

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Income and Expenses	Annual Original Budget \$'000	Annual Current Budget \$'000	Variance \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Operating Revenue							
Gross Rates & Utility Charges	275,930	275,930	0	295,107	317,862	337,450	359,465
Interest from Rates & Utilities	2,291	2,291	0	2,289	2,427	2,562	2,718
Less Discounts, Pensioner Remissions	(12,694)	(12,694)	0	(13,347)	(14,064)	(14,815)	(15,610)
Net Rates & Utility Charges	265,527	265,527	0	284,049	306,225	325,197	346,573
Fees & Charges	53,110	53,110	0	59,107	63,351	68,350	74,188
Interest Received from Investments	45,172	45,172	0	44,942	44,575	44,649	44,828
Grants and Subsidies - Recurrent	13,168	13,168	0	13,168	13,168	13,168	13,168
Operating contributions	688	688	0	418	419	423	427
Dividends Received	22,624	22,624	0	22,850	23,079	23,310	23,543
Other Revenue	15,245	14,765	(480)	15,718	16,206	16,713	17,236
Internal Revenues	9,117	9,117	0	9,113	9,371	9,684	10,010
Community Service Obligations	0	0	0	-	-	-	-
Total Operating Revenue	424,650	424,170	(480)	449,365	476,394	501,494	529,973
Operating Expenses							
Employee costs	148,845	148,849	4	151,081	157,816	164,386	171,229
Materials & Services	161,830	166,290	4,460	-	-	-	-
Internal Expenditure	0	0	0	-	-	-	-
Finance Costs	15,280	15,280	0	17,320	18,996	20,637	21,247
Company Contributions	2,548	2,548	0	2,548	2,548	2,548	2,548
Depreciation	72,496	72,496	0	75,819	81,251	88,271	95,234
Other Expenses	15,971	16,005	34	18,958	19,605	20,274	20,966
Competitive Neutrality Adjustments	(0)	(0)	0	-	-	-	-
Total Operating Expenses	416,970	421,468	4,498	437,471	463,373	488,961	514,276
Operating Surplus/(Deficit)	7,680	2,703	(4,978)	11,894	13,021	12,533	15,697
Capital Revenue							
Capital Grants and Subsidies	5,600	13,708	8,108	5,700	5,700	5,700	5,700
Capital Contributions	12,901	12,901	0	12,420	13,302	17,248	19,221
Contributed Assets	28,500	28,500	0	31,050	32,130	33,090	34,080
Other Capital Revenue	4,181	4,181	0	4,472	4,783	-	-
Net Result Surplus / (Deficit)	58,862	61,993	3,131	65,536	68,936	68,571	74,698
Other Capital Funding Sources							
Loan proceeds	44,150	44,150	0	41,939	44,420	33,333	23,980
Asset sale proceeds	1,000	1,911	911	1,000	1,000	1,000	1,000
Depreciation utilised	72,496	72,496	0	75,819	81,251	88,271	95,234
Total Other Capital Funding Sources	117,646	118,557	911	118,758	126,671	122,604	120,214
Capital Funding Applications							
Constructed Assets	145,770	186,290	40,520	145,149	154,419	138,204	134,472
Contributed Assets	28,500	28,500	0	31,050	32,130	33,090	34,080
Loan redemptions	13,023	13,023	0	16,431	19,932	23,772	27,286
Total Capital Funding Applications	187,293	227,813	40,520	192,630	206,481	195,066	195,838
Total Reserve Movements	10,785	47,263	36,478	8,336	10,874	3,891	926
Contribution to Council	0	0	0	0	0	0	0

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

COUNCIL BY DEPARTMENT

Statement of Income and Expenses	Infrastructure Services \$'000	Community Services \$'000	Regional Strategy & Planning \$'000	Finance & Business \$'000	Executive Office \$'000	Elimination \$'000	Total Council \$'000
Operating Revenue							
Gross Rates & Utility Charges	48,681	877	12,202	214,169	0	0	275,930
Interest from Rates & Utilities	0	0	0	2,291	0	0	2,291
Less Discounts, Pensioner Remissions	0	0	0	(12,694)	0	0	(12,694)
Net Rates & Utility Charges	48,681	877	12,202	203,767	0	0	265,527
Fees & Charges	7,535	11,652	7,987	25,924	11	0	53,110
Interest Received from Investments	0	0	0	45,172	0	0	45,172
Grants and Subsidies - Recurrent	0	4,317	0	8,746	106	0	13,168
Operating contributions	411	37	241	0	0	0	688
Dividends Received	0	0	0	22,624	0	0	22,624
Other Revenue	5,084	1,462	198	8,016	4	0	14,765
Internal Revenues	15,791	9,658	365	38,246	1,046	(55,989)	9,117
Community Service Obligations	471	0	0	(471)	0	0	0
Total Operating Revenue	77,973	28,004	20,992	352,024	1,166	(55,989)	424,170
Operating Expenses							
Employee costs	46,263	44,087	26,962	27,996	3,541	0	148,849
Materials & Services	98,532	23,173	11,696	31,717	1,173	0	166,290
Internal Expenditure	20,558	16,310	14,294	7,407	(2,580)	(55,989)	0
Finance Costs	3,537	31	12	11,700	0	0	15,280
Company Contributions	0	1,067	170	1,311	0	0	2,548
Depreciation	62,397	4,375	28	5,642	53	0	72,496
Other Expenses	5,030	2,124	1,128	7,255	468	0	16,005
Competitive Neutrality Adjustments	5,945	0	0	(5,945)	0	0	(0)
Total Operating Expenses	242,262	91,166	54,291	87,082	2,656	(55,989)	421,468
Operating Surplus/(Deficit)	(164,289)	(63,162)	(33,299)	264,941	(1,489)	0	2,703
Capital Revenue							
Capital Grants and Subsidies	13,708	0	0	0	0	0	13,708
Capital Contributions	12,000	0	901	0	0	0	12,901
Contributed Assets.	28,500	0	0	0	0	0	28,500
Other Capital Revenue	0	0	0	4,181	0	0	4,181
Net Result Surplus / (Deficit)	(110,080)	(63,162)	(32,398)	269,122	(1,489)	0	61,993
Other Capital Funding Sources							
Loan proceeds	20,077	0	0	24,073	0	0	44,150
Asset sale proceeds	1,000	0	0	911	0	0	1,911
Depreciation utilised	62,397	4,375	28	5,642	53	0	72,496
Total Other Capital Funding Sources	83,474	4,375	28	30,626	53	0	118,557
Capital Funding Applications							
Constructed Assets	113,330	19	4,720	68,137	83	0	186,290
Contributed Assets	28,500	0	0	0	0	0	28,500
Loan redemptions	4,067	0	0	8,956	0	0	13,023
Total Capital Funding Applications	145,897	19	4,720	77,093	83	0	227,813
Total Reserve Movements	(4,180)	1,392	2,180	47,872	0	0	47,263
Contribution to Council	(176,684)	(57,414)	(34,910)	270,526	(1,519)	0	(0)

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

Statement of Income and Expenses	BUSINESS ACTIVITIES				
	Sunshine Coast Airport \$'000	Waste Management \$'000	Sunshine Coast Holiday Parks \$'000	Quarries \$'000	Total Business Units \$'000
Operating Revenue					
Gross Rates & Utility Charges	0	47,095	0	0	47,095
Interest from Rates & Utilities	0	0	0	0	0
Less Discounts, Pensioner Remissions	0	0	0	0	0
Net Rates & Utility Charges	0	47,095	0	0	47,095
Fees & Charges	9,346	7,410	14,164	1,351	32,272
Interest Received from Investments	0	0	0	0	0
Grants and Subsidies - Recurrent	0	0	0	0	0
Operating contributions	0	411	0	0	411
Dividends Received	0	0	0	0	0
Other Revenue	5,034	2,415	121	0	7,570
Internal Revenues	2	1,238	0	6,821	8,060
Community Service Obligations	94	471	0	0	565
Total Operating Revenue	14,476	59,039	14,285	8,172	95,972
Operating Expenses					
Employee costs	2,155	2,805	282	1,070	6,312
Materials & Services	2,323	39,068	5,077	4,670	51,138
Internal Expenditure	792	3,683	1,370	930	6,775
Finance Costs	2,533	3,172	190	146	6,041
Company Contributions	0	0	0	0	0
Depreciation	1,157	2,178	670	477	4,483
Other Expenses	72	226	37	46	381
Competitive Neutrality Adjustments	638	285	241	54	1,218
Total Operating Expenses	9,670	51,418	7,867	7,394	76,350
Operating Surplus/(Deficit)	4,806	7,621	6,418	778	19,622
Capital Revenue					
Capital Grants and Subsidies	0	0	0	0	0
Capital Contributions	0	0	0	0	0
Contributed Assets.	0	0	0	0	0
Other Capital Revenue	0	0	0	0	0
Net Result Surplus / (Deficit)	4,806	7,621	6,418	778	19,622
Other Capital Funding Sources					
Loan proceeds	5,389	15,077	610	0	21,076
Asset sale proceeds	911	0	0	0	911
Depreciation utilised	1,157	2,178	670	477	4,483
Total Other Capital Funding Sources	7,457	17,255	1,280	477	26,470
Capital Funding Applications					
Constructed Assets	12,298	16,235	2,894	1,924	33,351
Contributed Assets	0	0	0	0	0
Loan redemptions	2,308	2,719	103	37	5,167
Total Capital Funding Applications	14,605	18,954	2,997	1,961	38,518
Total Reserve Movements	0	(1,595)	0	0	(1,595)
Contribution to Council	(2,342)	4,327	4,701	(706)	5,980
Income Tax Equivalent	1,348	1,855	1,925	220	5,348
Net Operating Profit After Tax	3,145	6,076	4,493	513	14,227
Target Return on Capital	8,691	8,391	4,280	545	21,907

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Schedule of Capital Works	Annual Original Budget Subprogram \$'000	Annual Original Budget Program \$'000	Annual Current Budget Subprogram \$'000	Annual Current Budget Program \$'000	Variance \$'000
CONSTRUCTED ASSETS					
Buildings and Facilities					
Community Facilities	5,273		6,071		
Corporate Buildings	3,230		4,127		
Heritage Levy Building	205		215		
Kawana Forest Infrastructure Agreement	901		901		
		9,609		11,314	1,705
Coast and Canals					
Coast, Canals and Waterways	1,218		1,736		
		1,218		1,736	518
Divisional Allocations					
Local Parks	1,200		1,383		
Local Pathways	1,200		1,343		
Minor Emergent Works	975		1,021		
		3,375		3,747	372
Environmental Operations					
Environmental Infrastructure Rehabilitation and Renewals	20		75		
Environmental Tracks Trails and Infrastructure	55		58		
Environmental Visitor Education Facilities	215		223		
PIP Environmental Parks	-		67		
		290		424	134
Fleet					
Plant Replacement	2,000		2,000		
		2,000		2,000	-
Parks and Gardens					
Beach Accesses & Dunal Areas Development	647		662		
Cemeteries	91		91		
PIP Recreation Parks	1,552		2,277		
PIP Sports Facilities	2,645		2,936		
PIP Trails	440		691		
Recreation Park and Landscape Amenity	3,363		3,496		
Recreational Sports Facilities	686		831		
Recreational Tracks & Trails			15		
		9,424		10,999	1,575
Stormwater					
PIP Stormwater	250		278		
Stormwater Management	3,290		3,647		
Stormwater Quality Management	986		846		
		4,526		4,772	246
Transportation					
Bridges	3,147		4,031		
Car parks	1,419		1,429		
Gravel Road Network	2,292		2,675		
Pedestrian & Cyclist Enabling Facilities	941		1,031		
PIP Transportation	7,524		8,651		
Public Transport Infrastructure	1,426		1,934		
Public Transport Levy	762		984		
Reseals and Rehabilitation	20,000		20,116		
Sealed Road Network	4,338		5,550		
Strategic Pathway & On Road Cycle Networks	3,557		6,085		
Street lighting	93		93		
Streetscapes - Corridors	2,340		2,611		
Streetscapes - Local Centres	430		611		
Streetscapes - Major Centres	4,100		5,622		
Transport Innovation Projects	100		133		
Transport Management	1,018		1,214		
Transport Renewals	500		500		
		53,987		63,269	9,282

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Schedule of Capital Works	Annual Original Budget Subprogram \$'000	Annual Original Budget Program \$'000	Annual Current Budget Subprogram \$'000	Annual Current Budget Program \$'000	Variance \$'000
Information Technology					
Information Technology	4,566		5,307		
		4,566		5,307	741
Strategic Land and Commercial Properties					
Biodiversity Offset Land	1,000		1,000		
Commercial Property	175		175		
Corporate Real Estate	1,000		1,000		
Environmental Land	3,070		3,070		
Land Re-Development	1,100		3,601		
PIP Social Land	1,000		2,999		
PIP Transport Corridors	4,245		5,786		
SCRC Owned Corporations	160		198		
Strategic Land, Economic Development & Innovation	19,924		30,910		
		31,674		48,738	17,064
Aerodromes					
Caloundra Aerodrome - Airside	-		46		
		-		46	46
Sunshine Coast Airport					
Airside	4,299		6,193		
Landside	3,406		6,104		
		7,705		12,298	4,593
Sunshine Coast Holiday Parks					
Sunshine Coast Holiday Parks	1,555		2,894		
		1,555		2,894	1,339
Quarries					
Quarries	655		1,924		
		655		1,924	1,269
Waste					
Waste Avoidance and Minimisation	2,789		3,803		
Waste Disposal	12,397		13,020		
		15,186		16,823	1,637
TOTAL CONSTRUCTED ASSETS		145,770		186,290	40,520
CONTRIBUTED ASSETS		28,500		28,500	0
TOTAL CAPITAL WORKS PROGRAM		174,270		214,790	40,520

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Financial Position	Original Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
CURRENT ASSETS					
Cash & Investments	171,626	168,680	166,327	163,963	160,114
Trade and other receivables	69,750	71,601	66,855	66,653	72,049
Inventories	4,520	4,678	4,842	5,011	5,186
Other Financial Assets	5,192	5,374	5,562	5,757	5,958
Non-current assets classified as held for sale	1,360	1,360	1,360	1,360	1,360
	252,448	251,693	244,946	242,744	244,667
NON CURRENT ASSETS					
Trade and other receivables	488,402	483,627	483,627	483,627	483,627
Property, plant & equipment	4,145,538	4,346,914	4,558,070	4,752,052	4,941,019
Investment in associates	599,191	599,191	599,191	599,191	599,191
Capital works in progress	74,050	74,050	74,050	74,050	74,050
Intangible assets	5,954	5,106	4,258	3,410	2,562
	5,313,135	5,508,888	5,719,196	5,912,330	6,100,449
TOTAL ASSETS	5,565,583	5,760,581	5,964,142	6,155,074	6,345,116
CURRENT LIABILITIES					
Trade and other payables	55,403	56,426	58,203	57,715	58,312
Borrowings	16,431	19,932	23,772	27,286	30,461
Provisions	17,008	17,264	18,034	18,785	19,567
Other	4,536	4,695	4,859	5,029	5,205
	93,378	98,317	104,868	108,815	113,545
NON CURRENT LIABILITIES					
Trade and other payables	89	92	95	98	101
Borrowings	246,169	268,176	288,824	294,871	288,390
Provisions	39,007	40,372	41,785	43,038	44,329
	285,265	308,640	330,704	338,007	332,820
TOTAL LIABILITIES	378,643	406,957	435,572	446,822	446,365
NET COMMUNITY ASSETS	5,186,940	5,353,624	5,528,570	5,708,252	5,898,751
COMMUNITY EQUITY					
Asset revaluation surplus	621,477	722,625	828,635	939,746	1,055,547
Council reserves	135,955	127,619	116,745	112,854	111,928
Capital	4,429,520	4,503,392	4,583,202	4,655,664	4,731,288
TOTAL COMMUNITY EQUITY	5,186,952	5,353,636	5,528,582	5,708,264	5,898,763

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Changes in Equity	Original Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Capital Accounts					
Balance at beginning of period	4,537,258	4,606,905	4,680,777	4,760,587	4,833,049
Transfers to capital, reserves and shareholdings	0				
Transfers from capital, reserves and shareholdings	69,647	73,872	79,810	72,462	75,624
Balance at end of period	4,606,905	4,680,777	4,760,587	4,833,049	4,908,673
Asset Revaluation Reserve					
Balance at beginning of period	525,113	621,477	722,625	828,635	939,746
Asset revaluation adjustments	96,364	101,148	106,010	111,111	115,801
Transfers to capital, reserves and shareholdings	0	0	0	0	0
Balance at end of period	621,477	722,625	828,635	939,746	1,055,547
Other Reserves					
Balance at beginning of period	146,740	135,955	127,619	116,745	112,854
Transfers to capital, reserves and shareholdings	4,941	12,420	13,302	17,248	19,221
Transfers from capital, reserves and shareholdings	(15,725)	(20,756)	(24,176)	(21,139)	(20,147)
Balance at end of period	135,955	127,619	116,745	112,854	111,928
Retained Surplus					
Balance at beginning of period	(177,390)	(177,385)	(177,385)	(177,385)	(177,385)
Net result for the period	58,862	65,536	68,936	68,571	74,698
Transfers to capital, reserves and shareholdings	(58,862)	(65,536)	(68,936)	(68,571)	(74,698)
Transfers from capital, reserves and shareholdings					
Asset revaluation adjustments	5				
Balance at end of period	(177,385)	(177,385)	(177,385)	(177,385)	(177,385)
TOTAL					
Balance at beginning of period	5,031,721	5,186,952	5,353,636	5,528,582	5,708,264
Net result for the period	58,862	65,536	68,936	68,571	74,698
Transfers to capital, reserves and shareholdings	(53,922)	(53,116)	(55,634)	(51,323)	(55,477)
Transfers from capital, reserves and shareholdings	53,922	53,116	55,634	51,323	55,477
Asset revaluation adjustments	96,369	101,148	106,010	111,111	115,801
Balance at end of period	5,186,952	5,353,636	5,528,582	5,708,264	5,898,763

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Cash Flows	Original Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Cash flows from operating activities					
Receipts from customers	362,966	390,875	420,346	444,075	468,023
Payments to suppliers and employees	(324,805)	(332,413)	(349,628)	(368,680)	(384,936)
Interest and dividends received	70,087	70,081	70,081	70,521	71,089
Borrowing costs	(15,280)	(17,320)	(18,996)	(20,637)	(21,247)
Net cash inflow (outflow) from operating activities	92,968	111,223	121,803	125,279	132,929
Cash flows from investing activities					
Proceeds - disposal non current assets	1,000	1,000	1,000	1,000	1,000
Payments - Property, Plant & Equipment	(145,770)	(145,149)	(154,419)	(138,204)	(134,472)
Net cash inflow (outflow) from investing activities	(144,770)	(144,149)	(153,419)	(137,204)	(133,472)
Cash flows from financing activities					
Proceeds from borrowings	44,150	41,939	44,420	33,333	23,980
Repayment of borrowing - QTC	(13,023)	(16,431)	(19,932)	(23,772)	(27,286)
Other capital revenue	4,181	4,472	4,775	-	-
Net cash inflow (outflow) from financing activities	35,308	29,980	29,263	9,561	(3,306)
Net increase (decrease) in cash held	(16,494)	(2,946)	(2,353)	(2,364)	(3,849)
Cash at beginning of reporting period	188,119	171,625	168,679	166,326	163,962
Cash at end of reporting period	171,625	168,679	166,326	163,962	160,113

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 1

for the period ending 30 June 2013

TOTAL COUNCIL

Financial Ratios	Original Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$'000	Forward Estimate 2014/2015 \$'000	Forward Estimate 2015/2016 \$'000	Forward Estimate 2016/2017 \$'000	Forward Estimate 2017/2018 \$'000	Forward Estimate 2018/2019 \$'000	Forward Estimate 2019/2020 \$'000	Forward Estimate 2020/2021 \$'000	Forward Estimate 2021/2022 \$'000
Working Capital Ratio 1:	2.70	2.60	2.30	2.20	2.20	2.00	2.00	1.90	1.80	1.70
Operating Surplus Ratio	13.9%	14.6%	14.5%	13.7%	14.1%	13.5%	13.1%	12.5%	12.8%	12.8%
Net Financial Liabilities Ratio	30.0%	35.0%	40.0%	41.0%	38.0%	38.0%	34.0%	32.0%	30.0%	25.0%
Interest Coverage Ratio	(7.3)%	(6.4)%	(5.6)%	(5.0)%	(4.7)%	(4.4)%	(4.3)%	(4.2)%	(4.1)%	(4.0)%
Asset Sustainability Ratio	70.0%	73.0%	69.0%	64.0%	61.0%	61.0%	60.0%	59.0%	62.0%	60.0%
Asset Consumption Ratio	80.0%	80.0%	79.0%	78.0%	78.0%	77.0%	76.0%	76.0%	75.0%	74.0%
Operating Surplus Ratio (excluding Capital Revenues)	1.8%	2.6%	2.7%	2.5%	3.0%	3.0%	2.9%	2.8%	3.2%	3.6%

Working Capital Ratio

Measures the extent to which Council has liquid assets available to meet short term financial obligations.

Calculation: Current assets (CA)/current liabilities (CL), expressed as X:1 (where X = CA/CL)

Target: between 1:1 and 4:1

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Net result divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.

Calculation: (total liabilities less current assets) divided by total operating revenue, expressed as a %.

Target: not greater than 60%.

Operating Surplus Ratio (excluding capital revenues)

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Operating Surplus/(Deficit) divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Interest Coverage Ratio

Measures the extent to which Council's operating revenues are committed to funding the interest expense on current loan borrowings and leases.

Calculation: Net interest divided by total operating revenue, expressed as a %.

Target: between 0% and 5%

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 the replacement of infrastructure assets (renewals) divided by depreciation expense, expressed as a %.

Target: greater than 90%.

Asset Consumption Ratio

Shows the remaining average proportion of Council's infrastructure assets relative to their as new value in current dollars.

Calculation: written down value of infrastructure assets divided by gross replacement cost of infrastructure assets, expressed as a %.

Target: between 40% and 80%.