

Sunshine Coast Council - Total Statement of Income and Expense (i)

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Operating Revenue											
Gross Rates & Utility Charges	326,703	326,703	340,059	353,987	368,512	383,735	401,068	418,104	437,482	456,119	477,322
Interest from Rates & Utilities	670	670	699	730	762	796	835	872	914	955	1,001
Less Discounts, Pensioner Remissions	(14,871)	(14,871)	(15,525)	(16,208)	(16,922)	(17,666)	(18,532)	(19,347)	(20,295)	(21,188)	(22,226)
Net Rates & Utility Charges	312,502	312,502	325,233	338,509	352,353	366,865	383,371	399,628	418,101	435,886	456,097
Fees & Charges	57,857	57,857	59,506	61,202	62,946	64,803	66,715	69,016	71,397	73,861	76,409
Interest Received from Investments	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838
Grants and Subsidies - Recurrent	7,796	7,796	12,318	12,318	12,318	12,318	12,318	12,318	12,318	12,318	12,318
Operating contributions	319	319	319	319	319	319	319	319	319	319	319
Unitywater Participation	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838
Other Revenue	25,095	25,198	42,252	62,593	33,447	40,279	21,083	21,105	42,332	45,774	39,802
Internal Revenues	8,101	8,101	8,332	8,569	8,814	9,074	9,341	9,664	9,997	10,342	10,699
Total Operating Revenue	470,346	470,449	506,636	542,186	528,872	552,334	551,823	570,725	613,140	637,175	654,319
Operating Expenses											
Employee costs	146,478	147,021	152,093	157,340	162,769	168,384	174,193	180,203	186,420	192,852	199,505
Materials & Services	183,934	183,464	194,630	213,846	202,379	210,054	211,800	219,645	235,858	245,579	250,168
Finance Costs	10,025	10,025	10,922	13,933	10,440	10,012	9,144	8,191	6,973	5,999	4,809
Company Contributions	1,527	1,527	1,556	1,586	1,616	1,648	1,681	1,723	1,766	1,810	1,855
Depreciation	79,076	79,076	81,837	84,402	87,036	89,493	92,407	95,635	99,029	102,387	105,935
Other Expenses	21,378	21,378	21,981	22,608	23,252	23,938	24,644	25,494	26,374	27,284	28,225
Recurrent Capital Expenses	7,887	7,829	5,459	6,005	4,694	4,882	4,385	4,393	4,685	4,699	4,384
Total Operating Expenses	450,315	450,319	468,478	499,720	492,184	508,411	518,254	535,284	561,105	580,610	594,881
Operating Result	20,032	20,130	38,158	42,466	36,688	43,922	33,569	35,441	52,035	56,565	59,438
Non-recurrent Revenue & Expenses											
Capital Revenue											
Capital Grants and Subsidies	23,879	25,173	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871	8,871
Capital Contributions	31,599	31,599	31,631	28,631	29,642	29,483	29,403	29,403	29,403	23,634	23,634
Contributed Assets	60,000	60,000	55,000	50,000	45,000	46,125	47,278	48,460	49,672	50,913	52,186
Total Capital Revenue	115,478	116,772	95,502	87,502	83,514	84,479	85,553	86,735	87,946	83,419	84,692
Non-recurrent Expenses											
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	(4,592)	(4,592)	(2,985)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-
NET RESULT	130,918	132,310	130,675	126,927	117,102	125,241	115,897	118,871	136,594	136,512	140,570

Sunshine Coast Council - Total Statement of Financial Position (ii)

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Current Assets											
Cash & Investments	251,420	249,850	222,083	267,269	263,719	262,985	251,493	252,414	248,483	236,169	242,504
Trade and other receivables	16,069	16,073	16,864	17,494	18,150	18,839	19,612	20,395	21,273	22,127	23,084
Inventories	17,526	17,526	16,824	13,289	12,595	12,728	13,575	14,664	13,560	12,485	12,415
Other Financial Assets	25,128	25,128	25,605	26,245	26,901	27,574	28,263	28,970	29,694	30,436	31,197
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	310,143	308,577	281,377	324,298	321,366	322,126	312,944	316,443	313,011	301,218	309,201
Non-Current Assets											
Trade and other receivables	461,208	461,208	461,208	446,208	446,208	446,208	446,208	446,208	446,208	446,208	446,208
Property, plant & equipment	4,842,343	5,055,801	5,390,321	5,359,121	5,595,722	5,826,479	6,073,606	6,322,844	6,586,914	6,851,426	6,959,784
Investment in associates	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213
Long Term Inventories	35,957	35,957	32,977	19,801	16,665	16,438	18,718	21,840	17,181	12,607	11,569
Intangible assets	11,914	11,914	11,914	11,914	11,914	11,914	11,914	11,914	11,914	11,914	11,914
Total Non-Current Assets	5,889,635	6,103,093	6,434,633	6,375,257	6,608,722	6,839,252	7,088,659	7,341,018	7,600,430	7,860,368	7,967,688
TOTAL ASSETS	6,199,778	6,411,670	6,716,009	6,699,555	6,930,088	7,161,378	7,401,603	7,657,462	7,913,441	8,161,587	8,276,889
Current Liabilities											
Trade and other payables	77,891	77,892	64,933	67,048	69,026	71,281	73,733	76,375	79,119	81,972	84,937
Short Term Borrowings	23,131	23,131	293,649	32,774	37,509	40,581	43,859	48,064	50,483	51,932	37,546
Provisions	44,476	44,476	45,744	47,322	48,955	50,644	52,391	54,198	56,068	58,003	59,453
Other	40,390	40,390	41,158	42,186	43,241	44,322	45,430	46,566	47,730	48,923	50,146
Total Current Liabilities	185,889	185,890	445,483	189,330	198,731	206,828	215,414	225,203	233,401	240,829	232,081
Non-Current Liabilities											
Long Term Borrowings	554,637	546,400	355,267	365,782	347,568	316,633	297,344	283,821	247,158	215,853	186,169
Long Term Provisions	50,175	50,175	51,605	53,386	55,228	57,133	59,104	61,143	63,253	65,435	67,071
Total Non-Current Liabilities	604,812	596,576	406,873	419,167	402,795	373,766	356,448	344,964	310,410	281,288	253,240
TOTAL LIABILITIES	790,701	782,466	852,356	608,498	601,526	580,594	571,861	570,167	543,811	522,117	485,321
NET COMMUNITY ASSETS	5,409,077	5,629,204	5,863,654	6,091,057	6,328,562	6,580,784	6,829,741	7,087,295	7,369,630	7,639,469	7,791,568
Community Equity											
Asset revaluation surplus	1,102,128	1,365,665	1,469,439	1,577,156	1,697,559	1,824,540	1,957,601	2,096,283	2,242,025	2,375,352	2,386,880
Retained Earnings	4,306,949	4,263,539	4,394,214	4,513,901	4,631,004	4,756,244	4,872,141	4,991,012	5,127,606	5,264,118	5,404,688
TOTAL COMMUNITY EQUITY	5,409,077	5,629,204	5,863,654	6,091,057	6,328,563	6,580,784	6,829,742	7,087,295	7,369,631	7,639,470	7,791,568

Sunshine Coast Council - Total Statement of Changes in Equity (iii)

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Accounts											
Asset Revaluation Reserve											
Balance at beginning of period	1,265,004	1,265,004	1,365,665	1,469,439	1,577,156	1,697,559	1,824,540	1,957,601	2,096,283	2,242,025	2,375,352
Asset revaluation adjustments	100,661	100,661	103,774	107,716	120,403	126,981	133,061	138,682	145,742	133,327	11,528
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,365,665	1,365,665	1,469,439	1,577,156	1,697,559	1,824,540	1,957,601	2,096,283	2,242,025	2,375,352	2,386,880
Retained Earnings											
Balance at beginning of period	4,176,030	4,131,228	4,263,539	4,394,214	4,513,901	4,631,004	4,756,244	4,872,141	4,991,012	5,127,606	5,264,118
Net result for the period	130,918	132,310	130,675	119,687	117,102	125,241	115,897	118,871	136,594	136,512	140,570
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	4,306,949	4,263,539	4,394,214	4,513,901	4,631,004	4,756,244	4,872,141	4,991,012	5,127,606	5,264,118	5,404,688
Total											
Balance at beginning of period	5,441,034	5,396,232	5,629,204	5,863,654	6,091,057	6,328,563	6,580,784	6,829,742	7,087,295	7,369,631	7,639,470
Net result for the period	130,918	132,310	130,675	119,687	117,102	125,241	115,897	118,871	136,594	136,512	140,570
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	100,661	100,661	103,774	107,716	120,403	126,981	133,061	138,682	145,742	133,327	11,528
Balance at end of period	5,672,614	5,629,204	5,863,654	6,091,057	6,328,563	6,580,784	6,829,742	7,087,295	7,369,631	7,639,470	7,791,568

Sunshine Coast Council - Total Statement of Cash Flow (iv)

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Cash flows from operating activities											
Operating Result	20,032	20,130	38,158	42,466	36,688	43,922	33,569	35,441	52,035	56,565	59,438
Adjustments for:											
Depreciation	79,076	79,076	81,837	84,402	87,036	89,493	92,407	95,635	99,029	102,387	105,935
Interest and dividends received	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)
Landfill Quarry Provision	(4,592)	(4,592)	(2,985)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)
Finance Costs	10,025	10,025	10,922	13,933	10,440	10,012	9,144	8,191	6,973	5,999	4,809
Change in Working Capital	9,983	9,980	(7,084)	36,943	9,025	5,663	2,690	1,924	12,048	12,215	6,664
Net cash inflow (outflow) from operating activities	55,848	55,943	62,172	116,027	81,413	87,253	75,909	79,209	108,021	115,018	114,610
Cash flows from investing activities											
Payments for property, plant and equipment	(342,885)	(336,944)	(260,843)	(191,058)	(156,552)	(146,538)	(159,284)	(157,452)	(168,469)	(164,935)	(164,087)
Proceeds from disposal non current assets	-	-	-	290,000	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	55,478	56,772	40,502	37,502	38,514	38,354	38,274	38,274	38,274	32,506	32,506
Interest and dividends received	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676
Finance Costs	(10,025)	(10,025)	(10,922)	(13,933)	(10,440)	(10,012)	(9,144)	(8,191)	(6,973)	(5,999)	(4,809)
Net cash inflow (outflow) from investing activities	(238,756)	(231,521)	(172,587)	181,187	(69,802)	(59,519)	(71,477)	(68,692)	(78,491)	(79,753)	(77,714)
Cash flows from financing activities											
Proceeds from borrowings	192,678	183,778	108,520	47,625	21,950	11,696	26,707	36,400	16,462	5,546	6,288
Repayment of borrowing	(21,772)	(21,772)	(25,872)	(299,653)	(37,111)	(40,164)	(42,631)	(45,996)	(49,923)	(53,125)	(36,850)
Net cash inflow (outflow) from financing activities	170,906	162,006	82,648	(252,028)	(15,161)	(28,468)	(15,924)	(9,596)	(33,461)	(47,580)	(30,562)
Net increase (decrease) in cash held	(12,002)	(13,572)	(27,767)	45,186	(3,550)	(734)	(11,492)	921	(3,931)	(12,314)	6,334
Cash at beginning of reporting period	263,422	263,422	249,850	222,083	267,269	263,719	262,985	251,494	252,415	248,484	236,170
Cash at end of reporting period	251,420	249,850	222,083	267,269	263,719	262,985	251,494	252,415	248,484	236,170	242,504

Sunshine Coast Council - Total Measures of Financial Sustainability (v)

For Period Ending 30 June

	Current Budget	Revised Budget	Forward Estimate								
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Performance											
Operating Performance Ratio (%)	4.3%	4.3%	7.5%	7.8%	6.9%	8.0%	6.1%	6.2%	8.5%	8.9%	9.1%
Fiscal Flexibility											
Council controlled revenue (%)	78.7%	78.7%	75.9%	73.7%	78.5%	78.2%	81.6%	82.1%	79.8%	80.0%	81.4%
Total debt service cover ratio (times)	2.9 x	2.9 x	2.9 x	0.4 x	2.8 x	2.8 x	2.5 x	2.5 x	2.7 x	2.7 x	2.8 x
Net Financial Liabilities Ratio (%)	103.4%	100.7%	112.6%	52.4%	52.9%	46.7%	46.9%	44.4%	37.6%	34.6%	26.9%
Liquidity											
Cash expense cover ratio (months)	6.9	8.4	8.4	7.2	8.1	8.1	7.8	7.3	7.1	6.6	6.0
Asset Sustainability											
Asset Sustainability Ratio (%)	69.7%	69.7%	68.3%	66.0%	69.5%	68.9%	70.7%	70.6%	70.9%	71.7%	71.3%

Operating Performance 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

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 (excl. 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%.

Sunshine Coast Council

Capital Program (in 2019 dollars) (vi)

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Council Core Capital Program											
Aerodromes	450	275	1,480	200	200	200	200	200	200	200	200
Buidlings & Facilities	21,409	17,568	45,737	32,995	14,093	4,753	5,860	4,191	5,730	8,443	6,221
Coast & Canals	2,080	2,080	3,080	2,245	2,850	2,237	2,450	2,150	2,090	1,290	2,090
Divisional Allocations	7,451	5,547	4,631	4,631	4,631	4,631	4,631	4,631	4,631	4,631	4,631
Environmental Assets	1,360	1,450	1,625	1,800	2,900	1,710	2,800	2,800	2,800	2,800	2,800
Fleet	2,879	2,772	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	4,756	4,718	801	2,415	2,365	505	205	415	3,855	1,105	1,065
Information Communication Technology	8,317	8,906	5,879	5,235	3,575	3,725	3,375	3,975	3,450	3,750	3,642
Parks & Gardens	19,802	20,981	12,916	13,968	13,680	12,592	13,142	12,831	15,540	9,840	12,300
Quarries	1,234	1,234	555	635	610	210	485	160	160	160	160
Stormwater	5,628	5,174	7,741	7,567	7,970	8,835	8,291	7,236	6,354	6,366	7,220
Strategic Land & commercial Properties	16,785	21,958	19,770	12,550	10,300	7,200	11,450	14,700	4,500	11,000	7,900
Transportation	65,200	66,736	61,991	58,151	66,413	53,640	52,884	51,161	61,637	59,425	55,005
Waste	20,156	19,956	18,213	20,955	11,450	10,740	10,229	5,614	10,568	4,648	1,011
Total Sunshine Coast Council Core Capital Progra	177,507	179,355	187,419	166,346	144,036	113,977	119,001	113,063	124,515	116,658	107,244
Corporate Major Projects Capital Program											
Corporate Major Projects	13,607	9,918	15,884	300	-	-	-	-	-	-	-
Total Corporate Major Projects Capital Program	13,607	9,918	15,884	300	-	-	-	-	-	-	-
Region Shaping Capital Program											
Maroochydore City Centre	20,657	20,657	22,876	22,803	8,622	23,025	14,552	17,168	12,466	15,011	14,054
Sunshine Coast Airport Runway Project	129,884	129,884	19,180	-	-	-	-	-	-	-	-
Sunshine Coast International Broadband Network	15,774	15,774	-	-	-	-	-	-	-	-	-
Total Region Shaping Capital Program	166,315	166,315	42,056	22,803	8,622	23,025	14,552	17,168	12,466	15,011	14,054
SCC Total Capital Works Program	357,429	355,588	245,359	189,449	152,657	137,002	133,554	130,232	136,981	131,669	121,298

Strategic Policy

2019/20 Debt Policy

Corporate Plan reference:	5.6 Information, systems and process underpin quality decisions and enhance customer relationships 5.6.19 – Sustainable financial position maintained	
Endorsed by Council on:	19 September 2019	Reference Number: OM19/148
Manager responsible for policy:	Chief Financial Officer, Business Performance Group	

Policy purpose

The purpose of this policy is to ensure the sound management of Council's existing and future debt.

Policy outcome

The policy will provide clear guidance for staff in the management of Council's debt portfolio and maintenance of appropriate debt and debt service levels.

Policy scope

This policy applies to all Councillors and council staff and extends to all borrowing activities of Council and any controlled entities.

Policy statement

New borrowings will only be made to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and for no more than 20 years.

New borrowings will be 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*.

Borrowing Purposes

- Council will not utilise loan funding to finance operating activities or recurrent expenditure.
- Council undertakes full analysis of all funding options as outlined in the Long Term Financial Forecast, including a forward program of capital works, to determine loan funding requirements.
- Council recognises that infrastructure demands placed upon Council can often only be met through borrowings, but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, as this increases the cost of providing capital infrastructure.
- Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade capital projects, having regard to sound financial management principles and giving consideration to inter-generational equity for the funding of long term infrastructure projects.

- Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expenses.
- Borrowings for infrastructure that provides a return on assets will take priority over borrowing for other assets.

Debt Term

Where capital projects are financed through borrowings, Council will repay the loans within a term not exceeding the life of those assets, and over a term that optimises cash flow efficiency. Loans undertaken for core Sunshine Coast capital investment are planned to be repaid within a twelve (12) year period. Loans undertaken for Region Making projects may have a term of greater than twelve years.

- If surplus funds become available, and where it is advantageous to Council, one-off loan repayments will be made to reduce the term of existing loans.
- In an environment of fluctuating interest rates, and where there is a distinct economic advantage to Council, consideration will be given to renegotiating any outstanding loans to obtain the best long-term benefit to Council.

Repayment Ability

Council will maintain close scrutiny of debt levels to ensure that relative sustainability indicators will not exceed target parameters recommended by Queensland Treasury Corporation and *Local Government Regulation 2012*.

Borrowing Sources

Council will raise all external borrowings at the most competitive rates available and from sources available as defined by legislation. Consideration will be given to provision of loans to business units from surplus cash reserves held by Council by way of an internal loan.

Proposed Borrowings

Proposed Borrowings planned for the current financial year and the next nine financial years are outlined in Appendix A, in accordance with Section 192 *Local Government Regulation 2012*.

Internal Loans

The provision and approval of an internal loan will depend on the availability of surplus funds at the time of application and the capacity of the business unit or operational activity to repay the loan.

- All applications for internal loans will be made by reference to the Finance Branch for consideration in accordance with the Long Term Financial Forecast.
- The term of the loan will be appropriate to the life of the asset being financed.
- In all cases, where business units are subject to the provisions of the National Competition Policy, the cost to the business unit will be no less than what would apply to an equivalent private sector business. The interest rate will be the sum of:
 - (a) the equivalent QTC borrowing rate for the proposed term;
 - (b) the QTC administration charge; and
 - (c) an additional margin above the QTC borrowing rate.
- The interest rate applicable to internal loans relating to operational activities of Council will be the actual borrowing cost from QTC including administrative charges.

Council may, upon reasonable notice being given, require repayment of part or all of the balance of the loan at any time, which would require the business unit to convert the outstanding balance of the loan to an external facility.

- Provision for the repayment of the loan will be included in the annual budget for the business unit.

Guiding principles

The purpose of establishing this policy is to:

- Provide a comprehensive view of Council's long term debt position and the capacity to fund infrastructure growth for the region;
- Increase awareness of issues concerning debt management;
- Enhance the understanding between Councillors, community groups and council staff by documenting policies and guidelines;
- Demonstrate to government and lending institutions that Council has a disciplined approach to borrowing.

Roles and responsibilities

Pursuant to Section 192 *Local Government Regulation 2012*, Council must prepare a debt policy each year that states the new borrowings planned for the current financial year and the next nine financial years.

The Finance Branch will review the cash flow requirements prior to loan proceeds being drawn down to minimise interest expenses.

Measurement of success

Financial sustainability indicators remain within target ranges and the provision of necessary infrastructure is not constrained through the lack of capital funding.

Details of outstanding loans will be reported annually in Council's Financial Statements and Annual Report.

Definitions

Business unit – A business activity within Council structure subject to the application of full cost pricing principles as defined under the National Competition Policy.

Inter-generational equity – This relates to the fairness of the distribution of the costs and benefits of a policy when costs and benefits are borne by different generations (i.e. the principle whereby those who derive a direct benefit from the service or infrastructure provided actually pay for that service).

QTC – Queensland Treasury Corporation.

Related policies and legislation

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2007*

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Adopted			2 June 2015
1.1	Annual Review	Y		19 February 2016
	Endorsement		Council	16 June 2016
1.2	Annual Review	Y		
	Endorsement		Council	15 June 2017
1.3	Annual Review	Y		
	Endorsement		Council	17 May 2018
1.4	Annual Review	Y		
	Endorsement		Council	23 May 2019
1.5	Budget Review 1	Y	Council	19 Sep 2019

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Appendix A

Schedule of proposed external borrowings:

\$'000	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
SCC Business Units	\$27,031	\$71,701	\$47,625	\$21,950	\$11,696	\$11,707	\$6,400	\$16,462	\$5,546	\$1,288
Maroochydore City Centre Project	\$10,000	\$0	\$0	\$0	\$0	\$15,000	\$30,000	\$0	\$0	\$5,000
Sunshine Coast Airport Runway	\$143,247	\$36,819	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sunshine Coast International Broadband Network	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$183,778	\$108,520	\$47,625	\$21,950	\$11,696	\$26,707	\$36,400	\$16,462	\$5,546	\$6,288

Note that Council operates a central treasury model and as such does not generally provide debt funding for specific projects or assets but rather uses debt funding to finance Council's balance sheet, with the exception being for strategic projects.