

8.3 AUGUST 2024 FINANCIAL PERFORMANCE REPORT

File No: Council Meetings
Author: Coordinator Financial Services
 Business Performance Group
Attachments: Att 1 - August 2024 Financial Performance Report
 Att 2 - August 2024 Capital Grant Funded Project Report

PURPOSE

To meet Council’s legislative obligations, a monthly report must be presented to Council on its financial performance and investments.

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 31 August 2024, in terms of the operating result and delivery of the capital program.

Operating Performance

Table 1: Operating Budget as at 31 August 2024

	Original Budget \$000	Current Budget \$000
Total Operating Revenue	610,085	610,085
Total Operating Expenses	587,086	587,086
Operating Result	22,999	22,999

Details of the monthly financial report are contained in **Attachment 1**.

OFFICER RECOMMENDATION

That Council receive and note the report titled “August 2024 Financial Performance Report”

FINANCE AND RESOURCING

This report sets out the details of Council’s financial performance and investments for the month ending 30 June 2024, and meets Council’s legislative reporting requirements.

CORPORATE PLAN

Corporate Plan Goal: *Our outstanding organisation*
Outcome: We serve our community by providing this great service

Operational Activity: S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council’s budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION

Councillor Consultation

Consultation has been undertaken with the Portfolio Councillors, Cr E Hungerford and Cr J Broderick.

Internal Consultation

This report has been written in conjunction with advice from:

- Acting Group Executive Business Performance
- Chief Executive Officer
- Group Executive Economic & Community Development
- Chief Financial Officer

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

Legal

This report ensures that Council complies with its legislative obligations with respect to financial reporting in accordance with Section 204 of the *Local Government Regulation 2012*.

Investment of funds is in accordance with the provisions of the *Statutory Bodies Financial Arrangements Act 1982* and the associated Regulations and the *Local Government Act 2009*.

Policy

Sunshine Coast Council’s 2023-24 Investment Policy, and
Sunshine Coast Council’s 2023-24 Debt Policy.

Risk

The 2024-25 budget has been developed to ensure long term financial sustainability for the Sunshine Coast region. A key element to long term financial sustainability is achieving the targeted operating result.

Council's operating result includes savings initiatives of \$14.7 million. Failure to achieve the budgeted operating result will negatively impact Council's financial sustainability both in the short term and long term.

Continued monitoring of the delivery of the capital works program within budgeted scope and cost.

Previous Council Resolution**Special Meeting 20 June 2024 (OM24/4)**

That Council:

1. STATEMENT OF ESTIMATED FINANCIAL POSITION

receive and note Appendix A, pursuant to section 205 of the Local Government Regulation 2012, the statement of the financial operations and financial position of the Council in respect to the 2023-24 financial year.

2. ADOPTION OF BUDGET

adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council's budget for 2024-25 financial year incorporating:

- i. the statement of income and expenditure*
- ii. the statement of financial position*
- iii. the statement of changes in equity*
- iv. the statement of cash flow*
- v. the relevant measures of financial sustainability*
- vi. the long-term financial forecast*
- vii. the Debt Policy (adopted by Council resolution on 30 May 2024)*
- viii. the Revenue Policy (adopted by Council resolution on 30 May 2024)*
- ix. the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. the Revenue Statement*
- xi. Council's 2024-25 Capital Works Program, endorsing the indicative four-year program for the period 2026 to 2029, and noting the five-year program for the period 2030 to 2034*
- xii. the rates and charges to be levied for the 2024-25 financial year and other matters as detailed below in clauses 3 to 10*
- xiii. the 2024-25 Minor Capital Works Program*

- xiv. *the Strategic Environment Levy Policy*
- xv. *the Strategic Arts and Heritage Levy Policy*
- xvi. *the Strategic Transport Levy Policy and*
- xvii. *Prescribed Services Charge Plan (No. 2) 2024-25 Financial Year.*

Related Documentation

2024-25 Adopted Budget

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

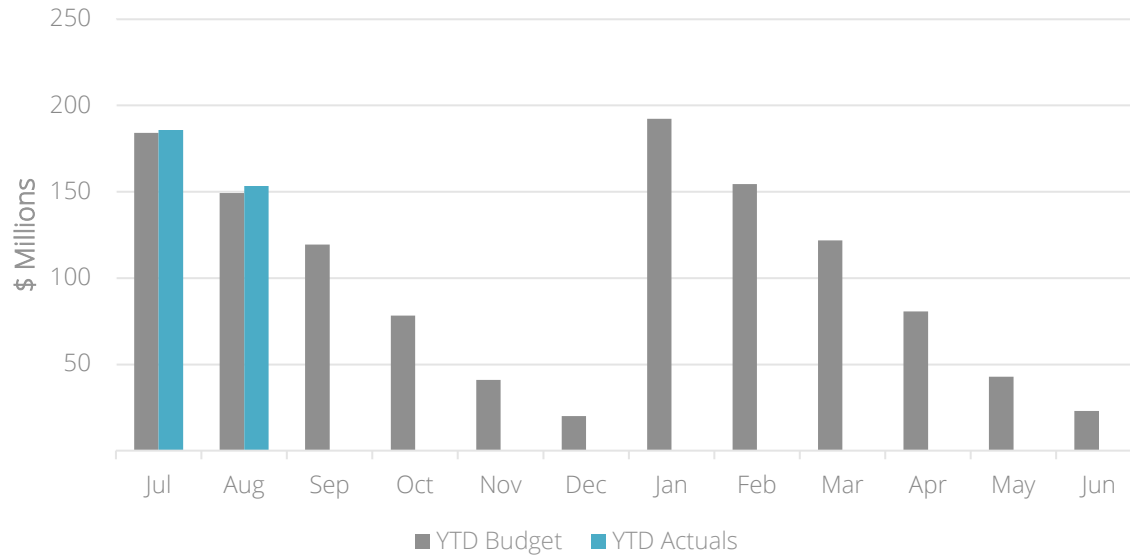
2024-25 BUDGET

Financial Performance Report

August 2024

Statement of Income and Expenses

2024/25 Operating Result



Council had an operating result of \$153.4 million, which was \$5.1 million (3.5%) above current budget

Statement of Income & Expenses							
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Year End Forecast \$000
Operating Revenue							
General Rates	319,728	319,728	157,297	157,418	121	0.1%	319,728
Cleansing Charges	78,328	78,328	39,162	41,864	2,702	6.9%	78,328
Levies	29,552	29,552	14,695	14,896	200	1.4%	29,552
Fees and Charges	77,152	77,152	15,903	17,069	1,166	7.3%	77,152
Interest Received from Investments	14,883	14,883	2,460	1,763	(697)	(28.3%)	14,883
Operating Grants and Subsidies	16,129	16,129	9,380	9,430	50	0.5%	16,129
Operating Contributions	320	320	-	-	-	-	320
Unitywater Participation	52,500	52,500	2,144	2,144	-	-	52,500
Other Revenue	18,775	18,775	2,726	3,008	282	10.4%	18,775
Internal Sales/Recoveries	2,720	2,720	69	274	206	299.4%	2,720
Total Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%	610,086
Operating Expenses							
Employee Costs	186,081	186,081	26,135	26,696	561	2.1%	186,081
Materials and Services	234,321	234,321	38,909	37,327	(1,582)	(4.1%)	234,321
Finance Costs	13,284	13,284	2,325	2,269	(56)	(2.4%)	13,284
Company Contributions	4,149	4,149	4,149	4,149	0	0.0%	4,149
Depreciation Expense	115,664	115,664	19,277	19,277	-	-	115,664
Other Expenses	29,587	29,587	3,761	3,746	(14)	(0.4%)	29,587
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%	4,000
Total Operating Expenses	587,086	587,086	95,591	94,500	(1,091)	(1.1%)	587,086
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%	22,999
Capital Revenue							
Capital Grants and Subsidies	25,000	25,000	263	263	-	-	25,000
Capital Contributions - Cash	33,629	33,629	2,425	2,425	-	-	33,629
Capital Contributions - Fixed Assets	74,538	74,538	-	-	-	-	74,538
Total Capital Revenue	133,167	133,167	2,688	2,688	-	-	133,167
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	2,982	2,982	497	497	-	-	2,982
Recurrent Capital Expenses - Prior Year	-	-	-	-	-	-	-
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	2,982	2,982	497	497	-	-	2,982
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%	153,185

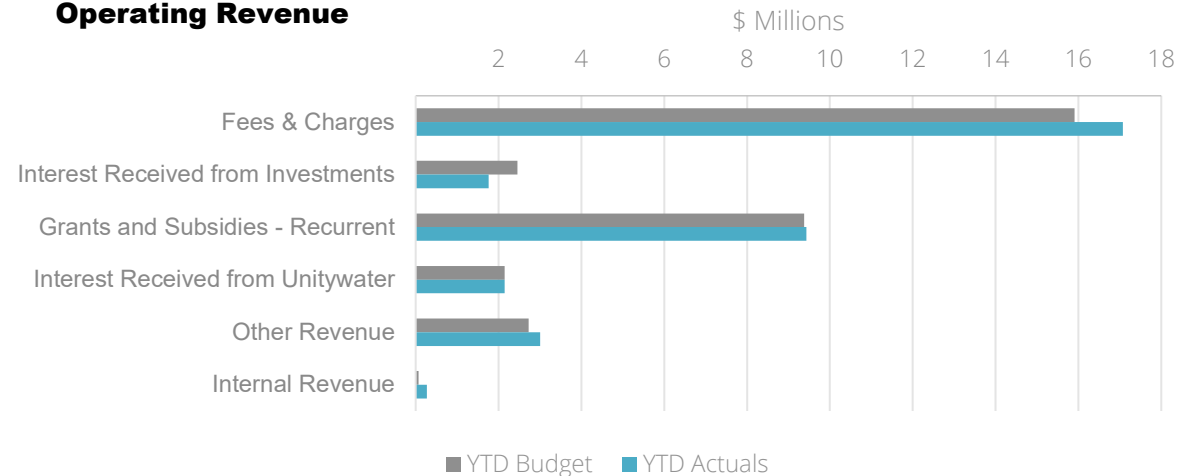
Operating Result - Revenue

\$247.9 million in operating revenue received which is \$4.0 million higher than budget

- Waste collections revenue higher than budget for domestic bulk collections \$1.9 million and domestic wheelie bin collections \$926,000
- Sunshine Coast Holiday Park Fees \$827,000 higher than budget

Operating Summary			August 2024			
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%
Operating Expenses	583,086	583,086	94,556	93,465	(1,092)	(1.2%)
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%
Capital Revenue	133,167	133,167	2,688	2,688	-	-
Non-recurrent Expenses	2,982	2,982	497	497	-	-
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%

Operating Revenue



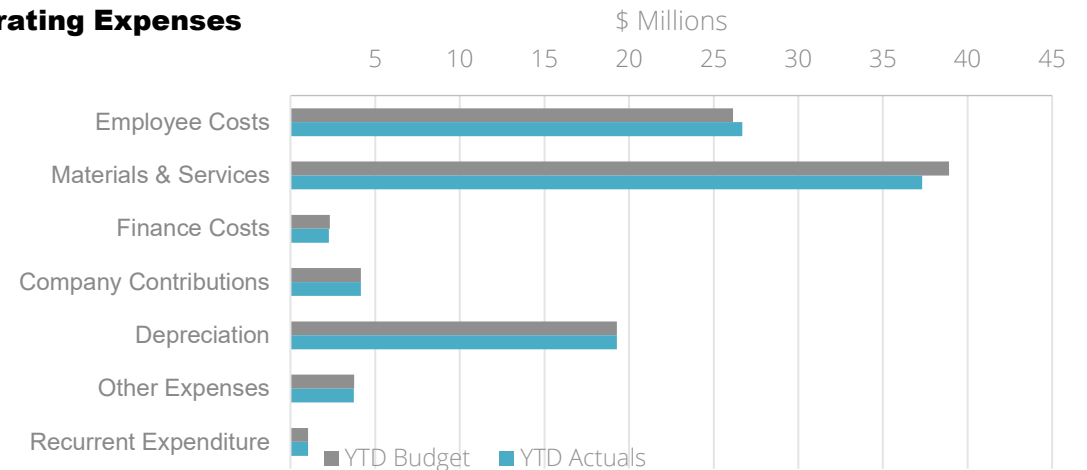
Operating Result - Expenses

\$94.5 million in operating expenses incurred which is \$1.1 million (1.1%) lower than budget

- Materials and Services under budget \$1.6 million (4.1%)
 - Contract expenditure below budget in Environmental Operations, Parks and Gardens and Transport Network Operations
- Employee costs above budget \$561,000 (2.1%)
 - Vacancy Rate YTD \$1.3 million

Operating Summary			August 2024			
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	610,086	610,086	243,838	247,866	4,029	1.7%
Operating Expenses	583,086	583,086	94,556	93,465	(1,092)	(1.2%)
Recurrent Capital Expenses	4,000	4,000	1,035	1,035	0	0.0%
Operating Result	22,999	22,999	148,246	153,366	5,120	3.5%
Capital Revenue	133,167	133,167	2,688	2,688	-	-
Non-recurrent Expenses	2,982	2,982	497	497	-	-
Net Result	153,185	153,185	150,438	155,557	5,120	3.4%

Operating Expenses



Capital Expenditure

Capital Expenditure						August 2024	
	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	
Core Capital Works Program							
Aerodromes	1,525	1,525	58	3.8%	660	(865)	
Buildings and Facilities	28,286	28,286	1,816	6.4%	16,194	(12,092)	
Coast and Canals	6,200	6,200	976	15.7%	4,158	(2,042)	
Environmental Assets	4,120	4,120	481	11.7%	3,711	(409)	
Minor Works	5,862	5,862	840	14.3%	3,571	(2,291)	
Holiday Parks	2,881	2,881	31	1.1%	3,369	487	
Parks and Gardens	10,480	10,480	2,118	20.2%	7,060	(3,420)	
Sports Facilities	20,738	20,738	2,636	12.7%	26,423	5,685	
Stormwater	14,318	14,318	1,602	11.2%	12,399	(1,919)	
Transportation	99,213	99,213	10,743	10.8%	89,236	(9,977)	
Total SCC Core Capital Program	193,624	193,624	21,300	11.0%	166,780	(26,844)	
Disaster Recovery Funding Arrangements	4,590	4,590	2,781	60.6%	4,171	(419)	
Fleet	3,500	3,500	55	1.6%	5,387	1,887	
Information Technology	10,000	10,000	824	8.2%	10,595	595	
Waste	12,882	12,882	3,402	26.4%	16,364	3,482	
Corporate Major Projects	39,730	39,730	5,896	14.8%	32,037	(7,693)	
Strategic Land and Commercial Properties	18,992	18,992	6,068	32.0%	18,713	(279)	
Sunshine Coast Airport Runway	-	-	63	-	1	1	
Total Other Capital Program	89,694	89,694	19,090	21.3%	87,269	(2,425)	
TOTAL	283,318	283,318	40,390	14.3%	254,048	(29,269)	

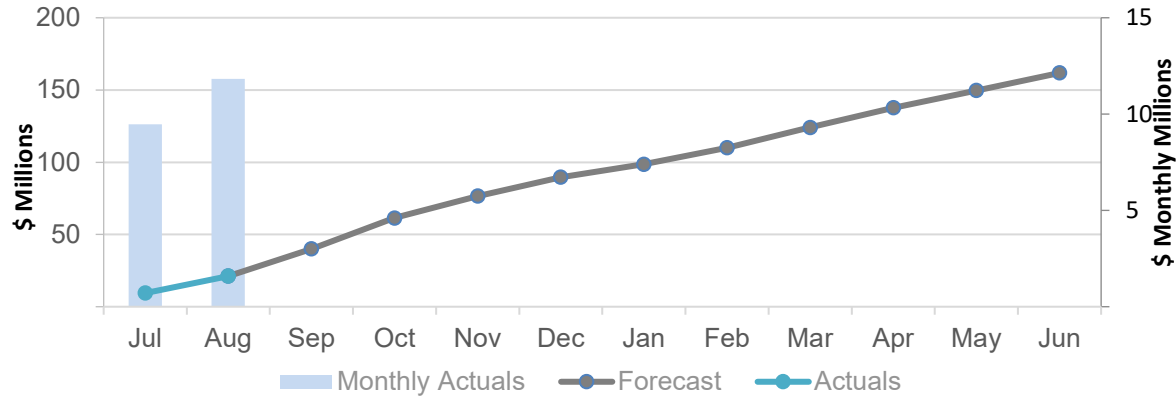
****The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement**

\$40.4 million (14.3%) of Council's \$283.3 million capital works budget has been expensed

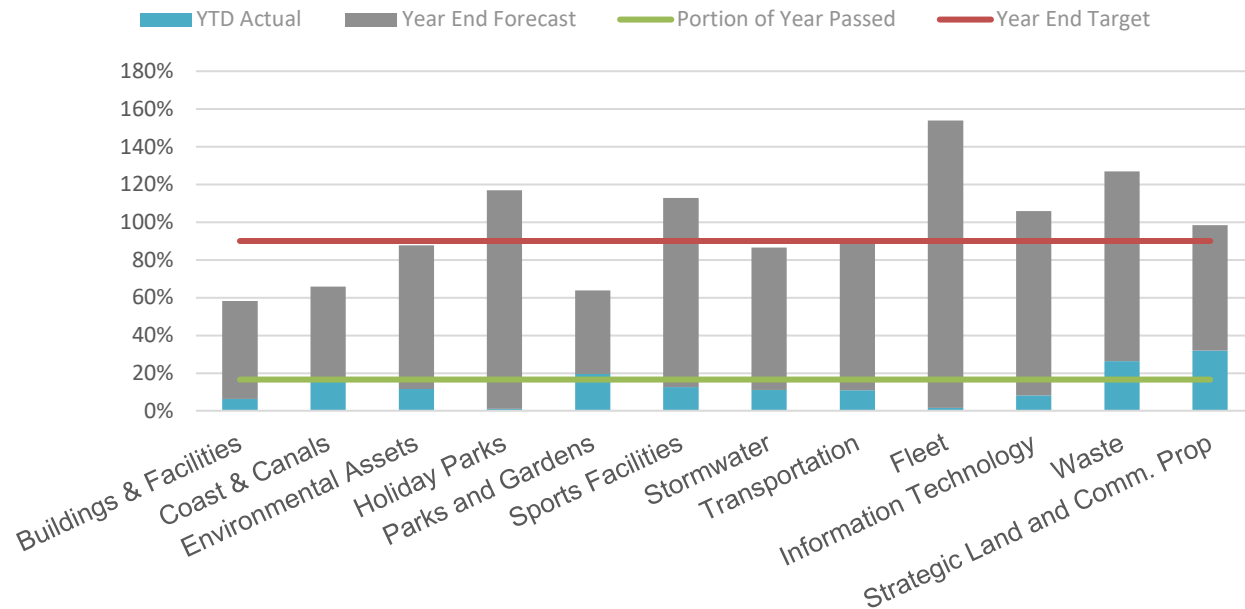
The Core Capital Program has expensed \$21.3 million, 11% of budget

Capital Expenditure

SCC Core Capital Expenditure



% YTD spent compared to profiled budget by Program



Building and Facilities

Program YTD spend at 6% of total budget. Current year end forecast at 58%. Caloundra Depot Site Plan and Sippy Downs Library no spend year to date.

Coast & Canals

Program YTD spend at 9% of total budget. Current year end forecast at 52%.

Parks and Gardens

Program YTD spend at 19% of total budget. Current year end forecast at 65%. Coastal Pathway 19% YTD spend. Quota Memorial Park Footbridge 7% YTD spend.

Sports Facilities

Program YTD spend at 13% of total budget. Honey Farm Sports & Rec Precinct 15% YTD spend.

Transportation

Program YTD spend at 13% of total budget. Bus Stop Program 8% spend YTD. Road Resurfacing 14% spend YTD.

Strategic Land and Commercial Properties.

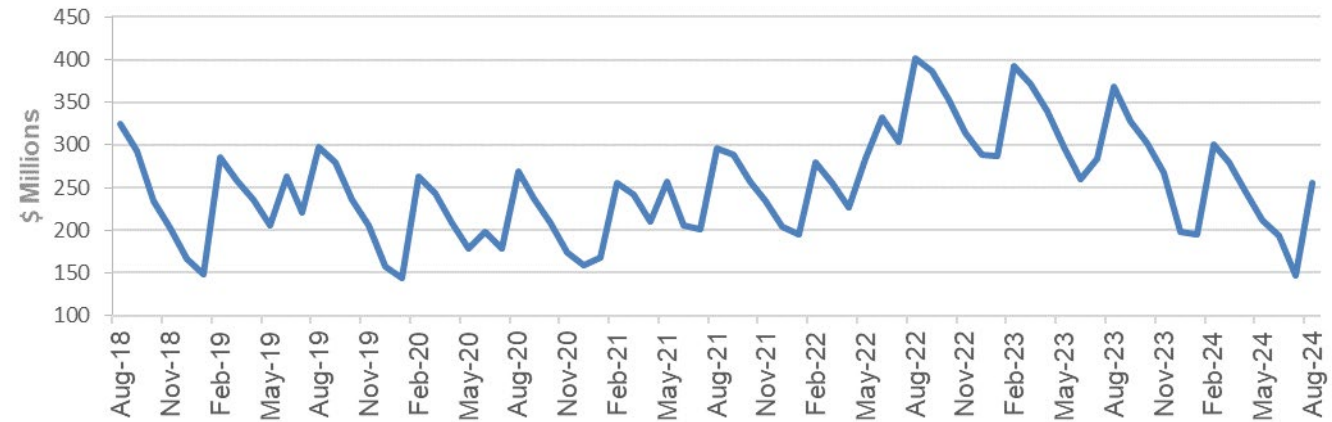
Program YTD spend at 32% of total budget. Current year end forecast at 95%. Brisbane 2032 Mountain Trail Bike Land payment \$5.5 million.

Cash Flows and Balance Sheet

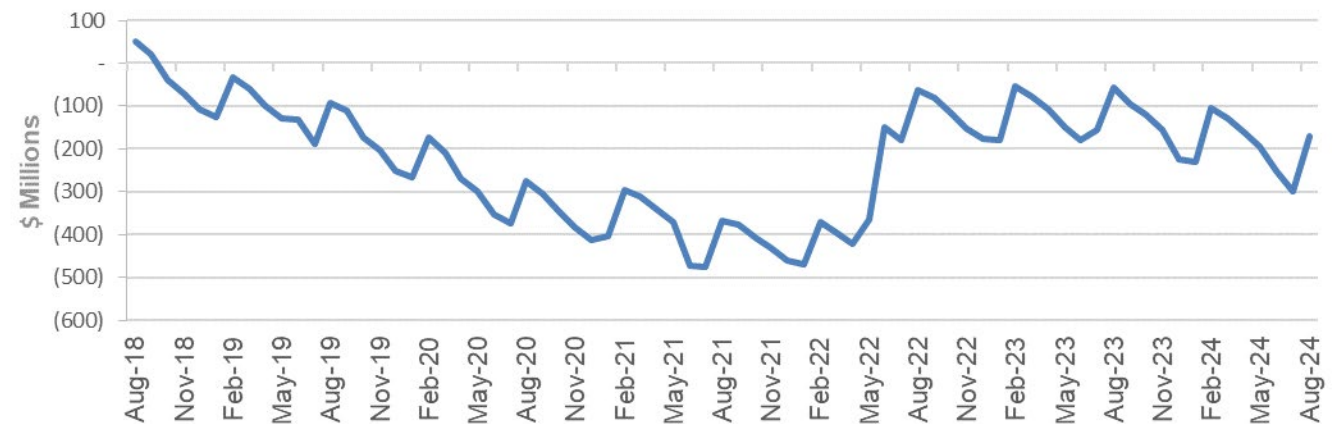
- Cash balance at 31 August \$255.6 million excluding Trust
- Debt balance at 31 August was \$433.8 million

Cash and Balance Sheet		2024-25
		Current Budget \$'000s
CASH FLOWS		
Opening Cash		245,121
Net Cash Inflow/(Outflows) from:		
Operating Activities		85,130
Investing Activities		(136,590)
Financing Activities		(5,681)
Net Increase/(decrease) in Cash Held		(57,141)
Cash at year end		187,980
BALANCE SHEET		
Current Assets		253,629
Non Current Assets		7,669,433
Total Assets		7,923,061
Current Liabilities		184,143
Non Current Liabilities		505,082
Total Liabilities		689,224
Net Community Assets/Total Community Equity		7,233,837

Cash Balance



Net Cash



Debt

Council's current debt balance is \$433.8 million.

During August, a debt repayment occurred reducing the debt principal by \$12.6 million

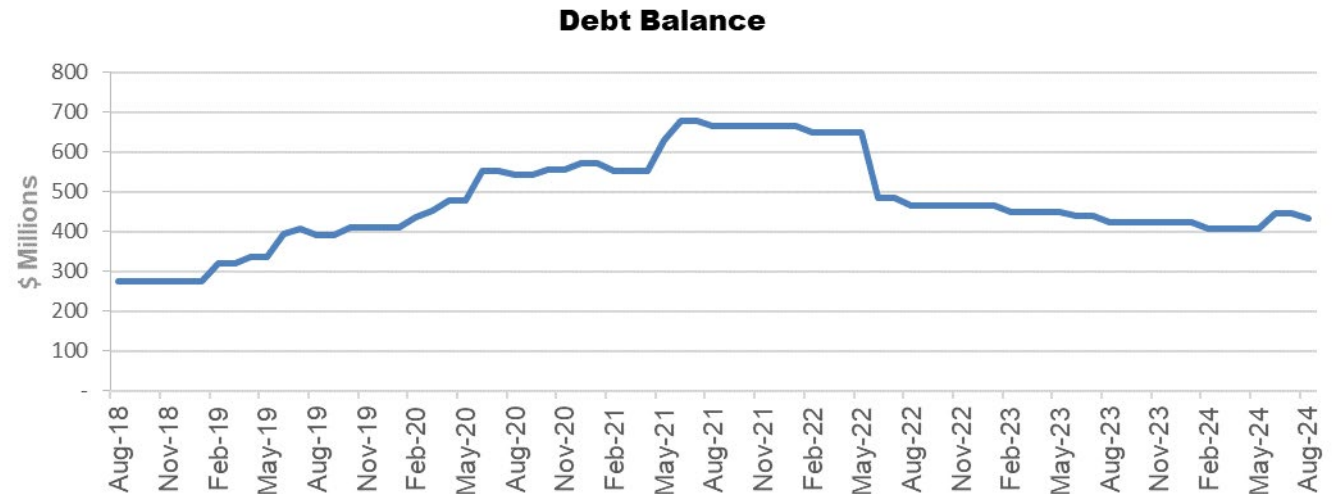
Sunshine Coast Council's debt program is governed by the 2024-25 Debt Policy, which was adopted with the Original Budget adoption on 20 June 2024.

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.

Council's forecast borrowings for the 2024-25 financial year are \$20.3 million and relate to:

- \$10.5 million for Waste
- \$1.5 million for Holiday Parks
- \$7 million for Sunshine Coast Stadium
- \$1.3 million for Caloundra Aerodrome Master Plan

Debt - 2024/25				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,795	20,064	20,294	346,025
Maroochydore City Centre	100,213	5,784	-	94,429
Total	446,008	25,847	20,294	440,455



Investment Performance

At month end Council has \$255.6 million cash (excluding Trust funds), with an average interest rate of 4.96%, being 0.18% above benchmark. This is compared to the same period last year with \$370 million cash (excluding Trust funds) with an average interest rate of 4.67%, being 0.19% above benchmark.

The benchmark used to measure performance of cash funds is the Bloomberg AusBond Bank Bill Index (BAUBIL).

All investment parameters remain within the guidelines established by the Investment Policy.

Investment Performance - August 2024				
Liquidity as at:			31/08/2024	
			\$'000's	
At-call accounts				
QTC + CBA (excl. trust)	175,614	62.59%		
Maturities within 7 days	-	0.00%		
Total at-call	175,614	62.59%		
Investment Policy Target		10.00%		
Term deposits maturing:			\$'000's	Count
within 30 days			-	-
30-59 days			30,000	3
60-89 days			10,000	1
90-179 days			40,000	3
180-364 days			-	-
1 year - 3 years			-	-
Total			80,000	7

INVESTMENT SUMMARY (including Trust) as at:	31/08/2024		31/05/2024		31/08/2023		Investment Policy	
							Individual Limit	Group Limits
A1+ (QTC)	84,912	30%	98,552	41.7%	73,045	19.2%	100%	100%
A1+ (Other)	185,647	66%	117,701	49.8%	258,141	67.7%	100%	100%
A1	-	0%	-	0.0%	30,000	7.9%	60%	100%
A2	10,000	4%	20,000	8.5%	20,000	5.2%	60%	90%
A3	-	0%	-	0.0%	-	0.0%	10%	30%
Total Funds	280,559		236,253		381,186			
FUND SUMMARY								
General Funds	255,614		212,252		370,414			
Trust Funds	24,945		24,001		10,772			
Total Funds	280,559		236,253		381,186			



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2024-25 Financial Year Grant Funding

	Description	Division	Suburb	Estimated Construction Start Month	Construction Completed Month	TOTAL Grant Revenue \$'000	Project Expenditure to date \$'000
Federal Government						(\$10,046)	\$2,003
1	Roads to Recovery Program					(\$4,800)	
Local Road and Community Infrastructure Grant Funding - Round 4						(\$4,746)	\$2,003
2	H4607 - LRCIP4 Maple Street - Maleny Streetscape	Division 05	Maleny	July 2024	June 2025	(\$600)	\$30
3	H7584 - LRCIP4 Mountain View Road Maleny Lookout	Division 05	Maleny	March 2024		(\$500)	\$468
4	H7797 - LRCIP4 Kawana Waters Regional Aquatic Ce	Division 03	Bokarina	March 2023	June 2025	(\$939)	\$622
5	K3827 - LRCIP4 Charles Clarke Park Revetment Wal	Division 04	Mooloolaba	February 2024	August 2024	(\$500)	\$403
6	K4113 - LRCIP4 Lions and Norrie Job Cooloom Park	Division 09	Cooloom Beach	May 2024	August 2024	(\$250)	\$23
7	H3732 - Oval Avenue and Gosling St Upgrade	Division 02	Caloundra	July 2024	June 2026	(\$1,758)	\$448
8	K2901 - Solar System Replacement	Whole of Council				(\$200)	\$10
Disaster Ready Fund - Round 1						(\$500)	\$0
9	H7884 - Mooloolaba Foreshore Central Meeting Pla	Division 04	Mooloolaba			(\$500)	\$0
State Government						(\$9,243)	\$42,783
10	Disaster Recovery Funding Arrangements					(\$4,590)	\$39,968
Blackspot Funding						(\$668)	\$3
11	K6053 - BlackSpot Cotton Tree Area - Speed Reduc	Division 04	Maroochydore			(\$50)	\$0
12	K6054 - BlackSpot Sixth Ave Maroochydore - side	Division 04	Maroochydore			(\$350)	\$1
13	K6056 - Blackspot - Mons Road Forest Glen	Division 07	Forest Glen			(\$268)	\$2
Queensland Transport Cycle Network Program						(\$2,540)	\$2,812
14	H3839 - LGIP Stringybark Rd Footbridge-Pathway	Division 07	Sippy Downs	September 2023	December 2023	(\$700)	\$2,408
15	H8416 - Emu Mountain Road Pathway Construction	Division 09	Cooloom Beach			(\$690)	\$10
16	K2705 - Coastal Pathway BA 233 to 229 Warana	Division 04	Warana			(\$1,150)	\$393
Walking Network Plans						(\$36)	\$0
17	K3037 - Walking Network Plans	Whole of Council				(\$36)	\$0
18	Passenger Transport Accessible Infrastructure Program					(\$422)	
Transport Infrastructure Development Scheme						(\$987)	\$55
19	H4617 - Mooloolaba School Precinct	Division 04	Mooloolaba			(\$190)	\$0
20	H4613 - Cotton Tree Precinct Improvements	Division 04	Maroochydore			(\$150)	\$0
21	K1719 - Ridgeview Drive and Havana Road West Junction	Division 09	Peregian Springs			(\$190)	\$1
22	K1771 - Petrie Creek Road Shoulder Widening from Paynters Creek Road to Celestine Place	Division 07	Rosemount			(\$457)	\$54

Project Complete