

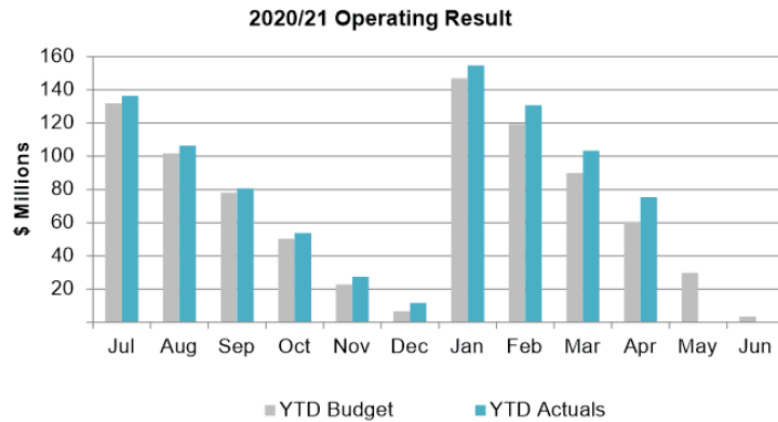
# Financial Performance Report

April 2021



Our region.  
**Healthy.**  
**Smart.**  
**Creative.**

# Statement of Income and Expenses April 2021



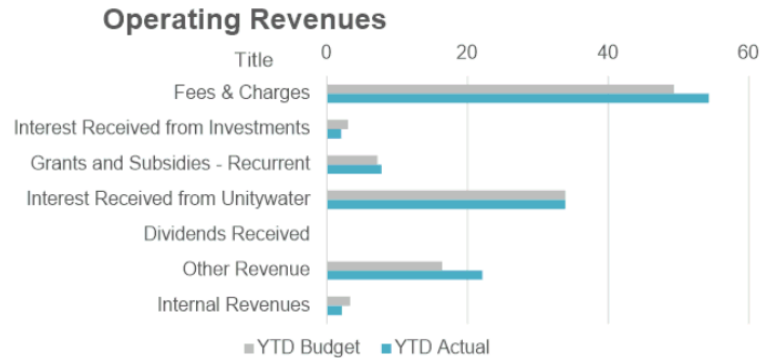
- Council has a positive operating result of \$70.4 million, which is \$10.2 million above the current budget as at 30 April 2021.



## Statement of Income & Expenses - April 2021

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
<b>Operating Revenue</b>							
Net Rates and Utility Charges	316,806	316,806	317,164	318,927	1,764	0.6%	316,806
Fees and Charges	57,125	56,309	49,336	54,309	4,974	10.1%	58,213
Interest Received from Investments	3,611	3,611	3,009	2,049	(960)	(31.9%)	3,611
Operating Grants and Subsidies	12,224	12,532	7,185	7,764	579	8.1%	13,332
Operating Contributions	287	287	272	168	(104)	(38.2%)	287
Unitywater Participation	49,838	49,838	33,906	33,906	0	0.0%	49,838
Other Revenue	21,040	20,877	16,395	17,262	867	5.3%	20,804
Internal Sales/Recoveries	4,138	4,138	3,283	2,105	(1,178)	(35.9%)	4,152
<b>Total Operating Revenue</b>	<b>465,069</b>	<b>464,398</b>	<b>430,550</b>	<b>436,490</b>	<b>5,940</b>	<b>1.4%</b>	<b>467,043</b>
<b>Operating Expenses</b>							
Employee Costs	147,973	148,358	122,639	121,414	(1,226)	(1.0%)	149,262
Materials and Services	184,678	184,996	141,917	137,520	(4,397)	(3.1%)	185,680
Finance Costs	12,080	12,080	10,119	10,275	155	1.5%	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	73,566	73,572	5	0.0%	88,276
Other Expenses	22,255	22,505	17,088	17,806	718	4.2%	22,384
Recurrent Capital Expenses	3,917	3,917	3,449	3,935	485	14.1%	4,354
<b>Total Operating Expenses</b>	<b>460,733</b>	<b>461,686</b>	<b>370,335</b>	<b>366,083</b>	<b>(4,252)</b>	<b>(1.1%)</b>	<b>463,590</b>
<b>Operating Result</b>	<b>4,336</b>	<b>2,712</b>	<b>60,215</b>	<b>70,408</b>	<b>10,192</b>	<b>16.9%</b>	<b>3,452</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	10,060	48,002	18,444	19,327	884	4.8%	48,932
Capital Contributions - Cash	31,599	31,599	26,311	39,055	12,743	48.4%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	15,131	15,131	-	-	60,000
<b>Total Capital Revenue</b>	<b>101,659</b>	<b>139,601</b>	<b>59,886</b>	<b>73,513</b>	<b>13,627</b>	<b>22.8%</b>	<b>140,531</b>
<b>Non-recurrent Expenses</b>							
Profit/Loss on disposal, revaluation & impairment	-	-	-	457	457	-	-
Movements in landfill and quarry provisions	5,583	5,583	4,653	4,653	-	-	5,583
Assets Transferred to Third Parties	-	-	-	-	-	-	-
<b>Total Non-recurrent Expenses</b>	<b>5,583</b>	<b>5,583</b>	<b>4,653</b>	<b>5,109</b>	<b>457</b>	<b>9.8%</b>	<b>5,583</b>
<b>Net Result</b>	<b>100,412</b>	<b>136,730</b>	<b>115,449</b>	<b>138,811</b>	<b>23,363</b>	<b>20.2%</b>	<b>138,400</b>

# Operating Result – April 2021



## Substantial Revenue Variance for the Period Ending 30 April 2021

	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Net Rates and Utility Charges	316,806	316,806	317,164	318,927	1,764	0.6%
Fees and Charges	57,125	56,309	49,336	54,309	4,974	10.1%
Interest Received from Investments	3,611	3,611	3,009	2,049	(960)	(31.9%)
Operating Grants and Subsidies	12,224	12,532	7,185	7,764	579	8.1%
Other Revenue	21,040	20,877	16,395	17,262	867	5.3%
Internal Sales/Recoveries	4,138	4,138	3,283	2,105	(1,178)	(35.9%)



## Operating Summary - April 2021

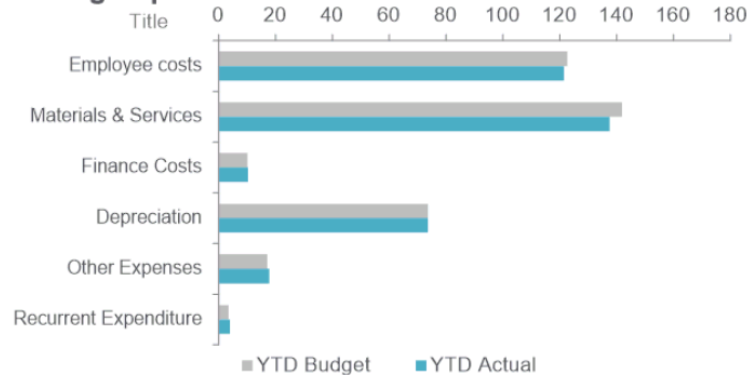
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	430,550	436,490	5,940	1.4%
Operating Expenses	456,816	457,769	366,885	362,148	(4,737)	(1.3%)
Recurrent Capital Expenses	3,917	3,917	3,449	3,935	485	14.1%
<b>Operating Result</b>	<b>4,336</b>	<b>2,712</b>	<b>60,215</b>	<b>70,408</b>	<b>10,192</b>	<b>16.9%</b>
Capital Revenue	101,659	139,601	44,755	73,513	28,758	64.3%
Non-recurrent Expenses	5,583	5,583	4,653	5,109	457	9.8%
<b>Net Result</b>	<b>100,412</b>	<b>136,730</b>	<b>100,318</b>	<b>138,811</b>	<b>38,493</b>	<b>38.4%</b>

As at 30 April 2021 \$436.5 million operating revenue had been achieved which is \$5.9 million more than current budget for the same period.

- This is largely due to:
  - Net Rates and Utility Charges** – An increase in waste collection services has led to a 2.7% increase in cleansing charges on 2019/20 result and higher than the increase in service level anticipated in the 2020/21 budget.
  - Fees and Charges** – Fees relating to Council's Caravan Parks are currently \$2.5m above budget. Tip Fees and Development Services Fees are also above budget by \$2.4m and \$1.1m.
  - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
  - Operating Grants and Subsidies** – Council has received unbudgeted grant funds for the Qld Bushfire Local Economy Recovery Grant program of \$400,000.
  - Other Revenue** – The positive variance in Other revenue is due to \$250,000 in the recoupment of legal fees, \$124,000 received in sponsorship for the Horizon festival and the sale of recyclables being \$350,000 above budget.
  - Internal Sales** – Internal Quarry Sales are currently below budget by \$1.3m

# Operating Result – April 2021 (continued)

## Operating Expenses



## Substantial Expenditure Variance for the Period Ending 30 April 2021

	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Employee Costs	147,973	148,358	122,639	121,414	(1,226)	(1.0%)	149,262
Materials and Services	184,678	184,996	141,917	137,520	(4,397)	(3.1%)	185,680



## Operating Summary - April 2021

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	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	430,550	436,490	5,940	1.4%
Operating Expenses	456,816	457,769	366,885	362,148	(4,737)	(1.3%)
Recurrent Capital Expenses	3,917	3,917	3,449	3,935	485	14.1%
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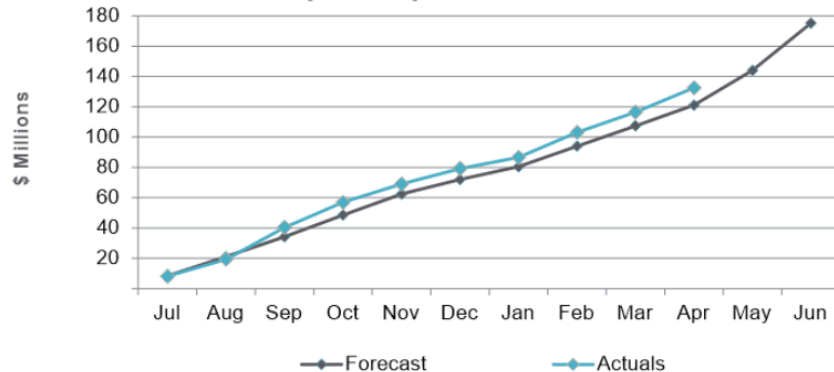
As at 30 April 2021 \$366 million of the \$370 million budget year to date had been expended which resulted in an underspend of \$4.2 million or 1.1%

### Materials and Services:

- Across whole of Council there has been savings in corporate costs of \$2 million, largely due to water and sewerage \$754,000, fuel \$670,000 and electricity \$406,000.
- The reduction in revenue for the Quarry has seen associated reductions in material costs of \$900,000. Similarly the reduction in fees and charges revenue for Response Services has resulted in a \$438,000 underspend.
- Transport Levy Projects underspent \$492,000 and Maintenance Delivery underspent \$444,000 due to timing in the delivery of road maintenance.

# Capital Expenditure – April 2021

SCC Base Capital Expenditure



- As at 30 April 2021 \$194.2 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 63.2% of budget, an actual spend of \$116 million.
- Corporate Major Projects progressed 89.6% and The Sunshine Coast Airport Runway Project progressed 80% of their respective annual budgets.



Capital Expenditure - April 2021

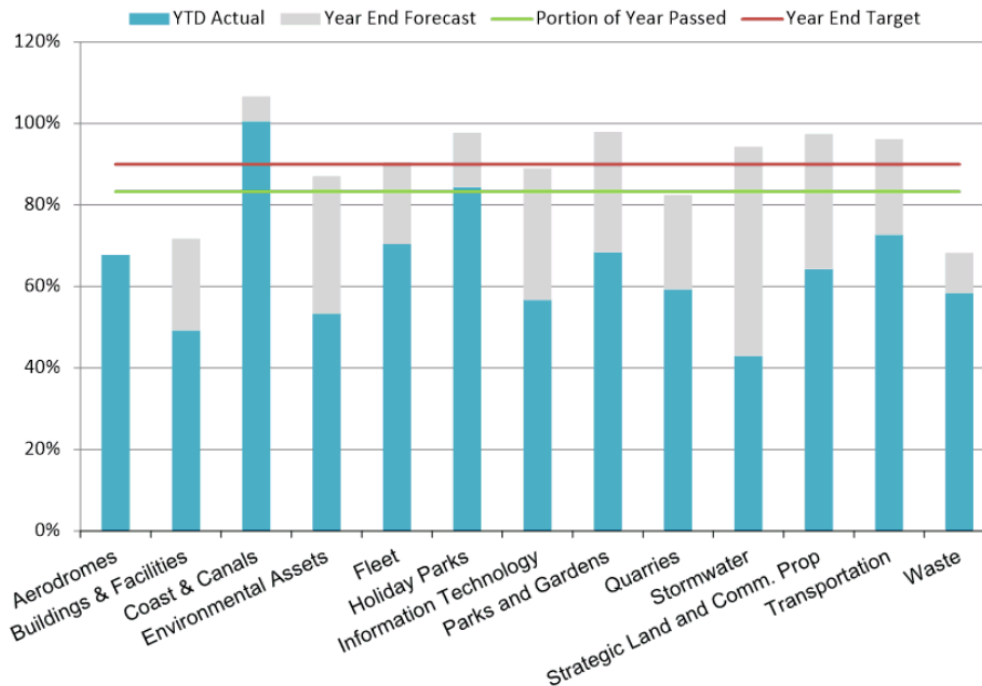
	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
Aerodromes	350	250	169	67.7%	162	(88)
Buildings and Facilities	45,717	38,395	18,925	49.3%	27,546	(10,849)
Coast and Canals	2,830	3,458	3,477	100.5%	3,689	231
Environmental Assets	1,375	3,195	1,708	53.5%	2,781	(414)
Minor Works	4,620	4,921	762	15.5%	2,217	(2,704)
Fleet	2,000	2,037	1,434	70.4%	1,844	(193)
Holiday Parks	1,255	992	837	84.4%	969	(23)
Information Technology	6,275	7,579	4,302	56.8%	6,743	(836)
Parks and Gardens	15,141	19,025	13,012	68.4%	18,634	(391)
Quarries	480	480	285	59.4%	396	(84)
Stormwater	6,772	6,601	2,834	42.9%	6,228	(373)
Transportation	65,588	83,030	60,375	72.7%	79,854	(3,175)
Waste	14,723	13,683	7,992	58.4%	9,349	(4,334)
<b>Total SCC Core Capital Program</b>	<b>167,126</b>	<b>183,646</b>	<b>116,114</b>	<b>63.2%</b>	<b>160,412</b>	<b>(23,234)</b>
Corporate Major Projects	16,733	18,375	16,460	89.6%	18,030	(345)
Strategic Land and Commercial Properties	9,949	26,788	17,224	64.3%	26,085	(702)
Maroochydore City Centre	11,879	14,156	8,849	62.5%	8,363	(5,793)
Submarine Cable IBN	-	-	4	-	4	4
Sunshine Coast Airport Runway	36,718	44,288	35,534	80.2%	43,907	(381)
<b>Total Other Capital Program</b>	<b>75,279</b>	<b>103,607</b>	<b>78,070</b>	<b>75.4%</b>	<b>96,388</b>	<b>(7,218)</b>
<b>TOTAL</b>	<b>242,405</b>	<b>287,252</b>	<b>194,184</b>	<b>67.6%</b>	<b>256,800</b>	<b>(30,452)</b>

The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement

Recurrent Expenses			3,935	-		
Non-Recurrent Expenses			5,109	-		

# Capital Expenditure – April 2021 (continued)

**SCC Core % YTD spent compared to profiled budget by Program**



## Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020. A portion of the current financial year budget will be carried over into next financial year to align with the expected contract payment cash flows. The construction program remains on track for completion in June 2022.

## Environmental Assets

- Delay in ability to complete Rec Trail Projects due to wet weather.

## Information Technology

- Several projects in the Information Technology Program will be carried over into next financial year due to shortage in resources.

## Parks and Gardens

- Delay in the delivery of the Coastal Pathway due to delay in State Government design sign off.

## Stormwater

- The \$1.2 million relining of damaged stormwater pipe program is currently 50% complete.

## Strategic Land and Commercial Properties

- Several land acquisitions relating to transport corridors have been delayed due to delays in land settlements.

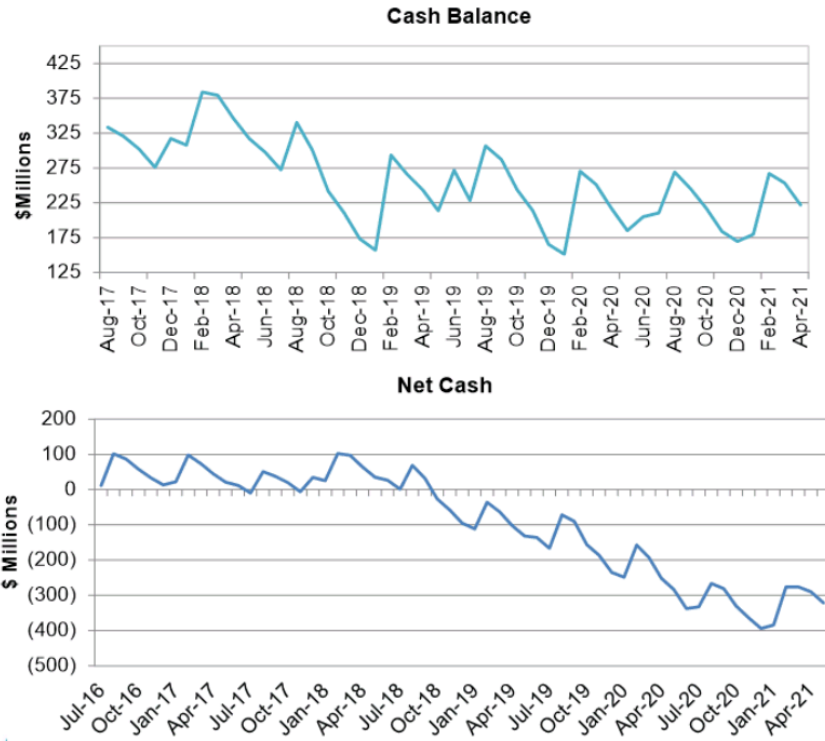
## Transport

- Planned spend forecasted from February to June for Federal grant funded stimulus projects within the Pedestrian and Cyclist Enabling Facilities, Gravel and Sealed Road Network sub-programs.
- Delay in the Mooloolaba Foreshore Project due to the impact of weather events.
- Council's \$19.6 million Road Resurfacing and Rehabilitation program has progressed to 81% completion in April. Alongside the reseal program, the \$2.4 million bus stop replacement and installation program has progressed 82%.

## Waste

- An extended timeframe for the evaluation of tenders for the new Materials Recycling Facility will result in the carryover of funds to next financial year.

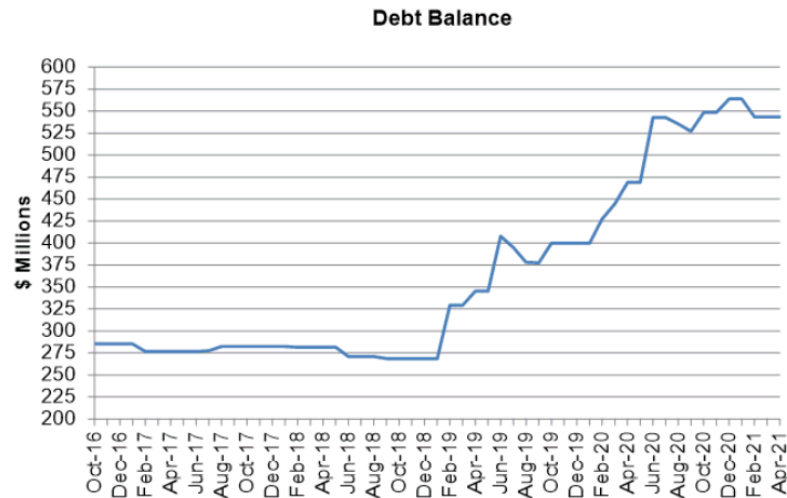
# Cash Flows and Balance Sheet



Cash and Balance Sheet - April 2021		
	Original Budget \$000s	Current Budget \$000s
<b>CASH FLOWS</b>		
<b>Opening Cash</b>	229,139	197,632
Net Cash Inflow/(Outflows) from:		
Operating Activities	48,942	42,253
Investing Activities	(149,603)	(145,196)
Financing Activities	90,433	98,104
<b>Net Increase/(decrease) in Cash Held</b>	<b>(10,229)</b>	<b>(4,839)</b>
<b>Cash at year end</b>	<b>218,910</b>	<b>192,793</b>
<b>BALANCE SHEET</b>		
Current Assets	272,962	246,571
Non Current Assets	6,173,956	6,174,143
<b>Total Assets</b>	<b>6,446,918</b>	<b>6,420,714</b>
Current Liabilities	408,307	397,781
Non Current Liabilities	410,419	422,676
<b>Total Liabilities</b>	<b>818,726</b>	<b>820,457</b>
<b>Net Community Assets/Total Community Equity</b>	<b>5,628,192</b>	<b>5,600,257</b>

- Council's cash at 30 April 2021 is \$209 million excluding trust accounts
- Council's debt at 30 April 2021 is \$543 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 2 and adopted by Council at the December 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

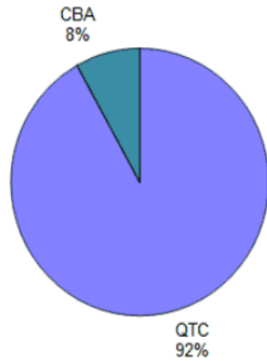
Debt - 2020/21				
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	190,864	12,292	58,975	237,547
Sunshine Coast Airport Expansion Project	211,492	-	57,430	268,922
Maroochydore City Centre	132,530	8,847	7,500	131,183
Sunshine Coast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



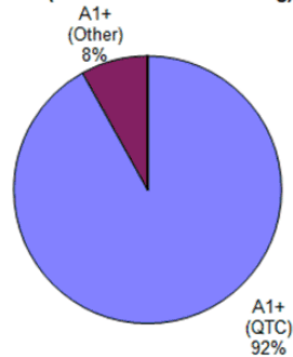


# Investment Performance

Investment per financial institution (%)



Investment by Standard & Poor's (Short Term Credit Rating)



Investment Performance - April 2021			
Liquidity as at:		30/04/2021	
		\$'000	
<b>At-call accounts</b>			
QTC + CBA (excl. trust)	209,337	94.62%	
Maturities within 7 days	-	0.00%	
<b>Total at-call</b>	<b>209,337</b>	<b>94.62%</b>	
Investment Policy Target			10.00%

Term deposits maturing:			
	\$'000	Count	
within 30 days	-	-	
30-59 days	-	-	
60-89 days	-	-	
90-179 days	-	-	
180-364 days	-	-	
1 year - 3 years	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
\$'000	30/04/2021		30/01/2021		30/04/2020		Individual Limit	Group Limits
A1+ (QTC)	203,337	92%	153,980	85.7%	66,320	30.5%	100%	100%
A1+ (Other)	17,903	8%	20,651	11.5%	81,448	37.4%	40%	100%
A1	-	0%	5,000	2.8%	10,000	4.6%	30%	50%
A2	-	0%	-	0.0%	60,000	27.6%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
<b>Total Funds</b>	<b>221,240</b>		<b>179,632</b>		<b>217,768</b>			
<b>FUND SUMMARY</b>								
General Funds	209,337		168,320		210,251			
Trust Funds	11,903		11,312		7,517			
<b>Total Funds</b>	<b>221,240</b>		<b>179,632</b>		<b>217,768</b>			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 April 2021 Council had \$209 million cash (excluding Trust Fund) with an average interest rate of 0.60%, being 0.58% above benchmark. This is compared to the same period last year with \$218 million cash (excluding Trust Fund) with an average interest rate of 1.68%, being 1.11% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

