

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

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue											
Gross Rates & Utility Charges	304,969	304,969	316,792	330,288	344,821	361,318	378,605	396,721	415,706	435,601	456,449
Interest from Rates & Utilities	670	670	696	727	759	796	835	876	919	964	1,011
Less Discounts, Pensioner Remissions	(13,414)	(13,414)	(13,937)	(14,550)	(15,190)	(15,935)	(16,716)	(17,535)	(18,394)	(19,295)	(20,241)
Net Rates & Utility Charges	292,225	292,225	303,551	316,465	330,389	346,179	362,724	380,062	398,231	417,269	437,220
Fees & Charges	58,109	58,109	59,765	61,469	63,589	65,783	68,053	70,400	72,829	75,342	77,941
Interest Received from Investments	8,470	8,470	8,470	8,470	8,470	8,470	8,470	8,470	8,470	8,470	8,470
Grants and Subsidies - Recurrent	11,854	7,526	11,854	11,854	11,854	11,854	11,854	11,854	11,854	11,854	11,854
Operating contributions	303	303	303	303	303	303	303	303	303	303	303
Unitywater Participation	50,095	50,095	50,095	50,095	50,095	50,095	50,095	50,095	50,095	50,095	50,095
Other Revenue	27,182	28,167	32,614	34,825	83,047	56,342	57,486	29,311	19,308	67,657	74,285
Internal Revenues	6,466	6,466	6,651	6,840	7,076	7,320	7,573	7,834	8,104	8,384	8,673
Total Operating Revenue	454,705	451,362	473,303	490,321	554,824	546,346	566,558	558,330	569,195	639,375	668,841
Operating Expenses											
Employee costs	140,243	141,010	142,756	147,682	152,777	158,047	163,500	169,141	174,976	181,013	187,258
Materials & Services	174,772	175,987	177,342	183,564	209,577	201,228	208,489	205,452	211,149	235,934	259,244
Finance Costs	9,678	9,678	9,880	13,345	14,869	9,400	8,596	7,708	7,071	5,933	4,985
Company Contributions	1,495	1,495	1,523	1,552	1,591	1,631	1,672	1,713	1,756	1,800	1,845
Depreciation	74,355	74,355	76,678	78,892	81,806	84,973	88,461	91,896	94,921	98,053	101,833
Other Expenses	20,345	19,829	20,910	21,506	22,248	23,015	23,809	24,631	25,481	26,360	27,269
Recurrent Capital Expenses	9,178	13,000	6,160	4,475	3,864	3,264	3,281	3,298	3,581	3,333	3,634
Total Operating Expenses	430,066	435,355	435,250	451,016	486,732	481,559	497,808	503,838	518,935	552,425	586,068
Operating Result	24,639	16,008	38,053	39,305	68,092	64,787	68,750	54,492	50,259	86,949	82,773
Non-recurrent Revenue & Expenses											
Capital Revenue											
Capital Grants and Subsidies	6,856	16,594	12,355	4,762	4,762	4,762	4,762	4,762	4,762	4,762	4,762
Capital Contributions	31,999	31,999	32,031	28,993	30,018	29,856	29,775	29,775	29,775	23,933	23,933
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	98,855	108,593	99,386	83,755	79,779	80,743	81,815	82,997	84,208	79,608	80,881
Non-recurrent Expenses											
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	(29,047)	-	-	-	-	-	-
Movements in landfill and quarry provisions	(2,654)	(2,654)	(2,704)	(2,756)	(2,824)	(2,895)	(2,967)	(3,042)	(3,118)	(3,196)	(3,275)
Assets transferred to third parties	-	(11,285)	-	-	-	-	-	-	-	-	-
NET RESULT	120,841	110,662	134,735	120,305	116,000	142,635	147,598	134,447	131,350	163,362	160,379

Sunshine Coast Council - Total

Statement of Financial Position (ii)

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2019 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000
Current Assets											
Cash & Investments	201,904	223,365	229,817	233,341	314,173	303,780	308,059	328,780	347,023	359,153	378,179
Trade and other receivables	15,395	15,258	15,944	16,559	17,236	17,994	18,786	19,614	20,481	21,388	22,336
Inventories	10,762	17,527	16,393	16,129	12,935	14,022	14,280	14,077	14,295	13,717	10,043
Other Financial Assets	27,943	24,299	24,761	25,380	26,015	26,665	27,332	28,015	28,715	29,433	30,169
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	256,005	280,450	286,916	291,410	370,359	362,461	368,457	390,487	410,515	423,692	440,728
Non-Current Assets											
Trade and other receivables	449,893	460,958	460,958	460,958	445,958	445,958	445,958	445,958	445,958	445,958	445,958
Property, plant & equipment	4,585,926	4,431,105	4,756,394	5,014,941	4,946,747	5,208,177	5,463,378	5,702,371	5,935,917	6,216,728	6,511,200
Investment in associates	538,212	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213
Long Term Inventories	35,256	35,266	30,744	29,129	17,123	20,254	20,435	18,961	18,961	16,126	2,311
Intangible assets	16,872	14,571	14,571	14,571	14,571	14,571	14,571	14,571	14,571	14,571	14,571
Total Non-Current Assets	5,626,158	5,480,112	5,800,880	6,057,811	5,962,612	6,227,173	6,482,554	6,720,074	6,953,620	7,231,596	7,512,252
TOTAL ASSETS	5,882,163	5,760,562	6,087,796	6,349,221	6,332,971	6,589,634	6,851,011	7,110,561	7,364,135	7,655,288	7,952,980
Current Liabilities											
Trade and other payables	60,027	60,834	60,582	62,432	64,668	66,587	68,946	71,395	73,984	76,576	79,367
Short Term Borrowings	22,817	22,085	24,651	27,524	30,134	32,560	34,944	38,061	40,783	43,880	26,964
Provisions	21,215	20,594	21,181	21,912	22,668	23,450	24,259	25,096	25,962	26,858	27,529
Other	20,377	27,687	28,213	28,918	29,641	30,382	31,142	31,920	32,718	33,536	34,375
Total Current Liabilities	124,436	131,200	134,627	140,786	147,111	152,979	159,291	166,473	173,448	180,849	168,234
Non-Current Liabilities											
Long Term Borrowings	442,587	437,055	522,136	547,149	292,982	279,889	260,551	246,016	222,707	198,571	198,194
Long Term Provisions	35,010	38,027	39,110	40,460	41,856	43,300	44,794	46,339	47,938	49,591	50,831
Total Non-Current Liabilities	477,597	475,081	561,247	587,609	334,838	323,189	305,345	292,354	270,644	248,163	249,025
TOTAL LIABILITIES	602,033	606,281	695,874	728,394	481,949	476,168	464,636	458,827	444,092	429,012	417,259
NET COMMUNITY ASSETS	5,280,130	5,154,281	5,391,922	5,620,827	5,851,022	6,113,466	6,386,375	6,651,734	6,920,043	7,226,275	7,535,721
Community Equity											
Asset revaluation surplus	1,040,049	1,001,470	1,104,376	1,212,976	1,327,171	1,446,980	1,572,291	1,703,202	1,840,162	1,983,032	2,132,098
Retained Earnings	4,240,082	4,152,811	4,287,546	4,407,851	4,523,851	4,666,486	4,814,084	4,948,531	5,079,881	5,243,243	5,403,622
TOTAL COMMUNITY EQUITY	5,280,130	5,154,281	5,391,922	5,620,827	5,851,022	6,113,466	6,386,375	6,651,734	6,920,043	7,226,275	7,535,721

Sunshine Coast Council - Total

Statement of Changes in Equity (iii)

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2019 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000
Capital Accounts											
Asset Revaluation Reserve											
Balance at beginning of period	939,685	904,819	1,001,470	1,104,376	1,212,976	1,327,171	1,446,980	1,572,291	1,703,202	1,840,162	1,983,032
Asset revaluation adjustments	100,363	96,651	102,906	108,600	114,195	119,809	125,311	130,911	136,960	142,870	149,066
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,040,049	1,001,470	1,104,376	1,212,976	1,327,171	1,446,980	1,572,291	1,703,202	1,840,162	1,983,032	2,132,098
Retained Earnings											
Balance at beginning of period	4,119,151	4,042,149	4,152,811	4,287,546	4,407,851	4,523,851	4,666,486	4,814,084	4,948,531	5,079,881	5,243,243
Net result for the period	120,841	110,662	134,735	120,305	116,000	142,635	147,598	134,447	131,350	163,362	160,379
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	4,239,992	4,152,811	4,287,546	4,407,851	4,523,851	4,666,486	4,814,084	4,948,531	5,079,881	5,243,243	5,403,622
Total											
Balance at beginning of period	5,058,836	4,946,968	5,154,281	5,391,922	5,620,827	5,851,022	6,113,466	6,386,375	6,651,734	6,920,043	7,226,275
Net result for the period	120,841	110,662	134,735	120,305	116,000	142,635	147,598	134,447	131,350	163,362	160,379
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	100,363	96,651	102,906	108,600	114,195	119,809	125,311	130,911	136,960	142,870	149,066
Balance at end of period	5,280,040	5,154,281	5,391,922	5,620,827	5,851,022	6,113,466	6,386,375	6,651,734	6,920,043	7,226,275	7,535,721

Sunshine Coast Council - Total

Statement of Cash Flow (iv)

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2019 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000
Cash flows from operating activities											
Operating Result	24,639	16,008	38,053	39,305	68,092	64,787	68,750	54,492	50,259	86,949	82,773
Adjustments for:											
Depreciation	74,355	74,355	76,678	78,892	81,806	84,973	88,461	91,896	94,921	98,053	101,833
Interest and dividends received	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)	(58,565)
Landfill Quarry Provision	(2,654)	(2,654)	(2,704)	(2,756)	(2,824)	(2,895)	(2,967)	(3,042)	(3,118)	(3,196)	(3,275)
Finance Costs	9,678	9,678	9,880	13,345	14,869	9,400	8,596	7,708	7,071	5,933	4,985
Change in Working Capital	1,031	(5,735)	6,453	5,280	34,000	(740)	3,524	5,775	4,067	7,748	21,345
Change in Receivables	(1,372)	1,807	(1,148)	(1,234)	13,688	(1,408)	(1,459)	(1,512)	(1,567)	(1,625)	(1,684)
Change in Inventories	(820)	3,917	5,655	1,879	15,201	(4,218)	(439)	1,677	(218)	3,413	17,489
Change in Payables	3,222	(11,459)	1,945	4,635	5,111	4,886	5,422	5,610	5,852	5,959	5,540
Net cash inflow (outflow) from operating activities	48,485	33,087	69,794	75,502	137,377	96,960	107,799	98,264	94,636	136,922	149,095
Cash flows from investing activities											
Payments for property, plant and equipment	(356,690)	(364,152)	(244,062)	(178,839)	(173,464)	(180,469)	(171,072)	(151,518)	(141,836)	(185,081)	(195,052)
Proceeds from disposal non current assets	-	-	-	-	290,000	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	38,855	48,593	44,386	33,755	34,779	34,618	34,537	34,537	34,537	28,695	28,695
Interest and dividends received	58,565	58,565	58,565	58,565	58,565	58,565	58,565	58,565	58,565	58,565	58,565
Finance Costs	(9,678)	(9,678)	(9,880)	(13,345)	(14,869)	(9,400)	(8,596)	(7,708)	(7,071)	(5,933)	(4,985)
Net cash inflow (outflow) from investing activities	(268,948)	(266,672)	(150,990)	(99,863)	195,011	(96,686)	(86,566)	(66,124)	(55,805)	(103,753)	(112,777)
Cash flows from financing activities											
Proceeds from borrowings	191,859	185,594	109,831	52,637	20,743	19,467	15,606	23,525	17,474	19,744	26,587
Repayment of borrowing	(18,846)	(18,846)	(22,183)	(24,752)	(272,300)	(30,134)	(32,560)	(34,944)	(38,061)	(40,783)	(43,880)
Net cash inflow (outflow) from financing activities	173,013	166,749	87,648	27,885	(251,556)	(10,668)	(16,954)	(11,418)	(20,587)	(21,039)	(17,293)
Net increase (decrease) in cash held	(47,450)	(66,837)	6,452	3,524	80,832	(10,393)	4,279	20,721	18,243	12,130	19,026
Cash at beginning of reporting period	249,355	290,202	223,365	229,817	233,341	314,173	303,780	308,059	328,780	347,023	359,153
Cash at end of reporting period	201,904	223,365	229,817	233,341	314,173	303,780	308,059	328,780	347,023	359,153	378,179

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

For Period Ending 30 June

	Original Budget	Revised Budget	Forward Estimate								
	2019 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000
Operating Performance											
Operating Performance Ratio (%)	5.4%	3.5%	8.0%	8.0%	12.3%	11.9%	12.1%	9.8%	8.8%	13.6%	12.4%
Fiscal Flexibility											
Council controlled revenue (%)	77.0%	77.6%	76.8%	77.1%	71.0%	75.4%	76.0%	80.7%	82.8%	77.0%	77.0%
Total debt service cover ratio (times)	2.9 x	2.4 x	3.1 x	3.3 x	3.9 x	3.7 x	3.7 x	3.3 x	3.1 x	3.8 x	3.6 x
Net Financial Liabilities Ratio (%)	76.1%	72.2%	86.4%	89.1%	20.1%	20.8%	17.0%	12.2%	5.9%	0.8%	(3.5)%
Liquidity											
Cash expense cover ratio (months)	7.1	7.7	8.0	7.9	9.7	9.5	9.3	9.8	10.0	9.6	9.5
Asset Sustainability											
Asset Sustainability Ratio (%)	75.6%	75.6%	65.7%	67.3%	67.6%	67.3%	68.5%	67.1%	64.9%	66.2%	60.8%

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 2018 dollars) (vi)

For Period Ending 30 June

	Original Budget	Revised Budget	Forecast								
	2019	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Council Core Capital Program											
Aerodromes	240	40	1,530	400	200	200	200	200	200	200	200
Buildings & Facilities	16,196	17,738	6,865	5,284	8,794	4,573	4,333	5,760	4,091	5,530	8,443
Coast & Canals	2,397	2,226	2,080	2,280	2,245	2,850	2,237	2,450	2,150	2,090	2,090
Divisional Allocations	4,805	6,840	4,805	4,555	4,555	4,555	4,555	4,555	4,555	4,555	4,555
Environmental Assets	970	1,166	1,300	1,625	1,800	2,900	1,710	2,800	2,800	2,800	2,800
Fleet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	1,929	1,875	4,035	4,561	2,965	215	505	3,815	165	165	165
Information Communication Technology	8,766	9,644	6,345	5,295	4,985	3,575	3,725	3,375	3,975	3,450	3,750
Parks & Gardens	16,790	17,127	15,077	13,266	12,043	11,155	13,092	11,135	11,739	10,040	13,390
Quarries	1,175	1,219	1,278	555	635	610	210	485	160	160	160
Stormwater	10,536	10,535	7,483	7,745	7,730	7,967	8,726	8,519	6,794	5,931	6,026
Strategic Land & commercial Properties	10,030	13,181	14,725	17,600	14,300	15,800	6,600	14,900	18,300	11,245	8,400
Sunshine Coast Airport	-	-	-	-	-	-	-	-	-	-	-
Transportation	62,940	61,852	57,133	55,456	55,671	59,843	62,275	56,557	53,022	59,156	58,450
Waste	23,180	16,738	12,052	12,092	12,814	5,159	4,499	10,688	1,773	9,727	8,737
Total Sunshine Coast Council Core Capital Program	162,953	163,182	137,707	133,714	131,737	122,402	115,667	128,239	112,725	118,050	120,167
Corporate Major Projects Capital Program											
Corporate Major Projects	22,239	11,428	1,830	2,408	3,375	2,000	2,000	-	-	-	-
Total Corporate Major Projects Capital Program	22,239	11,428	1,830	2,408	3,375	2,000	2,000	-	-	-	-
Region Making Capital Program											
Maroochydore City Centre	33,133	34,557	13,685	23,675	35,716	51,007	41,579	7,866	7,732	43,622	46,124
Sunshine Coast Airport Runway Project	151,345	151,345	81,129	19,180	-	-	-	-	-	-	-
Sunshine Coast International Broadband Network	-	20,610	12,943	-	-	-	-	-	-	-	-
Total Region Making Capital Program	184,478	206,512	107,758	42,855	35,716	51,007	41,579	7,866	7,732	43,622	46,124
SCC Total Capital Works Program	369,671	381,122	247,295	178,977	170,828	175,409	159,246	136,105	120,456	161,672	166,290

Strategic Policy

2018/19 Debt Policy (vii)

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:	17 May 2018	Reference Number: OM18/65
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

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Appendix A

Schedule of proposed external borrowings:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
SCC Business Units	\$15,003	\$16,369	\$16,657	\$15,747	\$5,302	\$4,700	\$14,471	\$1,906	\$9,860	\$8,870
Maroochydore City Centre	\$26,686	\$4,584	\$13,545	\$4,996	\$14,165	\$10,906	\$9,054	\$15,568	\$9,884	\$17,717
Sunshine Coast Airport Project	\$135,405	\$86,275	\$22,435	-	-	-	-	-	-	-
Subsea Cable	\$8,500	\$2,602	-	-	-	-	-	-	-	-
	\$185,594	\$109,831	\$52,637	\$20,743	\$19,467	\$15,606	\$23,525	\$17,474	\$19,744	\$26,587

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.