

Item 8.9

Attachment 1 & 2 Ordinary Meeting

Thursday, 9 December 2021

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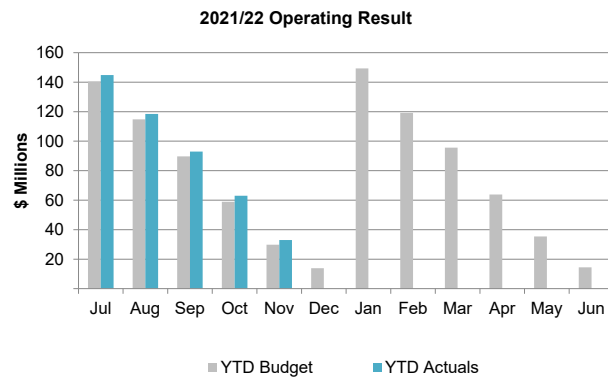
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2021|22
BUDGET
Creating a safer, secure future

Financial Performance Report
November 2021

sunshinecoast.qld.gov.au
Sunshine Coast Council Budget 2021/22

Statement of Income and Expenses

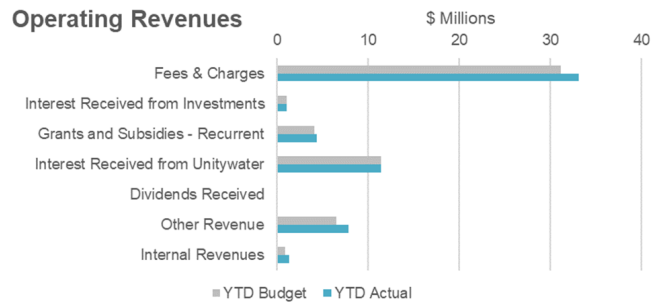


Council has a positive operating result of \$33 million, which is \$3.8 million above the current budget as at 30 November 2021.



Statement of Income & Expenses							
	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Operating Revenue							
Net Rates and Utility Charges	343,342	343,342	170,335	170,875	540	0.3%	343,342
Fees and Charges	65,577	65,587	31,132	33,057	1,925	6.2%	65,587
Interest Received from Investments	2,550	2,550	1,063	1,009	(54)	(5.1%)	2,550
Operating Grants and Subsidies	15,218	15,397	4,084	4,341	256	6.3%	15,397
Operating Contributions	302	302	272	286	14	5.2%	302
Unitywater Participation	49,838	49,838	11,429	11,429	0	0.0%	49,838
Other Revenue	19,853	19,878	6,477	7,794	1,317	20.3%	19,878
Internal Sales/Recoveries	1,749	1,749	870	1,300	430	49.4%	1,749
Total Operating Revenue	498,429	498,643	225,662	230,091	4,429	2.0%	498,643
Operating Expenses							
Employee Costs	156,262	156,889	63,578	63,152	(426)	(0.7%)	156,889
Materials and Services	187,704	190,905	72,781	72,962	182	0.2%	190,905
Finance Costs	12,244	12,244	5,675	5,669	(6)	(0.1%)	12,244
Company Contributions	3,615	3,615	3,615	3,615	(0)	(0.0%)	3,615
Depreciation Expense	95,097	95,097	39,624	39,617	(6)	(0.0%)	95,097
Other Expenses	21,884	22,004	8,257	9,145	888	10.8%	22,004
Recurrent Capital Expenses	3,444	3,444	2,892	2,892	-	-	3,444
Total Operating Expenses	480,250	484,199	196,422	197,053	631	0.3%	484,199
Operating Result	18,179	14,445	29,240	33,038	3,798	13.0%	14,445
Capital Revenue							
Capital Grants and Subsidies	19,368	25,804	10,300	10,300	(0)	(0.0%)	25,804
Capital Contributions - Cash	28,631	29,141	16,557	16,557	0	0.0%	29,141
Capital Contributions - Fixed Assets	55,000	55,000	-	-	-	-	55,000
Total Capital Revenue	102,999	109,945	26,857	26,857	(0)	(0.0%)	109,945
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	7,048	-	-	771	771	-	-
Movements in landfill and quarry provisions	4,964	5,583	2,326	2,326	-	-	5,583
Assets Transferred to Third Parties	-	-	-	11	11	-	-
Total Non-recurrent Expenses	12,012	5,583	2,326	3,108	782	33.6%	5,583
Net Result	109,166	118,807	53,771	56,787	3,016	5.6%	118,807

Operating Result – November 2021



	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	498,429	498,643	225,662	230,091	4,429	2%
Operating Expenses	476,806	480,755	196,422	197,053	631	0%
Recurrent Capital Expenses	3,444	3,444	2,892	2,892	-	0%
Operating Result	18,179	14,445	26,348	30,146	3,798	14%
Capital Revenue	102,999	109,945	26,857	26,857	(0)	(0)%
Non-recurrent Expenses	12,012	5,583	2,326	3,108	782	3%
Net Result	109,166	118,807	50,879	53,895	3,016	5%

As at 30 November 2021, \$230 million operating revenue had been achieved which is \$4.4 million more than current budget.

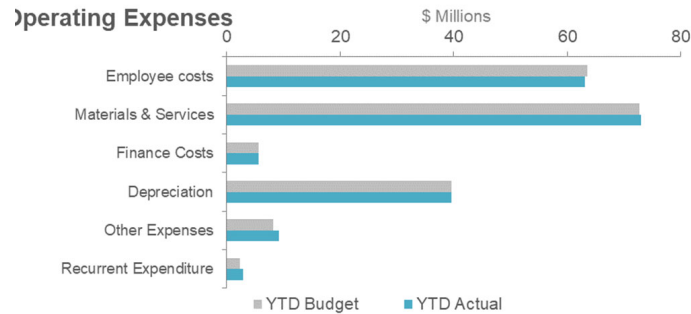
Substantial Revenue Variance for the Period Ending 30 November 2021

	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Operating Revenue							
Fees and Charges	65,577	65,587	31,132	33,057	1,925	6.2%	65,587
Other Revenue	19,853	19,878	6,477	7,794	1,317	20.3%	19,878

Significant revenue variances:

- **Fees and Charges** – Development services applications and material change of use fees are above budget by \$934,000.
- **Other Revenue** – Additional revenue of \$779,000 has been received above budget for the sale of recycled metal materials at Council's resource recovery centres. An environmental offset payment of \$420,000 has also been received from the Department of Transport and Main Roads.

Operating Result – November 2021 (continued)



	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	498,429	498,643	225,662	230,091	4,429	2.0
Operating Expenses	476,806	480,755	193,529	194,160	631	0.3
Recurrent Capital Expenses	3,444	3,444	2,892	2,892	-	-
Operating Result	18,179	14,445	29,241	33,038	3,798	13.0
Capital Revenue	102,999	109,945	26,857	26,857	(0)	(0.0)
Non-recurrent Expenses	12,012	5,583	2,326	3,108	782	33.6
Net Result	109,166	118,807	53,772	56,788	3,016	5.6

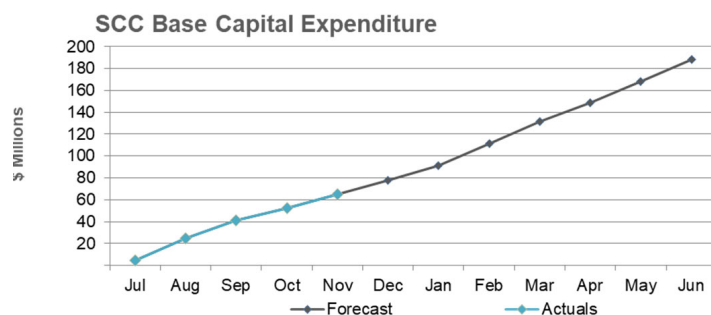
Substantial Expenditure Variance for the Period Ending 30 November 2021

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Employee Costs	156,262	156,889	63,578	63,152	(426)	(0.7%)	156,889
Other Expenses	21,884	22,004	8,257	9,145	888	10.8%	22,004

As at 30 November 2021, \$197 million of the \$196.4 million budget year date had been expended which resulted in an overspend of \$631,000

- Employee expenses remain below budget for November with underspend of \$426,000.
- Council's operational expenditure remains within 1% of the budget year date

Capital Expenditure - November 2021



As at 30 November 2021, \$89.7 million of Council's \$315.2 million Capital Works Program was financially expended.

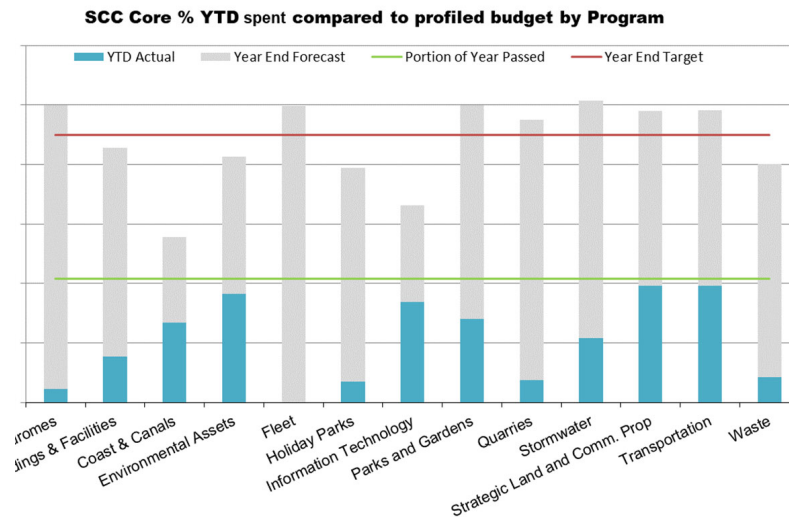
The Core Capital Program has progressed 27% of budget, an actual spend of \$53.9 million.

Corporate Major Projects progressed 30.7%



	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance Budget
Aerodromes	200	225	10	4.5%	225	
Buildings and Facilities	12,663	13,045	2,019	15.5%	11,175	(1,888)
Coast and Canals	3,125	3,545	948	26.7%	1,967	(1,578)
Environmental Assets	1,800	1,579	577	36.5%	1,305	(495)
Minor Works	4,495	4,040	1,067	26.4%	3,698	(797)
Fleet	3,250	3,250	-	-	3,240	(10)
Holiday Parks	2,540	2,544	176	6.9%	2,005	(539)
Information Technology	6,620	8,522	2,877	33.8%	5,640	(2,882)
Parks and Gardens	17,697	19,656	5,533	28.2%	19,668	12
Quarries	635	657	50	7.6%	625	(10)
Stormwater	8,201	7,525	1,634	21.7%	7,638	113
Transportation	86,848	90,134	35,304	39.2%	88,489	(1,645)
Waste	40,641	42,952	3,689	8.6%	34,369	(6,282)
Total SCC Core Capital Program	188,714	197,674	53,885	27.3%	180,045	(17,629)
Corporate Major Projects	60,425	72,661	22,288	30.7%	65,304	(7,357)
Strategic Land and Commercial Properties	19,383	31,900	12,482	39.1%	31,900	
Maroochydore City Centre	553	1,470	477	32.4%	457	(100)
Sunshine Coast Airport Runway	-	11,460	577	5.0%	5,242	(6,218)
Total Other Capital Program	80,361	117,492	35,824	30.5%	102,904	(14,588)
TOTAL	269,075	315,166	89,709	28.5%	282,949	(32,217)

Capital Expenditure - November 2021 (continued)



Buildings and Facilities

- A contract has been awarded for the detailed design of a new library and community centre at Sippy Downs

Holiday Parks

- Design is currently underway for the replacement of amenities located at the Mudjimba and Coolool Beach holiday parks.

Stormwater

- Council's \$1.5 million stormwater pipe relining program has progressed 18%

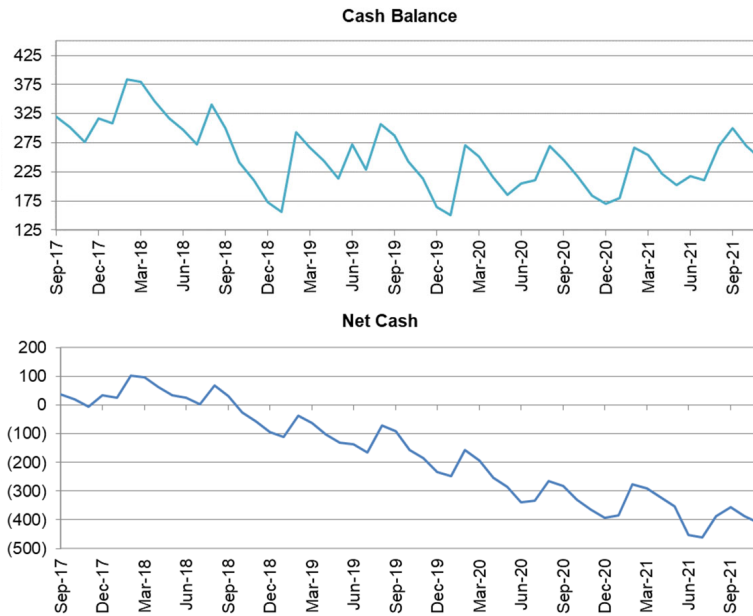
Transportation

- Council's \$23.1 million road resurfacing and rehabilitation program has progressed 47% for November with a total expenditure of \$10.9 million.
- Council's \$1.9 million bus stop program has progressed 46% for November with a total expenditure of \$926,000
- Construction continues for Council's major transport corridor upgrade Brisbane Road Mooloolaba

Waste

- Council has entered into a \$20 million contract in October for the design and construction of a new material resource facility at the Nambour resource recovery centre.

Cash Flows and Balance Sheet



Cash and Balance Sheet - November 2021		Original Budget \$000s
CASH FLOWS		
Opening Cash		186,095
Net Cash Inflow/(Outflows) from:		
Operating Activities		66,159
Investing Activities		126,453
Financing Activities		(187,393)
Net Increase/(decrease) in Cash Held		5,219
Cash at year end		191,314
BALANCE SHEET		
Current Assets		246,160
Non Current Assets		6,290,967
Total Assets		6,537,127
Current Liabilities		120,894
Non Current Liabilities		537,476
Total Liabilities		658,370
Net Community Assets/Total Community Equity		5,878,757

- Council's cash at 30 November 2021 is \$233.9 million
- Council's debt at 30 November 2021 is \$657 million

Debt

Sunshine Coast Council's debt program is governed by the 2021/22 Debt Policy, which was adopted with the Original Budget adoption on 24 June 2021 and revised at the 16 September 2021 Ordinary Meeting.

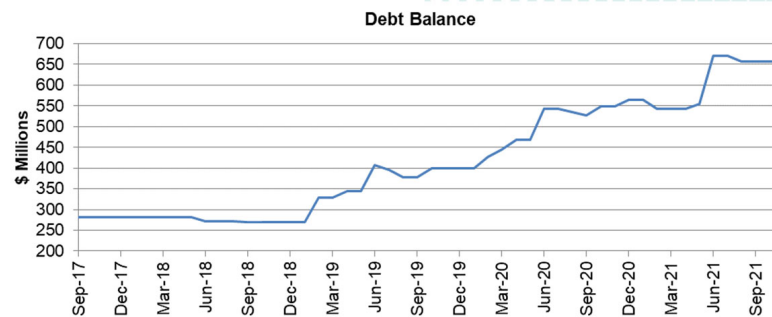
New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

Table 1 includes Sunshine Coast Council's budgeted debt balance for 2021/22 following Budget Review 1 adoption in September 2021.

Debt - 2021/22

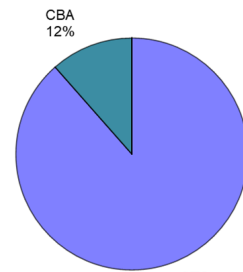
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	257,375	11,672	96,461	342,164
Sunshine Coast Airport Expansion Project	265,004	265,004	-	-
Maroochydore City Centre	144,034	6,701	-	137,333
Sunshine Coast International Broadband Network	10,328	922	-	9,406

Table 1: 2021/22 Adopted Debt Balance

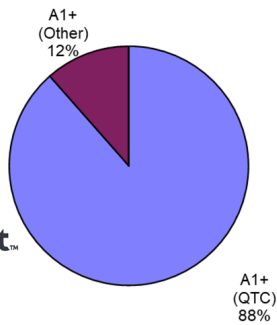


Investment Performance

Investment per financial institution (%)



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



Investment Performance - November 2021								
Liquidity as at:		30/11/2021		Term deposits maturing:				
		\$'000's			\$'000's	Coun		
At-call accounts				within 30 days	-			
QTC + CBA (excl. trust)		233,958	94.69%	30-59 days	-			
				60-89 days	-			
Maturities within 7 days		-	0.00%	90-179 days	-			
Total at-call		233,958	94.69%	180-364 days	-			
Investment Policy Target			10.00%	1 year - 3 years	-			
				Total	-			
INVESTMENT SUMMARY (including Trust) as at:								
	30/11/2021		30/08/2021		30/11/2020		Investment Policy	
							Individual Limit	Group Limit
A1+ (QTC)	218,664	88%	278,110	88.8%	91,083	48.9%	100%	100%
A1+ (Other)	28,419	12%	35,019	11.2%	90,370	48.5%	40%	100%
A1	-	0%	-	0.0%	5,000	2.7%	30%	50%
A2	-	0%	-	0.0%	-	0.0%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
Total Funds	247,083		313,129		186,453			
FUND SUMMARY								
General Funds	233,958		301,307		176,036			
Trust Funds	13,126		11,822		10,417			
Total Funds	247,083		313,129		186,453			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 November 2021 Council had \$233.9 million cash (excluding Trust Fund) with an average interest rate of 0.53%, being 0.52% above benchmark. This is compared to the same period last year with \$176 million cash (excluding Trust Fund) with an average interest rate of 0.76%, being 0.68% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



	Description	Division	Suburb	Estimated Construction Start Month	Consturction Completed Month	2021/22 Grant Revenue \$'000	2021/22 Project Expenditure to date \$'000
Federal Government						(\$13,590)	\$4,753
1	Roads to Recovery Program					(\$4,800)	
	Blackspot Funding					(\$1,009)	\$16
2	K2081 - BlackSpot Blackall Range Road West Woombye	Division 05	West Woombye	April 2022	June 2022	(\$157)	\$4
3	K2083 - BlackSpot Wust Road DOONAN - East of Regency Road - Stage 1	Division 09	Doonan	On Hold	On Hold	(\$149)	\$1
4	K2085 - BlackSpot Edmund St and William St Intersection Shelly Beach	Division 02	Shelly Beach	April 2022	June 2022	(\$143)	\$11
5	K2394 - BlackSpot Wust Road DOONAN - East of Regency Road - Stage 2	Division 09	Doonan	On Hold	On Hold	(\$560)	\$0
	Local Road and Community Infrastructure Grant Funding - Round 2					(\$7,781)	\$4,738
6	H3790 - LRCIP2 - Citrus Road Gravel Road Upgrade	Division 05	Palmwoods	July 2021	December 2021	(\$2,100)	\$1,408
7	H3799 - LRCIP2 - Zgrajewski Road Gravel Road Upggrade	Division 09	Yandina Creek	July 2021	December 2021	(\$2,200)	\$77
8	H3800 - LRCIP2 - Cupania Street East Stage 2 Kerb and Channel	Division 08	Mudjimba	May 2021	November 2021	(\$475)	\$780
9	H3941 - LRCIP2 - Crosby Hill Road Pathway	Division 07	Buderim	May 2021	September 2021	(\$709)	\$558
10	H4223 - LRCIP2 - Scholars Drive to Columbia Street - Road Link	Division 06	Sippy Downs	June 2021	December 2021	(\$450)	\$71
11	H4592 - LRCIP2 - Lees Road Western Section Gravel Road Upgrade	Division 10	Bridges	August 2021	February 2022	(\$650)	\$726
12	H9360 - LRCIP2 - Railway Street Service Road	Division 01	Landsborough	July 2021	August 2021	(\$130)	\$151
13	K1484 - LRCIP2 - Meridan Way Lighting	Division 03	Meridan Plains	June 2021	September 2021	(\$250)	\$217
14	K1492 - LRCIP2 Spray Seal - Old Gympie Road Resurfacing	Division 01	Glass House Mountains	November 2021	November 2021	(\$168)	\$88
15	K1493 - LRCIP2 Spray Seal - Bald Knob Road	Division 05	Peachester	November 2021	November 2021	(\$186)	\$76
16	K1495 - LRCIP2 Asphalt - Mountain View Road	Division 05	Maleny	October 2021	October 2021	(\$462)	\$585
State Government						(\$12,501)	\$9,702
	Queensland Transport and Roads Investment Program					(\$8,000)	\$5,523
17	H3747 - Mooloolaba Transport Corridor - D and C	Division 04	Mooloolaba		November 2023	(\$8,000)	\$5,523
	Unite and Recover Stimulus Package					(\$1,675)	\$4,079
18	B4741 - Place Making Mooloolaba Master Plan	Division 04	Mooloolaba	February 2021	August 2021	(\$1,600)	\$4,052
19	H9821 - Albany Lakes Park Sippy Downs Play Space Precinct Upgrade	Division 06	Sippy Downs	April 2021	July 2021	(\$75)	\$27
20	Bus Stop Shelter Program					(\$247)	
21	Passenger Transport Accessible Infrastructure Program					(\$679)	
22	Passenger Transport Infrastructure Investment Program					(\$145)	
	Transport Infrastructure Development Scheme					(\$210)	\$0
23	K1314 - Bli Bli State School Precinct Active TIIP	Division 09	Bli Bli	April 2022	May 2022	(\$200)	\$0
24	K2436 - TIDS Talara School Precinct - Active TIIP	Division 03	Currimundi	July 2021	July 2021	(\$10)	\$0
	South East Queensland Community Stimulus Program					(\$1,545)	\$100
25	H1670 - First Avenue Streetscape	Division 04	Mooloolaba		November 2023	(\$100)	\$5
26	H0956 - SEQCSP Mooloolaba to Alex Bluff Recreation	Division 04	Alexandra Headland			(\$100)	\$0
27	K2483 - SEQCSP Landsborough Streetscape - Stage 2	Division 01	Landsborough	April 2022	October 2023	(\$250)	\$20
28	H9957 - SEQCSP Buderim Village Park Buderim Stage 9	Division 07	Buderim	December 2021	December 2021	(\$150)	\$8
29	K1618 - SEQCSP Caloundra Indoor Sports Stadium - Roof Replacement	Division 02	Caloundra	January 2022	June 2022	(\$350)	\$15
30	K1898 - SEQCSP Parkyn Parade Pedestrian Facilities	Division 04	Mooloolaba	December 2021	December	(\$145)	\$19
31	K2259 - SEQCSP Albany Lakes Park Play Upgrade Stage 2	Division 06	Sippy Downs	August 2021		(\$250)	\$25
32	K2406 - SEQCSP Turner Park Beerwah Activation Stage 2	Division 01	Beerwah	February 2022	March 2022	(\$100)	\$4
32	K2449 - SEQCSP North Shore Multi-Sports Complex	Division 08	Pacific Paradise		April 2022	(\$50)	\$1
33	K2478 - SEQCSP Palmwoods Warriors Football Club	Division 05	Palmwoods	February 2022	March 2022	(\$50)	\$2