies to all Councillors and council staff and extends to all borrowing activities of Council and any controlled entities.

### Policy requirements

#### Borrowing Purposes

- Council will not utilise loan funding to finance operating activities or recurrent expenditure.
- Council undertakes full analysis of all funding options as outlined in the Long Term Financial Forecast, including a forward program of capital works, to determine loan funding requirements.
- Council recognises that infrastructure demands placed upon Council can often only be met through borrowings, but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, as this increases the cost of providing capital infrastructure.
- Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade capital projects, having regard to sound financial management principles and giving consideration to inter-generational equity for the funding of long term infrastructure projects.

- Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expenses.
- Borrowings for infrastructure that provide the opportunity for a return on assets will take priority over borrowings for other assets.

#### **Debt Term**

Where capital projects are financed through borrowings, Council will repay the loans within a term not exceeding the life of those assets, and over a term that optimises cash flow efficiency. Loans undertaken for core Sunshine Coast capital investment are planned to be repaid within a twelve (12) year period. Loans undertaken for Region Making projects may have a term of greater than twelve years.

- If surplus funds become available, and where it is advantageous to Council, one-off loan repayments will be made to reduce the term of existing loans.
- In an environment of fluctuating interest rates, and where there is a distinct economic advantage to Council, consideration will be given to renegotiating any outstanding loans to obtain the best long-term benefit to Council.

#### **Repayment Ability**

Council will maintain close scrutiny of debt levels to ensure that relative sustainability indicators will not exceed target parameters recommended by Queensland Treasury Corporation and *Local Government Regulation 2012*.

#### **Borrowing Sources**

Council will raise all external borrowings at the most competitive rates available and from sources available as defined by legislation. Consideration will be given to provision of loans to business units from surplus cash reserves held by Council by way of an internal loan.

#### **Proposed Borrowings**

Proposed Borrowings planned for the current financial year and the next nine financial years are outlined in Appendix A, in accordance with Section 192 *Local Government Regulation 2012*.

#### **Internal Loans**

The provision and approval of an internal loan will depend on the availability of surplus funds at the time of application and the capacity of the business unit or operational activity to repay the loan.

- All applications for internal loans will be made by reference to the Finance Branch for consideration in accordance with the Long Term Financial Forecast.
- The term of the loan will be appropriate to the life of the asset being financed.
- In all cases, where business units are subject to the provisions of the National Competition Policy, the cost to the business unit will be no less than what would apply to an equivalent private sector business. The interest rate will be the sum of:
  - (a) the equivalent QTC borrowing rate for the proposed term;
  - (b) the QTC administration charge; and
  - (c) an additional margin above the QTC borrowing rate.
- The interest rate applicable to internal loans relating to operational activities of Council will be the actual borrowing cost from QTC including administrative charges.

Council may, upon reasonable notice being given, require repayment of part or all of the balance of the loan at any time, which would require the business unit to convert the outstanding balance of the loan to an external facility.

- Provision for the repayment of the loan will be included in the annual budget for the business unit.



## Principles

The purpose of establishing this policy is to:

- Provide a comprehensive view of Council's long term debt position and the capacity to fund infrastructure growth for the region;
- Increase awareness of issues concerning debt management;
- Enhance the understanding between Councillors, community groups and council staff by documenting policies and guidelines;
- Demonstrate to government and lending institutions that Council has a disciplined approach to borrowing.

## Roles and responsibilities

Pursuant to Section 192 *Local Government Regulation 2012*, Council must prepare a debt policy each year that states the new borrowings planned for the current financial year and the next nine financial years.

The Finance Branch will review the cash flow requirements prior to loan proceeds being drawn down to minimise interest expenses.

## Measurement of success

Financial sustainability indicators remain within target ranges and the provision of necessary infrastructure is not constrained through the lack of capital funding.

Details of outstanding loans will be reported annually in Council's Financial Statements and Annual Report.

## Policy commitment

Council employees and Councillors covered in the scope of this policy consistently demonstrate and uphold the intent, objectives and principles of this policy. Nothing in this policy requires or authorises an employee of Council or Councillor to act in any way that is contrary to law. Any instances of non-compliance will be managed in accordance with any relevant codes of conduct, policies and legislation dealing with conduct and/or disciplinary action.

## Related legislation, policies, strategies and documents

All individuals engaged in dealings within the scope of this policy are required to fulfil the ethical and behavioural obligations as defined in legislation. In the event of an inconsistency between any provision of this policy and any provision of the following related legislation, policies, strategies and documents, the provisions of the related legislation, policies, strategies and documents shall prevail, unless the CEO or Council expressly waive a provision of this policy by prior agreement. For further assistance please contact the Manager of Corporate Governance.

## Definitions

**Business unit** – A business activity within Council structure subject to the application of full cost pricing principles as defined under the National Competition Policy.

**Inter-generational equity** – This relates to the fairness of the distribution of the costs and benefits of a policy when costs and benefits are borne by different generations (i.e. the principle whereby those who derive a direct benefit from the service or infrastructure provided actually pay for that service).

**QTC** – Queensland Treasury Corporation.

## Related policies and legislation

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2007*

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Adopted			27 May 2021

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## Appendix A

Schedule of proposed external borrowings:

\$'000	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sunshine Coast Council Core	\$96,461	\$45,513	\$19,009	\$5,668	\$4,518	\$6,027	\$2,850	\$7,300	\$9,000	\$1,000
	\$96,461	\$45,513	\$19,009	\$5,668	\$4,518	\$6,027	\$2,850	\$7,300	\$9,000	\$1,000

Note that 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, with the exception being for strategic projects.