

STATEMENT OF INCOME AND EXPENSES

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate									
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
Operating Revenue													
Gross Rates & Utility Charges	287,118	289,965	290,265	299,468	312,350	327,401	343,177	359,711	377,040	395,202	414,238	434,850	
Interest from Rates & Utilities	1,408	670	670	1,415	1,422	1,429	1,436	1,443	1,450	1,458	1,465	1,472	
Less Discounts, Pensioner Remissions	(13,336)	(13,336)	(13,336)	(13,843)	(14,424)	(15,032)	(15,667)	(16,332)	(17,028)	(17,755)	(18,514)	(19,305)	
Net Rates & Utility Charges	275,190	277,299	277,599	287,040	299,348	313,799	328,946	344,822	361,463	378,905	397,189	417,017	
Fees & Charges	57,183	58,222	55,030	53,310	54,829	56,721	58,678	60,702	62,796	64,963	67,204	69,522	
Interest Received from Investments	9,374	8,874	8,470	9,101	9,503	9,964	10,344	10,842	11,745	12,655	13,565	14,515	
Grants and Subsidies - Recurrent	12,007	6,844	7,937	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	
Operating contributions	1,301	1,301	701	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	
Interest Received from Unitywater	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	
Dividends Received	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	
Other Revenue	28,381	28,763	30,653	20,836	42,579	32,712	49,931	57,189	21,700	29,101	31,710	17,305	
Internal Revenues	5,812	5,812	5,812	5,978	6,148	6,360	6,579	6,806	7,041	7,284	7,535	7,795	
Community Service Obligations	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Revenue	439,342	437,209	436,296	439,667	475,809	482,958	517,881	543,763	528,148	556,310	580,607	589,558	
Operating Expenses													
Employee costs	135,509	135,894	137,443	136,310	138,138	142,904	147,834	152,934	158,210	163,668	169,315	175,156	
Materials & Services	175,003	179,728	182,114	173,823	188,077	191,750	206,446	216,428	212,305	225,483	235,578	240,428	
Internal Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	
Finance Costs	9,410	9,410	10,196	9,383	9,187	14,632	14,244	7,940	7,271	6,891	6,204	5,443	
Company Contributions	1,464	1,464	1,464	1,492	1,520	1,558	1,597	1,637	1,678	1,720	1,763	1,807	
Depreciation	71,643	71,643	72,343	74,356	77,154	79,087	80,033	82,224	84,388	85,661	86,738	87,829	
Other Expenses	21,451	22,344	20,204	21,705	22,118	22,671	23,238	23,818	24,414	25,024	25,650	26,291	
Competitive Neutrality Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Expenses	414,480	420,483	423,764	417,069	436,194	452,603	473,391	484,982	488,266	508,448	525,248	536,956	
Operating Result	24,862	16,726	12,532	22,598	39,615	30,355	44,489	58,781	39,882	47,862	55,359	52,602	
Capital Revenue													
Capital Grants and Subsidies	4,912	8,858	10,223	7,505	7,648	7,839	8,035	8,236	8,442	8,653	8,869	9,091	
Capital Contributions	32,274	32,399	32,399	32,274	32,274	29,074	30,153	30,153	30,153	30,153	30,153	24,000	
Contributed Assets	60,000	60,000	145,000	60,000	55,000	50,000	45,000	46,125	47,278	48,460	49,672	50,913	
Non-Recurrent Capital Expenses	-	-	(15,477)	-	-	-	-	-	-	-	-	-	
Net Result	122,048	117,983	184,677	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606	

STATEMENT OF FINANCIAL POSITION

For the period ending 30 June 2018

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate									
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
CURRENT ASSETS													
Cash & Investments	209,242	215,592	218,921	189,248	205,561	203,886	306,287	321,347	322,902	319,722	313,417	269,227	
Trade and other receivables	15,599	14,591	14,572	15,488	17,301	17,398	19,085	20,230	18,951	20,175	21,160	21,233	
Inventories	19,490	19,490	19,490	22,032	16,846	17,122	11,286	5,783	7,337	5,726	9,786	19,611	
Other Financial Assets	26,424	26,424	26,424	26,926	27,438	28,124	28,827	29,548	30,286	31,044	31,820	32,615	
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	1	
	270,756	276,097	279,407	253,694	267,146	266,530	365,485	376,909	379,477	376,666	376,183	342,687	
NON CURRENT ASSETS													
Trade and other receivables	449,394	449,394	449,394	449,394	449,394	449,394	434,394	434,394	434,394	434,394	434,394	434,395	
Property, plant & equipment	4,103,360	4,105,491	4,168,176	4,485,443	4,837,283	5,058,303	4,983,351	5,213,932	5,443,622	5,686,893	5,944,057	6,225,167	
Investment in associates	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	
Capital works in progress	86,931	86,931	86,931	87,467	85,201	84,928	82,128	79,469	80,619	78,552	76,653	76,276	
Intangible assets	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	
	5,194,889	5,197,020	5,259,705	5,577,508	5,927,081	6,147,829	6,055,077	6,282,999	6,513,839	6,755,043	7,010,307	7,291,042	
TOTAL ASSETS	5,465,644	5,473,118	5,539,111	5,831,202	6,194,228	6,414,359	6,420,561	6,659,907	6,893,316	7,131,708	7,386,490	7,633,729	
CURRENT LIABILITIES													
Trade and other payables	58,261	59,305	59,116	58,832	60,420	62,749	65,176	67,704	70,338	73,082	75,941	78,922	
Borrowings	17,833	17,833	17,833	20,008	21,997	24,210	26,172	28,074	30,773	33,181	35,991	38,804	
Provisions	15,172	15,172	15,172	15,604	16,049	16,603	17,176	17,768	18,381	19,015	19,671	20,350	
Other	20,469	20,469	20,469	20,858	21,255	21,786	22,331	22,889	23,461	24,048	24,649	25,265	
	111,736	112,779	112,590	115,302	119,720	125,348	130,854	136,435	142,953	149,326	156,252	163,341	
NON CURRENT LIABILITIES													
Borrowings	278,177	278,177	278,177	353,949	483,608	482,845	256,344	241,783	234,006	217,815	204,433	186,178	
Provisions	33,213	33,213	33,213	34,159	35,133	36,345	37,599	38,896	40,238	41,626	43,062	44,548	
	311,390	311,390	311,390	388,109	518,741	519,190	293,943	280,679	274,244	259,442	247,496	230,727	
TOTAL LIABILITIES	423,125	424,168	423,980	503,411	638,461	644,538	424,797	417,114	417,197	408,768	403,748	394,067	
NET COMMUNITY ASSETS	5,042,519	5,048,949	5,115,132	5,327,790	5,555,766	5,769,821	5,995,764	6,242,794	6,476,119	6,722,941	6,982,742	7,239,662	
COMMUNITY EQUITY													
Asset revaluation surplus	1,050,816	1,050,816	1,050,798	1,145,990	1,244,406	1,346,262	1,449,688	1,558,669	1,671,564	1,788,654	1,909,860	2,035,681	
Retained Earnings	589,378	595,808	662,202	779,667	909,229	1,021,427	1,143,944	1,281,993	1,402,423	1,532,155	1,670,750	1,801,849	
Capital	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	
TOTAL COMMUNITY EQUITY	5,042,520	5,048,950	5,115,326	5,327,984	5,555,961	5,770,015	5,995,958	6,242,989	6,476,314	6,723,135	6,982,936	7,239,856	

STATEMENT OF CHANGES IN EQUITY

For the period ending 30 June 2018

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate								
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000
Capital Accounts												
Balance at beginning of period	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327
Asset Revaluation Reserve												
Balance at beginning of period	990,718	990,718	990,718	1,050,798	1,145,990	1,244,406	1,346,262	1,449,688	1,558,669	1,671,564	1,788,654	1,909,860
Asset revaluation adjustments	60,097	60,097	60,080	95,192	98,415	101,856	103,427	108,981	112,895	117,090	121,206	125,821
Balance at end of period	1,050,816	1,050,816	1,050,798	1,145,990	1,244,406	1,346,262	1,449,688	1,558,669	1,671,564	1,788,654	1,909,860	2,035,681
Retained Earnings												
Balance at beginning of period	472,172	482,172	482,172	662,202	779,667	909,229	1,021,427	1,143,944	1,281,993	1,402,423	1,532,155	1,670,750
Net result for the period	122,048	117,983	184,677	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606
Transfers from capital, reserves and shareholdings	(4,842)	(4,347)	(4,648)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,507)
Balance at end of period	589,378	595,808	662,202	779,667	909,229	1,021,427	1,143,944	1,281,993	1,402,423	1,532,155	1,670,750	1,801,849
TOTAL												
Balance at beginning of period	4,865,217	4,875,217	4,875,217	5,115,326	5,327,984	5,555,961	5,770,015	5,995,958	6,242,989	6,476,314	6,723,135	6,982,936
Net result for the period	122,048	117,983	184,677	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	(4,842)	(4,347)	(4,648)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,508)
Asset revaluation adjustments	60,097	60,097	60,080	95,192	98,415	101,856	103,427	108,981	112,895	117,090	121,206	125,821
Balance at end of period	5,042,520	5,048,950	5,115,326	5,327,984	5,555,961	5,770,015	5,995,958	6,242,989	6,476,314	6,723,135	6,982,936	7,239,855

STATEMENT OF CASH FLOWS

For the period ending 30 June 2018

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate								
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000
Cash flows from operating activities												
Receipts from customers	372,041	372,649	371,665	371,171	407,510	413,685	447,951	473,050	456,234	483,180	506,249	513,895
Payments to suppliers and employees	(328,670)	(333,630)	(338,146)	(334,051)	(340,158)	(353,822)	(367,102)	(382,807)	(392,780)	(408,318)	(430,163)	(447,636)
Interest and dividends received	60,877	59,639	59,235	60,611	61,020	61,488	61,875	62,380	63,290	64,208	65,125	66,082
Finance costs	(10,753)	(10,753)	(11,539)	(10,615)	(10,267)	(15,633)	(15,061)	(8,547)	(7,876)	(7,424)	(6,734)	(6,026)
Net cash inflow (outflow) from operating activities	93,495	87,905	81,215	87,116	118,105	105,717	127,663	144,075	118,869	131,646	134,478	126,316
Cash flows from investing activities												
Payments for property, plant and equipment	(235,182)	(266,132)	(257,478)	(235,582)	(274,534)	(147,045)	(145,330)	(156,306)	(152,547)	(161,738)	(171,309)	(190,440)
Proceeds from disposal non current assets	67,969	67,969	67,969	1,066	1,173	1,290	306,419	1,561	1,717	1,889	2,077	2,285
Capital grants, subsidies, contributions, donations	37,186	41,257	42,622	39,779	39,922	36,913	38,188	38,389	38,595	38,806	39,022	33,091
Finance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from investing activities	(130,027)	(156,906)	(146,887)	(194,736)	(233,439)	(108,842)	199,277	(116,356)	(112,236)	(121,044)	(130,210)	(155,064)
Cash flows from financing activities												
Proceeds from borrowings	18,130	18,130	18,130	95,780	151,655	23,447	15,699	13,513	22,996	16,990	22,608	20,549
Repayment of borrowing	(15,912)	(15,912)	(15,912)	(17,833)	(20,008)	(21,997)	(240,239)	(26,172)	(28,074)	(30,773)	(33,181)	(35,991)
Net cash inflow (outflow) from financing activities	2,218	2,218	2,218	77,948	131,648	1,450	(224,539)	(12,659)	(5,078)	(13,783)	(10,573)	(15,442)
Net increase (decrease) in cash held	(34,314)	(66,783)	(63,454)	(29,673)	16,314	(1,675)	102,401	15,060	1,555	(3,181)	(6,305)	(44,190)
Cash at beginning of reporting period	243,557	282,375	282,375	218,921	189,248	205,561	203,886	306,287	321,347	322,902	319,722	313,417
Cash at end of reporting period	209,242	215,592	218,921	189,248	205,561	203,886	306,287	321,347	322,902	319,722	313,417	269,227

MEASURES OF FINANCIAL SUSTAINABILITY

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate									
			2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
Operating Performance												
Operating Surplus Ratio (%)	5.7%	2.9%	5.1%	8.3%	6.3%	8.6%	10.8%	7.6%	8.6%	9.5%	8.9%	
Fiscal Flexibility												
Council controlled revenue (%)	75.7%	76.2%	77.4%	74.4%	76.7%	74.8%	74.6%	80.3%	79.8%	80.0%	82.5%	
Total debt service cover ratio (times)	4.0	3.6	4.0	4.4	3.9	4.2	4.5	3.8	3.8	3.8	3.6	
Net Financial Liabilities Ratio (%)	34.7%	33.1%	56.8%	78.0%	78.3%	11.5%	7.4%	7.1%	5.8%	4.7%	8.7%	
Liquidity												
Cash expense cover ratio (months)	7.5	7.7	6.8	7.0	6.7	9.5	9.7	9.7	9.2	8.7	7.3	
Asset Sustainability												
Asset Sustainability Ratio (%)	83.0%	83.0%	79.4%	73.6%	79.9%	72.6%	74.9%	69.8%	73.6%	73.1%	77.0%	

Operating Surplus 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

Debt service cover ratio adjusted in 2021/22 to account for one year impact of settling the Sunshine Coast Airport Runway Debt

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 (excluding 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%.

CAPITAL WORKS PROGRAM			
For the period ending 30 June 2018			
	Current Budget 2017/18 \$000	BR2 Request 2017/18 \$000	Revised Budget 2017/18 \$000
Sunshine Coast Council Core Capital Program			
Aerodromes	497	(82)	415
Buidlings & Facilities	13,048	(595)	12,453
Coast & Canals	2,363	-	2,363
Divisional Allocations	6,219	(810)	5,409
Environmental Assets	670	170	840
Fleet	3,000	-	3,000
Holiday Parks	1,433	(144)	1,289
Information Communication Technology	6,508	(422)	6,086
Parks & Gardens	15,458	(161)	15,297
Quarries	608	(148)	460
Stormwater	7,549	(612)	6,938
Strategic Land & Commercial Properties	12,797	17,365	30,161
Sunshine Coast Airport	1,123	235	1,358
Transportation	59,323	4,063	63,386
Waste	17,152	(7,825)	9,327
Total Sunshine Coast Council Core Capital Program	147,747	11,034	158,781
Corporate Major Projects Capital Program			
Corporate Major Projects	10,338	851	11,189
Total Corporate Major Projects Capital Program	10,338	851	11,189
Region Making Capital Program			
Maroochydore City Centre	47,162	1,047	48,209
Sunshine Coast Airport Runway Project	67,501	(17,019)	50,481
Total Region Making Capital Program	114,662	(15,973)	98,690
SCC Total Capital Works Program	272,748	(4,088)	268,660

The capital works program includes recurrent and non-recurrent expenses that will be incurred in delivering the program

Recurrent capital expenses	3,956	3,941	7,897
Non-Recurrent capital expenses	-	12,648	12,648

An annual allocation of \$10m for Environment and LGIP land acquisitions has been allowed for in the forecast balance sheet and cash flow. Expenditure will be reflected in the capital schedule when known. Currently \$1.93 million is included in the capital schedule, \$470,000 recognised in this review.