

8.3.1 JUNE 2014 FINANCIAL PERFORMANCE REPORT

File No: Financial Reports

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Attachments: Att 1 - June 2014 Financial Performance Report

PURPOSE

To meet Council's legislative obligations, a monthly report is to be presented to Council on its financial performance and investments. This report provides a comprehensive review on the end of financial year financial position of Sunshine Coast Council. This position is yet to be audited by the Queensland Audit Office, and as such it is subject to change.

This report also includes a summary on the process that is followed to recover unpaid rates, from the initial reminder notice through to the property being included on the sale of land report to council. This has been included in the financial performance report to provide information to Councillors.

EXECUTIVE SUMMARY

The monthly financial performance report provides council with a summary of performance against budget at the end of each month in terms of the operating result and delivery of the capital program.

The operating result at 30 June 2014 shows an unfavourable variance of \$759,000 compared to the forecast position.

This operating result variation is made up of higher than expected revenue of \$3 million (0.7%) and higher than expected operating expenses of \$3.8 million (1%). Further detail is provided in the proposal section of this report.

As at 30 June 2014, \$126.6 million (74.7%) of Council's \$169.6 million 2013/2014 Capital Works Program was financially expended.

Council's investment portfolio remains within the guidelines established under the Investment Policy.

An overview of Council's rate collection process is included in this report as information for Councillors.

OFFICER RECOMMENDATION

That Council receive and note the report titled "June 2014 Financial Performance Report".

FINANCE AND RESOURCING

There are no finance and resourcing implications from this report.

CORPORATE PLAN

Corporate Plan Goal Outcome **5 - A public sector leader**
Operational Activity 5.2 - A financially sustainable organisation
5.2.1 - Develop and implement long term financial and asset management plans to guide the optimal utilisation of resources

Corporate Plan Goal Outcome **5 - A public sector leader**
Operational Activity 5.2 - A financially sustainable organisation
5.2.2 - Ensure Council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts and contract performance

CONSULTATION

Internal Consultation

All departments or branches participated in the formation of the recommendations associated with this report.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

The operating result at 30 June 2014 shows an unfavourable variance of \$759,000 compared to the forecast position.

This operating result variation is made up of higher than expected revenue of \$3 million and higher than expected operating expenses of \$3.8 million.

Operating Revenue

Fees and Charges

Of the \$4.5 million favourable variance in fees and charges, \$2.3 million relates to development applications revenue, across all application types.

Other Fees and Charges that are showing favourable variances to budget include:

- Holiday Parks \$520,000 (offset by \$130,000 of costs)
- Change in Ownership/ Search Fees \$451,000
- Quarries external sales \$468,000 (offset by minimal additional expenditure)
- Parking Infringements \$271,000
- Health Licenses \$269,000
- Cemetery Fees \$187,000

Other Revenue

A number of activities are contributing to the \$1.9 million favourable variance in Other Revenue including:

- Sunshine Coast Stadium income \$382,000 (offset by increased costs of \$496,000)

- Lease/ rental income \$341,000
- Waste – Sale of recoverable materials \$283,000
- Revegetation offset project funds received \$149,000
- Fleet Auction Proceeds \$139,000

Operating Grants and Subsidies

There is an unfavourable variance against budget of \$2.6 million. \$2.7 million relates to a realignment of reporting periods for the financial assistance grant. In the past prepayments have been received in prior financial years. The government has decided to realign payments so that they align to financial years, which will result in a reduction in payments in the 2013/2014 financial year. If the payments for 2014/2015 are made in full, it will result in a \$2.1 million favourable result for the financial year.

Operating Expense

Employee Costs

As at June 2014 month end employee costs were over budget by \$3.9 million.

Materials and Services

As at June 2014 month end, Materials and Services costs were over budget by \$2.9 million.

During the year end process, \$10.4 million in actual expenditure was transferred from capital to operating. This transfer occurs as the asset accounting team identify expenditure that is unable to be capitalised, due to specific accounting treatment. This may be due to:

- Expenditure on an asset that does not belong to Council (e.g. streetscape works)
- Expenditure that is incurred and budgeted as part of a capital project, that is not capital in nature (e.g. movement of existing infrastructure to allow a project to proceed)
- Expenditure on design works in prior years, where the subsequent project has been cancelled and therefore no asset will eventuate.

If these transfers to capital were excluded from the variance analysis, materials and services would have been \$7.5 million favourable to budget. The majority of underspends relate to levy or operating projects, which will be requested to carry forward as part of budget review one.

Capital Expenditure

As at 30 June 2014, \$126.6 million (74.7%) of Council's \$169.6 million 2013/2014 Capital Works Program was financially expended.

As per the comments for materials and services, \$10.4 million in actual expenditure was transferred from capital to operating. If these transfers to operating were excluded from the variance, the capital spend would have been \$137 million or 80.8% financially expended.

Included in the capital works budget for 2013/2014 were a number of long term strategic projects, where the spend is often dependent on factors outside of council's control. These projects include the Maroochydore City Centre, future energy supply, Evans St Road widening and other strategic land purchases. The actual spend on these projects was \$12 million below budget for the 2013/2014 financial year. If this variance was excluded, the capital works program would have been 87.9% financially expended.

The delivery of a number of projects within the 2013/2014 Capital Works Program has been adversely affected by the reprioritisation of key employees to de-amalgamation tasks during the first six months of the year and the transfer of employees to Noosa.

Detail by Capital Works Program is outlined below, with the first table showing capital expenditure excluding the \$10.4 million transfers to operating. The second table includes the \$10.4 million transfers.

Program	Original Budget \$000	Current Budget \$000	YTD Actual \$000	% of Annual Budget Spent
Buildings and Facilities	6,548	9,386	5,358	57%
Coast and Canals	1,949	2,315	1,494	65%
Divisional Allocations	3,100	4,418	3,441	78%
Environmental Assets	1,238	1,215	1,006	83%
Fleet	1,000	800	786	98%
Parks and Gardens	10,317	12,424	9,645	78%
Stormwater	4,161	4,094	3,400	83%
Transportation	52,952	59,334	43,736	74%
Information Communication Technology	3,927	4,958	3,346	67%
Strategic Land & Comm Properties	9,422	42,046	33,225	79%
Aerodrome	-	399	69	17%
Sunshine Coast Airport	3,400	8,237	7,539	92%
SC Holiday Parks	1,455	1,880	760	40%
Quarries	150	1,121	667	60%
Waste	9,651	16,942	12,156	72%
TOTAL COUNCIL	109,270	169,569	126,627	74.7%

Details of capital works program, including operating costs is outlined below:

Program	Original Budget \$000	Current Budget \$000	YTD Actual Capital \$000	YTD Actual Operating \$000	YTD Actual \$000	% of Annual Budget Spent
Buildings and Facilities	6,548	9,386	5,358	788	6,146	65%
Coast and Canals	1,949	2,315	1,494	160	1,654	71%
Divisional Allocations	3,100	4,418	3,441	- 131	3,310	75%
Environmental Assets	1,238	1,215	1,006	22	1,028	85%
Fleet	1,000	800	786	-	786	98%
Parks and Gardens	10,317	12,424	9,645	476	10,120	81%
Stormwater	4,161	4,094	3,400	1,374	4,774	117%
Transportation	52,952	59,334	43,736	7,026	50,762	86%
Information Communication Technology	3,927	4,958	3,346	233	3,579	72%
Strategic Land & Comm Properties	9,422	42,046	33,225	88	33,313	79%
Aerodrome	-	399	69	-	69	17%
Sunshine Coast Airport	3,400	8,237	7,539	106	7,644	93%
SC Holiday Parks	1,455	1,880	760	159	919	49%
Quarries	150	1,121	667	1	668	60%
Waste	9,651	16,942	12,156	67	12,223	72%
TOTAL COUNCIL	109,270	169,569	126,627	10,369	136,996	80.8%

Information on low expenditure compared to annual budget is provided below.

Buildings and Facilities

Major projects to be requested to carry over to 2014/2015 include:

- Future electricity supply project of \$1.7 million.
- Bankfoot House \$845,000 – Project to be retendered in July 2014.
- Caloundra Bus Interchange \$158,000 – Project is under construction with a completion date of 15 August 2014.
- Sewage Pump Station Works \$116,000 – Delays from handover of pump stations from Unitywater
- Coolum Civic Centre \$193,000 – Concept design completed 17 June 2014. Stakeholder feedback required further design changes, due by 9 July 2014.
- Cotton Tree Aquatic Centre (Rehabilitation) \$182,000 – due for completion by 18 July 2014.

Coast and Canals

Two significant projects that are being progressed as a matter of priority are:

- Bradman Avenue Revetment Wall (Maroochydore) – \$350,000 (14%) tenders currently being assessed.
- Goonawarra Drive Revetment Wall (Mooloolaba) - \$200,000 (8%) Request for Quotations currently being assessed. Delays due to poor response to Request for Quotations, with Council having to reissue the quotations to a broader number of contractors to ensure value for money.

Transportation

The sub programs that have remaining funds at year end include:

- Sealed Road Network \$2.1 million
- PIP Transportation \$1.7 million
- Strategic Pathways \$900,000

Strategic Land & Commercial Properties

It is anticipated that there will be \$3 million in carry overs for Maroochydore City Centre (Priority Development Area) at financial year end. Any unspent funds will be reviewed as potential carry overs in Budget Review 1.

Some of the significant projects that have been delayed include land acquisitions at:

- Power Road and Goshawk Drive Corridor (Sippy Downs)
- Ridge Road Access (Maroochydore)
- Beerwah Depot Works (Beerwah)
- Mill Lane (Nambour)
- Brisbane Road/ Walan Street (Mooloolaba)

Aerodrome

Delay in expenditure at Caloundra Aerodrome has resulted from the pursuit of State Government approvals for clearing of future developable areas, along with investigations and resolution related to the development of an additional airside allotment to the north of the Aerodrome. It is expected that \$145,000 will be expended prior to 30 June 2014. As contracts are in place for the remaining \$295,000, it is anticipated that this value will be carried forward and spent in early 2014/2015.

Sunshine Coast Holiday Parks

The status of the Holiday Park capital program is as follows:

- A9283 - \$400,000 - Agreement reached for acquisition of state land at Mudjimba – contracts are being prepared
- B1761 – \$230,000 - Maroochydore Holiday Park amenity refurbishment – job commenced 5 May 2014
- B1758 – \$100,000 - Detailed design has commenced in-house with Council's Asset Management and Design Branch, Infrastructure Services Department
- B0854 – \$50,000 - Site improvements and concrete works scheduled to commence 26 May 2014 at Dicky Beach Holiday Park

Other Capital Revenue

As at 31 December 2013, \$1.03 billion in net assets were transferred to Noosa. As per the accounting standards this is recognised by Sunshine Coast Council as a loss on disposal. The \$1.03 billion is made up of \$1.09 billion in assets, offset by \$54 million in liabilities.

Cash

As at 30 June 2014 cash was favourable to budget by \$51.8 million. This is made up of:

- Lower than budgeted expenditure on capital works of \$42.9 million
- Higher than budgeted capital contributions of \$7.4 million
- Higher than budgeted asset sale proceeds of \$2.4 million

It is anticipated that of the \$51.8 million in favourable cash, \$38 million will be requested to carry over into the 2014/2015 financial year. This will result in a positive cash movement of approximately \$14 million

Investment Performance

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 June 2014 Council has maintained a reasonably strong return in the current market conditions with \$222 million cash (excluding Trust Fund) with an average interest rate of 3.57%, being 0.84% above benchmark. This is compared to the same period last year with \$259 million cash (excluding Trust Fund) where the average interest rate was 4.20%, being 1.37% above benchmark.
- The benchmark used to measure performance of cash funds is the UBS Bank Bill Index and the Bank Bill Swap Rate (BBSW) for term deposits.
- The Reserve Bank of Australia (RBA) cash rate remains unchanged at 2.5%.

Rates and Charges Overall Process

Below is a summary of the process that is followed to recover unpaid rates, from the initial reminder notice through to the property being included on the sale of land report to Council. This has been included in the financial performance report to provide information to Councillors. The aim is to increase Councillor awareness of the internal procedures followed by Council staff, so that Councillors are better able to understand queries that they may receive from concerned rate payers in their division.

The rates and charges are levied half yearly in January and July with due date 30 days after issue, being February and August. Reminder notices are issued to all outstanding balances greater than \$20, with exception to any with an arrangement to pay or other proceedings such as sale of land for rate arrears. These notices are issued in March and September with approximately two weeks due date.

After this period, outstanding balances are separated into those with balances greater than three years to commence the sale of land for rate arrears process and those balances greater than \$750, which are referred to Council's external debt recovery agent Recoveries

and Reconstruction (Aust) Pty Ltd (R&R). The decision to start with balances greater than \$750 was deemed an appropriate starting balance in consultation with advice from R&R; this includes any balances from the current rating period.

The sale of land for rate arrears process is an annual process.

Once the files are transferred to the external debt recovery agent a Letter of Demand is issued from R&R. This letter requests the owner/s to pay in full or make contact within approximately fourteen days of issue. Owner/s who respond and are unable to pay in full are requested to enter into a suitable payment plan.

Where there has been no response, a Statement of Claim is filed with the Magistrate’s Court and the owner/s will be served the document by a process server.

The overall intent of the debt collection is to seek payment or suitable payment plans by owner/s. The intent is not to issue pre-judgment on owner/s. It is intended not to allow rates debt to increase into more than one rate period outstanding.

Overall Council’s outstanding rates balance as at 30 June 2014 totalled \$9.5 million, or 2.9%. In comparison to 30 June 2013, the outstanding rates balance totalled \$14.4 million, or 4.7%.

Table below: Actions and timeframes for debt issue and recovery

Correspondence	Action	Timeline (approximately)	Approximate Month/s	
Rates notice	Payable by due date	30 days	Jan-Feb	Jul-Aug
NB: Interest is charged on outstanding balances 1 day after rates notice due date				
Reminder notice	Collate data and send to printer Payable by due date	14 days + 10-14 days	Mar	Sep
Separate the outstanding balances file into a Sale of Land list and list for the External recovery agent			Mar/Apr	Sep/Oct
External recovery agent	Collate data and send to R&R	14 days +	Apr	Oct
	Letter of Demand – pay or arrange payment plan	14 days to respond	Apr	Oct
No response to Letter of Demand – Statement of Claim files with Magistrates Court				
No response to Statement of Claim or defence filed – a Pre Judgment letter is issued by R&R				
No response to pre judgment letter, R&R will seek advice from Council to proceeded to apply for default Judgment with Magistrates Court				
Once Judgment entered and requisite instructions received R&R issue a Post Judgment letter.				
Sale of Land for rate arrears greater than 3 years	Final Notice for Intention to Sell for Arrears of Rates –	28 days (not required under the Local	Apr-May	Oct-Nov

Correspondence	Action	Timeline (approximately)	Approximate Month/s	
	Final Payment Request	Government Act)		
	Report to Council	Once approved – rates balance must be paid in full, no payment plans allowable	May/Jun	Nov/Dec

There were 5,340 properties referred to R&R during 2013/14, totalling \$11.1 million, of which 3,411 properties were paid in full or entered payment plans. There were 1,929 properties filed in the Magistrate's Court with 1,884 properties being served a Statement of Claim. All attempts are being made to locate the remaining 45 properties. Overall, \$9.2 has been received by Council.

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

Council's Investment Policy.

Risk

The current risks associated with the operating result are as follows:

1. the risk that the State Government will transfer State Penalties Enforcement Register (SPER) debt back to local councils, who will then have to manage their own debt collection.
2. There is a claim for an additional \$22 million in cash transfer from Noosa shire Council. This claim has been sent to the Minister who has initiated an independent process to determine the validity. An additional \$22 million in cash transfer would be shown as a loss on disposal and decrease the Sunshine Coast Cash balance.

Previous Council Resolution

On 25 June 2013 council adopted the 2013/2014 budget.

On 19 September 2013 council adopted the Budget Review 1 2013/2014.

On 12 December 2013 council adopted the Budget Review 2 2013/2014.

On 18 February 2014 council resolved in SM14/12 section (b) to amend the 2013/2014 budget by increasing the Strategic Land and Commercial Properties capital budget by an amount of \$5.9 million.

On 27 February 2014, council resolved in OM14/19 section (b) to amend the 2013/2014 budget by increasing the Strategic Land and Commercial Properties capital budget by an amount of \$755,000.

On 24 April 2014 council adopted the Budget Review 3 2013/2014 (OM14/53).

On 22 May 2014, council made the following resolution (OM14/82).

“That Council, in relation to the Acquisition of the Omrah Avenue Caloundra property, refer the potential acquisition to the budget review process for consideration during the 2014/2015 financial year.”

Related Documentation

There is no related documentation for this report.

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

Financial Performance Report

June 2014

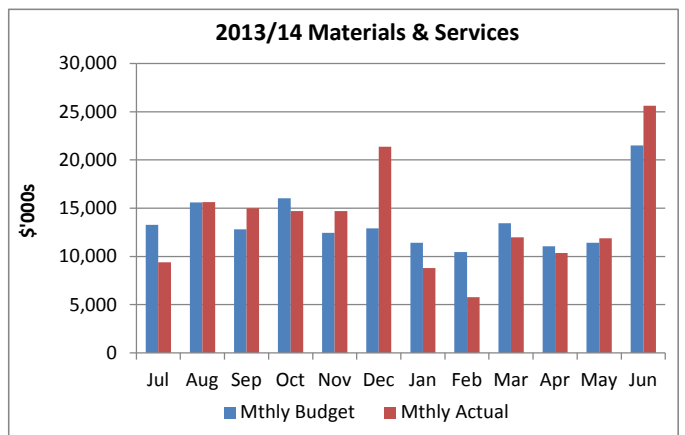
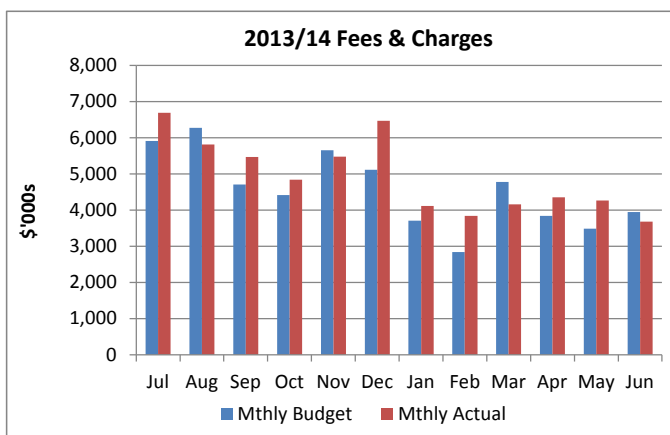
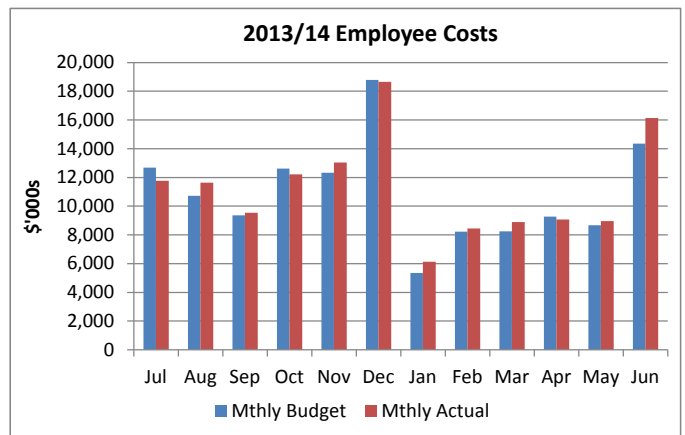
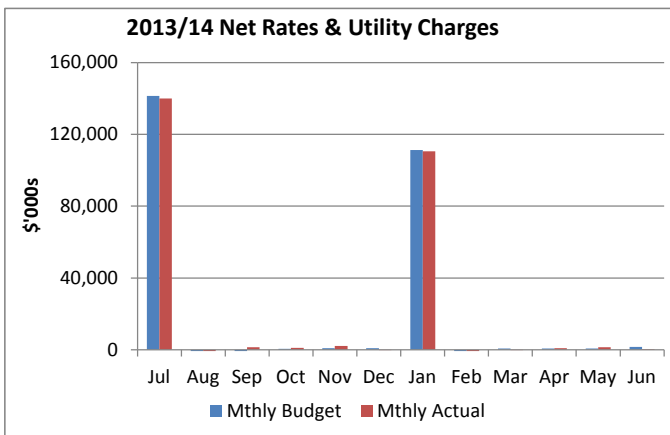
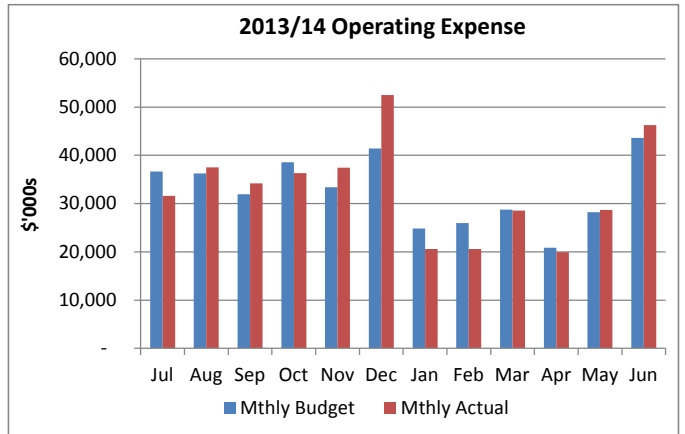
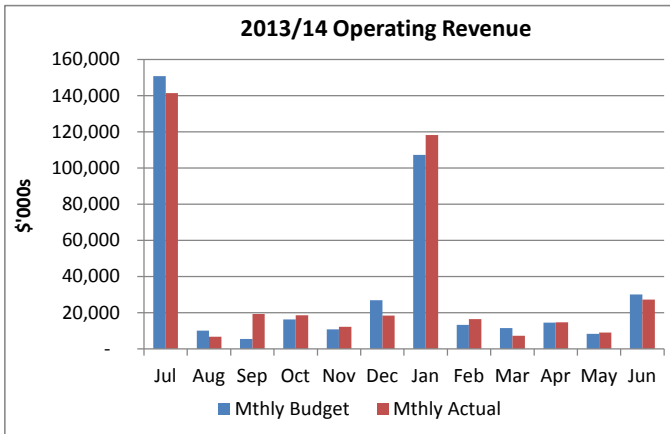


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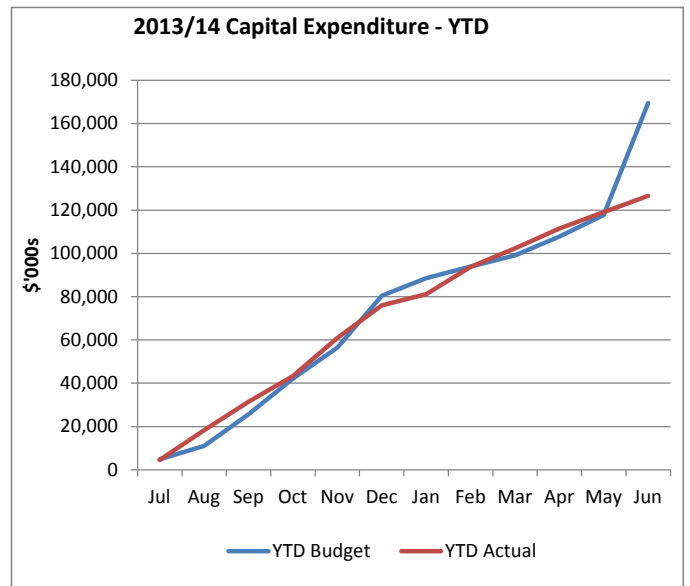
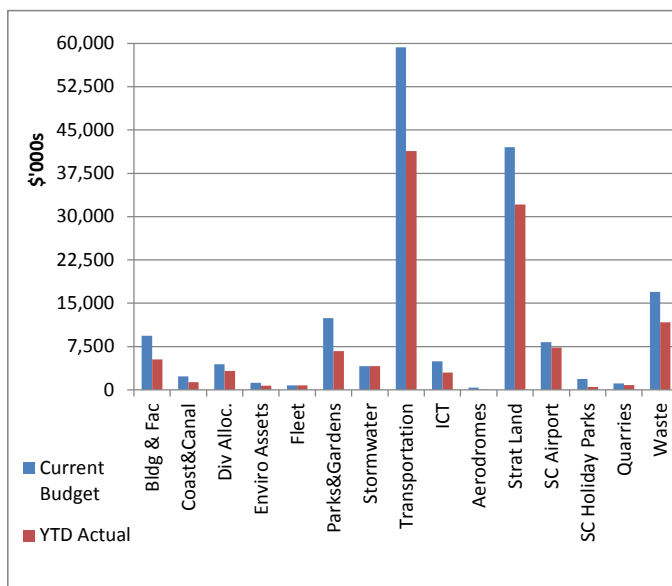
HEADLINE - OPERATING

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	400,295	405,457	405,457	408,465	3,007	0.7%
Operating Expenses	387,582	390,434	390,434	394,200	3,766	1.0%
Operating Result	12,713	15,024	15,024	14,264	(759)	(5.1%)
NET Result	54,287	58,763	58,763	(970,947)	(1,029,710)	(1752.3%)



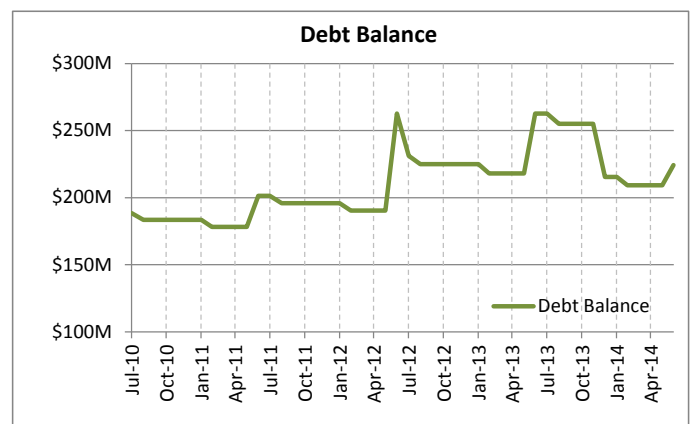
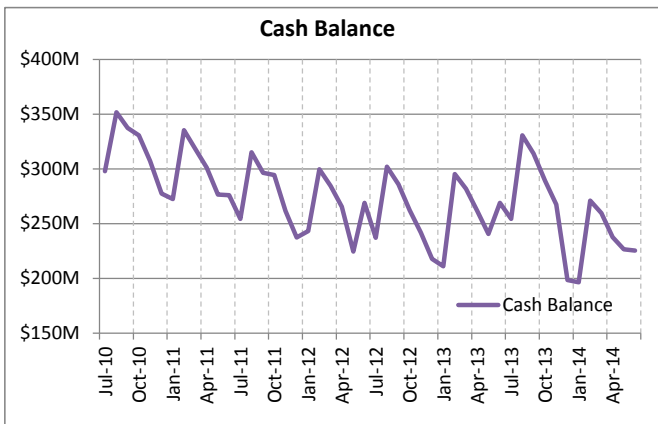
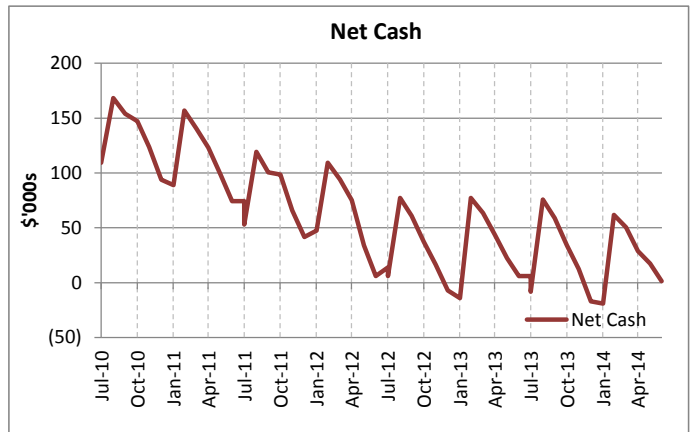
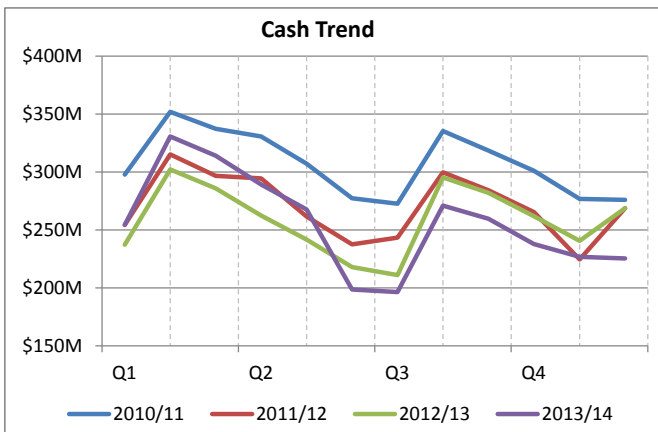
HEADLINE - CAPITAL

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Capital Revenues (included in NET Result)	37,101	39,268	39,268	54,245	14,977	
Other Capital Revenues	86,410	79,018	79,018	80,141	1,122	
Total Capital Revenues	123,511	118,285	118,286	134,385	16,099	
Capital Works Expenditure	109,270	169,569	169,569	126,627	(42,942)	(25.3%)
Other Capital Expenditure	41,150	32,916	32,916	42,319	9,402	
Total Capital Expenditure	150,420	202,485	202,485	168,946	(33,539)	
Funds from General Revenue	26,909	84,200	84,199	34,561	(49,639)	



HEADLINE - CASH & BALANCE SHEET

	Annual		YTD
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s
CASH FLOWS			
Opening Cash	196,241	261,865	261,336
Net Cash Inflow/(Outflows) from:			
Operating Activities	48,186	50,579	21,834
Investing Activities	(93,697)	(144,352)	(36,699)
Financing Activities	476	1,484	(25,048)
Net Increase/(decrease) in Cash Held	(45,035)	(92,289)	(39,912)
Cash at year end	151,206	169,576	221,424
BALANCE SHEET			
Total Current Assets	216,289	234,659	273,114
Total Non Current Assets	4,511,393	4,489,306	4,312,584
Total Assets	4,727,682	4,723,965	4,585,697
Total Current Liabilities	70,183	70,183	93,424
Total Non Current Liabilities	240,480	240,480	233,598
Total Liabilities	310,663	310,663	327,022
Net Community Assets/ Total Community Equity	4,417,019	4,413,302	4,258,675



HEADLINE - COMMENTARY

Income & Expense Statement

The operating result at 30 June 2014 shows an unfavourable variance of \$759,000 compared to the forecast position. This operating result variation is made up of higher than expected revenue of \$3 million and higher than expected operating expenses of \$3.8 million.

Operating Revenues

Of the \$4.5 million favourable variance in fees and charges, \$2.3 million relates to development applications revenue, across all application types.

Other Fees and Charges that are showing favourable variances to budget include;

- Holiday Parks \$520,000 (offset by \$130,000 of costs)
- Change in Ownership/Search Fees \$451,000
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Other Revenue - A number of activities are contributing to the \$1.9 million favourable variance in other revenue. These activities are Sunshine Coast Stadium – increase in revenue \$382,000, Lease/rental income over budget \$341,000, Waste – sale of recoverable materials \$283,000

Operating Grants and Subsidies

There is an unfavourable variance against budget of \$2.6 million. \$2.7 million relates to a realignment of reporting periods for the financial assistance grant. In the past prepayments have been received in prior financial years. The government has decided to realign payments so that they align to financial years, which will result in a reduction in payments in the 13/14 financial year. If the payments for 14/15 are made in full, it will result in a \$2.1 million favourable result for the financial year.

Operating Expenses

As at June 2014 month end employee costs were over budget by \$3.9 million.

Materials and Services

As at June 2014 month end, Materials and Services costs were over budget by \$2.9 million.

During the year end process, \$11.9 million in actual expenditure was transferred from capital to operating. This transfer occurs as the asset accounting team identify expenditure that is unable to be capitalised. This may be due to:

- Expenditure on an asset that does not belong to Council (e.g. streetscape works)
- Expenditure that is incurred and budgeted as part of a capital project, that is not capital in nature (e.g. movement of existing infrastructure to allow a project to proceed)
- Expenditure on design works in prior years, where the subsequent project has been cancelled and therefore no asset will eventuate.

If these transfers to capital were excluded from the variance analysis, materials and services would have been \$7.5 million favourable to budget.

Capital Expenditure

As at 30 June 2014, \$126.6 million (74.7%) of Council's \$169.6 million 2013/2014 Capital Works Program was financially expended.

As per the comments for materials and services, \$11.9 million in actual expenditure was transferred from capital to operating. If these transfer to operating were excluded from the variance, the capital spend would have been \$137 million or 80.8% financially expended.

Other Capital Revenue

As at 31 December 2013, \$1.03 billion in net assets were transferred to Noosa. As per the accounting standards this is recognised by Sunshine Coast Council as a loss. The \$1.03 billion is made up of \$1.09 billion in assets, offset by \$54 million in liabilities.

Cash

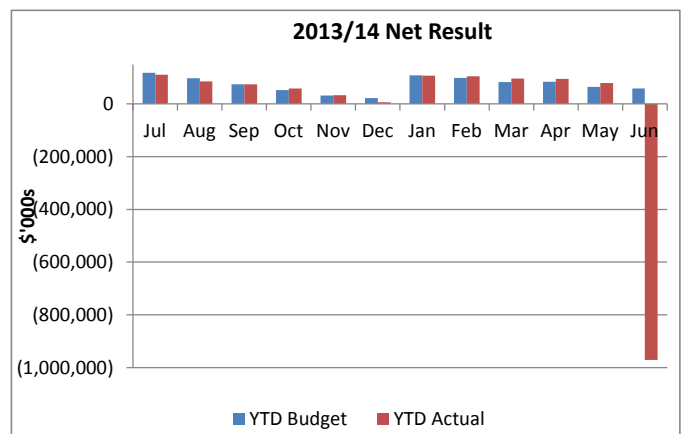
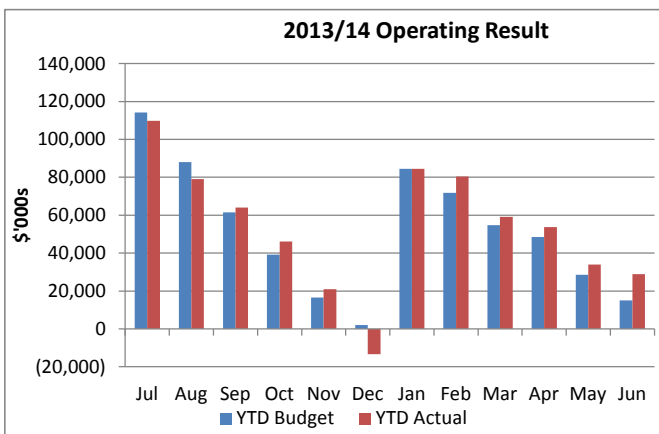
As at 30 June 2014 cash was favourable to budget by \$51.8 million. This is made up of:

- Lower than budgeted expenditure on capital works of \$42.9 million
- Higher than budgeted capital contributions of \$7.4 million
- Higher than budgeted asset sale proceeds of \$2.4 million

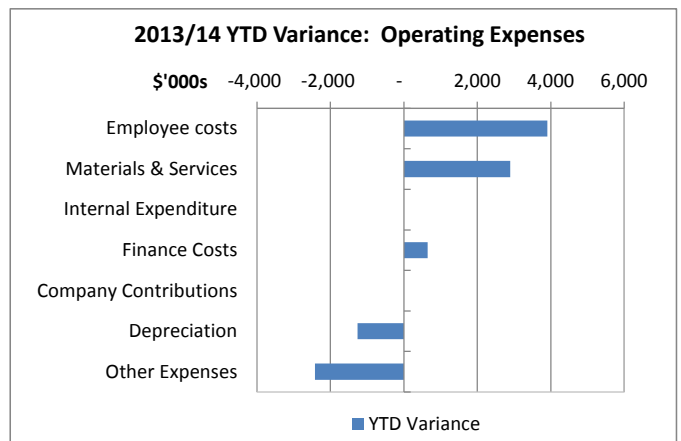
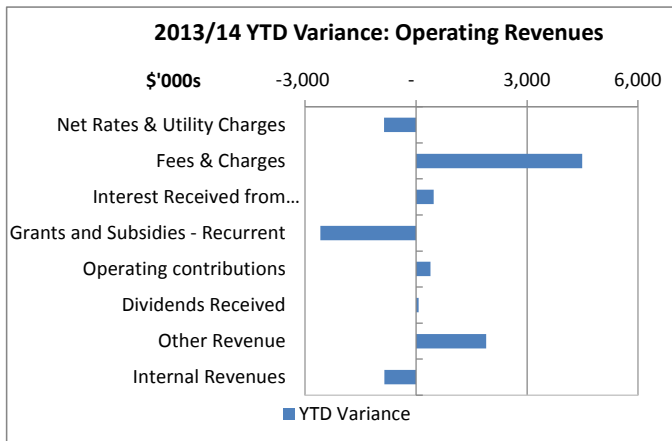
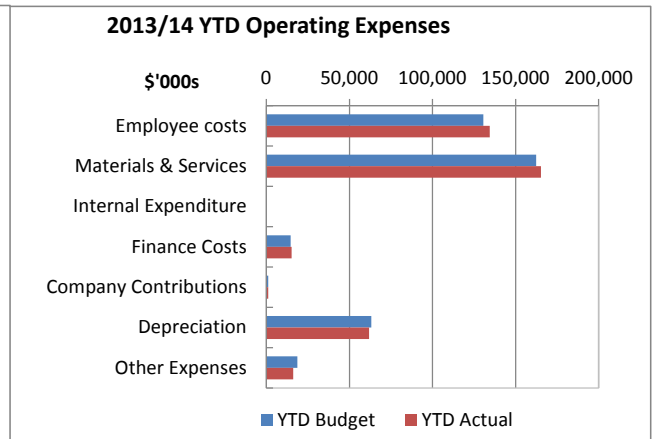
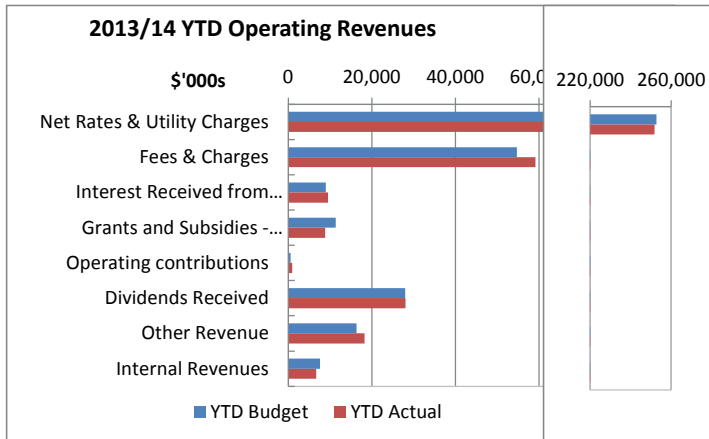
It is anticipated that of the \$51.8 million in favourable cash, \$38 million will be requested to carry over into the 2014/15 financial year. This will result in a positive cash movement of approximately \$14 million

STATEMENT OF INCOME & EXPENSES

	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
Operating Revenue							
Gross Rates & Utility Charges	262,411	262,008	262,008	261,628	(381)	-0.1%	262,008
Interest from Rates & Utilities	2,053	2,053	2,053	1,914	(138)	-6.7%	2,053
Less Discounts, Pensioner Remissions	(11,374)	(11,374)	(11,374)	(11,725)	(351)	3.1%	(11,374)
Net Rates & Utility Charges	253,090	252,687	252,687	251,817	(870)	-0.3%	252,687
Fees & Charges	53,274	54,684	54,684	59,174	4,490	8.2%	54,684
Interest Received from Investments	8,512	9,012	9,012	9,487	475	5.3%	9,012
Grants and Subsidies - Recurrent	10,780	11,391	11,391	8,798	(2,593)	-22.8%	11,391
Operating contributions	570	570	570	961	391	68.5%	570
Interest received from Unitywater	26,205	25,205	25,205	25,211	6	0.0%	25,205
Dividends Received	27,001	28,001	28,001	28,066	65	0.2%	28,001
Other Revenue	13,249	16,333	16,333	18,231	1,898	11.6%	16,333
Internal Revenues	7,614	7,575	7,575	6,720	(854)	-11.3%	7,575
Community Service Obligations	0	0	0	0	0	0.0%	0
Total Operating Revenue	400,295	405,457	405,457	408,465	3,007	0.7%	405,457
Operating Expenses							
Employee costs	130,879	130,597	130,597	134,502	3,905	3.0%	130,596
Materials & Services	152,860	162,375	162,375	165,266	2,892	1.8%	162,375
Internal Expenditure	0	0	0	0	0	0.0%	0
Finance Costs	14,197	14,564	14,564	15,211	648	4.4%	14,564
Company Contributions	1,152	1,152	1,152	1,152	(0)	0.0%	1,152
Depreciation	70,510	63,118	63,118	61,859	(1,260)	-2.0%	63,118
Other Expenses	17,984	18,629	18,629	16,211	(2,418)	-13.0%	18,629
Competitive Neutrality Adjustments	0	0	0	0	(0)	-100.0%	0
Total Operating Expenses	387,582	390,434	390,434	394,200	3,766	1.0%	390,433
Operating Result	12,713	15,024	15,024	14,264	(759)	-5.1%	15,024
Capital Revenue							
Capital Grants and Subsidies	2,900	12,662	12,662	10,810	(1,852)	-14.6%	12,662
Capital Contributions	7,201	7,206	7,206	14,577	7,371	102.3%	7,206
Contributed Assets.	27,000	19,400	19,400	28,858	9,458	48.8%	19,400
Other Capital Revenue	4,472	4,472	4,472	(1,039,457)	(1,043,929)	-23343.7%	4,472
Total Capital Revenue	41,573	43,740	43,740	(985,212)	(1,028,951)	-2352.4%	43,740
Net Result	54,287	58,763	58,763	(970,947)	(1,029,710)	-1752.3%	58,764

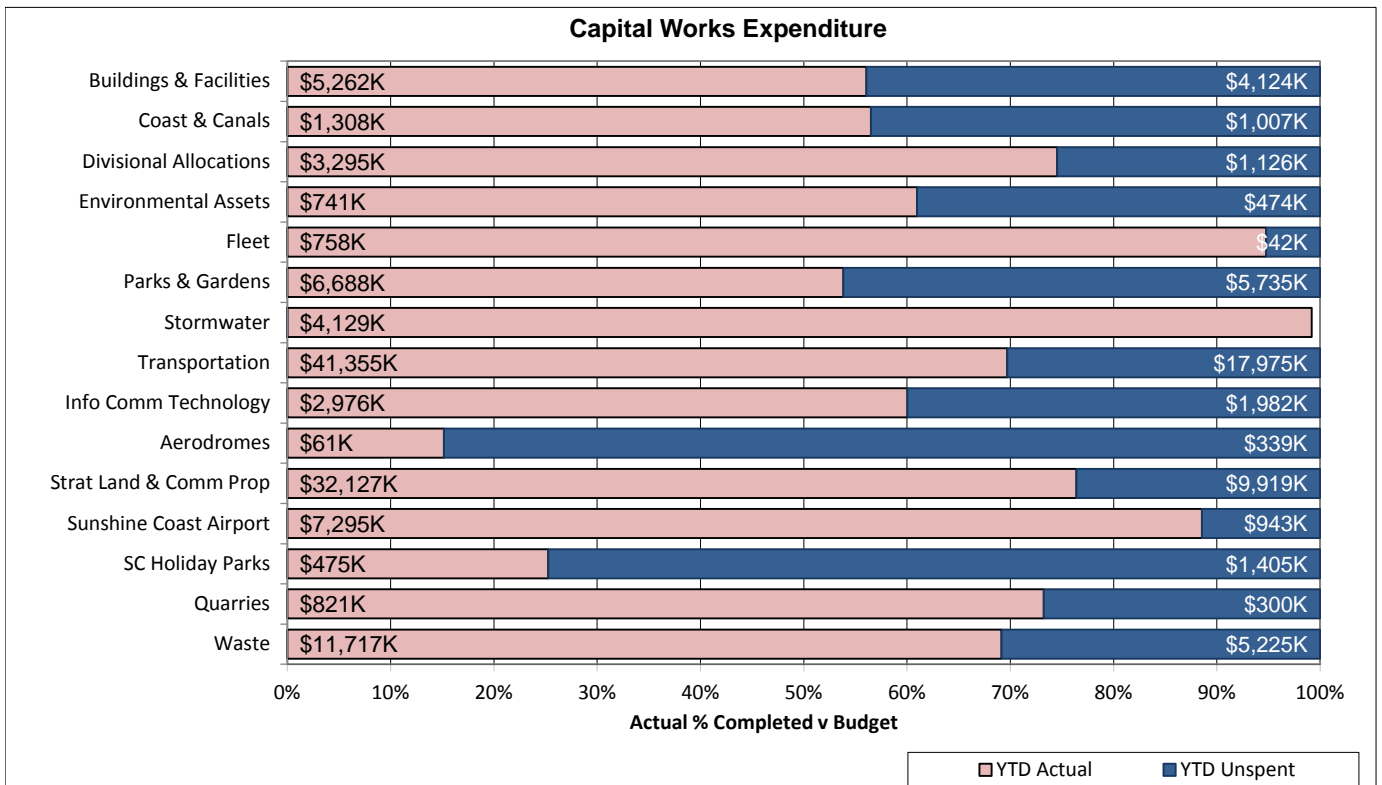


STATEMENT OF INCOME & EXPENSES



CAPITAL EXPENDITURE

Capital Works Program	Annual		YTD			Annual
	Original Budget \$000s	Current Budget \$000s	Budget \$'000s	Actual \$000s	% of Annual Budget Spent	Forecast Budget \$000s
Buildings and Facilities	6,548	9,386	9,386	5,358	57.1%	9,386
Coast and Canals	1,949	2,315	2,315	1,494	64.5%	2,315
Divisional Allocations	3,100	4,418	4,375	3,441	77.9%	4,375
Environmental Assets	1,238	1,215	1,215	1,006	82.9%	1,215
Fleet	1,000	800	800	786	98.3%	800
Parks and Gardens	10,317	12,424	12,424	9,645	77.6%	12,424
Stormwater	4,161	4,094	4,094	3,400	83.0%	4,094
Transportation	52,952	59,334	59,376	43,736	73.7%	59,376
Information Communication Technology	3,927	4,958	4,958	3,346	67.5%	4,958
Strategic Land & Comm Properties	9,422	42,046	42,046	33,225	79.0%	42,046
Aerodromes	-	399	399	69	17.2%	399
Sunshine Coast Airport	3,400	8,237	8,237	7,539	91.5%	8,237
SC Holiday Parks	1,455	1,880	1,880	760	40.4%	1,880
Quarries	150	1,121	1,121	667	59.5%	1,121
Waste	9,651	16,942	16,942	12,156	71.8%	16,942
TOTAL	109,270	169,569	169,569	126,627	74.7%	169,569

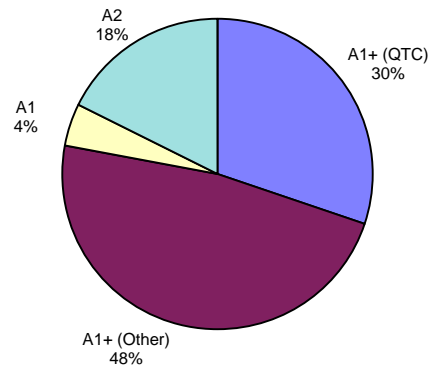
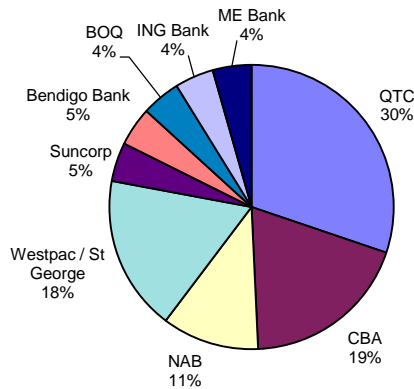


INVESTMENT PERFORMANCE

Liquidity as at: 30/06/2014		
\$'000's		
At-call accounts		
QTC + CBA (exc trust)	\$107,631	47.48%
Maturities within 7 days	\$0	0.00%
Total at-call	\$107,631	47.48%
Investment Policy Target		10.00%

	INVESTMENT SUMMARY AS AT (including Trust)			Investment Policy				
	30/06/2014		31/05/2014		30/06/2013		Individual Limit	Group Limits
A1+ (QTC)	\$68,447	30.2%	\$68,263	29.8%	\$41,285	15.5%	100%	100%
A1+ (Other)	\$108,229	47.7%	\$111,036	48.4%	\$160,736	60.2%	35%	100%
A1	\$10,000	4.4%	\$10,000	4.4%	\$10,000	3.7%	30%	30%
A2	\$40,000	17.6%	\$40,000	17.4%	\$55,000	20.6%	10%	30%
TOTAL	\$226,676		\$229,299		\$267,021			

Investment Portfolio



Investment Performance

