

Sunshine Coast
Council

FINANCIAL PERFORMANCE REPORT



April 2012



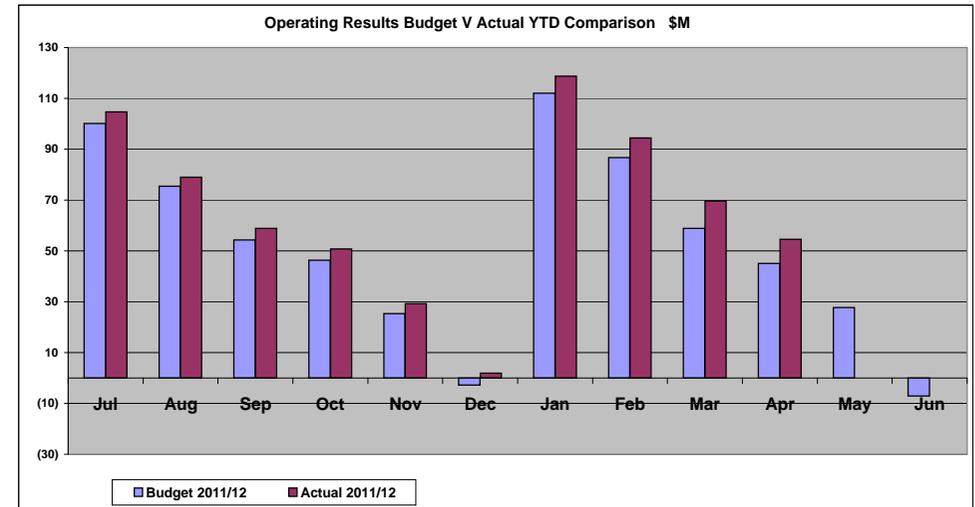
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Summary Operating Statement

30 April 2012

SUMMARY OPERATING STATEMENT						
For the Period Ending 30 April 2012						
	Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	418,968	417,038	381,862	385,247	3,385	0.9%
Operating Expenses	335,519	343,049	269,198	262,989	(6,209)	(2.3%)
Interest Expense	12,495	12,495	10,440	10,427	13	(0.1%)
Depreciation	68,620	68,620	57,183	57,224	(41)	0.1%
Operating Surplus/(Deficit)	2,334	(7,126)	45,042	54,607	9,566	4.7%
Transfer from Reserves	18	11,127	11,127	11,127	0	0.0%
Transfer to Reserves	(352)	(1,640)	(1,640)	(1,640)	0	0.0%
Balance	2,000	2,361	54,529	64,095	9,566	17.5%



Operating Net Result

Council's financial results at 30 April 2012 shows the organisation with a \$9.6 million better than forecasted operating position against the year to date budget.

The 30 April 2012 operating surplus variation of \$9.6 million is made up of higher than expected revenue of \$3.4 million and lower than anticipated operating expenses of \$6.4 million.

Operating Revenue

The favourable revenue variance of \$3.4 million is made up of favourable variances in interest received \$940,000, net rates and utilities of \$616,000, grants & subsidies of \$673,000, other revenue of \$950,000 and internal revenues of \$526,000.

Operating Expenses

The favourable variance in operating expenses of \$6.2 million is made up a lower than budgeted spend on material & services of \$6.3 million. Of the \$6.3 million underspend at \$1.9 million relates to under spend on levies (which will be transferred to reserves at the end of the year if not spent), and \$700,000 relates to under spend on projects.

Operating Revenue

As at 30 April 2012 operating revenues are favourable to budget by \$3.4 million or 0.9%

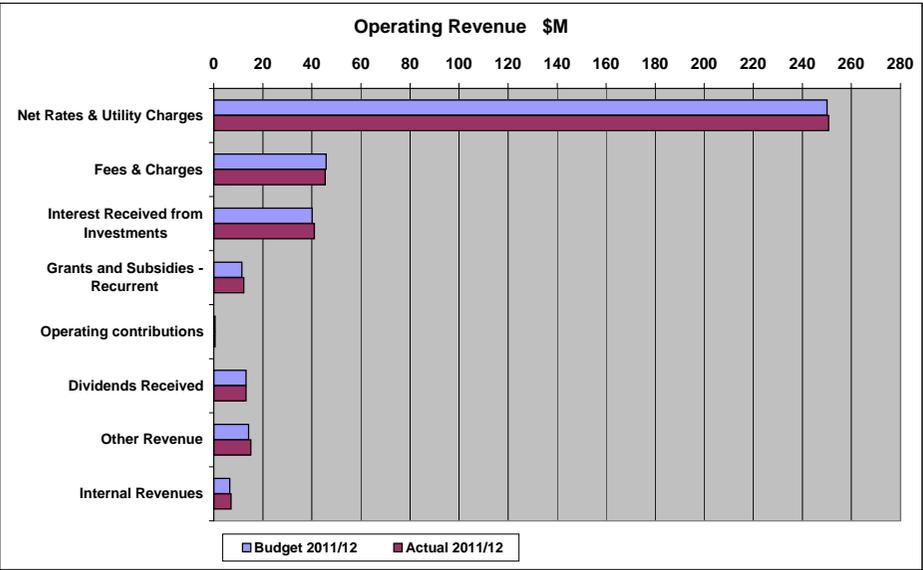
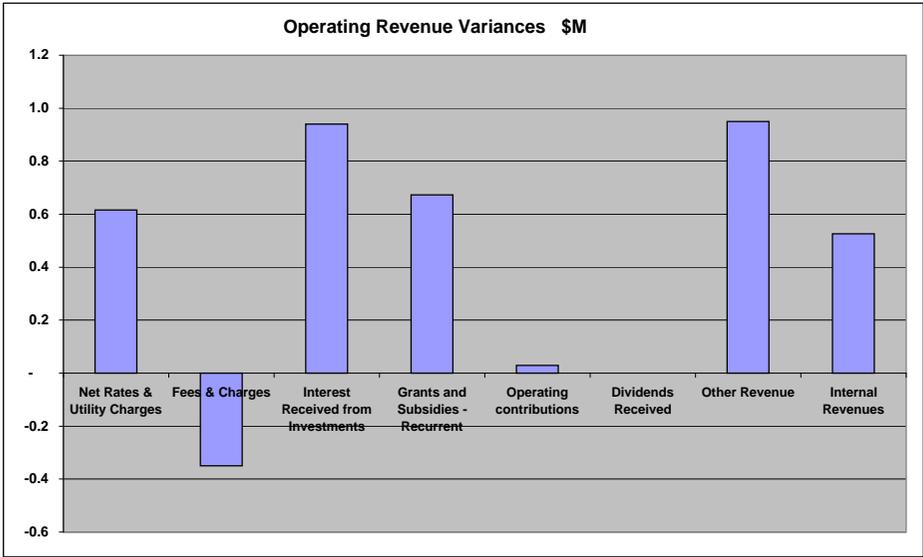
The favourable revenue variance of \$3.4 million is made up of favourable variances in:

Interest on investments of \$940,000 due to higher than anticipated cash levels and investment interest rates

Net rates and utilities of \$616,000 due to timing differences in interest on arrears of \$300,000 and Discounts of \$368,000.

Other revenue of \$950,000 which is made up of higher levels of recoverable work due in part to the natural disasters of \$366,000 and higher than anticipated recovery from unity Water service level agreements of \$318,000

Grants & subsidies of \$673,000 which relates to funding received for trainees, which is offset by higher employee costs as well as an additional \$194,000 worth of successful grant application not included in the original budget.



Operating Expenses

30 April 2012

Operating Expenses

At 30 April 2012, operating expenses were \$6.2 million or 2.3% under budget due to an underspend in materials and services of \$6.3 million.

The underspend on materials and services continues, with a year to date favourable variance of \$6.3 million. This favourable variance is across 2 departments with favourable variances of \$3.1 million for Infrastructure Services and \$2.5 million for Finance and Business.

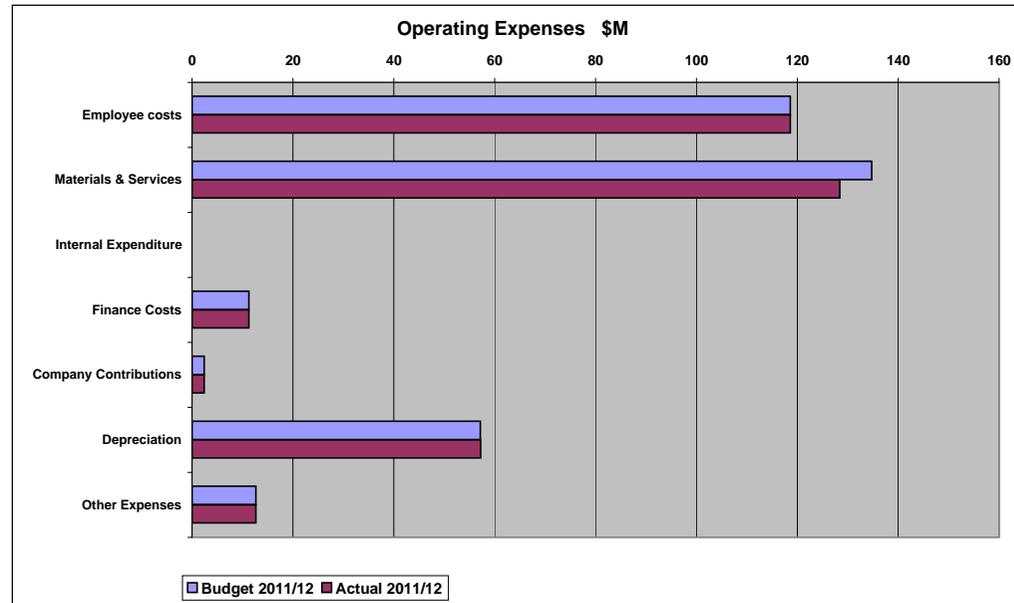
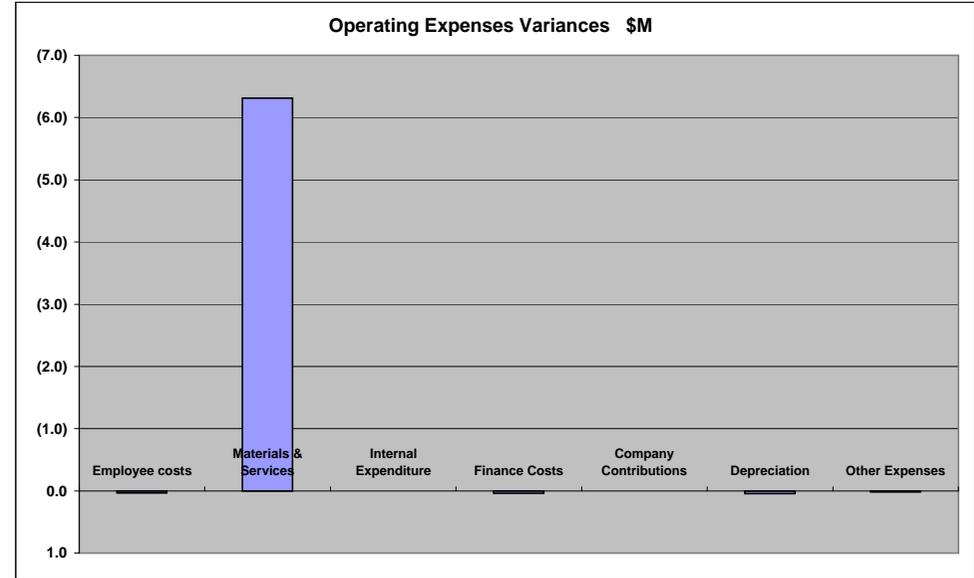
Within Infrastructure services underspend on materials and services is across the board, with the most significant variance in buildings and facilities which are \$1m favourable.

Within Finance & Business the underspend related to the Economic Development branch of \$1.4m (of which \$500,000 relates to the economic incentive scheme) and the Information Technology branch of \$690,000, which relates to an underspend on corporate IT projects.

Of the \$6.3 million underspend at \$1.9 million relates to under spend on levies (which will be transferred to reserves at the end of the year if not spent.), and \$700,000 relates to under spend on operating projects.

As at 30 April 2012 \$6.6 million worth of savings have been identified against the value and success targets.

There are no other operating expenditure issues at 30 April 2012.



Summary Capital Statement

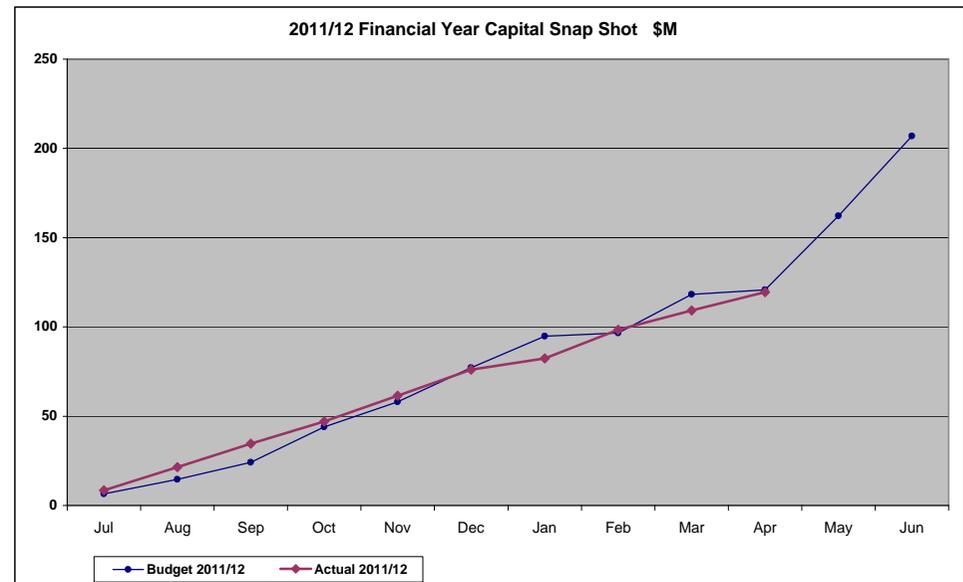
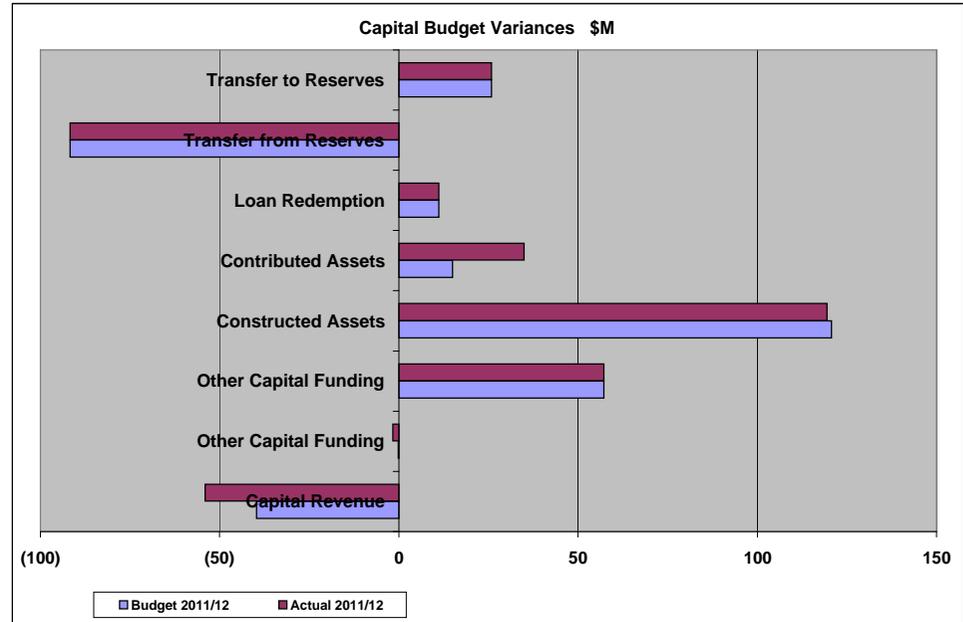
30 April 2012

SUMMARY CAPITAL STATEMENT For the Period Ending 30 April 2012						
	Annual Original Budget \$000s	Annual Current Budget \$000s	YTD Current Budget \$000s	YTD Actuals \$000s	Variance \$000s	Variance %
Operating Contribution / Shortfall	2,000	2,361	54,529	64,095	9,566	17.5%
Capital Revenue	(45,646)	(58,478)	(39,661)	(54,056)	(14,395)	36.3%
Other Capital Funding	(110,508)	(111,419)	(57,384)	(58,929)	(1,545)	2.7%
Constructed Assets	189,732	206,976	120,716	119,440	(1,276)	(1.1%)
Contributed Assets	20,000	20,000	15,000	34,952	19,952	133.0%
Loan Redemptions	11,473	11,473	11,189	11,189	0	0.0%
Net Capital Result	63,051	66,191	(4,668)	(11,498)	(6,830)	146.3%
Transfer from Reserves	(78,130)	(91,720)	(91,720)	(91,720)	0	0.0%
Transfer to Reserves	15,079	25,840	25,840	25,840	0	0.0%
Balance	(0)	311	(70,548)	(77,378)	(6,830)	0.0%

Capital Net Result

At 30 April 2012, \$119.4 million or 57.7% of council's \$207 million 2011/2012 capital works program was financially complete.

Capital project spend is currently tracking \$1.3 million behind the year to date budget, however 42% of the capital expenditure program is budgeted to be undertaken in the remaining 2 months of the year.



Capital Expenditure

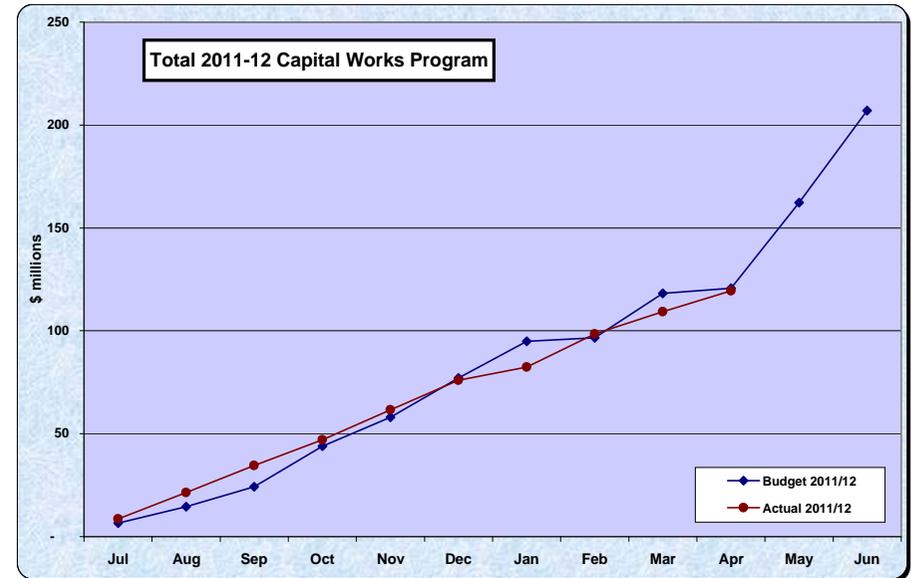
At 30 April 2012, \$119.4 million or 57.7% of council's \$207 million 2011/2012 capital works program was financially complete.

Within the 2011/12 Capital Works Program, \$31 million has been allocated to the Horton Park land acquisition. \$4.2 million has been spent against this program, however at this stage the remaining \$26.8 million is not expected to be spent this financial year.

Excluding the remaining Horton Park land acquisition, the year to date spend of \$119.4 million can be compared to a reduced Capital Works Program of \$180.2 million, and a financial completion rate of 66.3%.

Excluding Horton Park, the capital expenditure required for the final 2 months of the financial year is \$29 million per month, against a year to date average spend of \$12 million per month.

Program	Original Budget \$000s	Current Budget \$000s	Year to Date Actual \$000s	% of Annual Budget Spent
Transportation	63,797	70,638	53,761	76.1%
Strategic Land & Comm Properties	43,942	46,874	13,716	29.3%
Buildings and Facilities	15,329	13,052	6,262	48.0%
Parks and Gardens	14,346	16,006	12,482	78.0%
Coast and Canals	5,720	5,616	3,184	56.7%
Stormwater	5,697	6,145	5,787	94.2%
Information Technology	5,455	7,131	5,184	72.7%
Fleet	3,900	3,201	1,267	39.6%
Divisional Allocations	3,169	3,702	2,572	69.5%
Environmental Assets	1,274	1,525	1,080	70.8%
Aerodromes	450	450	1	0.1%
Waste	13,272	16,335	9,536	58.4%
Sunshine Coast Airport	7,211	9,713	1,964	20.2%
Quarries	3,565	2,770	1,146	41.4%
SC Holiday Parks	2,605	3,810	1,498	39.3%
TOTAL	189,732	206,968	119,440	57.7%



Capital Projects Expense with a Budget Variation > \$50,000

30-April-2012

Description	Account #	Program	Sub-Program	Budget Full Year	Actual YTD Feb	Variance To Budget Full Year	Comments
							\$
B0586 - Bald Knob Rd - Remedial Works	B0586	Transportation	Reseals and Rehabilitation	0	155,770	155,770	Emergent slip repairs are underway following the recent weather events. A proportion of this will be claimed under the NDRRA grant scheme, with required balance of funding to be provided from the overall transportation capital program
B0069 - WESTERN AVENUE 4567_102	B0069	Transportation	Reseals and Rehabilitation	78,294	205,770	127,476	Extensive failures repairs and the unbudgeted provision of a SAMI to protect the asset. Overrun will be adjusted from overall subprogram budget at next budget review.
B0273 - COORA CRESCENT 5256_103	B0273	Transportation	Reseals and Rehabilitation	223,063	344,690	121,627	Additional cost incurred due to heavy rainfall after the project had commenced resulting in significant reworking to dry and recompact materials. Overrun will be adjusted from overall subprogram budget at next budget review
B0111 - JONES ROAD 2056_101	B0111	Transportation	Reseals and Rehabilitation	267,239	367,737	100,498	Project cost overrun due to necessity for night working, adverse weather conditions and improving the treatment on the roundabout. Overrun will be adjusted from overall subprogram budget at next budget review.
A6758 - Marcoola Streetscape	A6758	Transportation	Streetscapes - Corridors	996,216	1,084,140	87,924	Project overrun due to multiple variations including the redesign and additional construction costs of bus shelter footing associated due to cyclone zone, and inability to match existing pavers and unplanned cost for stormwater upgrade along site of works. The overrun will be adjusted from overall subprogram budget at next budget review.
A9275 - WOR Condition appraisals & implement	A9275	Buildings and Facilities	Corporate Buildings	40,185	119,787	79,602	Project expenditure is the result of necessary urgent works identified as a result of recent condition audit appraisals. Overrun will be adjusted from overall subprogram budget at next budget review.
B0261 - CASUARINA DRIVE 5165_101	B0261	Transportation	Reseals and Rehabilitation	96,667	172,797	76,130	Extensive failures repairs Overrun will be adjusted from overall subprogram budget at next budget review.
B0117 - KARAWATHA DRIVE 2107_101	B0117	Transportation	Reseals and Rehabilitation	355,174	423,045	67,871	Project cost overrun due to delays caused by bikeway design and road shoulder widening requirements. Overrun will be adjusted from overall subprogram budget at next budget review.
B0176 - TANAWHA TOURIST DRIVE 4184_101	B0176	Transportation	Reseals and Rehabilitation	149,810	215,357	65,547	Additional preparation work required and additional width necessary to incorporate bikelanes . Overrun will be adjusted from overall subprogram budget at next budget review.
B0306 - MORETON PARADE 6132_106	B0306	Transportation	Reseals and Rehabilitation	154,000	217,307	63,307	Extensive failures repairs Overrun will be adjusted from overall subprogram budget at next budget review.
B0529 - Pine Grove Road, Rectification of Land Slip	B0529	Transportation	Sealed Road Network	32,500	95,592	63,092	The current budget allocation was only a preliminary estimate for these emergent works. Greater traffic control costs, wet weather delays and increased scope of works has required more labour and materials than initially planned. Overrun will be adjusted from overall subprogram budget at next budget review.
B0193 - WILSON ROAD 4630_101	B0193	Transportation	Reseals and Rehabilitation	206,880	265,818	58,938	Total budget for Wilson Road is \$207k across multiple job numbers. An incorrect charge of \$74k has been allocated to this project, which will be corrected in March accounts. The remaining overrun of \$57k was caused by increased project scope to provide for the condition of the adjoining seal area, and will be adjusted from overall subprogram budget at next budget review.
B0280 - DUMBARTON DRIVE 5375_101	B0280	Transportation	Reseals and Rehabilitation	47,600	105,123	57,523	Extensive failures repairs and the unbudgeted provision of a SAMI to protect the asset. Overrun will be adjusted from overall subprogram budget at next budget review.
A9539 - Caloundra Landfill Construct Tank Farm	A9539	Waste	Waste Disposal	440,000	496,987	56,987	An incorrect charge of \$86k has been processed against this project which will be adjusted correctly in May accounts.
B0130 - LAKE WEYBA DRIVE 2300_101	B0130	Transportation	Reseals and Rehabilitation	102,620	158,227	55,607	Additional surfacing works required in this location to preserve the assets. Overrun will be adjusted from overall subprogram budget at next budget review.
B0531 - Petrie Creek Road, Rectification of Land Slip	B0531	Transportation	Sealed Road Network	0	55,151	55,151	3 emergent slip repairs are underway following the 2012 flooding. A proportion of this will be claimed under the NDRRA grant scheme, with required balance of funding to be provided from the overall transportation capital program

Monthly Budget Amendments - Operating

30-April-2012

Reference	Branch	Operation/Job number & Name	Description	Income & Expense Stmt Line	Amount Dr/(Cr)
					\$000
CS1001	Human Resources	37648.0000.6323.00	Funded training Opportunities - Training Costs	112 - Goods and services	50
CS1001	Human Resources	37648.0000.7554.06	Funded training Opportunities - Op grants & Comm sub other	104 - Operating grants and subsidies	(50)
CS1002	Community Development	37747.0000.755403	Floating Land 2013	104 - Operating grants and subsidies	(29)
CS1002	Community Development	37747.0000.631800	Floating Land 2013	112 - Goods and services	29
CS1003	Community Response	37810.0000.631800	Caloundra CBD Regulated Parking - Contract Services	112 - Goods and services	(20)
CS1004	Community Development	37114.0000.611101	Unit Mgt, Creative Communities	111 - Employee costs	(60)
CS1004	Community Development	37747.0000.631800	Floating Land 2013	112 - Goods and services	60
CS1005	Various	614801	Traineeship funding	111 - Employee costs	117
CS1005	Various	755401; 755405	Traineeship funding	104 - Operating grants and subsidies	(117)
IS1001	Parks & Gardens	610100	Reallocate Employee VAST to M&S VAST	111 - Employee costs	580
IS1001	Parks & Gardens	630100	Reallocate Employee VAST to M&S VAST	112 - Goods and services	(580)
IS1002	Fleet Management	60015.0000.6101.00	Reallocate Employee VAST to M&S VAST	111 - Employee costs	86
IS1002	Fleet Management	60015.0000.6301.00	Reallocate Employee VAST to M&S VAST	112 - Goods and services	(86)
FB1001	Property & Business	40200.0000.631800	Transfer funds to capital - Property Leasing Module B0620	112 - Goods and services	(80)
FB1001	Property & Business	55543.0000.640200	Transfer funds to capital - Property Leasing Module B0620	138 - Other Expenses	(7)
CS1006	Community Response	43700.0000.6318.00	Transfer funds to capital - Noise meter purchases	112 - Goods and services	(18)
CS1006	Community Response	37362.0000.6318.00	Transfer funds to capital - Noise meter purchases	112 - Goods and services	(30)
CS1006	Community Facilities	12620.0000.6318.00	Transfer funds to capital - Projector Nam Civic Centre	112 - Goods and services	(8)
CS1007	Community Facilities	35375.0000.6318.00	audit identifying area in energy, water and waste	112 - Goods and services	(5)
CS1007	Executive Office	80115.0000.6318.00	audit identifying area in energy, water and waste	112 - Goods and services	5
IS1003	Transport & Engineering	10410.0000.6101.00	Reallocate Employee VAST to M&S	111 - Employee costs	83
IS1003	Transport & Engineering	10450.0000.6620.00	Allocate savings from Employee VAST	112 - Goods and services	(83)
IS1004	ED Infrastructure Services	10110.0000.6101.00	Reallocate Employee VAST to M&S	111 - Employee costs	17
IS1004	ED Infrastructure Services	10110.0000.6311.00	Allocate savings from Employee VAST	112 - Goods and services	(17)
IS1005	Business & Major Projects	13010.0000.6301.00	Reallocate M&S VAST to Employee Costs	112 - Goods and services	8
IS1005	Business & Major Projects	13090.0000.6111.00	Allocate savings from M&S VAST	111 - Employee costs	(8)
Total Increase / Decrease to Operating Program for Period					(163)

Monthly Budget Amendments - Capital

30-April-2012

Reference	PROGRAM	SUB-PROGRAM	JOB NUMBER	JOB NUMBER DESCRIPTION	Amount Dr/(Cr)
					\$'000
PROGRAM REALLOCATIONS					
	Strategic Land an Commercial Properties	Strategic Land	A9938	MCP Driveway / Parking - Pattermore House	200
	Strategic Land an Commercial Properties	Strategic Land	A9940	MCP 1st Stage Interpretive Trails	200
	Strategic Land an Commercial Properties	Strategic Land	A9941	MCP Reveg Banks of Obi Obi Creek	100
	Strategic Land an Commercial Properties	Strategic Land	A9942	MCP Amenities Block	50
	Transportation	Sealed Road Network	B0448	Durham Road Landslip	358
	Transportation	Sealed Road Network	B0448	Durham Road Landslip	(358)
				<i>Sub-Total</i>	550
BUDGET EXPENSE RELATED TO REVENUE ADJUSTMENTS					
				<i>Sub-Total</i>	0
RESERVE TRANSFERS					
	Transportation	Sealed Road Network	B0448	Durham Road Landslip	193
	Strategic Land an Commercial Properties	Strategic Land	A9938	MCP Driveway / Parking - Pattermore House	(200)
	Strategic Land an Commercial Properties	Strategic Land	A9940	MCP 1st Stage Interpretive Trails	(200)
	Strategic Land an Commercial Properties	Strategic Land	A9941	MCP Reveg Banks of Obi Obi Creek	(100)
	Strategic Land an Commercial Properties	Strategic Land	A9942	MCP Amenities Block	(50)
				<i>Sub-Total</i>	(358)
TRANSFERS TO OR FROM OPERATING					
FB001	Information Technology	Information Technology	B0620	Property Leasing Module	80
FB001	Information Technology	Information Technology	B0620	Property Leasing Module	7
	Transportation	Transport Management	B0618	Caloundra CBD Parking Meters	20
CS1006	Noise Meter Purchases	Noise Meter Purchases	B0462	Healthy Places	49
CS1006	Projector acquisition	Projector acquisition	B0524	Nambour Civivc Centre	8
				<i>Sub-Total</i>	163
Total Increase /(Decrease) to Capital Program for Period					356