

Sunshine Coast  
Council

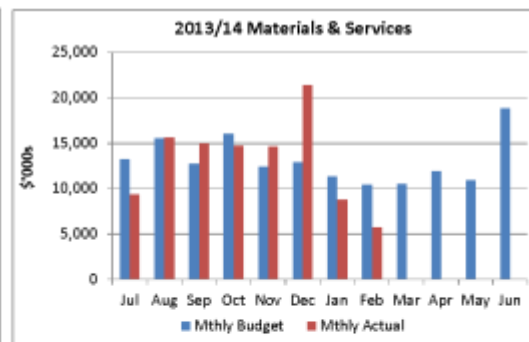
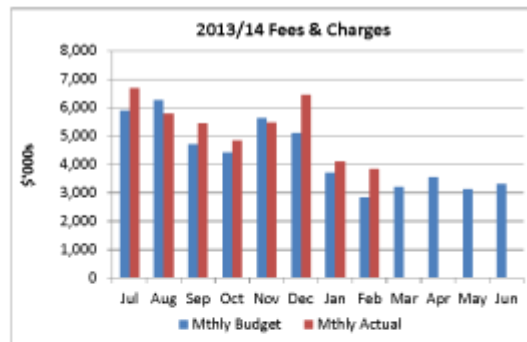
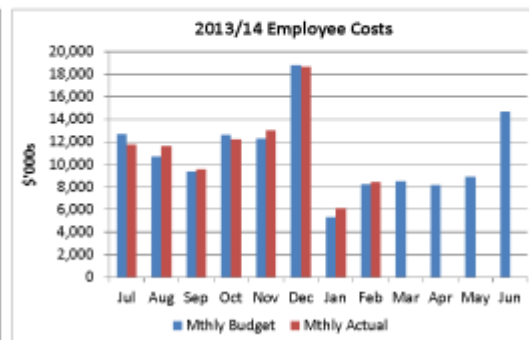
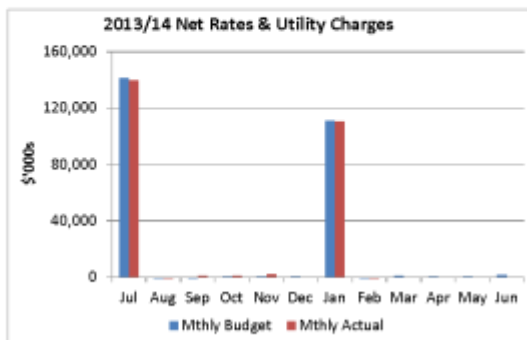
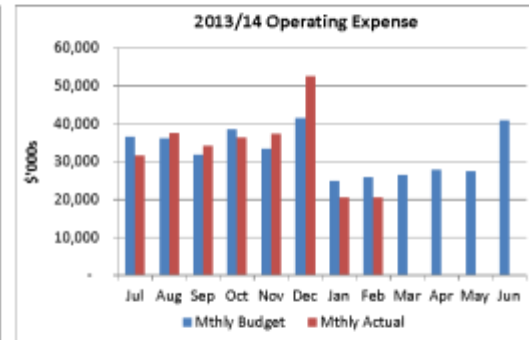
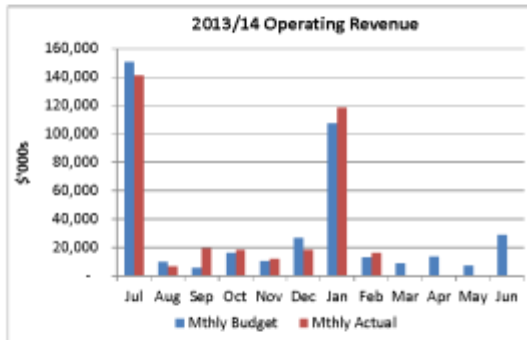
FINANCIAL PERFORMANCE REPORT  
February 2014



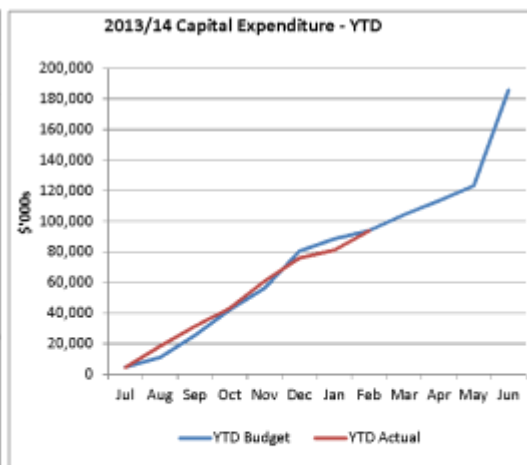
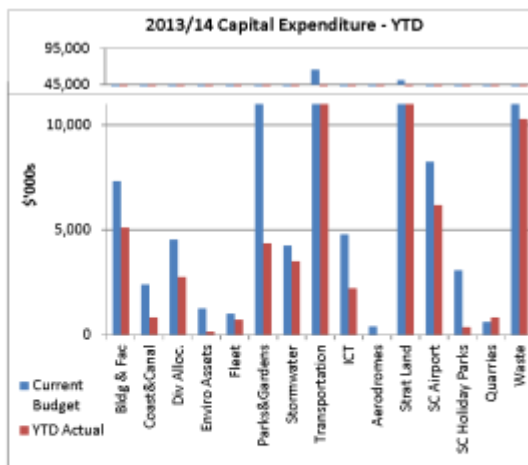
FINANCIAL PERFORMANCE REPORT	February 2014
CONTENTS	

Headline - Operating	3
Headline - Capital	4
Headline - Cash & Balance Sheet	5
Headline - Commentary & Risks	6
Statement Of Income & Expenses	7,8
Capital Expenditure	9
Investment Performance	10

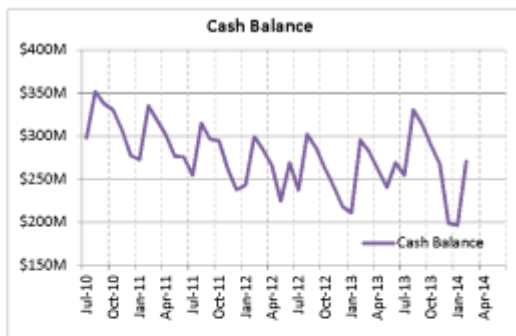
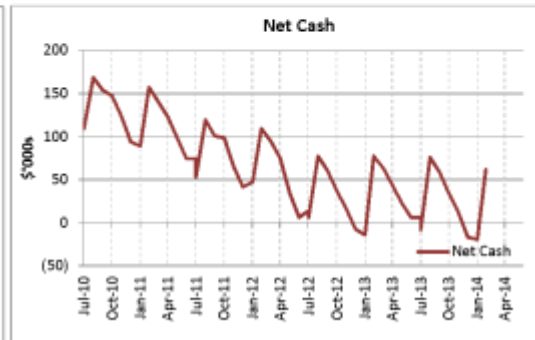
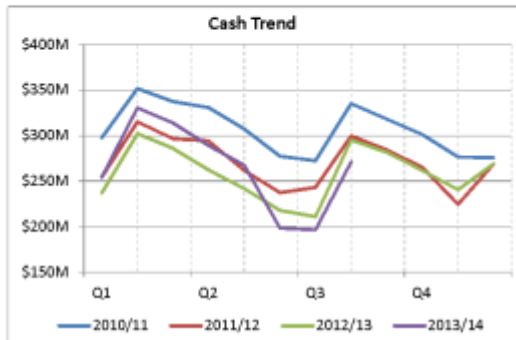
FINANCIAL PERFORMANCE REPORT						February 2014
HEADLINE - OPERATING						
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	400,295	399,438	340,924	351,114	10,191	3.0%
Operating Expenses	387,582	392,020	269,065	270,759	1,694	0.6%
Operating Result	12,713	7,418	71,859	80,356	8,497	11.8%
NET Result	54,287	50,538	98,024	104,164	6,140	6.3%



FINANCIAL PERFORMANCE REPORT							February 2014
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	38,648	23,967	21,610	(2,357)		
Other Capital Revenues	86,410	86,409	51,034	50,977	(57)		
<b>Total Capital Revenues</b>	<b>123,511</b>	<b>125,057</b>	<b>75,001</b>	<b>72,587</b>	<b>(2,414)</b>		
Capital Works Expenditure	109,270	191,678	93,836	93,801	(34)	(0.0%)	
Other capital Expenditure	41,150	33,550	27,630	22,471	(5,160)		
<b>Total Capital Expenditure</b>	<b>150,420</b>	<b>225,228</b>	<b>121,466</b>	<b>116,272</b>	<b>(5,194)</b>		
Funds from General Revenue	26,909	100,171	46,465	43,685	(2,780)		



FINANCIAL PERFORMANCE REPORT		February 2014		
HEADLINE - CASH & BALANCE SHEET				
	Annual		YTD	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	
<b>CASH FLOWS</b>				
Opening Cash	196,241	264,747	261,336	
Net Cash Inflow/(Outflows) from:				
Operating Activities	48,186	43,454	8,241	
Investing Activities	(93,697)	(157,471)	53,780	
Financing Activities	476	476	(44,078)	
<b>Net Increase/(decrease) in Cash Held</b>	<b>(45,035)</b>	<b>(113,541)</b>	<b>17,942</b>	
Cash at year end	151,206	151,206	279,279	
<b>BALANCE SHEET</b>				
Total Current Assets	216,289	216,289	316,447	
Total Non Current Assets	4,511,393	4,511,393	4,388,522	
<b>Total Assets</b>	<b>4,727,682</b>	<b>4,727,682</b>	<b>4,704,969</b>	
Total Current Liabilities	70,183	70,183	- 861,277	
Total Non Current Liabilities	240,480	240,480	234,620	
<b>Total Liabilities</b>	<b>310,663</b>	<b>310,663</b>	<b>- 626,657</b>	
<b>Net Community Assets/ Total Community Equity</b>	<b>4,417,019</b>	<b>4,417,019</b>	<b>5,331,626</b>	



FINANCIAL PERFORMANCE REPORT February 2014  
HEADLINE - COMMENTARY

**Income & Expense Statement**

Council's financial results at 28 February 2014 shows the organisation with a \$8.5 million higher than forecasted operating position against the year to date budget. This operating result variation is made up of operating revenue being \$10.2 million higher than the year to date budget, along with operating expenses being \$1.7 higher than the year to date budget.

**Operating Revenues**

As at the end of February 2014, net rates and utilities is showing a positive variance of \$725,000. This variance is being generated by an increase in waste rates revenue of \$618,000, which will be addressed as part of Budget Review 3 (BR3).

Of the \$4.1 million favourable variance in fees and charges, \$2.5 million relates to development applications revenue. The volume of applications shows a 30% increase on 2012/2013 applications (excluding full year Noosa applications and building and plumbing applications).

Of the \$3.4 million favourable variance in other revenue, \$2.3 million relates to the reimbursement of de-amalgamation costs up to the 23 December 2013 from the working capital facility. This reimbursement is for \$1.3 million in employee costs and \$1 million in materials and services, which covers costs incurred by the Sunshine Coast Council on de-amalgamation activities.

**Operating Expenses**

The de-amalgamation process required an interim financial year end as at 31 December 2013, resulting in increased expenses in the month of December, with corresponding decreases in the following months.

As at February 2014 month end, employee costs were over budget by \$1.4 million. A total of \$1.3 million in Sunshine Coast Council employee costs were spent on de-amalgamation activities up to 23 December 2013. As reflected in other revenue, the reimbursement of this expenditure has been received, and BR3 will align the revenue and expenditure lines.

As at February 2014 month end, materials and services costs were above budget by \$475,000.

This variance is made up of higher than budgeted legal costs of \$1.5 million.

As at 23 December 2013, \$1 million had been spent on materials and services setting up the new Noosa Shire Council. As reflected in other revenue, the reimbursement of this expenditure has been received, and BR3 will align the revenue and expenditure lines.

This above budget expenditure has been offset by underspends in the Infrastructure Services Department of \$1.8 million. This underspend is across a majority of branches and includes:

- o \$460,000 on levy and project timing differences
- o \$1.0 million in the Civil Works and Fleet Branch
- o \$550,000 in the Waste and Resource Management Branch

**Capital Expenditure**

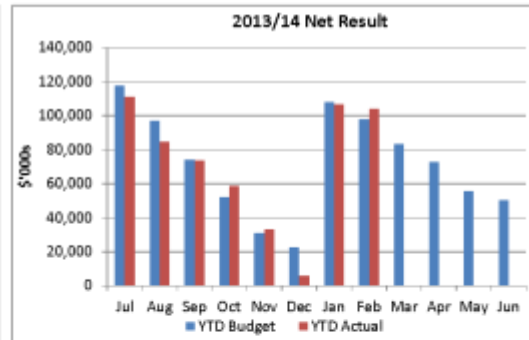
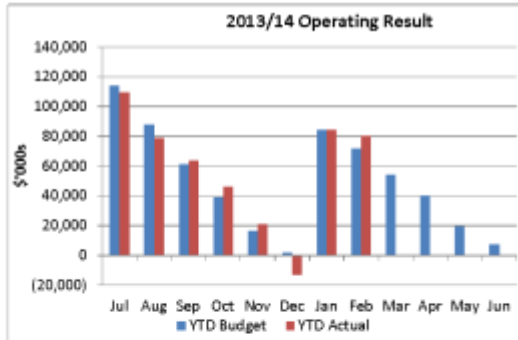
As at 28 February 2014, \$93.8 million (48.9%) of council's \$191.7 million 2013/2014 Capital Works Program was financially expended.

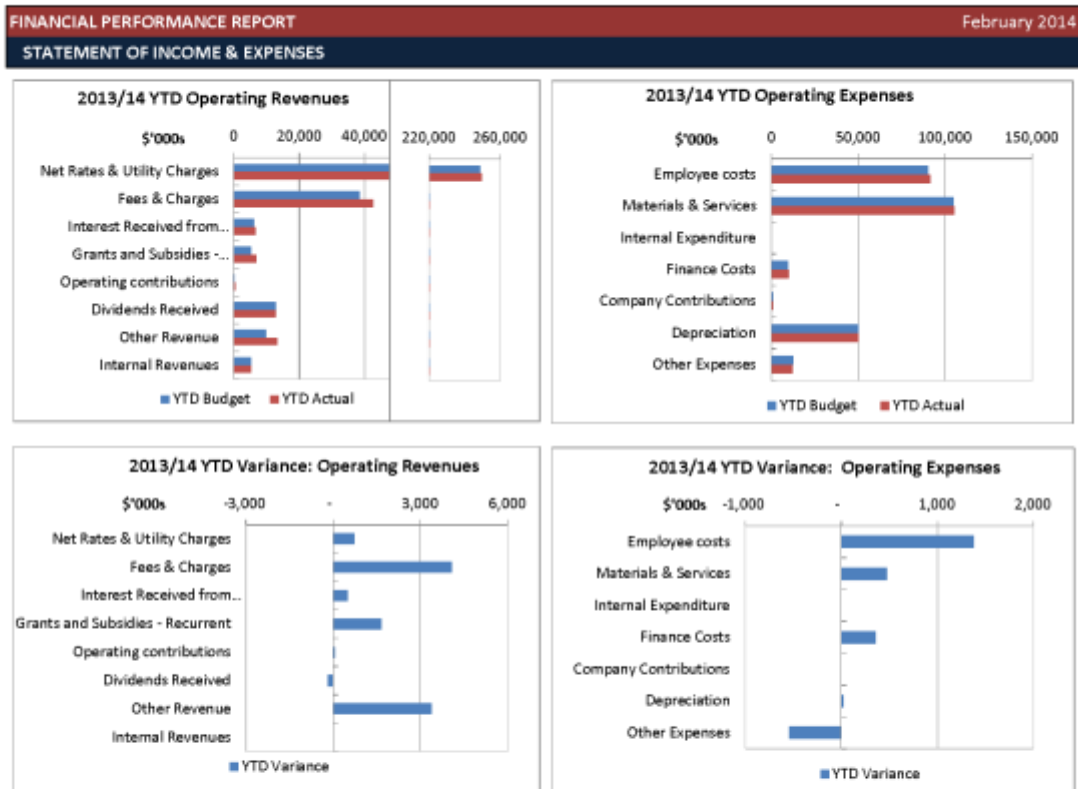
HEADLINE - RISKS

**Income & Expense Statement**

1. General Rates growth - lower than anticipated growth of rateable properties of 1.0% against forecast of 1.5%. This approximately equates to lower revenue than budgeted.
2. Financial Assistance Grant - during 2012/2013 more than one half of the grant (\$6.3 million) was paid early into June 2012. This prepayment has created a budget impact of \$2.1 million in the current 2013/2014 budget.
3. Organisation Review - \$4.7 million net savings loaded into the budget.
4. De-amalgamation - risk that not all costs associated with the de-amalgamation are being charged to Noosa Shire Council.
5. Employee Vacancy Factor - \$4.4 million loaded in the budget. May be difficult to achieve this saving along with Organisation Review.
6. The risk that the State Government will transfer SPER debt back to local councils, who will then have to manage their own debt collection.

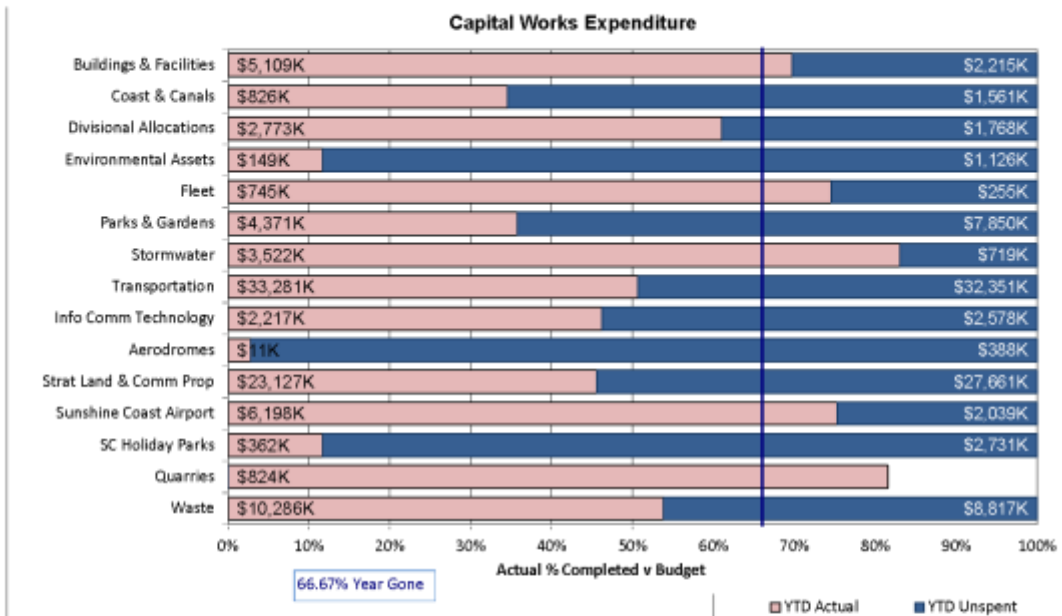
FINANCIAL PERFORMANCE REPORT							February 2014
STATEMENT OF INCOME & EXPENSES							
	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
<b>Operating Revenue</b>							
Gross Rates & Utility Charges	262,411	262,480	258,668	260,885	2,216	0.9%	262,480
Interest from Rates & Utilities	2,053	2,053	1,411	1,381	(30)	-2.2%	2,053
Less Discounts, Pensioner Remissions	(11,374)	(11,374)	(11,326)	(12,786)	(1,461)	12.9%	(11,374)
<b>Net Rates &amp; Utility Charges</b>	<b>253,090</b>	<b>253,159</b>	<b>248,754</b>	<b>249,479</b>	<b>725</b>	<b>0.3%</b>	<b>253,159</b>
Fees & Charges	53,274	51,841	38,637	42,717	4,079	10.6%	51,841
Interest Received from Investments	8,512	8,512	6,274	6,766	492	7.8%	8,512
Grants and Subsidies - Recurrent	10,780	11,091	5,266	6,929	1,662	31.6%	11,091
Operating contributions	570	570	400	471	71	17.7%	570
Interest received from Unitywater	26,205	26,205	13,331	13,305	(26)	-0.2%	26,205
Dividends Received	27,001	27,001	13,011	12,817	(195)	-1.5%	27,001
Other Revenue	13,249	13,485	9,892	13,278	3,387	34.2%	13,485
Internal Revenues	7,614	7,575	5,359	5,354	(4)	-0.1%	7,575
Community Service Obligations	0	0	0	0	0	0.0%	0
<b>Total Operating Revenue</b>	<b>400,295</b>	<b>399,438</b>	<b>340,924</b>	<b>351,114</b>	<b>10,191</b>	<b>3.0%</b>	<b>399,438</b>
<b>Operating Expenses</b>							
Employee costs	130,879	130,318	90,061	91,442	1,381	1.5%	130,318
Materials & Services	152,860	157,296	104,962	105,436	475	0.5%	157,296
Internal Expenditure	0	0	0	0	0	0.0%	0
Finance Costs	14,197	14,197	9,894	10,252	359	3.6%	14,197
Company Contributions	1,152	1,152	1,152	1,152	0	0.0%	1,152
Depreciation	70,510	70,510	50,034	50,056	21	0.0%	70,510
Other Expenses	17,984	18,547	12,963	12,420	(543)	-4.2%	18,547
Competitive Neutrality Adjustments	0	0	(0)	0	0	-100.0%	0
<b>Total Operating Expenses</b>	<b>387,582</b>	<b>392,020</b>	<b>269,065</b>	<b>270,759</b>	<b>1,694</b>	<b>0.6%</b>	<b>392,020</b>
<b>Operating Result</b>	<b>12,713</b>	<b>7,418</b>	<b>71,859</b>	<b>80,356</b>	<b>8,497</b>	<b>11.8%</b>	<b>7,418</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	2,900	12,042	5,237	6,118	880	16.8%	12,042
Capital Contributions	7,201	7,206	5,249	6,538	1,288	24.5%	7,206
Contributed Assets	27,000	19,400	13,480	8,954	(4,526)	-33.6%	19,400
Other Capital Revenue	4,472	4,472	2,198	2,198	0	0.0%	4,472
<b>Total Capital Revenue</b>	<b>41,573</b>	<b>43,120</b>	<b>26,165</b>	<b>23,808</b>	<b>(2,357)</b>	<b>-9.0%</b>	<b>43,120</b>
<b>Net Result</b>	<b>54,287</b>	<b>50,538</b>	<b>98,024</b>	<b>104,164</b>	<b>6,140</b>	<b>6.3%</b>	<b>50,538</b>







FINANCIAL PERFORMANCE REPORT							February 2014
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	7,324	5,595	5,109	69.8%	7,324	
Coast and Canals	1,949	2,388	1,468	826	34.6%	2,388	
Divisional Allocations	3,100	4,540	2,680	2,773	61.1%	4,540	
Environmental Assets	1,238	1,276	250	149	11.7%	1,276	
Fleet	1,000	1,000	734	745	74.5%	1,000	
Parks and Gardens	10,317	12,228	5,869	4,371	35.7%	12,221	
Stormwater	4,161	4,241	2,379	3,522	83.0%	4,241	
Transportation	52,952	65,632	38,733	33,281	50.7%	65,632	
Information Communication Technology	3,927	4,871	2,477	2,217	45.5%	4,795	
Strategic Land & Comm Properties	9,422	56,709	19,660	23,127	40.8%	50,789	
Aerodromes	-	399	7	11	2.8%	399	
Sunshine Coast Airport	3,400	8,237	6,326	6,198	75.2%	8,237	
SC Holiday Parks	1,455	3,093	1,033	362	11.7%	3,093	
Quarries	150	637	183	824	129.3%	637	
Waste	9,651	19,103	6,440	10,286	53.8%	19,103	
<b>TOTAL</b>	<b>109,270</b>	<b>191,678</b>	<b>93,836</b>	<b>93,801</b>	<b>48.9%</b>	<b>185,675</b>	



**FINANCIAL PERFORMANCE REPORT** February 2014  
**INVESTMENT PERFORMANCE**

Liquidity as at: 28/02/2014		
S'000's		
<b>At-call accounts</b>		
QTC + CBA (exc trust)	\$102,701	37.62%
Maturities within 7 days		
	\$0	
<b>Total at-call</b>	<b>\$102,701</b>	<b>37.62%</b>
Investment Policy Target		10.00%

	INVESTMENT SUMMARY AS AT (including Trust)			Investment Policy				
	28/02/2014		31/01/2014		28/02/2013	Individual Limit	Group Limits	
A1+ (QTC)	\$91,905	33.7%	\$51,855	26.1%	\$34,250	11.5%	100%	100%
A1+ (Other)	\$126,107	46.2%	\$77,004	38.7%	\$157,500	53.1%	35%	100%
A1	\$10,000	3.7%	\$20,000	10.1%	\$40,000	13.5%	30%	30%
A2	\$45,000	16.5%	\$50,000	25.1%	\$65,000	21.9%	10%	30%
<b>TOTAL</b>	<b>\$273,012</b>		<b>\$198,860</b>		<b>\$296,750</b>			

**Investment Portfolio**

