



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

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating Revenue												
Gross Rates & Utility Charges	336,026	336,026	348,528	362,468	376,619	391,047	406,038	419,675	433,775	447,927	462,545	
Interest from Rates & Utilities	400	400	560	584	607	632	657	679	702	726	750	
Less Discounts, Pensioner Remissions	(19,620)	(19,620)	(15,304)	(15,946)	(16,600)	(17,264)	(17,955)	(18,565)	(19,196)	(19,830)	(20,484)	
Net Rates & Utility Charges	316,806	316,806	333,784	347,105	360,626	374,415	388,740	401,789	415,282	428,822	442,810	
Fees & Charges	57,125	56,309	62,140	63,848	65,572	67,376	69,228	71,098	73,017	74,952	76,938	
Interest Received from Investments	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	3,611	
Grants and Subsidies - Recurrent	12,224	12,532	12,532	12,532	12,532	12,532	12,532	12,532	12,532	12,532	12,532	
Operating contributions	287	287	287	287	287	287	287	287	287	287	287	
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	21,040	20,877	30,241	40,716	68,073	51,127	30,648	19,727	25,734	27,133	34,888	
Internal Revenues	4,138	4,138	4,252	4,369	4,487	4,610	4,737	4,865	4,996	5,128	5,264	
Total Operating Revenue	465,069	464,398	496,685	522,306	565,026	563,796	559,622	563,747	585,297	602,304	626,169	
Operating Expenses												
Employee costs	147,973	148,358	149,843	152,091	155,133	158,236	161,400	164,628	167,921	171,279	174,705	
Materials & Services	184,678	184,996	191,180	197,411	211,648	214,312	210,615	211,747	218,497	224,036	231,782	
Finance Costs	12,080	12,080	14,121	10,497	9,850	9,029	8,141	7,024	5,949	4,954	4,578	
Company Contributions	1,554	1,554	1,584	1,614	1,644	1,677	1,711	1,745	1,780	1,815	1,852	
Depreciation	88,276	88,276	96,972	99,529	102,172	104,865	108,040	110,749	113,530	116,290	119,128	
Other Expenses	22,255	22,505	22,505	23,045	23,598	24,165	24,744	25,338	25,946	26,569	27,207	
Recurrent Capital Expenses	3,917	3,917	3,805	4,421	3,860	3,372	3,195	3,343	3,346	3,515	3,521	
Total Operating Expenses	460,733	461,686	480,009	488,609	507,905	515,656	517,847	524,575	536,969	548,458	562,772	
Operating Result	4,336	2,712	16,675	33,698	57,120	48,140	41,775	39,171	48,328	53,847	63,396	
Non-recurrent Revenue & Expenses												
Capital Revenue												
Capital Grants and Subsidies	10,060	42,042	10,340	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	
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	101,659	133,641	96,971	88,453	84,465	85,431	86,504	87,686	88,897	84,370	85,643	
Non-recurrent Expenses												
Profit/Loss on disposal, revaluation & impairment	-	-	(7,048)	-	-	-	-	-	-	-	-	
Movements in landfill and quarry provisions	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)	
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-	
NET RESULT	100,412	130,770	102,132	117,600	136,948	128,840	123,454	121,936	132,205	133,096	143,816	

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

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2021 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000
Current Assets											
Cash & Investments	218,910	192,793	214,349	185,294	207,342	205,422	231,993	209,897	236,523	236,815	225,886
Trade and other receivables	16,370	16,343	17,347	18,020	18,660	19,315	19,995	20,623	21,273	21,924	22,597
Inventories	12,076	14,221	14,274	13,909	11,452	10,991	10,792	11,599	11,569	11,546	11,728
Other Financial Assets	25,605	23,215	23,656	24,247	24,854	25,475	26,112	26,765	27,434	28,119	28,822
Non-current assets classified as held for sale	0	-	0	0	0	0	0	0	0	0	0
Total Current Assets	272,962	246,571	269,627	241,471	262,307	261,203	288,893	268,885	296,799	298,406	289,034
Non-Current Assets											
Trade and other receivables	461,208	747,431	747,228	456,129	456,129	456,129	456,129	456,129	456,129	456,129	456,129
Property, plant & equipment	5,122,303	4,838,079	5,135,716	5,401,235	5,632,601	5,874,139	6,099,179	6,351,374	6,613,416	6,867,107	7,170,834
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	37,857	37,676	37,760	36,608	29,372	27,935	27,258	29,500	29,309	29,133	29,551
Intangible assets	14,375	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744
Total Non-Current Assets	6,173,956	6,174,143	6,471,661	6,444,929	6,669,059	6,909,159	7,133,523	7,387,960	7,649,811	7,903,326	8,207,471
TOTAL ASSETS	6,446,918	6,420,714	6,741,288	6,686,400	6,931,366	7,170,362	7,422,416	7,656,845	7,946,610	8,201,732	8,496,505
Current Liabilities											
Trade and other payables	68,570	68,770	64,605	65,846	67,715	69,146	70,643	72,187	73,782	75,430	77,134
Short Term Borrowings	293,420	295,452	31,870	39,529	42,833	62,877	49,712	51,955	54,270	39,656	34,580
Provisions	28,947	10,752	10,688	10,982	11,284	11,595	11,914	12,241	12,578	12,924	13,279
Other	17,370	22,806	22,806	23,376	23,961	24,560	25,174	25,803	26,448	27,109	27,787
Total Current Liabilities	408,307	397,781	129,969	139,734	145,793	168,178	157,442	162,187	167,078	155,119	152,780
Non-Current Liabilities											
Long Term Borrowings	361,533	349,497	403,049	384,812	353,217	301,803	296,490	254,004	250,180	221,080	204,913
Long Term Provisions	48,886	73,179	75,192	77,260	79,384	81,567	83,810	86,115	88,483	90,917	93,417
Total Non-Current Liabilities	410,419	422,676	478,241	462,072	432,601	383,371	380,301	340,119	338,663	311,997	298,329
TOTAL LIABILITIES	818,726	820,457	608,210	601,806	578,394	551,549	537,742	502,306	505,741	467,116	451,110
NET COMMUNITY ASSETS	5,628,192	5,600,257	6,133,077	6,084,594	6,352,972	6,618,813	6,884,673	7,154,539	7,440,868	7,734,616	8,045,395
Community Equity											
Asset revaluation surplus	861,355	771,481	890,132	1,015,148	1,146,578	1,283,579	1,425,986	1,573,915	1,728,039	1,888,692	2,055,654
Retained Earnings	4,766,837	4,828,776	5,242,945	5,069,447	5,206,395	5,335,235	5,458,688	5,580,624	5,712,829	5,845,926	5,989,742
TOTAL COMMUNITY EQUITY	5,628,192	5,600,257	6,133,077	6,084,595	6,352,973	6,618,814	6,884,674	7,154,539	7,440,868	7,734,617	8,045,396

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

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Capital Accounts												
Asset Revaluation Reserve												
Balance at beginning of period	747,775	657,901	771,481	890,132	1,015,148	1,146,578	1,283,579	1,425,986	1,573,915	1,728,039	1,888,692	1,888,692
Asset revaluation adjustments	113,580	113,580	118,651	125,016	131,430	137,001	142,407	147,929	154,124	160,653	166,962	166,962
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	861,355	771,481	890,132	1,015,148	1,146,578	1,283,579	1,425,986	1,573,915	1,728,039	1,888,692	2,055,654	2,055,654
Retained Earnings												
Balance at beginning of period	4,666,425	4,698,006	4,828,776	5,242,945	5,069,447	5,206,395	5,335,235	5,458,688	5,580,624	5,712,829	5,845,926	5,845,926
Net result for the period	100,412	130,770	102,132	117,600	136,948	128,840	123,454	121,936	132,205	133,096	143,816	143,816
Transfers to capital, reserves and shareholdings	-	-	291,098	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	20,940	(291,098)	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	4,766,837	4,828,776	5,242,945	5,069,447	5,206,395	5,335,235	5,458,688	5,580,624	5,712,829	5,845,926	5,989,742	5,989,742
Total												
Balance at beginning of period	4,993,030	4,983,006	5,227,356	5,760,176	5,711,694	5,980,072	6,245,913	6,511,773	6,781,638	7,067,967	7,361,716	7,361,716
Net result for the period	100,412	130,770	102,132	117,600	136,948	128,840	123,454	121,936	132,205	133,096	143,816	143,816
Transfers to capital, reserves and shareholdings	-	-	291,098	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	20,940	(291,098)	-	-	-	-	-	-	-	-
Asset revaluation adjustments	113,580	113,580	118,651	125,016	131,430	137,001	142,407	147,929	154,124	160,653	166,962	166,962
Balance at end of period	5,207,022	5,227,356	5,760,176	5,711,694	5,980,072	6,245,913	6,511,773	6,781,638	7,067,967	7,361,716	7,672,495	7,672,495

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

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
Operating Result	4,336	2,712	16,675	33,698	57,120	48,140	41,775	39,171	48,328	53,847	63,396
Adjustments for:											
Depreciation	88,276	88,276	96,972	99,529	102,172	104,865	108,040	110,749	113,530	116,290	119,128
Interest and dividends received	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)	(53,449)
Landfill Quarry Provision	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)
Finance Costs	12,080	12,080	14,121	10,497	9,850	9,029	8,141	7,024	5,949	4,954	4,578
Change in Working Capital	3,282	(1,783)	(5,347)	4,425	13,328	5,145	4,231	475	3,848	3,949	3,263
Net cash inflow (outflow) from operating activities	48,942	42,253	64,506	90,149	124,383	109,000	103,913	99,050	113,185	120,470	131,694
Cash flows from investing activities											
Payments for property, plant and equipment	(232,631)	(260,206)	(221,152)	(185,657)	(156,328)	(163,374)	(142,912)	(167,039)	(154,459)	(174,239)	(203,011)
Proceeds from disposal non current assets	-	-	305,000	-	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	41,659	73,641	41,971	38,453	39,465	39,306	39,226	39,226	39,226	33,457	33,457
Interest and dividends received	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449
Finance Costs	(12,080)	(12,080)	(14,121)	(10,497)	(9,850)	(9,029)	(8,141)	(7,024)	(5,949)	(4,954)	(4,578)
Net cash inflow (outflow) from investing activities	(149,603)	(145,196)	165,146	(104,251)	(73,264)	(79,649)	(58,378)	(81,388)	(67,733)	(92,287)	(120,683)
Cash flows from financing activities											
Proceeds from borrowings	116,234	123,905	92,685	24,180	13,344	13,669	46,119	11,675	35,335	11,268	18,429
Repayment of borrowing	(25,801)	(25,801)	(300,781)	(39,132)	(42,417)	(44,940)	(65,083)	(51,432)	(54,161)	(39,159)	(40,368)
Net cash inflow (outflow) from financing activities	90,433	98,104	(208,096)	(14,952)	(29,072)	(31,271)	(18,963)	(39,758)	(18,826)	(27,891)	(21,939)
Net increase (decrease) in cash held	(10,229)	(4,839)	21,557	(29,055)	22,047	(1,920)	26,572	(22,096)	26,626	292	(10,929)
Cash at beginning of reporting period	229,139	197,632	192,793	214,349	185,294	207,341	205,421	231,993	209,897	236,523	236,815
Cash at end of reporting period	218,910	192,793	214,349	185,294	207,341	205,421	231,993	209,897	236,523	236,815	225,886

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

For Period Ending 30 June

	Current Budget	Original Budget	Forward Estimate								
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Performance											
Operating Performance Ratio (%)	-0.3%	0.9%	3.4%	6.5%	10.1%	8.5%	7.5%	6.9%	8.3%	8.9%	10.1%
Fiscal Flexibility											
Council controlled revenue (%)	80.7%	80.4%	79.7%	78.7%	75.4%	78.4%	81.8%	83.9%	83.4%	83.6%	83.0%
Total debt service cover ratio (times)	2.9 x	0.3 x	2.3 x	3.1 x	3.2 x	2.9 x	2.1 x	2.6 x	2.7 x	2.8 x	4.1 x
Net Financial Liabilities Ratio (%)	103.4%	117.4%	68.2%	69.0%	55.9%	51.5%	44.5%	41.4%	35.7%	28.0%	25.9%
Liquidity											
Cash expense cover ratio (months)	6.9	6.7	7.3	7.0	6.0	6.3	6.1	6.9	6.2	6.8	6.6
Asset Sustainability											
Asset Sustainability Ratio (%)	69.7%	74.7%	79.4%	74.1%	68.1%	66.0%	65.8%	65.5%	64.1%	69.2%	74.6%

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 2021 dollars) (vi)**

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Council Core Capital Program											
Aerodromes	350	350	200	530	200	200	200	200	200	200	200
Buildings & Facilities	45,717	37,385	55,738	14,665	6,773	8,873	12,998	21,590	19,921	32,676	41,795
Coast & Canals	2,830	2,728	2,325	2,850	2,237	2,450	2,150	2,090	1,290	2,145	2,250
Minor Works	4,620	5,425	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Environmental Assets	1,375	2,695	1,800	3,050	1,660	2,800	2,800	2,800	3,000	2,840	2,720
Fleet	2,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	1,255	1,212	540	450	2,550	2,355	415	205	2,955	2,945	1,005
Information Communication Technology	6,275	7,216	4,795	3,575	3,725	3,375	3,975	3,450	3,750	3,642	3,850
Parks & Gardens	15,141	18,886	17,243	17,180	15,392	15,342	15,431	17,790	11,490	13,326	14,500
Quarries	480	480	635	610	210	485	160	160	160	160	160
Stormwater	6,772	6,712	6,742	7,114	7,829	7,522	7,236	6,354	6,366	7,220	8,115
Strategic Land & commercial Properties	9,949	16,326	6,350	5,000	3,500	7,750	14,700	6,800	8,000	9,900	15,500
Transportation	65,588	81,813	84,468	66,406	67,709	61,466	55,015	58,943	58,536	59,039	59,637
Waste	14,723	13,683	20,355	20,300	10,740	10,379	5,614	10,568	4,648	1,011	370
Total Sunshine Coast Council Core Capital Progra	177,075	196,911	208,810	149,349	130,144	130,617	128,314	138,570	127,936	142,723	157,722
Corporate Major Projects Capital Program											
Corporate Major Projects	16,733	16,898	1,224	23,000	12,500	-	-	-	-	-	-
Total Corporate Major Projects Capital Program	16,733	16,898	1,224	23,000	12,500	-	-	-	-	-	-
Region Shaping Capital Program											
Maroochydore City Centre	11,879	14,156	15,644	17,834	16,680	36,765	12,417	12,993	9,042	9,733	20,398
Sunshine Coast Airport Runway Project	36,718	44,338	-	-	-	-	-	-	-	-	-
Total Region Shaping Capital Program	48,597	58,494	15,644	17,834	16,680	36,765	12,417	12,993	9,042	9,733	20,398
SCC Total Capital Works Program	242,405	272,303	225,678	190,183	159,324	167,382	140,731	151,563	136,978	152,456	178,120



Strategic Policy

2020/21 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:	11 June 2020 Reference Number: SM20/08
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 provide the opportunity for a return on assets will take priority over borrowings 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
1.5	Annual Review	Y		
2	Endorsement	Y	Council	11 June 2020

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Appendix A

Schedule of proposed external borrowings:

\$'000	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sunshine Coast Council Core	\$58,975	\$92,685	\$24,180	\$13,344	\$13,669	\$6,119	\$11,675	\$7,335	\$3,268	\$429
Maroochydore City Centre Project	\$7,500	\$10,000	\$0	\$0	\$0	\$40,000	\$0	\$28,000	\$8,000	\$18,000
Sunshine Coast Airport Runway	\$57,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$123,905	\$92,685	\$24,180	\$13,344	\$13,669	\$46,119	\$11,675	\$35,335	\$11,268	\$18,429

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.