

## STATEMENT OF INCOME AND EXPENSES

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2016/17 \$000	Original 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
<b>Operating Revenue</b>											
Gross Rates & Utility Charges	272,961	287,118	299,468	312,350	327,401	343,177	359,711	377,040	395,202	414,238	434,850
Interest from Rates & Utilities	1,340	1,408	1,415	1,422	1,429	1,436	1,443	1,450	1,458	1,465	1,472
Less Discounts, Pensioner Remissions	(13,353)	(13,336)	(13,843)	(14,424)	(15,032)	(15,667)	(16,332)	(17,028)	(17,755)	(18,514)	(19,305)
Net Rates & Utility Charges	260,948	275,190	287,040	299,348	313,799	328,946	344,822	361,463	378,905	397,189	417,017
Fees & Charges	66,166	57,183	53,310	54,829	56,721	58,678	60,702	62,796	64,963	67,204	69,522
Interest Received from Investments	8,603	9,374	9,101	9,503	9,964	10,344	10,842	11,745	12,655	13,565	14,515
Grants and Subsidies - Recurrent	12,418	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007
Operating contributions	1,077	1,301	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
Dividends Received	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162
Other Revenue	13,086	28,381	20,836	42,579	32,712	49,931	57,189	21,700	29,101	31,710	17,305
Internal Revenues	5,453	5,812	5,978	6,148	6,360	6,579	6,806	7,041	7,284	7,535	7,795
Community Service Obligations	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>417,845</b>	<b>439,342</b>	<b>439,667</b>	<b>475,809</b>	<b>482,958</b>	<b>517,881</b>	<b>543,763</b>	<b>528,148</b>	<b>556,310</b>	<b>580,607</b>	<b>589,558</b>
<b>Operating Expenses</b>											
Employee costs	130,066	135,509	136,310	138,138	142,904	147,834	152,934	158,210	163,668	169,315	175,156
Materials & Services	163,527	175,003	173,823	188,077	191,750	206,446	216,428	212,305	225,483	235,578	240,428
Internal Expenditure	(256)	-	-	-	-	-	-	-	-	-	-
Finance Costs	11,084	9,410	9,383	9,187	14,632	14,244	7,940	7,271	6,891	6,204	5,443
Company Contributions	1,400	1,464	1,492	1,520	1,558	1,597	1,637	1,678	1,720	1,763	1,807
Depreciation	69,233	71,643	74,356	77,154	79,087	80,033	82,224	84,388	85,661	86,738	87,829
Other Expenses	19,973	21,451	21,705	22,118	22,671	23,238	23,818	24,414	25,024	25,650	26,291
Competitive Neutrality Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>395,026</b>	<b>414,480</b>	<b>417,069</b>	<b>436,194</b>	<b>452,603</b>	<b>473,391</b>	<b>484,982</b>	<b>488,266</b>	<b>508,448</b>	<b>525,248</b>	<b>536,956</b>
<b>Operating Result</b>	<b>22,819</b>	<b>24,862</b>	<b>22,598</b>	<b>39,615</b>	<b>30,355</b>	<b>44,489</b>	<b>58,781</b>	<b>39,882</b>	<b>47,862</b>	<b>55,359</b>	<b>52,602</b>
<b>Capital Revenue</b>											
Capital Grants and Subsidies	20,996	4,912	7,505	7,648	7,839	8,035	8,236	8,442	8,653	8,869	9,091
Capital Contributions	27,000	32,274	32,274	32,274	29,074	30,153	30,153	30,153	30,153	30,153	24,000
Contributed Assets	80,000	60,000	60,000	55,000	50,000	45,000	46,125	47,278	48,460	49,672	50,913
Other Capital Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Net Result</b>	<b>150,816</b>	<b>122,048</b>	<b>122,377</b>	<b>134,537</b>	<b>117,268</b>	<b>127,677</b>	<b>143,295</b>	<b>125,755</b>	<b>135,127</b>	<b>144,052</b>	<b>136,606</b>

## STATEMENT OF FINANCIAL POSITION

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2016/17 \$000	Original 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
<b>CURRENT ASSETS</b>											
Cash & Investments	230,966	209,242	193,031	214,784	213,109	315,510	330,570	332,125	328,945	322,640	278,449
Trade and other receivables	14,467	15,599	15,488	17,301	17,398	19,085	20,230	18,951	20,175	21,160	21,233
Inventories	8,298	19,490	22,032	16,846	17,122	11,286	5,783	7,337	5,726	9,786	19,611
Other Financial Assets	25,983	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
	279,714	270,756	257,478	276,369	275,753	374,707	386,131	388,700	385,888	385,405	351,910
<b>NON CURRENT ASSETS</b>											
Trade and other receivables	434,394	449,394	449,394	449,394	449,394	434,394	434,394	434,394	434,394	434,394	434,395
Property, plant & equipment	3,911,994	4,103,360	4,403,626	4,755,484	4,976,523	4,907,029	5,137,630	5,367,341	5,610,633	5,867,818	6,148,950
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
Capital works in progress	82,735	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
	4,984,327	5,194,889	5,495,690	5,845,283	6,066,049	5,978,755	6,206,697	6,437,558	6,678,782	6,934,068	7,214,824
<b>TOTAL ASSETS</b>	<b>5,264,040</b>	<b>5,465,644</b>	<b>5,753,168</b>	<b>6,121,652</b>	<b>6,341,802</b>	<b>6,353,462</b>	<b>6,592,828</b>	<b>6,826,257</b>	<b>7,064,670</b>	<b>7,319,473</b>	<b>7,566,734</b>
<b>CURRENT LIABILITIES</b>											
Trade and other payables	50,071	58,261	58,832	60,420	62,749	65,176	67,704	70,338	73,082	75,941	78,922
Borrowings	17,788	17,833	20,008	21,997	24,210	26,172	28,074	30,773	33,181	35,991	38,804
Provisions	14,766	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	20,858	21,255	21,786	22,331	22,889	23,461	24,048	24,649	25,265
	103,095	111,736	115,302	119,720	125,348	130,854	136,435	142,953	149,326	156,252	163,341
<b>NON CURRENT LIABILITIES</b>											
Borrowings	276,004	278,177	348,510	483,608	482,845	256,344	241,783	234,006	217,815	204,433	186,178
Provisions	32,324	33,213	34,159	35,133	36,345	37,599	38,896	40,238	41,626	43,062	44,548
	308,328	311,390	382,670	518,741	519,190	293,943	280,679	274,244	259,442	247,496	230,727
<b>TOTAL LIABILITIES</b>	<b>398,823</b>	<b>423,125</b>	<b>497,972</b>	<b>638,461</b>	<b>644,538</b>	<b>424,797</b>	<b>417,114</b>	<b>417,197</b>	<b>408,768</b>	<b>403,748</b>	<b>394,067</b>
<b>NET COMMUNITY ASSETS</b>	<b>4,865,217</b>	<b>5,042,519</b>	<b>5,255,196</b>	<b>5,483,190</b>	<b>5,697,264</b>	<b>5,928,665</b>	<b>6,175,715</b>	<b>6,409,060</b>	<b>6,655,903</b>	<b>6,915,726</b>	<b>7,172,667</b>
<b>COMMUNITY EQUITY</b>											
Asset revaluation surplus	990,718	1,050,816	1,146,026	1,244,460	1,346,334	1,455,219	1,564,220	1,677,135	1,794,246	1,915,473	2,041,316
Retained Earnings	472,172	589,378	706,844	836,405	948,603	1,071,120	1,209,169	1,329,600	1,459,332	1,597,926	1,729,025
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
<b>TOTAL COMMUNITY EQUITY</b>	<b>4,865,217</b>	<b>5,042,520</b>	<b>5,255,196</b>	<b>5,483,191</b>	<b>5,697,264</b>	<b>5,928,666</b>	<b>6,175,716</b>	<b>6,409,061</b>	<b>6,655,904</b>	<b>6,915,726</b>	<b>7,172,667</b>

## STATEMENT OF CHANGES IN EQUITY

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2016/17 \$000	Original 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
<b>Capital Accounts</b>											
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
Transfers to capital, reserves and shareholdings	(113,603)	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>	<b>3,402,327</b>
<b>Asset Revaluation Reserve</b>											
Balance at beginning of period	898,096	990,718	1,050,816	1,146,026	1,244,460	1,346,334	1,455,219	1,564,220	1,677,135	1,794,246	1,915,473
Asset revaluation adjustments	92,622	60,097	95,210	98,434	101,875	108,885	109,000	112,915	117,111	121,227	125,843
<b>Balance at end of period</b>	<b>990,718</b>	<b>1,050,816</b>	<b>1,146,026</b>	<b>1,244,460</b>	<b>1,346,334</b>	<b>1,455,219</b>	<b>1,564,220</b>	<b>1,677,135</b>	<b>1,794,246</b>	<b>1,915,473</b>	<b>2,041,316</b>
<b>Retained Earnings</b>											
Balance at beginning of period	323,998	472,172	589,378	706,844	836,405	948,603	1,071,120	1,209,169	1,329,600	1,459,332	1,597,926
Net result for the period	150,816	122,048	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606
Transfers from capital, reserves and shareholdings	(2,641)	(4,842)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,507)
<b>Balance at end of period</b>	<b>472,172</b>	<b>589,378</b>	<b>706,844</b>	<b>836,405</b>	<b>948,603</b>	<b>1,071,120</b>	<b>1,209,169</b>	<b>1,329,600</b>	<b>1,459,332</b>	<b>1,597,926</b>	<b>1,729,025</b>
<b>TOTAL</b>											
Balance at beginning of period	4,624,420	4,865,217	5,042,520	5,255,196	5,483,191	5,697,264	5,928,666	6,175,716	6,409,061	6,655,904	6,915,726
Net result for the period	150,816	122,048	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606
Transfers to capital, reserves and shareholdings	(113,603)	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	110,962	(4,842)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,508)
Asset revaluation adjustments	92,622	60,097	95,210	98,434	101,875	108,885	109,000	112,915	117,111	121,227	125,843
<b>Balance at end of period</b>	<b>4,865,217</b>	<b>5,042,520</b>	<b>5,255,196</b>	<b>5,483,191</b>	<b>5,697,264</b>	<b>5,928,666</b>	<b>6,175,716</b>	<b>6,409,061</b>	<b>6,655,904</b>	<b>6,915,726</b>	<b>7,172,666</b>

## STATEMENT OF CASH FLOWS

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2016/17 \$000	Original 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
<b>Cash flows from operating activities</b>											
Receipts from customers	352,355	372,041	372,198	407,510	413,685	447,951	473,050	456,234	483,180	506,249	513,895
Payments to suppliers and employees	(314,322)	(328,670)	(333,197)	(340,158)	(353,822)	(367,102)	(382,807)	(392,780)	(408,318)	(430,163)	(447,636)
Interest and dividends received	60,038	60,877	60,611	61,020	61,488	61,875	62,380	63,290	64,208	65,125	66,082
Finance costs	(12,351)	(10,753)	(10,615)	(10,267)	(15,633)	(15,061)	(8,547)	(7,876)	(7,424)	(6,734)	(6,026)
<b>Net cash inflow (outflow) from operating activities</b>	<b>85,719</b>	<b>93,495</b>	<b>88,997</b>	<b>118,105</b>	<b>105,717</b>	<b>127,663</b>	<b>144,075</b>	<b>118,869</b>	<b>131,646</b>	<b>134,478</b>	<b>126,316</b>
<b>Cash flows from investing activities</b>											
Payments for property, plant and equipment	(215,920)	(235,182)	(218,562)	(274,534)	(147,045)	(145,330)	(156,306)	(152,547)	(161,738)	(171,309)	(190,440)
Proceeds from disposal non current assets	881	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	47,996	37,186	39,779	39,922	36,913	38,188	38,389	38,595	38,806	39,022	33,091
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash inflow (outflow) from investing activities</b>	<b>(167,043)</b>	<b>(130,027)</b>	<b>(177,717)</b>	<b>(233,439)</b>	<b>(108,842)</b>	<b>199,277</b>	<b>(116,356)</b>	<b>(112,236)</b>	<b>(121,044)</b>	<b>(130,210)</b>	<b>(155,064)</b>
<b>Cash flows from financing activities</b>											
Proceeds from borrowings	61,744	18,130	90,341	157,094	23,447	15,699	13,513	22,996	16,990	22,608	20,549
Repayment of borrowing	(55,419)	(15,912)	(17,833)	(20,008)	(21,997)	(240,239)	(26,172)	(28,074)	(30,773)	(33,181)	(35,991)
<b>Net cash inflow (outflow) from financing activities</b>	<b>6,325</b>	<b>2,218</b>	<b>72,508</b>	<b>137,087</b>	<b>1,450</b>	<b>(224,539)</b>	<b>(12,659)</b>	<b>(5,078)</b>	<b>(13,783)</b>	<b>(10,573)</b>	<b>(15,442)</b>
<b>Net increase (decrease) in cash held</b>	<b>(74,999)</b>	<b>(34,314)</b>	<b>(16,211)</b>	<b>21,753</b>	<b>(1,675)</b>	<b>102,401</b>	<b>15,060</b>	<b>1,555</b>	<b>(3,181)</b>	<b>(6,305)</b>	<b>(44,190)</b>
Cash at beginning of reporting period	318,556	243,557	209,242	193,031	214,784	213,109	315,510	330,570	332,125	328,945	322,640
<b>Cash at end of reporting period</b>	<b>243,557</b>	<b>209,242</b>	<b>193,031</b>	<b>214,784</b>	<b>213,109</b>	<b>315,510</b>	<b>330,570</b>	<b>332,125</b>	<b>328,945</b>	<b>322,640</b>	<b>278,449</b>

<b>2017/18 BUDGET - FINANCIAL STATEMENTS</b>				
<b>STATEMENT OF INCOME AND EXPENSES</b>				
For the period ending 30 June 2018				<b>BUSINESS ACTIVITIES</b>
	<b>Quarries Business Unit \$000</b>	<b>Waste &amp; Resource Management \$000</b>	<b>Sunshine Coast Holiday Parks \$000</b>	<b>Total Business Activities \$000</b>
<b>Revenue</b>				
Net Rates & Utility Charges	-	48,670	-	48,670
Fees & Charges	102	5,658	15,265	21,025
Operating grants and subsidies	-	-	-	-
Internal sales/recoveries	7,489	885	-	8,374
Community Service Obligations	-	1,084	-	1,084
Operating contributions	-	1,268	-	1,268
Interest Revenue	-	-	-	-
Profit/Loss on Disposal of Assets	-	-	-	-
Other Revenue	-	2,008	-	2,008
<b>Total Revenue</b>	<b>7,591</b>	<b>59,573</b>	<b>15,265</b>	<b>82,429</b>
<b>Operating Expenses</b>				
Employee costs	850	2,549	334	3,733
Materials and Services	4,833	32,741	5,173	42,748
Other Expenses	40	2,988	151	3,179
Internal consumption/charges	1,498	2,953	1,385	5,836
Competitive neutrality costs	4	272	441	718
<b>Total Operating Expenses</b>	<b>7,225</b>	<b>41,503</b>	<b>7,485</b>	<b>56,214</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation</b>	<b>366</b>	<b>18,070</b>	<b>7,780</b>	<b>26,216</b>
Depreciation Expense	211	3,640	602	4,452
<b>Earnings before Interest and Tax</b>	<b>155</b>	<b>14,430</b>	<b>7,178</b>	<b>21,764</b>
Interest Expense	49	3,282	156	3,486
<b>Earnings before Tax</b>	<b>107</b>	<b>11,149</b>	<b>7,022</b>	<b>18,278</b>
Income tax equivalent	32	3,345	2,107	5,483
<b>Net Result after Tax</b>	<b>75</b>	<b>7,804</b>	<b>4,915</b>	<b>12,794</b>

**CHARGES IN RATES AND UTILITY CHARGES**

For period ending 30 June 2018

<b>Total Rates &amp; Charges</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Variation</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Minimum General Rates	1,138.00	1,166.00	28.00
240 Litre Wheelie Bin	276.00	280.00	4.00
Environment Levy	70.00	72.00	2.00
Transport Levy	27.00	42.00	15.00
Heritage Levy	8.00	11.00	3.00
<b>Gross Rates &amp; Charges</b>	<b>1,519.00</b>	<b>1,571.00</b>	<b>52.00</b>
Discount (general rate only)	56.90	58.30	1.40
<b>Net Rates &amp; Charges</b>	<b>1,462.10</b>	<b>1,512.70</b>	<b>50.60</b>

## Notes:

- General Rates have increased by 2.5%
- Wheelie Bin charge has increased by 1.4%
- Combined this results in a 2.3%
- Levies have collectively increased by \$20

## MEASURES OF FINANCIAL SUSTAINABILITY

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2016/17 \$000	Original 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	
<b>Operating Performance</b>												
Operating Surplus Ratio (%)	5.5%	5.7%	5.1%	8.3%	6.3%	8.6%	10.8%	7.6%	8.6%	9.5%	8.9%	
<b>Fiscal Flexibility</b>												
Council controlled revenue (%)	78.3%	75.7%	77.4%	74.4%	76.7%	74.8%	74.6%	80.3%	79.8%	80.0%	82.5%	
Total debt service cover ratio (times)	5.0	4.0	4.0	4.4	3.9	4.2	4.5	3.8	3.8	3.8	3.6	
Net Financial Liabilities Ratio (%)	28.5%	34.7%	54.7%	76.1%	76.4%	9.7%	5.7%	5.4%	4.1%	3.2%	7.2%	
<b>Liquidity</b>												
Cash expense cover ratio (months)	8.5	7.5	6.9	7.3	7.0	9.8	10.0	10.0	9.5	8.9	7.5	
<b>Asset Sustainability</b>												
Asset Sustainability Ratio (%)	88.8%	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%.