

Sunshine Coast  
Council

# FINANCIAL PERFORMANCE REPORT



**July 2012**



## Contents

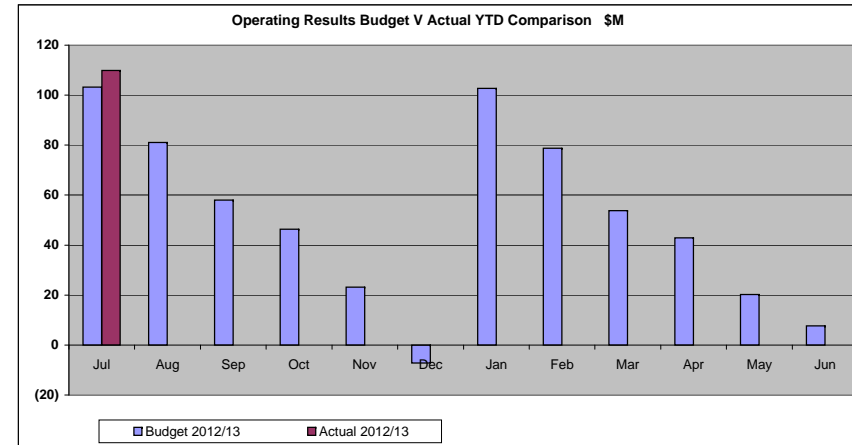
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Summary Operating Statement

31 July 2012

SUMMARY OPERATING STATEMENT						
For the Period Ending 31 July 2012						
Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %	

Operating Revenue	424,650	424,170	137,512	140,379	2,867	2.1%
Operating Expenses	330,213	329,733	27,005	23,305	(3,700)	(13.7%)
Interest Expense	14,261	14,261	1,216	1,215	1	(0.1%)
Depreciation	72,496	72,496	6,041	6,041	(0)	0.0%
<b>Operating Surplus/(Deficit)</b>	<b>7,680</b>	<b>7,680</b>	<b>103,249</b>	<b>109,817</b>	<b>6,568</b>	<b>4.7%</b>
Transfer from Reserves	7,973	7,973	7,973	7,973	0	0.0%
Transfer to Reserves	(2,876)	(2,876)	(2,876)	(2,876)	0	0.0%
<b>Balance</b>	<b>12,778</b>	<b>12,778</b>	<b>108,347</b>	<b>114,915</b>	<b>6,568</b>	<b>6.1%</b>



**Operating Net Result**

Council's financial results at 31 July 2012 shows the organisation with a \$6.6 million better than forecasted operating position against the year to date budget.

This operating surplus variation is partly made up of higher than profiled revenue of \$2.9 million and lower than profiled operating expenses of \$3.7 million.

It should be noted that it is difficult to compare year to date budgets and actual results with any degree of certainty until:

- 1) 2011/12 carry-over works are loaded into the 2012/13 Budget as part of Budget Review 1 (report due to council ordinary meeting 20 September);
- 2) the impact of accruals from June 2012 are matched to physical payments; and
- 3) 2012/13 budget profiling is finalised.

Operating Revenue

The favourable revenue variance of \$2.9 million is partly a result of profiling for rates discounts being recorded in July 2012 not August 2012, variance of \$3.4 million. General rates has an unfavourable variance of \$1.1 million, due to lower growth than anticipated, that is 0.9% growth against 1.5% budget. This is offset by prepaid rates of \$1.7 million. Interest revenues are \$100,000 higher due to higher interest rates and more cash available for investment than anticipated.

Operating Expenses

The favourable variance in operating expenses of \$3.7 million is made up a lower than budgeted spend on material & services of \$3.6 million. Of which, \$1.0 million relates to Community Services, largely due to grants accruals posted back into 2011/12. \$2.2 million relates to Infrastructure Services, largely due to timing of works or contract payments (profiling to be adjusted in August to reflect correct timing), with the largest occurring in Waste business. This is due to contract rises not yet recognised and payment invoices not yet received.

**Operating Revenue**

31 July 2012

**Operating Revenue**

As at 31 July 2012 operating revenues are favourable to budget by \$2.9 million or 2.1%.

The favourable revenue variance of \$2.9 million is largely a result of incorrect profiling of rates discount, being \$3.4 million, where the profile was against July 2012 not August 2012. This will correct itself in August 2012.

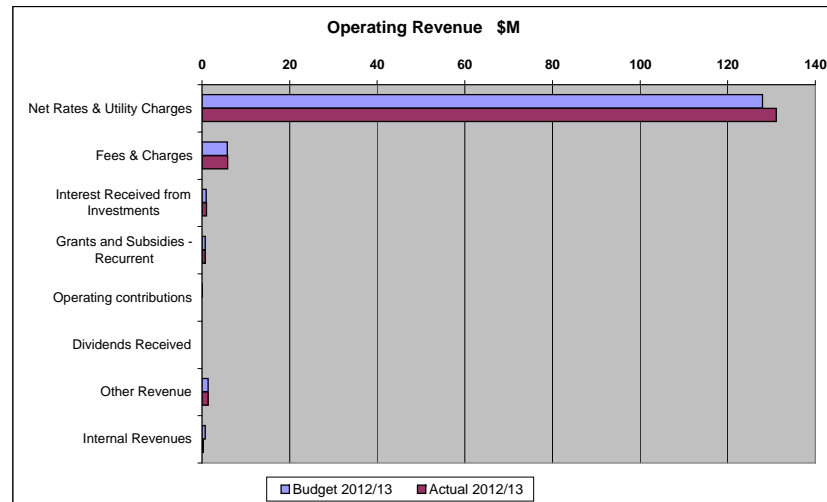
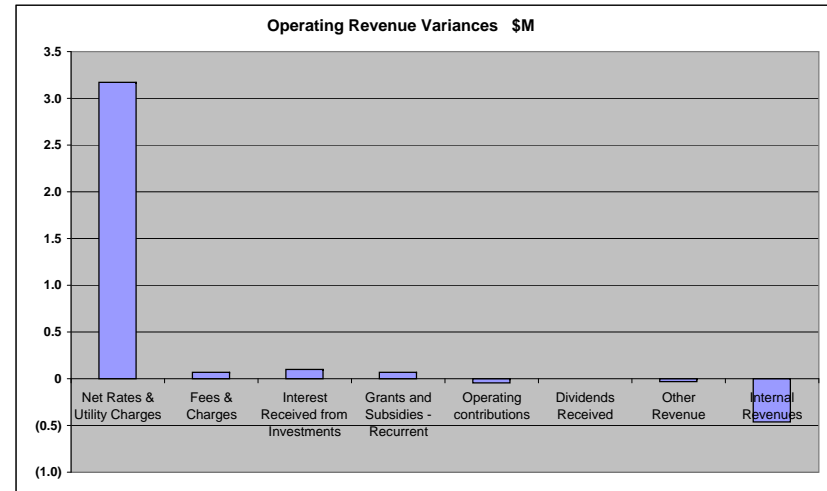
The variance masks the general rates unfavourable variance of \$1.5 million, where the anticipated growth of 1.5% was actually only 0.9% growth. This was offset by prepaid rates of \$1.7 million.

Interest on investments favourable variance of \$100,000 is due to higher than anticipated cash levels and investment interest rates.

Internal Sales unfavourable variance of \$500,000 largely relates to Quarry business of \$300,000 where Asphalt Plant programs have not yet started with Civil Works. The profiling will be adjusted during August 2012 to closer reflect the usage of this material.

Furthermore, it should be noted that it is difficult to compare year to date budgets and actual results with any degree of certainty until:

- 1) 2011/12 carry-over works are loaded into the 2012/13 Budget as part of Budget Review 1 (report due to council ordinary meeting 20 September);
- 2) the impact of accruals from June 2012; and
- 3) 2012/13 budget profiling is finalised.



**Operating Expenses**

**31 July 2012**

**Operating Expenses**

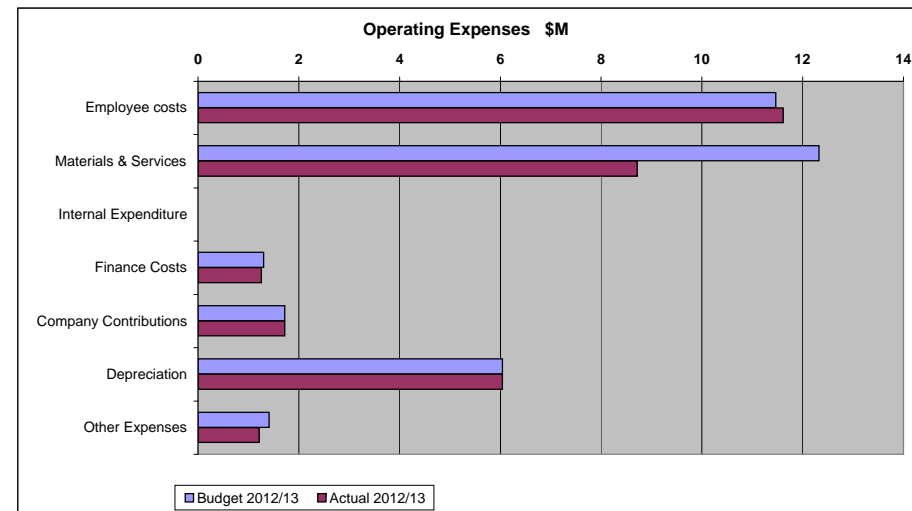
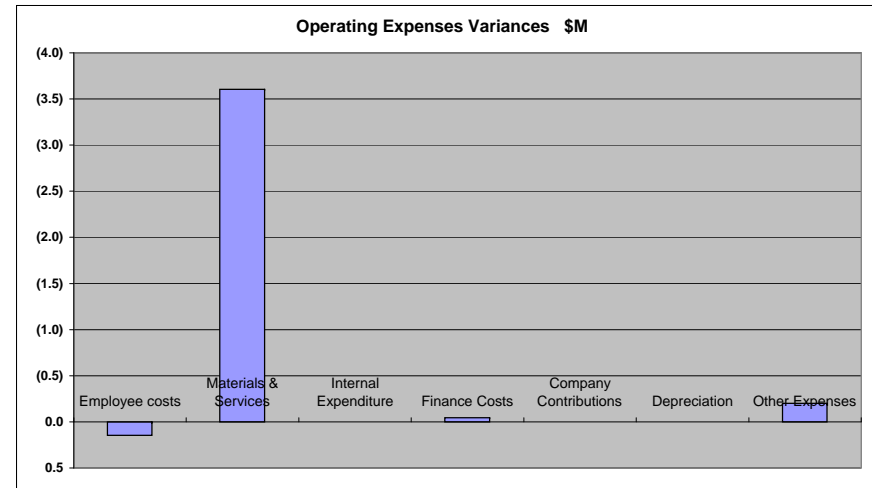
At 31 July 2012, operating expenses were \$3.7 million or 13.7% under budget due to an underspend in materials and services of \$3.6 million.

Of which, \$1.0 million relates to Community Services, largely due to grants accruals posted back into 2011/12. \$2.2 million relates to Infrastructure Services, largely due to timing of works or contract payments (profiling to be adjusted in August 2012 to reflect correct timing), with the largest occurring in Waste business. This is due to contract rises not yet recognised and payment invoices not yet received.

Furthermore, it should be noted that it is difficult to compare year to date budgets and actual results with any degree of certainty until:

- 1) 2011/12 carry-over works are loaded into the 2012/13 Budget as part of Budget Review 1 (report due to council ordinary meeting 20 September 2012);
- 2) the impact of accruals from June 2012 are matched to physical payments; and
- 3) 2012/13 budget profiling is finalised.

There are no other operating expenditure issues at 30 July 2012.



Summary Capital Statement

31 July 2012

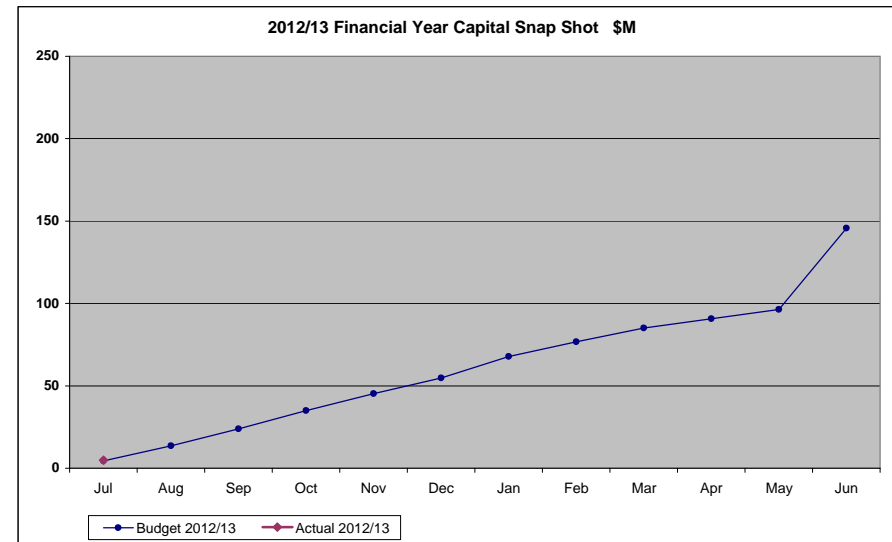
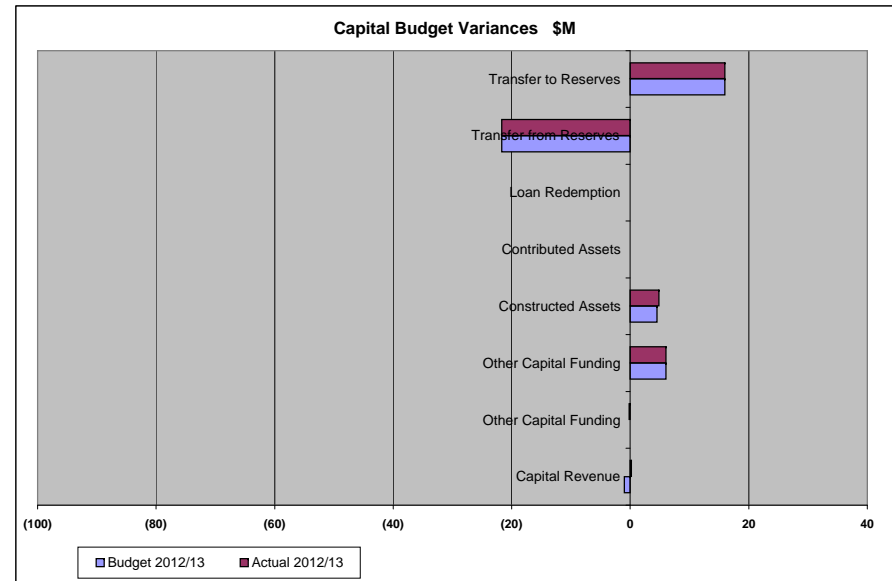
SUMMARY CAPITAL STATEMENT For the Period Ending 31 July 2012						
	Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %

Operating Contribution / Shortfall	12,778	12,778	108,347	114,915	6,568	6.1%
Capital Revenue	(51,182)	(51,182)	(1,000)	169	1,169	(116.9%)
Other Capital Funding	(117,646)	(120,074)	(6,041)	(6,205)	(164)	2.7%
Constructed Assets	145,770	148,198	4,514	4,841	327	7.3%
Contributed Assets	28,500	28,500	0	0	0	0.0%
Loan Redemptions	13,023	13,023	0	0	0	0.0%
<b>Net Capital Result</b>	<b>5,687</b>	<b>5,687</b>	<b>(110,874)</b>	<b>(116,109)</b>	<b>(5,236)</b>	<b>4.7%</b>
Transfer from Reserves	(21,658)	(21,658)	(21,658)	(21,658)	0	0.0%
Transfer to Reserves	15,971	15,971	15,971	15,971	0	0.0%
<b>Balance</b>	<b>(0)</b>	<b>0</b>	<b>(116,561)</b>	<b>(121,796)</b>	<b>(5,236)</b>	<b>0.0%</b>

**Capital Net Result**

Council's capital result at 31 July 2012, shows the organisation with a \$5.2 million better than anticipated result, with revenues above budget by \$1.0 million. In relation to capital expenditure, at the end of July 2012, \$4.8 million of council's \$148.2 million 2012/13 Capital Works Program was financially complete.

Council received \$2.4 million in capital grants for the Cycle Network Program. This increases the capital grants and capital expenditure budgets by an equal amount.



**Capital Works Program** **31 July 2012**

**Capital Expenditure**

At 31 July 2012, \$4.8 million or 3.3% of council's \$148.2 million 2012/13 Capital Works Program was financially complete.

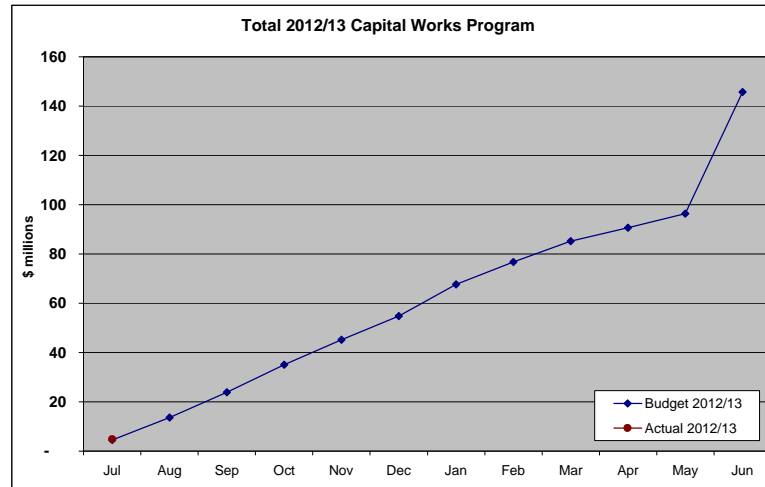
It should be noted that it is difficult to comment on capital results with any degree of certainty until:

- 1) 2011/12 carry-over works are loaded into the Budget as part of Budget Review 1 (due to council ordinary committee 20 September 2012);
- 2) the impact of accruals from June 2012 are matched to physical payments; and
- 3) 2012/13 budget profiling is yet to be finalised.

Council received \$2.4 million in capital grants for the Cycle Network which has increased the expenditure budget by an equal amount.

There are no other capital expenditure issues at 31 July 2012.

Program	Original Budget \$000s	Current Budget \$000s	Year to Date Actual \$000s	% of Annual Budget Spent
Buildings and Facilities	9,609	9,609	210	2.2%
Coast and Canals	1,218	1,218	62	5.1%
Divisional Allocations	3,145	3,075	71	2.3%
Environmental Assets	290	290	17	5.7%
Fleet	2,000	2,000	0	0.0%
Parks and Gardens	9,644	9,714	509	5.2%
Stormwater	4,526	4,526	64	1.4%
Transportation	53,997	56,425	2,419	4.3%
Information Technology	4,566	4,566	316	6.9%
Strategic Land & Comm Properties	31,674	31,674	-52	-0.2%
Sunshine Coast Airport	7,705	7,705	442	5.7%
SC Holiday Parks	1,555	1,555	0	0.0%
Quarries	655	655	510	77.8%
Waste	15,186	15,186	274	1.8%
<b>TOTAL</b>	<b>145,770</b>	<b>148,198</b>	<b>4,841</b>	<b>3.3%</b>



## Monthly Budget Amendments - Operating

31-July-2012

Branch	Operation/Job number & Name	Description	Income & Expense Stmt Line	Amount Dr/(Cr)
				\$000
Community Development	37112 Hastings St Security Levy	Internal maintenance of CCTV cameras reallocation	Internal Materials & Services	20
Building and Facility Services	11177 CCTV Maintenance Budget	Internal maintenance of CCTV cameras reallocation	Internal Sales/Recoveries	(20)
SCC Mayor & Elected Members	Various Councillor Ops	Conference & Seminars budget to align with Council Resolution (OM12/77)	Materials & Services	19
SCC Mayor & Elected Members	Various Councillor Ops	Conference & Seminars budget to align with Council Resolution (OM12/77)	Employee Costs	(19)
Civil Works Services	14607 Contract - Main Roads RMPC	Main Roads for RMPC Contract reduction (zero net impact)	Materials & Services	(300)
Civil Works Services	14607 Contract - Main Roads RMPC	Main Roads for RMPC Contract reduction (zero net impact)	Materials & Services	(59)
Civil Works Services	14607 Contract - Main Roads RMPC	Main Roads for RMPC Contract reduction (zero net impact)	Other Revenue	479
Civil Works Services	14607 Contract - Main Roads RMPC	Main Roads for RMPC Contract reduction (zero net impact)	Materials & Services	(120)
Information Communication Technology Services	29010 Application Support	Transfer budget from Community Service Department to Finance & Business Department to cover application support costs for Talkingtechcom	Other Expenses	19
Library and Gallery Services	35440 Libraries IT	Transfer budget from Community Service Department to Finance & Business Department to cover application support costs for Talkingtechcom	Other Expenses	(19)
Quarries	63100 Image Flat Quarry	Transfer position between units	Employee Costs	(34)
Commercial and Procurement	50076 Procurement Contracts Unit	Transfer position between units	Employee Costs	34
<b>Total Increase / Decrease to Operating Program for Period</b>				<b>0</b>



**Monthly Budget Amendments - Capital** **31-July-2012**

PROGRAM	SUB-PROGRAM	JOB NUMBER	JOB NUMBER DESCRIPTION	Amount
				\$'000
<b>PROGRAM REALLOCATIONS</b>				
Transportation	Public Transportation Infrastructure	A8950	Whole of Region (WOR) Bus Set Downs	(308)
Transportation	Public Transportation Infrastructure	B0860	Outlook Drive - WOR Setdown 700479	22
Transportation	Public Transportation Infrastructure	B0861	Outlook Drive - WOR Setdown 700480	22
Transportation	Public Transportation Infrastructure	B0862	Main Rd - WOR Setdown 700306	22
Transportation	Public Transportation Infrastructure	B0863	Gympie Terrace - WOR Setdown 700676	22
Transportation	Public Transportation Infrastructure	B0864	Kawana Wy - WOR Setdown 700357	22
Transportation	Public Transportation Infrastructure	B0865	Maud St - WOR Setdown 700282	22
Transportation	Public Transportation Infrastructure	B0866	Karawatha Dr - WOR Setdown 700230	22
Transportation	Public Transportation Infrastructure	B0867	Noosa Parade - WOR Setdown 700580	22
Transportation	Public Transportation Infrastructure	B0868	Fairway Drive - WOR Setdown 700645	22
Transportation	Public Transportation Infrastructure	B0869	Mary Street - WOR Setdown 700753	22
Transportation	Public Transportation Infrastructure	B0870	Lake Weyba Drive - WOR Setdown 700458	22
Transportation	Public Transportation Infrastructure	B0871	Burnett St - WOR Setdown 700174	22
Transportation	Public Transportation Infrastructure	B0872	Maroochydore Rd - WOR Setdown 700309	22
Transportation	Public Transportation Infrastructure	B0873	Bushlands Drive - WOR Setdown 700466	22
Buildings and Facilities	Community Facilities	A9265	WOR Implement Public Amenities Strategy	(10)
Buildings and Facilities	Community Facilities	B0404	Coles Carpark Public Toilet - Noosa Heads	10
Waste	Waste Avoidance and Minimisation	A9521	Sustainability Park - Road Design	(50)
Waste	Waste Disposal	B1268	Detailed design of Caloundra sewer leachate connection	50
Transportation	Sealed Road Network	B0838	WOR Sealed road network	(50)
Transportation	Sealed Road Network	B0692	44 Caloundra St Kerb and Channel Renewal	50
Transportation	Bridges	A9468	Beausang Lane Conondale-bridge Approach rd	100
Transportation	Sealed Road Network	B0812	Beausang Lane Conondale-bridge Approach rd	(100)
			<i>Sub-Total</i>	0
<b>REVENUE</b>				
Transportation	PIP Transportation	A9519	Brisbane Rd Mooloolaba-Stg 2 Construct	(1,000)
Transportation	PIP Transportation	A9519	Brisbane Rd Mooloolaba-Stg 2 Construct	1,000
Transportation	Strategic Pathway & On Road Cycle Networks	A9494	DLW Bli Bli Bikeway Petrie Ck -Edgewater	(655)
Transportation	Strategic Pathway & On Road Cycle Networks	B1344	Noosa Heads Cycle Lane Improvements CNP	(154)
Transportation	Strategic Pathway & On Road Cycle Networks	B1352	Tanawha Tourist Dr East Construct Stage2	(625)
Transportation	Strategic Pathway & On Road Cycle Networks	A9494	DLW Bli Bli Bikeway Petrie Ck -Edgewater	655
Transportation	Strategic Pathway & On Road Cycle Networks	B1344	Noosa Heads Cycle Lane Improvements CNP	154
Transportation	Strategic Pathway & On Road Cycle Networks	B1352	Tanawha Tourist Dr East Construct Stage2	625
			<i>Sub-Total</i>	0
<b>COUNCILLOR REALLOCATIONS</b>				
Divisional Allocations	Local Parks	A0836	11/12 Local Parks Allocation - Div 4	(1)

Monthly Budget Amendments - Capital

31-July-2012

PROGRAM	SUB-PROGRAM	JOB NUMBER	JOB NUMBER DESCRIPTION	Amount
				\$'000
Divisional Allocations	Minor Emergent Works	B0931	Alex Forest Conservation Pk-2 seats	1
Divisional Allocations	Local Parks	A0838	11/12 Local Parks Allocation - Div 6	(3)
Divisional Allocations	Minor Emergent Works	B1266	King St Buderim - access to Girl Guides	3
Divisional Allocations	Minor Emergent Works	A0816	11/12 Councillor Emerg Capital - Div 3	(5)
Divisional Allocations	Local Parks	B1298	Graeme Stuart Pk Currimundi - seating	5
Divisional Allocations	Minor Emergent Works	A0817	11/12 Councillor Emerg Capital - Div 4	(5)
Divisional Allocations	Local Parks	B1299	La Balsa Pk Buddina - exercise equipment	5
Divisional Allocations	Minor Emergent Works	D1004	12/13 Councillor Minor OP Works - Div 4	(14)
Divisional Allocations	Local Parks	B1300	Yakola Pde Alexandra Headlands - footpath landscape works	14
Divisional Allocations	Minor Emergent Works	D1011	12/13 Councillor Minor OP Works - Div 11	(2)
Divisional Allocations	Local Parks	B1302	Lions Pk Noosa Heads - turf maintenance	2
Divisional Allocations	Local Pathways	A0855	11/12 Local Pathway Network - Div 3	(7)
Divisional Allocations	Local Parks	B1304	Jabiru St Currimundi - footpath in west side of park	7
Divisional Allocations	Minor Emergent Works	A0718	11/12 Councillor Minor OP Works - Div 5	(1)
Divisional Allocations	Local Parks	B1305	Cedar Grove Park Maleny - seat	1
Divisional Allocations	Minor Emergent Works	A0718	11/12 Councillor Minor OP Works - Div 5	(1)
Divisional Allocations	Local Parks	B1306	Palmwoods Rugby League-field improvement	1
Divisional Allocations	Minor Emergent Works	D1005	12/13 Councillor Minor OP Works - Div 5	(1)
Divisional Allocations	Local Parks	B1306	Palmwoods Rugby League-field improvement	1
Divisional Allocations	Minor Emergent Works	A0795	11/12 Councillor Emerg Capital - Div 8	(3)
Divisional Allocations	Local Parks	B1308	Alexandra Pde Maroochydhore - retaining wall repairs	3
			<i>Sub-Total</i>	0
<b>Total Increase /(Decrease) to Capital Program for Period</b>				<b>0</b>