

Attachment Folder

Item 8.3
Attachment 1
Ordinary Meeting

Thursday, 10 December 2020

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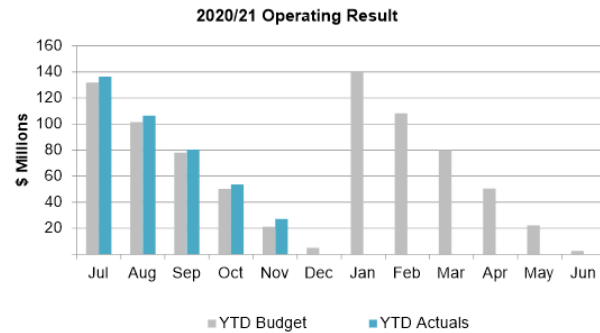
Financial Performance Report

November 2020



 Our region.
Healthy.
Smart.
Creative.

Statement of Income and Expenses November 2020

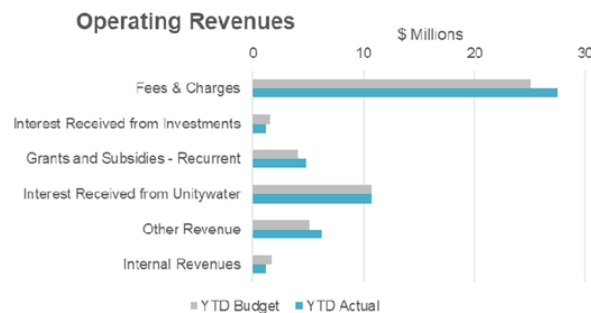


- Council has a positive operating result of \$27.4 million, which is \$6.9 million above the current budget as at 30 November 2020.



Statement of Income & Expenses 30 November 2020							
	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Operating Revenue							
Net Rates and Utility Charges	316,806	316,806	156,159	156,119	(39)	(0.0%)	316,806
Fees and Charges	57,125	56,309	25,076	27,530	2,454	9.8%	58,200
Interest Received from Investments	3,611	3,611	1,505	1,168	(337)	(22.4%)	3,611
Operating Grants and Subsidies	12,224	12,532	4,012	4,800	788	19.6%	13,300
Operating Contributions	287	287	154	155	1	0.8%	287
Unitywater Participation	49,838	49,838	10,714	10,714	0	0.0%	49,838
Other Revenue	21,040	20,877	5,093	6,236	1,144	22.5%	20,877
Internal Sales/Recoveries	4,138	4,138	1,697	1,217	(480)	(28.3%)	4,138
Total Operating Revenue	465,069	464,398	204,408	207,939	3,531	1.7%	467,000
Operating Expenses							
Employee Costs	147,973	148,358	60,382	60,604	222	0.4%	149,200
Materials and Services	184,678	184,996	69,850	65,934	(3,916)	(5.6%)	186,100
Finance Costs	12,080	12,080	5,059	5,077	18	0.4%	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	36,882	36,882	-	-	88,276
Other Expenses	22,255	22,505	8,292	8,482	190	2.3%	22,300
Recurrent Capital Expenses	3,917	3,917	1,885	1,925	40	2.1%	4,800
Total Operating Expenses	460,733	461,686	183,904	180,465	(3,439)	(1.9%)	464,500
Operating Result	4,336	2,712	20,504	27,474	6,970	34.0%	2,400
Capital Revenue							
Capital Grants and Subsidies	10,060	42,042	6,507	12,106	5,599	86.1%	48,000
Capital Contributions - Cash	31,599	31,599	13,811	17,401	3,589	26.0%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	-	-	-	-	60,000
Total Capital Revenue	101,659	133,641	20,318	29,507	9,189	45.2%	139,600
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	298	298	-	-
Movements in landfill and quarry provisions	5,583	5,583	2,326	2,326	-	-	5,583
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	5,583	5,583	2,326	2,625	298	12.8%	5,583
Net Result	100,412	130,770	38,496	54,356	15,860	41.2%	136,417

Operating Result – November 2020



Substantial Revenue Variances for the Period Ending 30 Nov 2020

\$'000	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance %
Operating Revenue						
Fees and Charges	57,125	56,309	25,076	27,530	2,454	9.8%
Interest Received from Investments	3,611	3,611	1,505	1,168	(337)	(22.4%)
Operating Grants and Subsidies	12,224	12,532	4,012	4,800	788	19.6%
Other Revenue	21,040	20,877	5,093	6,236	1,144	22.5%

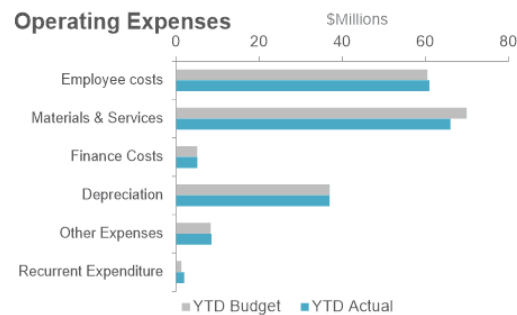


Operating Summary - November 2020

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	204,408	207,939	3,531	1.7
Operating Expenses	456,816	457,769	182,019	178,540	(3,479)	(1.9)
Recurrent Capital Expenses	3,917	3,917	1,885	1,925	40	2.1
Operating Result	4,336	2,712	20,504	27,474	6,970	34.0
Capital Revenue	101,659	133,641	20,318	29,507	9,189	45.2
Non-recurrent Expenses	5,583	5,583	2,326	2,625	298	12.8
Net Result	100,412	130,770	38,496	54,357	15,861	41.2

- As at 30 November 2020 \$207.9 million operating revenue had been achieved which is \$3.5 million more than current budget for the same period.
- This is largely due to:
 - Fees and Charges** – Fees relating to Council's Caravan Parks are currently \$1.9 million above budget. Food and Beverage sales and Venue Hire are also above budget by \$555,000 and \$163,000 respectively while fees relating to parking infringements are below budget by \$906,000.
 - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
 - Operating Grants and Subsidies** – The receipt of the State Government Grants for the Coastal Hazard Adaptation Strategy \$270,000 and the Blue Carbon Trial \$210,000 were the main contributors to the positive variance. Regional Arts Development Fund grant of \$109,000 also contributed to the positive variance.
 - Other Revenue** – The positive variance in Other revenue is predominately due to \$684,000 received as part of the Contract of sale for the Maroochydore City Centre. Other contributors were lease revenue which also had a positive variance of \$171,000 and the recoupment of legal fees \$108,000.

Operating Result – November 2020 (continued)



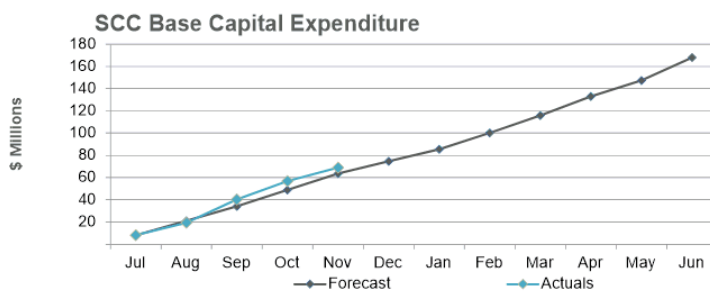
Substantial Expenditure Variances for the Period Ending 30 Nov 2020						
\$'000	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance %
Operating Expenses						
Materials and Services	184,678	184,996	69,850	65,934	(3,916)	(5.6%)



	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	204,408	207,939	3,531	1.7%
Operating Expenses	456,816	457,769	182,019	178,540	(3,479)	(1.9%)
Recurrent Capital Expenses	3,917	3,917	1,885	1,925	40	2.1%
Operating Result	4,336	2,712	20,504	27,474	6,970	34.0%
Capital Revenue	101,659	133,641	20,318	29,507	9,189	45.2%
Non-recurrent Expenses	5,583	5,583	2,326	2,625	298	12.8%
Net Result	100,412	130,770	38,496	54,357	15,861	41.2%

- As at 30 November 2020, \$180.5 million of the \$183.9 million budget year to date had been expended which resulted in an underspend of \$3.4 million or 1.9%
- Materials and Services: the underspend in materials and services is due to timing of contract works for the Waste service delivery contract as well as sealed road maintenance. The reduction in sales for the quarries has resulted in reduced product material on site.

Capital Expenditure - November 2020

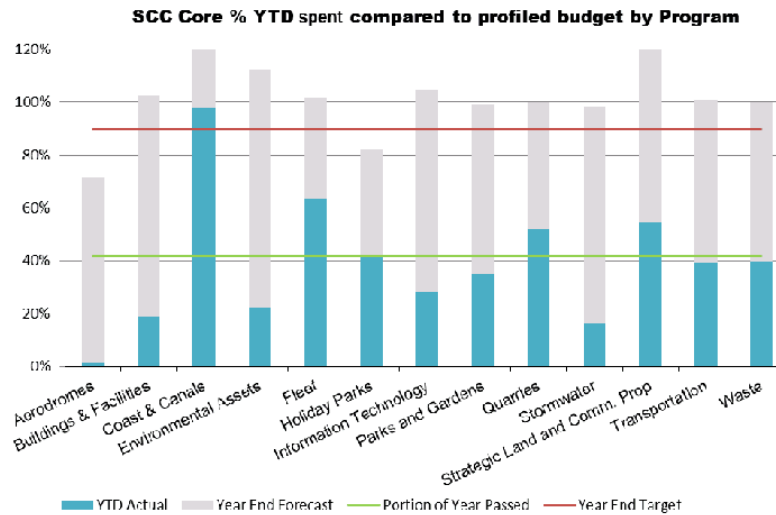


- As at 30 November 2020 \$115.9 million of Council's \$272.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 35.1% of budget, an actual spend of \$69 million.
- Corporate Major Projects progressed 72% and The Sunshine Coast Airport Runway Project progressed 65.8% of their respective annual budgets.



Capital Expenditure - November 2020						
	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
Aerodromes	350	350	4	1.2%	250	(100)
Buildings and Facilities	45,717	37,385	7,136	19.1%	38,395	1,010
Coast and Canals	2,830	2,728	2,668	97.8%	3,458	730
Minor Works	4,620	5,425	117	2.1%	4,921	(504)
Environmental Assets	1,375	2,695	631	23.4%	3,195	500
Fleet	2,000	2,000	1,273	63.6%	2,037	37
Holiday Parks	1,255	1,212	511	42.1%	992	(220)
Information Technology	6,275	7,216	2,055	28.5%	7,579	363
Parks and Gardens	15,141	18,886	6,741	35.7%	19,025	139
Quarries	480	480	250	52.1%	480	-
Stormwater	6,772	6,712	1,087	16.2%	6,601	(111)
Strategic Land and Commercial Properties	9,949	16,326	8,919	54.6%	26,788	10,462
Transportation	65,588	81,813	32,335	39.5%	83,030	1,217
Waste	14,723	13,683	5,447	39.8%	13,683	-
Total SCC Core Capital Program	177,075	196,911	69,173	35.1%	210,434	13,523
Corporate Major Projects	16,733	16,898	12,169	72.0%	18,375	1,477
Maroochydore City Centre	11,879	14,156	5,387	38.1%	14,156	-
Submarine Cable IBN	-	-	1	-	16	16
Sunshine Coast Airport Runway	36,718	44,338	29,180	65.8%	44,288	(50)
Total Other Capital Program	65,330	75,392	46,736	62.0%	76,835	1,443
TOTAL	242,405	272,303	115,909	42.6%	287,269	14,966
The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement						
Recurrent Expenses			1,925	-		
Non-Recurrent Expenses			2,625	-		

Capital Expenditure – November 2020 (continued)



Aerodromes

- Delivery of the runway lighting replacement project for Caloundra Aerodrome is scheduled for construction in the second half of the 2020/21 Financial year.

Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020 with the majority of this years construction program scheduled to be expended in early 2021.

Environmental Assets

- Design of the \$1.3million trails hub at Sugar Bag Road has progressed with construction scheduled to begin in early 2021.

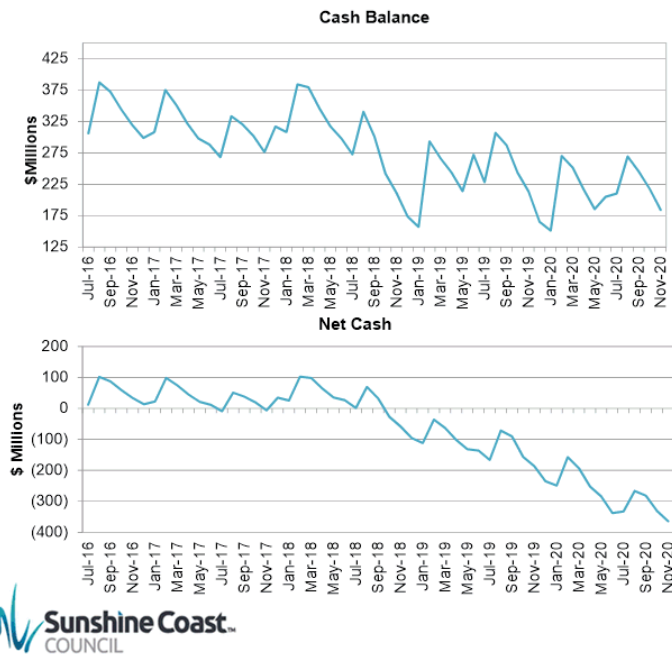
Parks and Gardens

- The contract has been awarded for the design and construction of new clubhouse and change rooms at the Palmwoods cricket club. Construction is scheduled to begin early in 2021.

Stormwater

- The Procurement of the civil contractor for the \$1.2m project for the relining of damaged stormwater pipes has been finalised with the program of works beginning in November.

Cash Flows and Balance Sheet

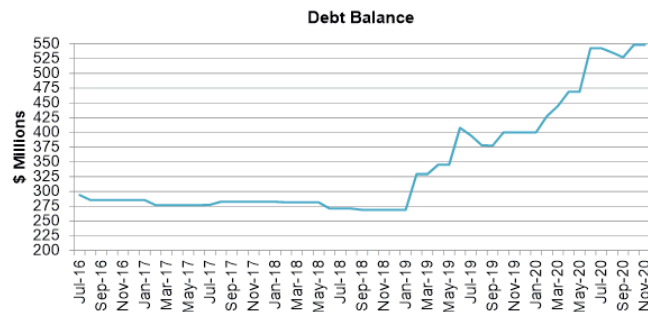


Cash and Balance Sheet - November 2020

	Original Budget \$000s	Current Budget \$000s
CASH FLOWS		
Opening Cash	229,139	197,632
Net Cash Inflow/(Outflows) from:		
Operating Activities	48,942	42,252
Investing Activities	(149,603)	(145,196)
Financing Activities	90,433	98,104
Net Increase/(decrease) in Cash Held	(10,229)	(4,839)
Cash at year end	218,910	192,793
BALANCE SHEET		
Current Assets	272,962	246,572
Non Current Assets	6,173,956	6,174,143
Total Assets	6,446,918	6,420,715
Current Liabilities	408,307	397,782
Non Current Liabilities	410,419	422,672
Total Liabilities	818,726	820,454
Net Community Assets/Total Community Equity	5,628,192	5,600,261

- Council's cash at 30 November 2020 is \$176 million
- Council's debt at 30 November 2020 is \$548 million

Debt



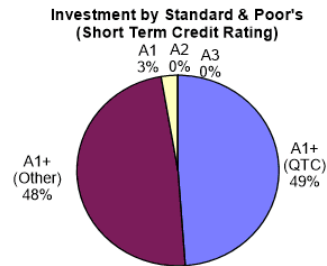
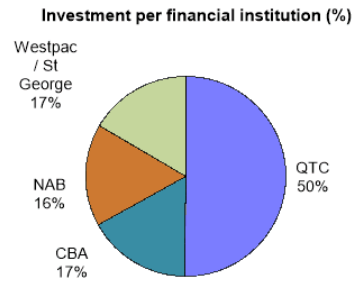
Sunshine Coast Council's debt program is governed by the 2020/21 Debt Policy, which was adopted with the Original Budget adoption on 25 June 2020. The Debt policy was revised during Budget Review 1 and adopted by Council at the September Ordinary meeting. New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

Debt - 2020/21				
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	190,864	12,292	58,975	237,547
Sunshine Coast Airport Expansion Project	211,492	-	57,430	268,922
Maroochydore City Centre	132,530	8,847	7,500	131,183
Sunshine Coast International Broadband Network	11,236	908	-	10,328



Investment Performance



Investment Performance - November 2020			
Liquidity as at:		30/11/2020	
		\$'000	
At-call accounts			
QTC + CBA (excl. trust)	111,036	59.55%	
Maturities within 7 days	10,000	5.36%	
Total at-call	121,036	64.92%	
Investment Policy Target		10.00%	
Term deposits maturing:		\$'000	Count
within 30 days	40,000		4
30-59 days	20,000		2
60-89 days	5,000		1
90-179 days	-		-
180-364 days	-		-
1 year - 3 years	-		-
Total	65,000		7

INVESTMENT SUMMARY (including Trust) as at:						Investment Policy	
\$'000	30/11/2020	30/08/2020	30/11/2019	Individual Limit	Group Limits		
A1+ (QTC)	91,083	49%	177,376	64.0%	121,187	56.4%	100.0%
A1+ (Other)	90,370	48%	84,786	30.6%	73,722	34.3%	100.0%
A1	5,000	3%	5,000	1.8%	-	0.0%	30.0%
A2	-	0%	10,000	3.6%	20,000	9.3%	30.0%
A3	-	0%	-	0.0%	-	0.0%	5.0%
Total Funds	186,453		277,163		214,909		
FUND SUMMARY							
General Funds	176,036		269,208		206,710		
Trust Funds	10,417		7,954		8,198		
Total Funds	186,453		277,163		214,909		

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 November 2020 Council had \$176 million cash (excluding Trust Fund) with an average interest rate of 0.76%, being 0.68% above benchmark. This is compared to the same period last year with \$235 million cash (excluding Trust Fund) with an average interest rate of 2.03%, being 1.01% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

