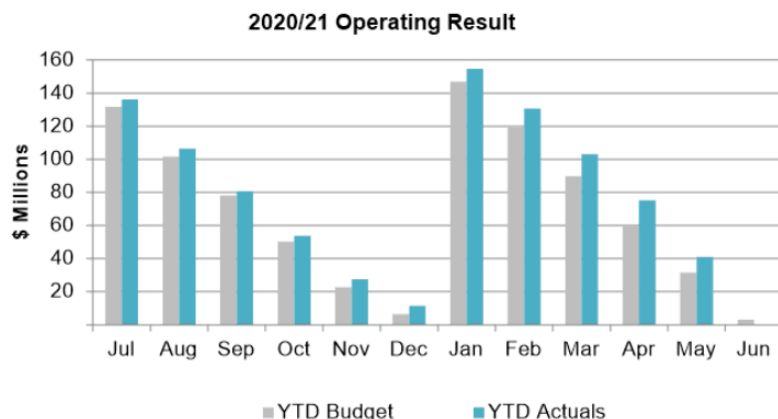


Financial Performance Report

May 2021



Statement of Income and Expenses May 2021

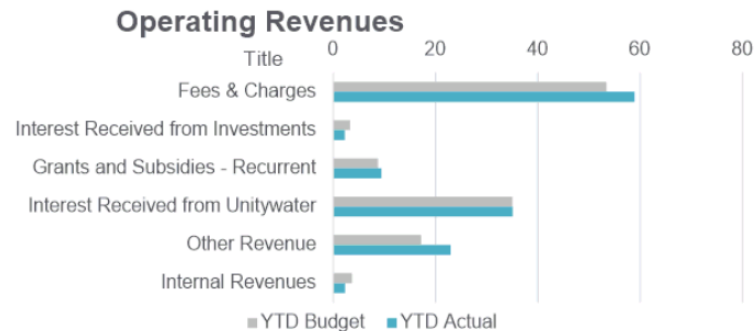


- Council has a positive operating result of \$41 million, which is \$11 million above the current budget as at 31 May 2021.



Statement of Income & Expenses - May 2021							
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Revenue							
Net Rates and Utility Charges	316,806	316,806	316,806	319,520	2,714	0.9%	319,253
Fees and Charges	57,125	56,309	53,407	58,892	5,486	10.3%	60,034
Interest Received from Investments	3,611	3,611	3,310	2,238	(1,072)	(32.4%)	2,161
Operating Grants and Subsidies	12,224	12,532	8,732	9,358	626	7.2%	13,733
Operating Contributions	287	287	276	168	(108)	(39.1%)	287
Unitywater Participation	49,838	49,838	35,034	35,035	1	0.0%	49,838
Other Revenue	21,040	20,877	17,169	18,095	925	5.4%	20,821
Internal Sales/Recoveries	4,138	4,138	3,673	2,282	(1,391)	(37.9%)	2,155
Total Operating Revenue	465,069	464,398	438,407	445,589	7,182	1.6%	468,282
Operating Expenses							
Employee Costs	147,973	148,358	134,483	133,820	(663)	(0.5%)	149,304
Materials and Services	184,678	184,996	157,992	152,996	(4,996)	(3.2%)	186,655
Finance Costs	12,080	12,080	11,131	11,229	98	0.9%	11,855
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	80,903	80,920	16	0.0%	88,276
Other Expenses	22,255	22,505	18,634	19,799	1,166	6.3%	22,649
Recurrent Capital Expenses	3,917	3,917	3,723	4,253	530	14.2%	4,354
Total Operating Expenses	460,733	461,686	408,421	404,580	(3,841)	(0.9%)	464,647
Operating Result	4,336	2,712	29,987	41,009	11,022	36.8%	3,635
Capital Revenue							
Capital Grants and Subsidies	10,060	48,002	18,444	20,063	1,619	8.8%	48,932
Capital Contributions - Cash	31,599	31,599	28,811	34,383	5,571	19.3%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	25,000	24,577	(423)	(1.7%)	60,000
Total Capital Revenue	101,659	139,601	72,255	79,022	6,767	9.4%	140,531
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	513	513	-	-
Movements in landfill and quarry provisions	5,583	5,583	5,118	5,118	-	-	5,583
Assets Transferred to Third Parties	-	-	-	11	11	-	-
Total Non-recurrent Expenses	5,583	5,583	5,118	5,642	524	10.2%	5,583
Net Result	100,412	136,730	97,124	114,389	17,265	17.8%	138,583

Operating Result – May 2021



Operating Summary - May 2021

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	438,407	445,589	7,182	1.6%
Operating Expenses	456,816	457,769	404,698	400,326	(4,371)	(1.1%)
Recurrent Capital Expenses	3,917	3,917	3,723	4,253	530	14.2%
Operating Result	4,336	2,712	29,987	41,009	11,023	36.8%
Capital Revenue	101,659	139,601	72,255	79,022	6,767	9.4%
Non-recurrent Expenses	5,583	5,583	5,118	5,642	524	10.2%
Net Result	100,412	136,730	97,124	114,389	17,266	17.8%

Substantial Revenue Variance for the Period Ending 31 May 2021

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Net Rates and Utility Charges	316,806	316,806	316,806	319,520	2,714	0.9%	319,253
Fees and Charges	57,125	56,309	53,407	58,892	5,486	10.3%	60,034
Interest Received from Investments	3,611	3,611	3,310	2,238	(1,072)	(32.4%)	2,161
Other Revenue	21,040	20,877	17,169	18,095	925	5.4%	20,821
Internal Sales/Recoveries	4,138	4,138	3,673	2,282	(1,391)	(37.9%)	2,155

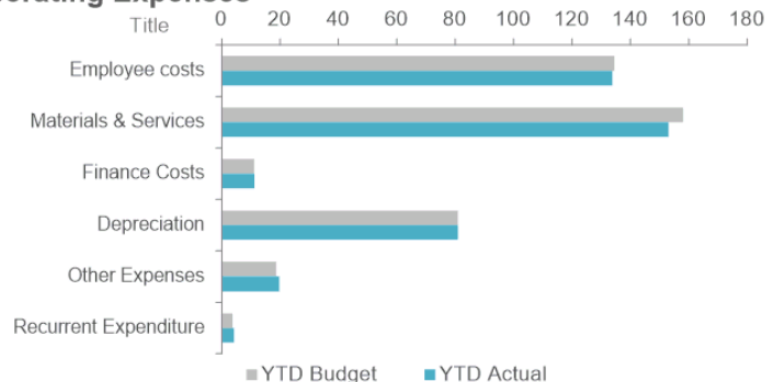
As at 31 May 2021 \$445.6 million operating revenue had been achieved which is \$7.1 million more than current budget for the same period.

- This is largely due to:
 - Net Rates and Utility Charges** – An increase in waste collection services has led to a 2.7% increase in cleansing charges on 2019/20 result and higher than the increase in service level anticipated in the 2020/21 budget.
 - Fees and Charges** – Fees relating to Council's Caravan Parks are currently \$2.7m above budget. Tip Fees and Development Services Fees are also above budget by \$1.1m and \$2.8m.
 - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
 - Internal Sales** – Internal Quarry Sales are currently below budget by \$1.5m



Operating Result – May 2021 (continued)

Operating Expenses



Operating Summary - May 2021

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	438,407	445,589	7,182	1.6%
Operating Expenses	456,816	457,769	404,698	400,326	(4,371)	(1.1%)
Recurrent Capital Expenses	3,917	3,917	3,723	4,253	530	14.2%
Operating Result	4,336	2,712	29,987	41,009	11,023	36.8%
Capital Revenue	101,659	139,601	72,255	79,022	6,767	9.4%
Non-recurrent Expenses	5,583	5,583	5,118	5,642	524	10.2%
Net Result	100,412	136,730	97,124	114,389	17,266	17.8%

As at 31 May 2021 \$404.6 million of the \$408.4 million budget year to date had been expended which resulted in an underspend of \$3.8 million or 1%

Materials and Services:

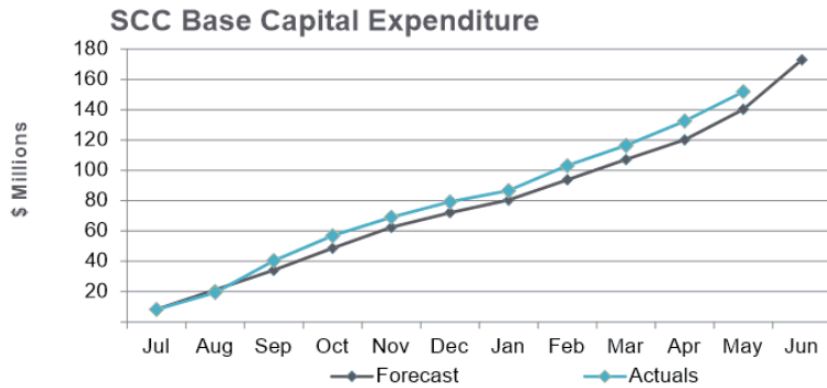
- Across whole of Council there has been savings in corporate costs of \$2 million, largely due to water and sewerage \$753,000, fuel \$681,000 and electricity \$283,000.
- The reduction in revenue for the Quarry has seen associated reductions in material costs of \$675,000. Similarly the reduction in fees and charges revenue for Response Services has resulted in a \$484,000 underspend.
- Transport Levy Projects are currently underspent \$714,000 compared to budget.

Substantial Expenditure Variance for the Period Ending 31 May 2021

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Employee Costs	147,973	148,358	134,483	133,820	(663)	(0.5%)	149,304
Materials and Services	184,678	184,996	157,992	152,996	(4,996)	(3.2%)	186,655



Capital Expenditure – May 2021



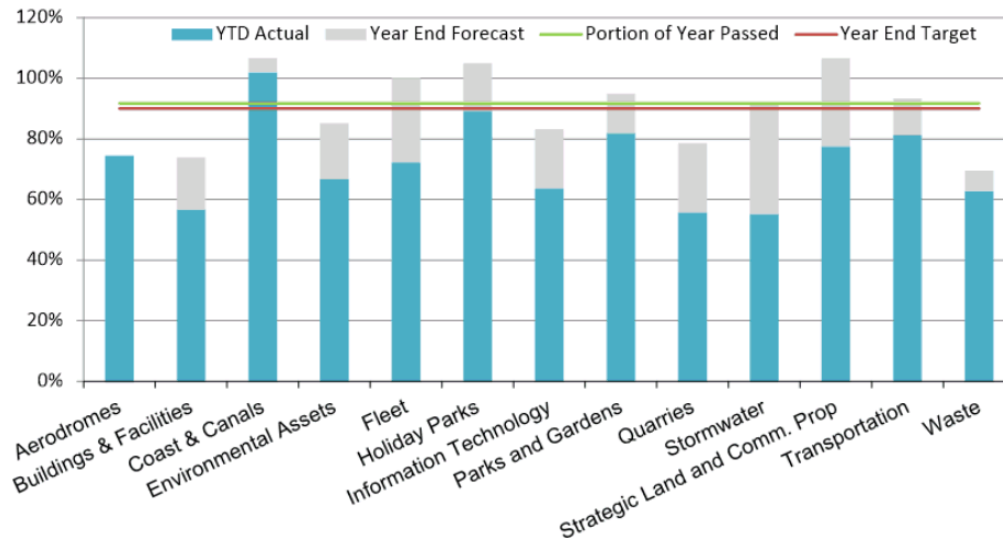
- As at 31 May 2021 \$215.5 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 72% of budget, an actual spend of \$132.2 million.
- Corporate Major Projects progressed 94% and The Sunshine Coast Airport Runway Project progressed 80% of their respective annual budgets.



	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
Aerodromes	350	250	186	74.5%	184	(66)
Buildings and Facilities	45,717	38,395	21,762	56.7%	28,395	(10,000)
Coast and Canals	2,830	3,458	3,524	101.9%	3,687	229
Environmental Assets	1,375	3,195	2,231	69.8%	2,852	(343)
Minor Works	4,620	4,921	1,108	22.5%	1,958	(2,963)
Fleet	2,000	2,037	1,472	72.2%	2,038	1
Holiday Parks	1,255	992	885	89.2%	1,041	49
Information Technology	6,275	7,579	4,983	65.7%	6,507	(1,072)
Parks and Gardens	15,141	19,025	15,826	83.2%	18,323	(702)
Quarries	480	480	267	55.7%	377	(103)
Stormwater	6,772	6,601	3,646	55.2%	6,043	(558)
Transportation	65,588	83,030	67,756	81.6%	77,893	(5,136)
Waste	14,723	13,683	8,583	62.7%	9,515	(4,168)
Total SCC Core Capital Program	167,126	183,646	132,230	72.0%	158,814	(24,831)
Corporate Major Projects	16,733	18,375	17,336	94.3%	17,718	(657)
Strategic Land and Commercial Properties	9,949	26,788	20,770	77.5%	24,875	(1,913)
Maroochydhore City Centre	11,879	14,156	9,366	66.2%	8,849	(5,307)
Submarine Cable IBN	-	-	5	-	5	-
Sunshine Coast Airport Runway	36,718	44,288	35,778	80.8%	43,474	(814)
Total Other Capital Program	75,279	103,607	83,256	80.4%	94,921	(8,690)
TOTAL	242,405	287,252	215,485	75.0%	253,735	(33,522)

Capital Expenditure – May 2021 (continued)

SCC Core % YTD compared to profiled budget by Program



Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020. \$10 million of the current financial year budget will be carried over into next financial year to align with the expected contract payment cash flows. The construction program remains on track for completion in June 2022.

Environmental Assets

- Delay in ability to complete recreational trail projects due to wet weather.

Maroochydore City Centre

- The original budget allocation for the Maroochydore City Centre project included \$3.3 million to design and construct stage 6A(1). The awarding of the Development Agreement with Walker Corporation removed the requirement for Council to fund the infrastructure component. An allocation of \$300,000 is to be utilised to fund a construction worker carpark located on precinct 2 to mitigate community safety, environment and traffic management risks.

Parks and Gardens

- Delay in the delivery of the Coastal Pathway program due to delay in State Government design sign off.

Stormwater

- The \$1.2 million relining of damaged stormwater pipe program is currently 67% complete.

Strategic Land and Commercial Properties

- Several land acquisitions relating to transport corridors have been delayed due to delays in land settlements.

Transport

- Delays have been experienced in the Mooloolaba Foreshore Project due to the impact of weather events.
- Council's \$19.6 million Road Resurfacing and Rehabilitation program has progressed to 84% completion in May. Alongside the reseal program, the \$2.4 million bus stop replacement and installation program has progressed 86%.

Waste

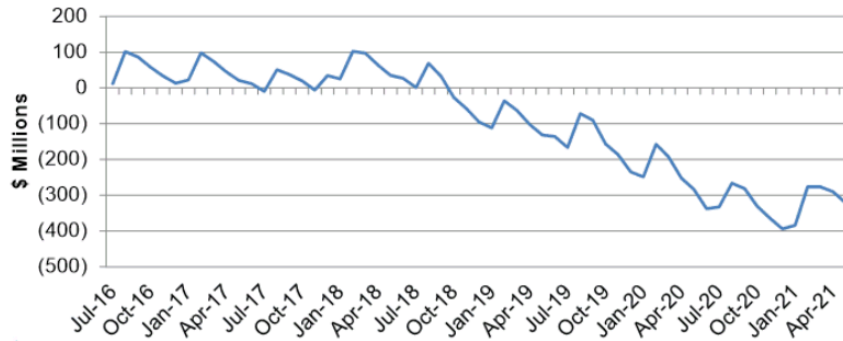
- An extended timeframe for the evaluation of tenders for the new Materials Recycling Facility will result in the carryover of funds to next financial year.

Cash Flows and Balance Sheet

Cash Balance



Net Cash

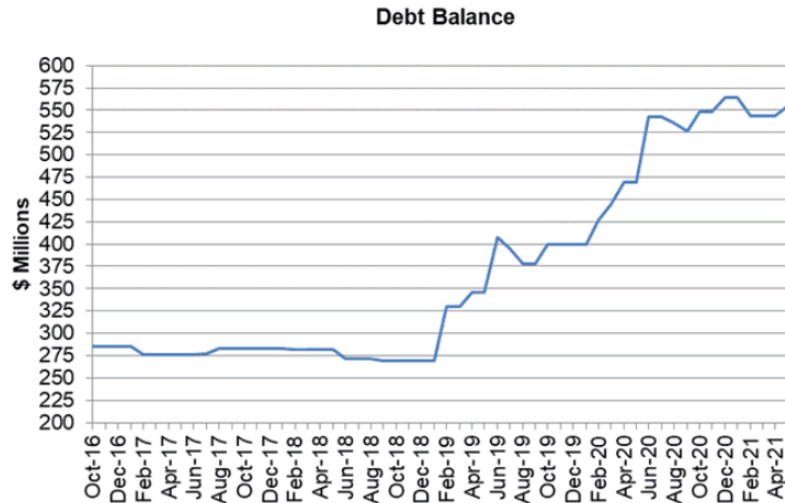


Cash and Balance Sheet - May 2021

	Original Budget \$000s	Current Budget \$000s
CASH FLOWS		
Opening Cash	229,139	197,632
Net Cash Inflow/(Outflows) from:		
Operating Activities	48,942	42,253
Investing Activities	(149,603)	(145,196)
Financing Activities	90,433	98,104
Net Increase/(decrease) in Cash Held	(10,229)	(4,839)
Cash at year end	218,910	192,793
BALANCE SHEET		
Current Assets	272,962	246,571
Non Current Assets	6,173,956	6,174,143
Total Assets	6,446,918	6,420,714
Current Liabilities	408,307	397,781
Non Current Liabilities	410,419	422,676
Total Liabilities	818,726	820,457
Net Community Assets/Total Community Equity	5,628,192	5,600,257

- Council's cash at 31 May 2021 is \$190 million excluding trust accounts
- Council's debt at 31 May 2021 is \$555 million

Debt



Sunshine Coast Council's debt program is governed by the 2020/21 Debt Policy, which was adopted with the Original Budget adoption on 25 June 2020. The Debt policy was revised during Budget Review 2 and adopted by Council at the December Ordinary meeting. New borrowings are 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.

The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

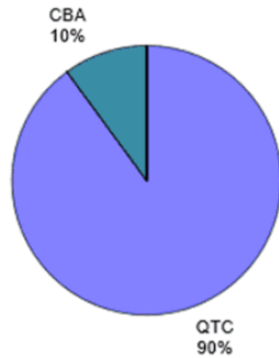
Debt - 2020/21				
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	190,864	12,292	58,975	237,547
Sunshine Coast Airport Expansion Project	211,492	-	57,430	268,922
Maroochydore City Centre	132,530	8,847	7,500	131,183
Sunshine Coast International Broadband Network	11,236	908	-	10,328



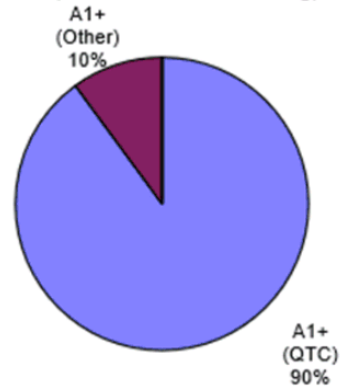
Investment Performance

Investment Portfolio

Investment per financial institution (%)



Investment by Standard & Poor's (Short Term Credit Rating)



Investment Performance - May 2021			
Liquidity as at:		31/05/2021	
		\$'000	
At-call accounts			
QTC + CBA (excl. trust)	190,644	95.63%	
Maturities within 7 days	-	0.00%	
Total at-call	190,644	95.63%	
Investment Policy Target		10.00%	
Term deposits maturing:		\$'000	Count
	within 30 days	-	-
	30-59 days	-	-
	60-89 days	-	-
	90-179 days	-	-
	180-364 days	-	-
	1 year - 3 years	-	-
	Total	-	-

INVESTMENT SUMMARY (including Trust) as at:						Investment Policy	
\$'000	31/05/2021		28/02/2021		31/05/2020	Individual Limit	Group Limits
A1+ (QTC)	175,360	90%	223,366	83.6%	66,392	35.8%	100%
A1+ (Other)	27,030	10%	43,838	16.4%	59,088	31.9%	40%
A1	-	0%	-	0.0%	10,000	5.4%	30%
A2	-	0%	-	0.0%	50,000	27.0%	30%
A3	-	0%	-	0.0%	-	0.0%	5%
Total Funds	202,390		267,204		185,480		
FUND SUMMARY							
General Funds	190,644		255,619		178,213		
Trust Funds	11,746		11,585		7,267		
Total Funds	202,390		267,204		185,480		

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 May 2021 Council had \$190 million cash (excluding Trust Fund) with an average interest rate of 0.60%, being 0.55% above benchmark. This is compared to the same period last year with \$185 million cash (excluding Trust Fund) with an average interest rate of 1.68%, being 1.58% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

