

Financial Performance Report

March 2018

FINANCIAL PERFORMANCE REPORT

March 2018

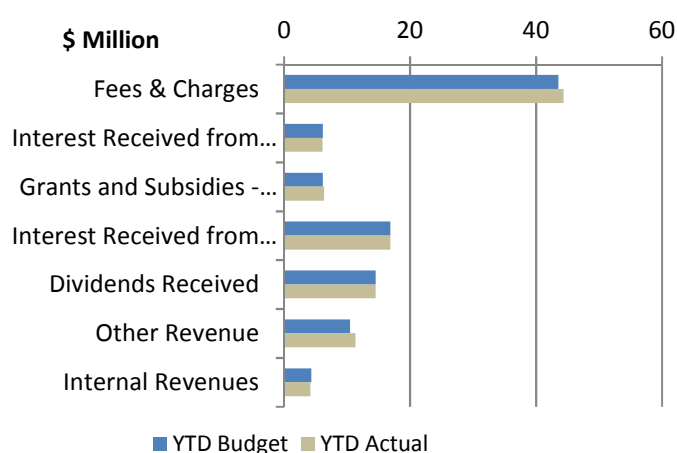
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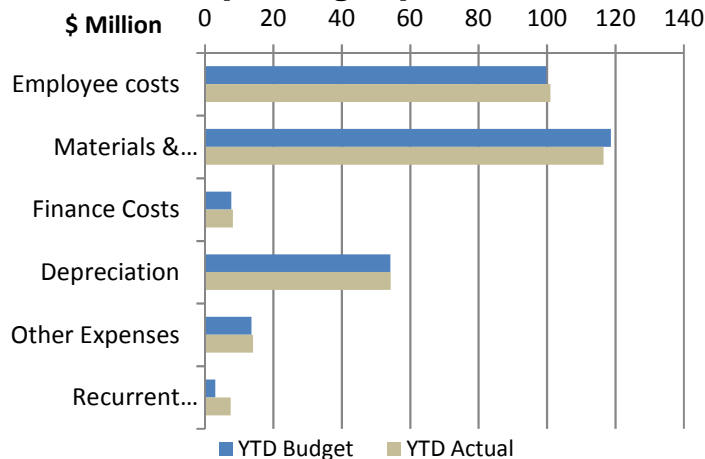
Headline - Operating

	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance
	\$000s	\$000s	\$000s	\$000s	\$000s	%
Operating Revenue	439,342	436,296	375,720	377,033	1,312	0.3%
Operating Expenses	408,576	415,866	295,678	295,733	55	0.0%
Recurrent Capital Expenses	3,075	7,897	7,503	7,605	102	1.4%
Operating Result	27,691	12,533	72,539	73,695	1,155	1.6%
Capital Revenue	97,186	187,622	113,272	114,574	1,301	1.1%
Non-recurrent Expenses	2,829	15,477	3,480	3,081	(398)	-11.5%
Net Result	122,048	184,678	182,332	185,187	2,855	1.6%

Operating Revenues



Operating Expenses

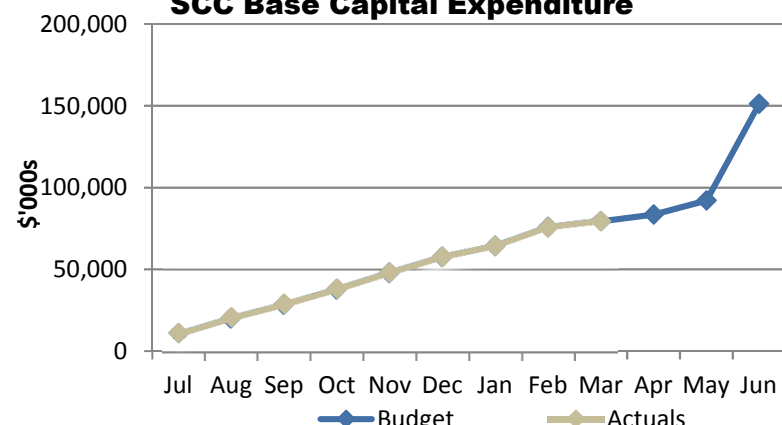


Headline - Capital

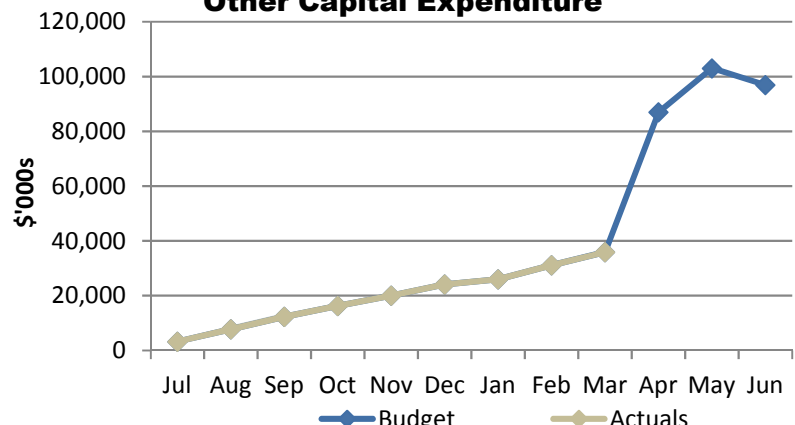
	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance
	\$000s	\$000s	\$000s	\$000s	\$000s	%
Capital Revenue (included in Net Re	97,186	187,622	113,272	114,574	1,301	1.1%
Other Capital Revenue	71,643	72,343	54,257	55,054	797	1.5%
Total Capital Revenues	168,829	259,964	167,529	169,628	2,099	1.3%
Capital Works Expenditure	236,833	248,115	143,217	115,207	(28,010)	-19.6%
Other Capital Expenditure	60,000	60,000	45,000	118,345	73,345	163.0%
Total Capital Expenditure	296,833	308,115	188,217	233,552	45,335	24.1%

Funds from General Reserve	128,005	48,150	20,688	63,924	43,236	209.0%
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SCC Base Capital Expenditure



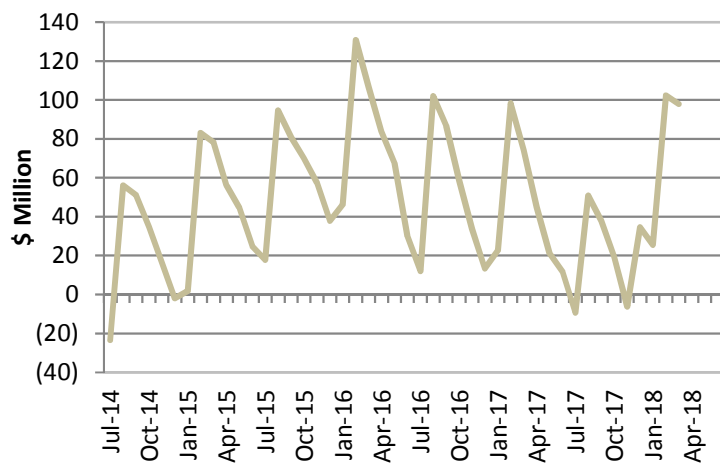
Other Capital Expenditure



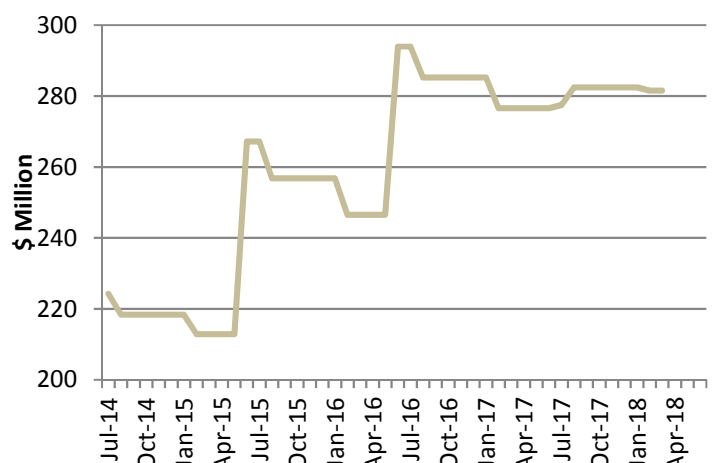
Cash and Balance Sheet

	Annual		YTD		
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	Forecast Budget \$000s	Variance \$000s
CASH FLOWS					
Opening Cash	243,557	282,375	282,377	282,375	2
Net Cash Inflow/(Outflows) from:					
Operating Activities	93,495	81,215	143,444	125,984	17,461
Investing Activities	(131,678)	(146,887)	(30,445)	(53,275)	22,830
Financing Activities	2,218	2,218	(15,912)	(15,912)	0
Net Increase/(decrease) in Cash Held	(35,966)	(63,454)	97,087	56,797	40,290
Cash at year end	207,591	218,921	379,464	339,172	40,292
BALANCE SHEET					
Current Assets	270,756	279,408	433,939		
Non Current Assets	5,194,889	5,259,705	4,914,464		
Total Assets	5,465,644	5,539,113	5,348,403		
Current Liabilities	111,736	112,590	76,973		
Non Current Liabilities	311,390	311,390	306,082		
Total Liabilities	423,125	423,980	383,055		
Net Community Assets/ Total Community Equity	5,042,519	5,115,133	4,965,348		

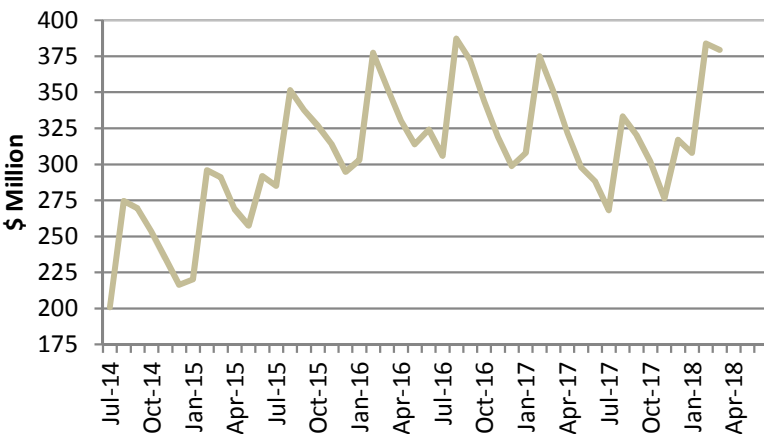
Net Cash



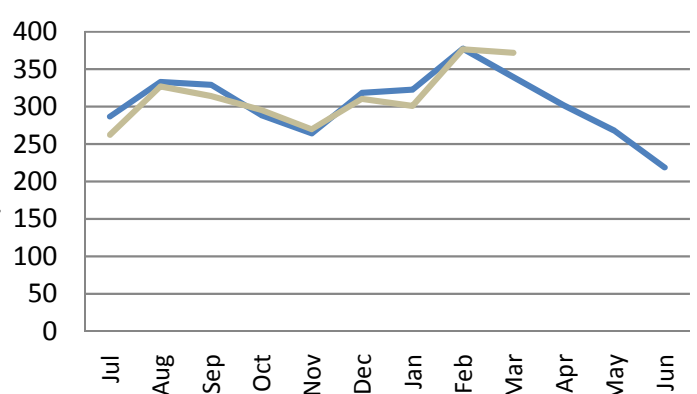
Debt Balance



Cash Balance



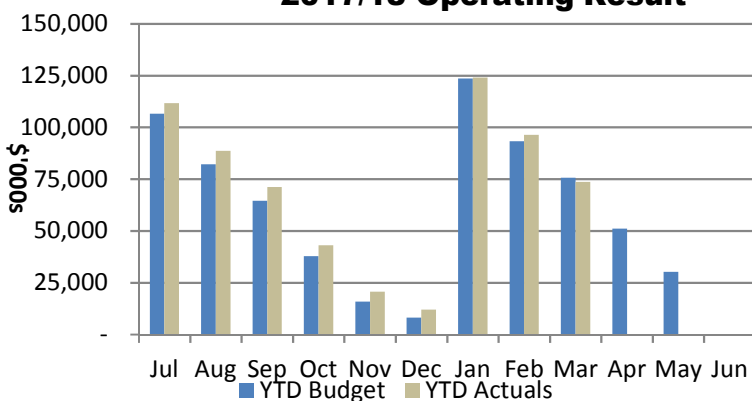
Forecast Cash Balance



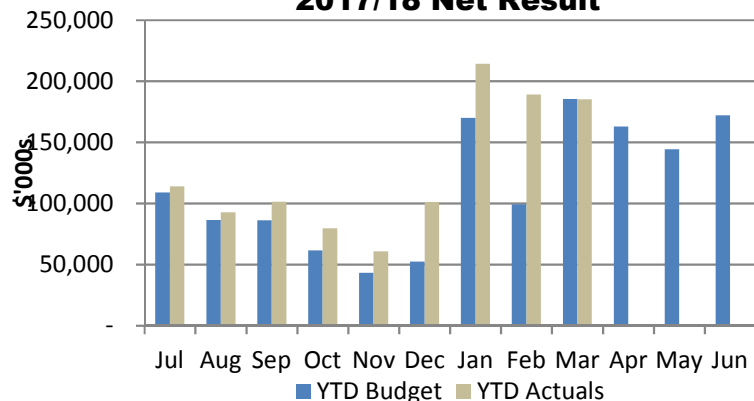
Statement of Income & Expenses

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Revenue							
Net Rates and Utility Charges	275,190	277,599	273,058	272,910	(147)	-0.1%	277,599
Fees and Charges	57,183	55,030	43,562	44,383	821	1.9%	55,030
Interest Received from Investments	9,374	8,470	6,181	6,093	(88)	-1.4%	8,470
Operating Grants and Subsidies	12,007	7,937	6,190	6,345	155	2.5%	7,937
Operating Contributions	1,301	701	459	362	(97)	-21.2%	701
Interest Received from Unity Water	23,933	23,933	16,877	16,877	0	0.0%	23,933
Dividends Received	26,162	26,162	14,561	14,561	0	0.0%	26,162
Other Revenue	28,381	30,653	10,492	11,339	848	8.1%	30,653
Internal Sales/Recoveries	5,812	5,812	4,341	4,162	(179)	-4.1%	5,812
Total Operating Revenue	439,342	436,296	375,720	377,033	1,312	0.3%	436,296
Operating Expenses							
Employee Costs	135,509	137,453	99,835	101,045	1,210	1.2%	137,453
Materials and Services	171,928	174,780	118,728	116,562	(2,166)	-1.8%	174,780
Internal Materials and Services	0	0	0	(2)	(2)	0.0%	0
Finance Costs	9,410	10,196	7,756	8,220	463	6.0%	10,196
Company Contributions	1,464	1,464	1,464	1,464	0	0.0%	1,464
Depreciation Expense	71,643	72,343	54,257	54,290	33	0.1%	72,343
Other Expenses	18,623	19,631	13,637	14,154	517	3.8%	19,631
Competitive Neutrality Adjustments	(0)	(0)	(0)	0	0	-100.0%	(0)
Recurrent Capital Expenses	3,075	7,897	7,503	7,605	102	1.4%	7,897
Total Operating Expenses	411,651	423,764	303,181	303,338	157	0.1%	423,764
Operating Result	27,691	12,533	72,539	73,695	1,155	1.6%	12,533
Capital Revenue							
Capital Grants and Subsidies	4,912	10,223	3,967	4,756	790	19.9%	10,223
Capital Contributions - Cash	32,274	32,399	21,805	23,486	1,681	7.7%	32,399
Capital Contributions - Fixed Assets	60,000	145,000	87,500	86,331	(1,169)	-1.3%	145,000
Total Capital Revenue	97,186	187,622	113,272	114,574	1,301	1.1%	187,622
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & Movements in landfill and quarry prov	0	1,358	1,358	866	(492)	-36.2%	1,358
Assets Transferred to Third Parties	2,829	2,829	2,121	2,121	0	0.0%	2,829
	0	11,290	0	94	94	0.0%	11,290
Total Non-recurrent Expenses	2,829	15,477	3,480	3,081	(398)	-11.5%	15,477
Net Result	122,048	184,678	182,332	185,187	2,855	1.6%	184,678

2017/18 Operating Result



2017/18 Net Result



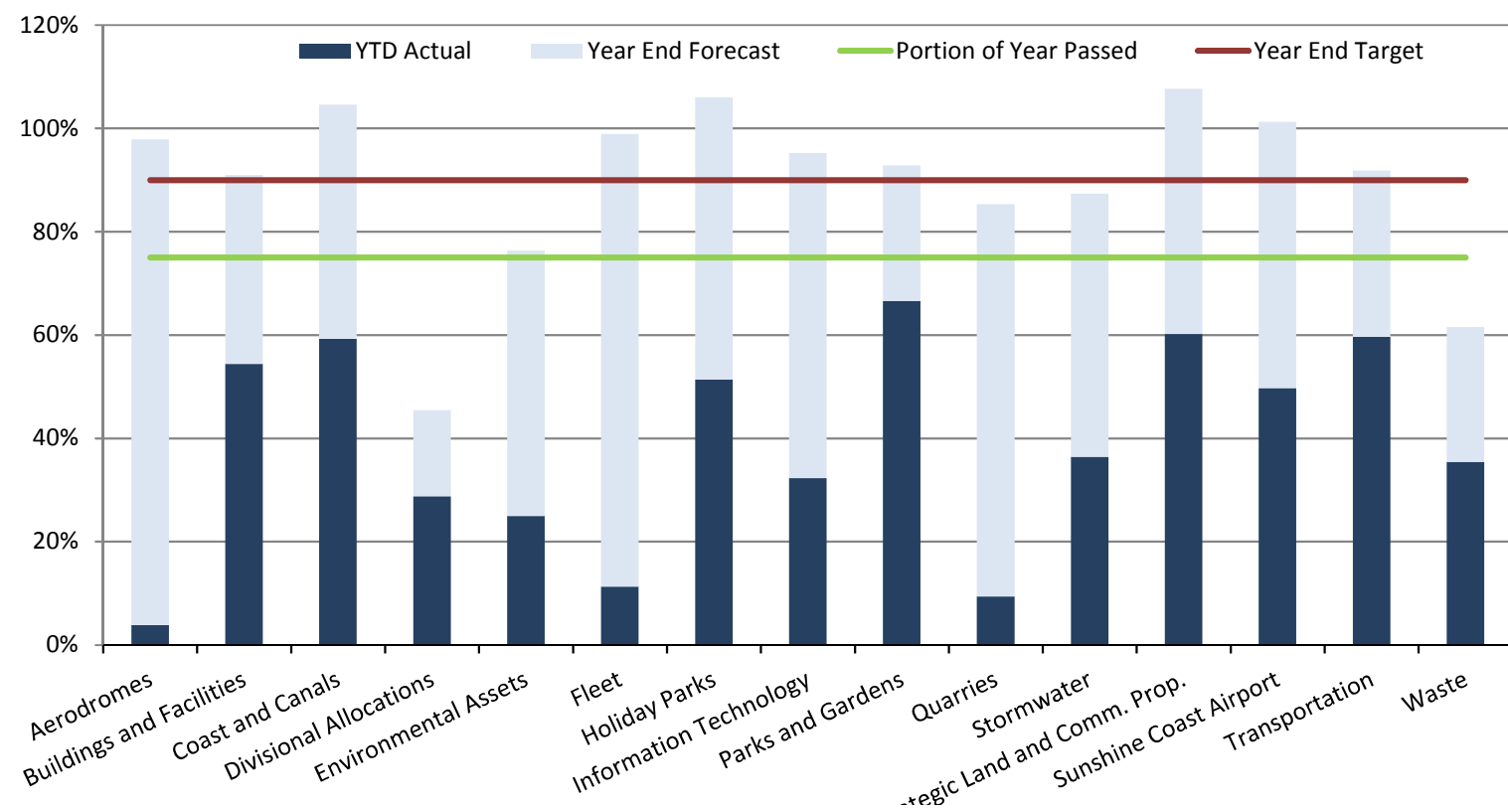
Capital Expenditure

	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
Capital Works Program						
Aerodromes	470	415	16	3.8%	406	(9)
Buildings and Facilities	9,933	12,453	6,771	54.4%	11,327	(1,126)
Coast and Canals	2,200	2,363	1,399	59.2%	2,471	109
Divisional Allocations	5,025	5,410	1,558	28.8%	2,459	(2,951)
Environmental Assets	770	840	210	24.9%	641	(199)
Fleet	3,000	3,000	338	11.3%	2,968	(32)
Holiday Parks	1,337	1,289	662	51.3%	1,367	77
Information Technology	6,220	6,086	1,965	32.3%	5,794	(292)
Parks and Gardens	12,970	15,296	10,184	66.6%	14,193	(1,102)
Quarries	1,210	460	43	9.4%	392	(68)
Stormwater	6,816	6,938	2,524	36.4%	6,060	(878)
Strategic Land and Commercial Properties	0	30,161	18,149	60.2%	32,470	2,309
Sunshine Coast Airport	0	1,358	675	49.7%	1,375	17
Transportation	52,726	63,386	37,781	59.6%	58,219	(5,167)
Waste	16,570	9,327	3,301	35.4%	5,738	(3,589)
Total SCC Base Capital Program	119,247	158,781	85,577	53.9%	145,879	(12,902)
Corporate Major Projects	14,402	11,189	460	4.1%	6,865	(4,324)
Maroochydore City Centre	44,198	48,209	21,794	45.2%	37,084	(11,125)
Sunshine Coast Airport Runway	62,062	50,481	15,050	29.8%	42,997	(7,485)
Total Region Making Capital Program	120,661	115,289	38,862	33.7%	89,404	(25,885)
TOTAL	239,908	268,660	122,881	45.7%	232,825	(35,835)

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

Recurrent Expenses	7,897	7,897	7,605	96.3%
Non-Recurrent Expenses	15,477	15,477	3,081	19.9%

SCC Base % YTD spent compared to profiled budget by Program



Investment Performance

March 2018

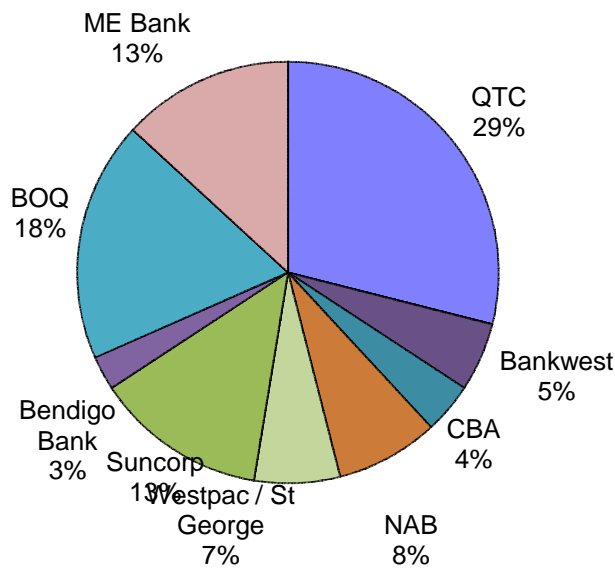
Liquidity as at:	31/03/2018	
	\$'000's	
At-call accounts		
QTC + CBA (excl. trust)	\$117,311	30.89%
Maturities within 7 days	\$10,000	2.63%
Total at-call	\$127,311	33.53%
Investment Policy Target		10.00%

Term deposits maturing:	\$'000's	Count
within 30 days	\$40,000	4
30-59 days	\$40,000	4
60-89 days	\$60,000	6
90-179 days	\$105,000	10
180-364 days	\$10,000	1
1 year - 3 years	\$0	0
Total	\$255,000	25

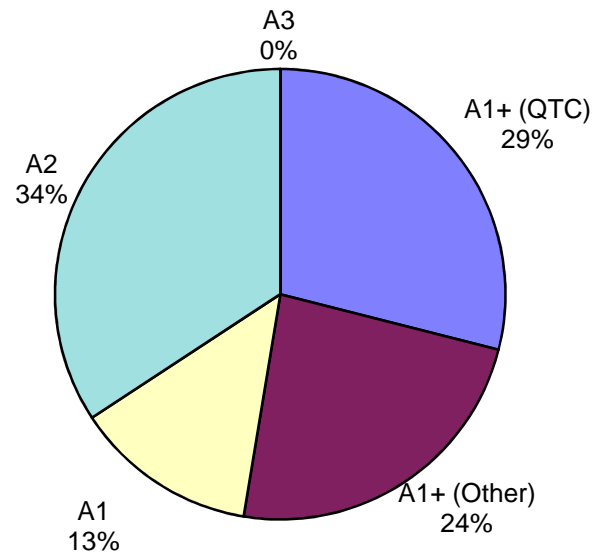
INVESTMENT SUMMARY (including Trust) as at:	31/03/2018				31/12/2017		31/03/2017		Investment Policy	
									Individual Limit	Group Limits
A1+ (QTC)	\$109,975	29.0%	\$68,697	21.6%	\$118,575	33.8%	100%	100%		
A1+ (Other)	\$89,763	23.6%	\$78,729	24.8%	\$117,672	33.5%	40%	100%		
A1	\$50,000	13.2%	\$60,000	18.9%	\$45,000	12.8%	30%	50%		
A2	\$130,000	34.2%	\$100,000	31.5%	\$70,000	19.9%	30%	45%		
A3	\$0	0.0%	\$10,000	3.2%	\$0	0.0%	5%	10%		
Total Funds	\$379,738		\$317,426		\$351,246					
FUND SUMMARY										
General Funds	\$372,311		\$310,699		\$344,849					
Trust Funds	\$7,427		\$6,728		\$6,397					
Total Funds	\$379,738		\$317,426		\$351,246					

Investment Portfolio

Investment per financial institution (%)

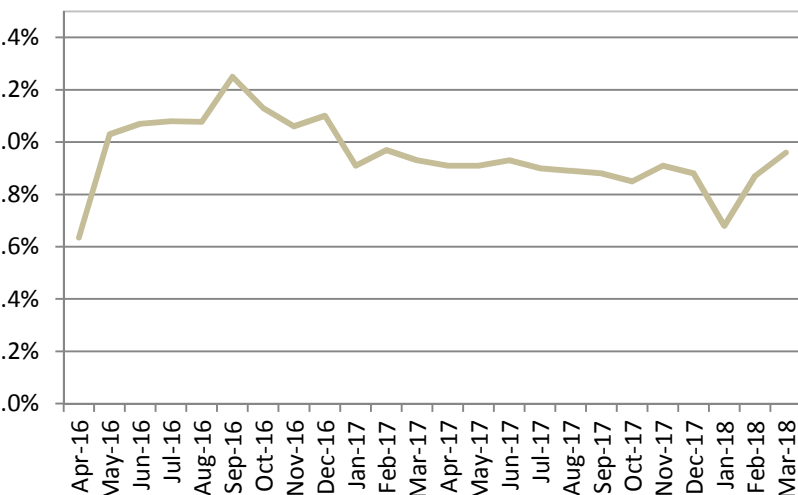


Investment by Standard & Poor's (Short Term Credit Rating)

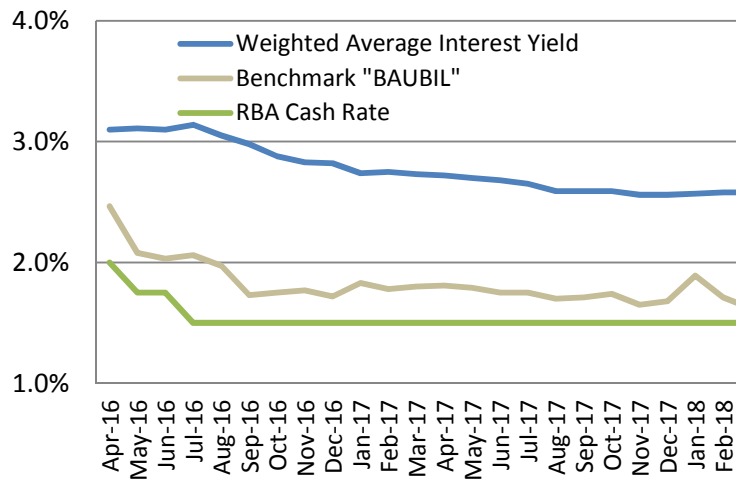


Investment Performance

Margin Above Benchmark



Investment Performance



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	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Revenue												
Gross Rates & Utility Charges	287,118	290,265	289,943	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	277,599	277,277	287,040	299,348	313,799	328,946	344,822	361,463	378,905	397,189	417,017
Fees & Charges	57,183	55,030	55,338	53,310	54,829	56,721	58,678	60,702	62,796	64,963	67,204	69,522
Interest Received from Investments	9,374	8,470	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	7,937	7,937	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007
Operating contributions	1,301	701	463	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	30,653	15,380	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	436,296	420,772	439,667	475,809	482,958	517,881	543,763	528,148	556,310	580,607	589,558
Operating Expenses												
Employee costs	135,509	137,443	137,373	136,310	138,138	142,904	147,834	152,934	158,210	163,668	169,315	175,156
Materials & Services	175,003	182,114	172,829	173,823	188,077	191,750	206,446	216,428	212,305	225,483	235,578	240,428
Internal Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Finance Costs	9,410	10,196	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	72,343	72,343	74,356	77,154	79,087	80,033	82,224	84,388	85,661	86,738	87,829
Other Expenses	21,451	20,204	19,114	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	423,764	413,319	417,069	436,194	452,603	473,391	484,982	488,266	508,448	525,248	536,956
Operating Result	24,862	12,532	7,453	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	10,223	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	31,999	32,274	32,274	29,074	30,153	30,153	30,153	30,153	30,153	24,000
Contributed Assets	60,000	145,000	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)	(15,477)	-	-	-	-	-	-	-	-	-
Net Result	122,048	184,677	179,198	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	Revised 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	218,921	245,723	215,027	248,360	246,685	349,086	364,146	365,701	362,520	356,215	312,025
Trade and other receivables	15,599	14,572	13,679	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	279,407	305,316	279,473	309,945	309,329	408,283	419,707	422,275	419,464	418,981	385,485
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	4,168,176	4,127,426	4,430,559	4,782,383	5,003,387	4,945,437	5,176,001	5,405,674	5,648,928	5,906,073	6,187,165
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	5,259,705	5,218,955	5,522,623	5,872,181	6,092,913	6,017,163	6,245,069	6,475,892	6,717,077	6,972,323	7,253,039
TOTAL ASSETS	5,465,644	5,539,111	5,524,271	5,802,096	6,182,126	6,402,242	6,425,446	6,664,776	6,898,167	7,136,541	7,391,305	7,638,524
CURRENT LIABILITIES												
Trade and other payables	58,261	59,116	57,239	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	112,590	110,713	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	336,930	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	371,089	518,741	519,190	293,943	280,679	274,244	259,442	247,496	230,727
TOTAL LIABILITIES	423,125	423,980	422,103	486,392	638,461	644,538	424,797	417,114	417,197	408,768	403,748	394,067
NET COMMUNITY ASSETS	5,042,519	5,115,132	5,102,168	5,315,704	5,543,665	5,757,703	6,000,649	6,247,662	6,480,970	6,727,774	6,987,557	7,244,457
COMMUNITY EQUITY												
Asset revaluation surplus	1,050,816	1,050,798	1,050,783	1,145,960	1,244,360	1,346,200	1,466,629	1,575,593	1,688,470	1,805,542	1,926,730	2,052,532
Retained Earnings	589,378	662,202	656,722	774,188	903,749	1,015,948	1,138,464	1,276,514	1,396,944	1,526,676	1,665,270	1,796,369
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	5,115,326	5,109,832	5,322,475	5,550,436	5,764,474	6,007,420	6,254,433	6,487,741	6,734,545	6,994,327	7,251,228

STATEMENT OF CHANGES IN EQUITY

For the period ending 30 June 2018

	Original Budget 2017/18 \$000	Revised 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	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	3,402,327
Asset Revaluation Reserve													
Balance at beginning of period	990,718	990,718	990,718	1,050,783	1,145,960	1,244,360	1,346,200	1,466,629	1,575,593	1,688,470	1,805,542	1,926,730	1,926,730
Asset revaluation adjustments	60,097	60,080	60,065	95,177	98,400	101,840	120,429	108,964	112,877	117,072	121,188	125,802	125,802
Balance at end of period	1,050,816	1,050,798	1,050,783	1,145,960	1,244,360	1,346,200	1,466,629	1,575,593	1,688,470	1,805,542	1,926,730	1,926,730	2,052,532
Retained Earnings													
Balance at beginning of period	472,172	482,172	482,172	656,722	774,188	903,749	1,015,948	1,138,464	1,276,514	1,396,944	1,526,676	1,665,270	1,665,270
Net result for the period	122,048	184,677	179,198	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606	136,606
Transfers from capital, reserves and shareholdings	(4,842)	(4,648)	(4,648)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,507)	(5,507)
Balance at end of period	589,378	662,202	656,722	774,188	903,749	1,015,948	1,138,464	1,276,514	1,396,944	1,526,676	1,665,270	1,665,270	1,796,369
TOTAL													
Balance at beginning of period	4,865,217	4,875,217	4,875,217	5,109,832	5,322,475	5,550,436	5,764,474	6,007,420	6,254,433	6,487,741	6,734,545	6,994,327	6,994,327
Net result for the period	122,048	184,677	179,198	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606	136,606
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	(4,842)	(4,648)	(4,648)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,508)	(5,508)
Asset revaluation adjustments	60,097	60,080	60,065	95,177	98,400	101,840	120,429	108,964	112,877	117,072	121,188	125,802	125,802
Balance at end of period	5,042,520	5,115,326	5,109,832	5,322,475	5,550,436	5,764,474	6,007,420	6,254,433	6,487,741	6,734,545	6,994,327	6,994,327	7,251,227

STATEMENT OF CASH FLOWS

For the period ending 30 June 2018

	Original Budget 2017/18 \$000	Revised 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	371,665	356,140	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)	(338,146)	(334,506)	(332,175)	(340,158)	(353,822)	(367,102)	(382,807)	(392,780)	(408,318)	(430,163)	(447,636)
Interest and dividends received	60,877	59,235	59,235	60,611	61,020	61,488	61,875	62,380	63,290	64,208	65,125	66,082
Finance costs	(10,753)	(11,539)	(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	81,215	69,329	88,992	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)	(257,478)	(218,390)	(221,462)	(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	42,622	42,222	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)	(146,887)	(108,199)	(180,617)	(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	78,761	168,675	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	60,928	148,667	1,450	(224,539)	(12,659)	(5,078)	(13,783)	(10,573)	(15,442)
Net increase (decrease) in cash held	(34,314)	(63,454)	(36,652)	(30,696)	33,333	(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	245,723	215,027	248,360	246,685	349,086	364,146	365,701	362,520	356,215
Cash at end of reporting period	209,242	218,921	245,723	215,027	248,360	246,685	349,086	364,146	365,701	362,520	356,215	312,025

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%	1.8%	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%	79.0%	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	3.4	4.0	4.4	3.9	4.2	4.5	3.8	3.8	3.8	3.6	
Net Financial Liabilities Ratio (%)	34.7%	27.8%	47.1%	69.0%	69.4%	3.2%	(0.5)%	(1.0)%	(1.9)%	(2.6)%	1.5%	
Liquidity												
Cash expense cover ratio (months)	7.5	8.9	7.7	8.5	8.1	10.9	11.0	11.0	10.4	9.9	8.4	
Asset Sustainability												
Asset Sustainability Ratio (%)	83.0%	82.2%	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	415	-	415
Buidlings & Facilities	12,453	(589)	11,864
Coast & Canals	2,363	160	2,523
Divisional Allocations	5,409		5,409
Environmental Assets	840		840
Fleet	3,000		3,000
Holiday Parks	1,289		1,289
Information Communication Technology	6,086	(1,200)	4,886
Parks & Gardens	15,297	(1,150)	14,147
Quarries	460	(245)	215
Stormwater	6,938	(915)	6,023
Strategic Land & Commercial Properties	30,161	1,690	31,851
Sunshine Coast Airport	1,358		1,358
Transportation	63,386	(5,166)	58,220
Waste	9,327	(3,175)	6,152
Total Sunshine Coast Council Core Capital Program	158,781	(10,590)	148,191
Corporate Major Projects Capital Program			
Corporate Major Projects	11,189	(7,353)	3,836
Total Corporate Major Projects Capital Program	11,189	(7,353)	3,836
Region Making Capital Program			
Maroochydore City Centre	48,209	(15,000)	33,209
Sunshine Coast Airport Runway Project	50,481	(2,900)	47,581
Total Region Making Capital Program	98,690	(17,900)	80,790
SCC Total Capital Works Program	268,660	(35,843)	232,817

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

Recurrent capital expenses	7,897	(100)	7,797
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 \$3.6 million is included in the capital schedule, \$1.7 million recognised in this review.

Attachment 2 - Proposed Operating Budget Adjustments			
Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
<u>Net Rates and Utility Charges</u> reduction in Cleansing charges, offset by additional revenues in other areas of the waste business	50,630	(322)	50,308
<u>Fees and Charges</u> increase associated with higher volumes in tip fees	6,608	308	6,916
<u>Operating Contributions</u> - reduced due to loss of revenue from the Materials Recovery Facility impacted by recent changes to the recycling industry	668	(238)	430
<u>Other Revenue</u> - increase due to higher sales of recoverable materials in the waste business	2,572	252	2,824
<u>Other Revenue</u> - reduction in budget for land sales due to development delays for Maroochydore City Centre	17,325	(15,525)	1,800
Total Revenue Adjustment		(15,525)	
<u>Materials and Services (Region Making)</u> - reduction in expenditure for region making projects, including cost of goods sold associated with land sales for Maroochydore City Centre	9,096	(5,929)	3,167
<u>Materials and Services (Core)</u> - reduction in insurance expense	500	(300)	200
<u>Materials and Services (Core)</u> - Infrastructure Charges Discounts - transfer from Recurrent to Non-recurrent to offset associated revenue.	400	(400)	-
<u>Materials and Services (Core)</u> - deferral of expenditure to 2018/19			
30205 - Grants Program 1718	1,303	(250)	1,053
15022 - Joint Pavement Research Program with USC	50	(50)	-
45110 - Major Activity Centres - Kawana	88	(150)	(62)
42659 - Census Analytics	30	(30)	-
45292 - Landscape and Character Study	40	(40)	-
45293 - International Environment Agreement	50	(40)	10
46610 - Open Space Strategy	88	(40)	48
42660 - Implement Environment Strategy	110	(50)	60
45270 - Beerwah East Investigation Area	400	(150)	250
16018 - Open Space Planning Parks Rec Plan	92	(70)	22
45066 - Local Area Plan	100	(50)	50
20060 - VSC Business Events Enticement	300	(100)	200
50080 - Contract Reviews	70	(70)	-
57905 - Sunshine Coast Investment Incentive Scheme	840	(690)	150
13033 - Mooloolaba Beach Restoration	286	(160)	126
10480 - BM Project Delivery	35	(35)	-
H2355 - Customer Relationship Management (Recurrent Expense)	500	(100)	400
14319 - Corridor Improvement Strategy	100	(70)	30
<i>The following projects are levy funded</i>			
42233 - Flying Fox Community Environ Issues (EL)	199	(85)	114
42242 - Improving Fauna Movement (EL)	100	(85)	15
42243 - Healthy Coasts Monitoring & Report (EL)	70	(25)	45
46370 - Light Rail Feasibility Study (TL)	703	(500)	203
41909 - Strategic Travel Patterns Initiative TL	140	(140)	-
45256 - Perf Analysis, Network Plan & Report (TL)	115	(30)	85
45258 - Progress Dev 'Shuttle' optn & Knlworth ser optn (TL)	110	(100)	10
41905 - Transport Levy Awareness Campaign (TL)	85	(40)	45
41910 - Integrated Tpt Study Attitude Survey TL	70	(30)	40
45305 - Kenilworth Transport Options (TL)	40	(40)	-
41907 - Fleet Partnership with TLink & TAG (TL)	30	(30)	-
41780 - Public Transport User Guide Update (TL)	20	(15)	5
57947 - Major Events Pool (Tourism Levy)	2,626	(400)	2,226
30065 - Regional Collections Store	40	(40)	-
30075 - Cultural Tourism	40	(40)	-
30080 - Regional Heritage Interpretive Space	35	(35)	-
46617 - Historic Cultural Heritage Study	25	(20)	5
30003 - Heritage Advisory Service Assessment	17	(10)	7
30011 - Digitisation Project - SS Dicky	6	(6)	-
Total Expenditure Adjustment		(10,445)	
NET ADJUSTMENT TO OPERATING RESULT	12,532	(5,079)	7,453

Attachment 3 - Proposed Capital Budget Adjustments

Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
Building and Facilities			
Cal Sth Plan design community centre - Land parcel ownership transfer completed in March preventing any early building works.	1,457	-250	1,207
Koala Park Public Amenity Rehabilitation - defer to Conondale Public Amenity as per 2018/19 Budget development	173	-139	34
Buderim Lions Park Public Amenity Rehabilitation - Old landfill site requires design approval from State Govt - includes design for passive gas emissions to meet guidelines.	250	-200	50
Coast and Canals			
Moffat Beach Seawall Emergency Works - Urgent works required to reinstate the Moffat Beach Seawall.	0	60	60
Wills Ave Groyne Replacement - Shoreline erosion due to recent wet weather has cause increase in scope of project. Funds transferred from operating.	252	100	352
Information Technology			
Customer Relationship Management - Extended procurement activities have pushed payment and implementation timeframes for the selected systems into next FY.	1,000	-600	400
Strategic Asset Management to the Cloud - Extended procurement activities have pushed payment and implementation timeframes for the selected systems into next FY.	1,249	-600	649
Parks and Gardens			
Meridan Fields Master Plan Implementation - Ongoing rain events have resulted in works now being re-scheduled to commence 1/5/18 subject to favourable weather event during April 2018.	1,750	-1,150	600
Quarries			
Reduction in scheduled Quarry works relating to noise management, resource drilling and development works	275	-245	30
Stormwater			
Russell Family Park SWQ (Car park Project) - Works delayed to commence after Easter Holiday period	318	-200	118
Caloundra - LGIP GPT SWQ15 005 - Tender issues due to risk in design.	348	-310	38
Aerodrome Road Box Culvert Replacement - Delay due to DTMR approvals.	375	-200	175
SWC16-005 LGIP Toral Drive MDS S3 and S7 - Delay due to Energex lead time currently 6 weeks behind schedule.	611	-205	406
Strategic Land and Commercial Properties			
Land Acquisition Brisbane rd and Maud St	0	1,690	1,690
Transportation			
Chambers Island Bridge Renewal - The complexity of the project and addition of two new options for repair that may see a widening of the bridge have led to delays in the preparation of contract documents.	675	-340	335
Russell Family Park - Car Park - Works delayed to commence after Easter Holiday period	658	-200	458
Buderim Village Park Stage 7 - Car Park Upgrade - design completed and contractor scheduled to commence works late May 2018. Works now scheduled to be completed late July 2018.	85	200	285
Plaza Parade Stage 1 - Upgrade of road delayed to 2018/19 financial year.	2,500	-2,500	0
Sippy Downs Drive Stage 4 - Design and construction of Energex requirements behind schedule.	775	-200	575
Howard Street Tram Project - Construction activities on tramway, terminus or tram cannot proceed until rail accreditation has been obtained from the regulator which is unlikely to be obtained before June 2018.	422	-270	152
Minyama to Mooloolaba Cycleway Stage 5 - Alternative construction methodology will save overall delivery timeframe and reduce costs but results in slower upfront spend for this split financial year project.	2,406	-500	1,906
Bli Bli Streetscapes - Infrastructure agreement (50/50) for undergrounding of overhead power with Bli Bli tavern developer delayed	435	-360	75
Yandina Stephens Street Rbout - Redesign required due to unsuccessful DTMR approvals.	775	-635	140
Bulcock St Streetscape Stg4 Upper - Stage 4 has been programmed to start after the school holidays and Commonwealth Games due to trader community request, as such the options to escalate construction works before end of FY is limited.	1,857	-361	1,496

Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
Waste			
Nambour RRC Detailed Design - Global and national recycling issues have necessitated strategic review of council's current and proposed infrastructure prior to proceeding with detailed design.	475	-275	200
Maroochydore PDA Underground Waste - Land site development not completed to allow building works to commence.	3,656	-2,900	756
Corporate Major Projects			
Solar Farm - Expenditure withheld for current financial year	1,632	-1,260	372
Brisbane Road Carpark Development - Negotiations ongoing	5,000	-2,628	2,372
Palmview Peter Crosby Way Construction - Change in financial treatment of project. Budget does not need to be deferred.	3,144	-3,144	0
MCC - Network, WiFi & SCIP Solutions - Delays to principal contractor program in MCC due to wet weather, which in turn will delay roll-out of smart city developments.	926	-321	604
Maroochydore City Centre			
Maroochydore City Centre - Deferral of DSC 7 Expenditure	48,209	-15,000	33,209
Sunshine Coast Airport Runway			
SCA Expansion Project - delay signing the Design and Construction contract and therefore a delay in starting the works	49,798	-2,900	46,898
TOTAL CAPITAL ADJUSTMENTS	268,660	-35,843	232,817