



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

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Operating Revenue											
Gross Rates & Utility Charges	326,703	326,358	336,025	354,894	369,461	384,728	402,113	419,195	438,628	457,316	478,580
Interest from Rates & Utilities	670	380	-	416	434	454	476	497	521	544	571
Less Discounts, Pensioner Remissions	(14,871)	(14,871)	(19,620)	(16,286)	(17,003)	(17,751)	(18,621)	(19,440)	(20,392)	(21,290)	(22,333)
Net Rates & Utility Charges	312,502	311,867	316,405	339,024	352,892	367,430	383,968	400,251	418,757	436,571	456,818
Fees & Charges	57,857	52,199	56,885	60,204	61,920	63,747	65,627	67,891	70,234	72,657	75,163
Interest Received from Investments	8,838	4,838	3,611	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838
Grants and Subsidies - Recurrent	7,796	9,379	12,224	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380
Operating contributions	319	319	287	319	319	319	319	319	319	319	319
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	25,198	13,789	22,658	32,278	41,840	69,162	52,148	31,666	20,848	26,963	28,483
Internal Revenues	8,101	4,845	4,138	5,481	5,638	5,804	5,975	6,181	6,395	6,615	6,843
Total Operating Revenue	470,449	447,074	466,046	504,363	529,665	573,518	575,094	573,365	583,609	610,181	634,682
Operating Expenses											
Employee costs	147,021	147,829	147,114	152,264	156,832	161,537	166,383	171,374	176,516	181,811	187,265
Materials & Services	183,464	177,102	185,990	191,280	199,823	212,636	218,708	218,126	222,394	232,887	242,022
Finance Costs	10,025	9,522	12,049	13,362	10,036	9,582	8,759	7,854	6,595	5,442	4,289
Company Contributions	1,527	1,527	1,554	1,556	1,586	1,617	1,650	1,691	1,733	1,776	1,821
Depreciation	79,076	82,276	88,080	91,157	94,347	97,577	100,807	104,581	107,698	110,818	113,845
Other Expenses	21,378	21,702	22,673	22,314	22,950	23,627	24,324	25,164	26,032	26,930	27,859
Recurrent Capital Expenses	7,829	6,532	3,603	4,008	4,624	4,063	3,575	3,398	3,546	3,549	3,717
Total Operating Expenses	450,319	446,490	461,063	475,940	490,198	510,639	524,206	532,188	544,513	563,213	580,818
Operating Result	20,130	584	4,983	28,423	39,467	62,879	50,888	41,177	39,096	46,968	53,864
Non-recurrent Revenue & Expenses											
Capital Revenue											
Capital Grants and Subsidies	25,173	26,435	9,861	12,800	9,755	5,755	5,755	5,755	5,755	5,755	5,755
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	116,772	118,034	96,492	91,431	84,397	81,363	82,436	83,618	84,829	80,302	81,575
Non-recurrent Expenses											
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	(4,592)	(4,592)	(5,583)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-
NET RESULT	130,918	114,027	95,892	116,812	120,765	141,081	130,099	121,490	120,538	123,798	131,880

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

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Current Assets											
Cash & Investments	251,420	229,139	200,866	222,116	217,915	250,076	226,432	239,414	208,641	230,043	229,774
Trade and other receivables	16,069	15,911	16,360	17,511	18,168	18,858	19,632	20,416	21,295	22,150	23,109
Inventories	17,526	12,100	18,203	18,262	17,902	15,976	16,085	16,088	16,965	17,100	17,195
Other Financial Assets	25,128	25,128	25,605	26,245	26,901	27,574	28,263	28,970	29,694	30,436	31,197
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	310,143	282,278	261,035	284,134	280,886	312,484	290,412	304,888	276,596	299,730	301,275
Non-Current Assets											
Trade and other receivables	461,208	461,208	461,208	446,208	446,208	446,208	446,208	446,208	446,208	446,208	446,208
Property, plant & equipment	4,842,343	4,838,569	5,165,619	5,157,099	5,401,544	5,630,586	5,898,144	6,139,641	6,404,461	6,668,881	6,928,549
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	35,957	38,031	37,858	37,402	35,449	27,932	27,602	26,882	29,235	28,940	28,486
Intangible assets	11,914	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375	14,375
Total Non-Current Assets	5,889,635	5,890,397	6,217,273	6,193,298	6,435,789	6,657,313	6,924,542	7,165,319	7,432,492	7,696,616	7,955,831
TOTAL ASSETS	6,199,778	6,172,675	6,478,307	6,477,432	6,716,675	6,969,797	7,214,954	7,470,207	7,709,087	7,996,346	8,257,106
Current Liabilities											
Trade and other payables	77,891	77,245	63,742	65,202	66,997	69,069	71,316	73,738	76,250	78,858	81,565
Short Term Borrowings	23,131	23,142	293,659	32,643	37,793	40,870	61,015	47,971	50,373	52,853	38,360
Provisions	44,476	47,075	45,744	47,322	48,955	50,644	52,391	54,198	56,068	58,003	59,453
Other	40,390	17,046	41,158	42,186	43,241	44,322	45,430	46,566	47,730	48,923	50,146
Total Current Liabilities	185,889	164,508	444,302	187,354	196,986	204,905	230,152	222,473	230,422	238,637	229,524
Non-Current Liabilities											
Long Term Borrowings	554,637	546,390	360,956	387,143	368,586	339,360	290,262	286,811	246,320	244,110	218,609
Long Term Provisions	50,175	47,577	51,605	53,386	55,228	57,133	59,104	61,143	63,253	65,435	67,071
Total Non-Current Liabilities	604,812	593,967	412,561	440,528	423,814	396,493	349,366	347,954	309,573	309,545	285,680
TOTAL LIABILITIES	790,701	758,475	856,863	627,882	620,799	601,398	579,518	570,427	539,995	548,182	515,204
NET COMMUNITY ASSETS	5,409,077	5,414,200	5,621,444	5,849,550	6,095,876	6,368,399	6,635,437	6,899,780	7,169,092	7,448,164	7,741,902
Community Equity											
Asset revaluation surplus	1,102,128	747,775	859,127	977,661	1,103,222	1,234,665	1,371,603	1,514,456	1,663,230	1,818,504	1,980,363
Retained Earnings	4,306,949	4,666,425	4,762,317	4,871,889	4,992,654	5,133,735	5,263,834	5,385,325	5,505,862	5,629,660	5,761,540
TOTAL COMMUNITY EQUITY	5,409,077	5,414,200	5,621,444	5,849,550	6,095,876	6,368,400	6,635,437	6,899,781	7,169,093	7,448,165	7,741,903

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

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast									
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Capital Accounts												
Asset Revaluation Reserve												
Balance at beginning of period	1,265,004	643,073	747,775	859,127	977,661	1,103,222	1,234,665	1,371,603	1,514,456	1,663,230	1,818,504	
Asset revaluation adjustments	100,661	104,702	111,352	118,534	125,561	131,442	136,938	142,853	148,774	155,274	161,858	
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,365,665	747,775	859,127	977,661	1,103,222	1,234,665	1,371,603	1,514,456	1,663,230	1,818,504	1,980,363	
Retained Earnings												
Balance at beginning of period	4,176,030	4,552,399	4,666,425	4,762,317	4,871,889	4,992,654	5,133,735	5,263,834	5,385,325	5,505,862	5,629,660	5,629,660
Net result for the period	130,918	114,027	95,892	109,572	120,765	141,081	130,099	121,490	120,538	123,798	131,880	
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	4,306,949	4,666,425	4,762,317	4,871,889	4,992,654	5,133,735	5,263,834	5,385,325	5,505,862	5,629,660	5,761,540	
Total												
Balance at beginning of period	5,441,034	4,774,302	4,993,030	5,200,274	5,428,380	5,674,706	5,947,230	6,214,267	6,478,611	6,747,923	7,026,995	7,026,995
Net result for the period	130,918	114,027	95,892	109,572	120,765	141,081	130,099	121,490	120,538	123,798	131,880	
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	100,661	104,702	111,352	118,534	125,561	131,442	136,938	142,853	148,774	155,274	161,858	
Balance at end of period	5,672,614	4,993,030	5,200,274	5,428,380	5,674,706	5,947,230	6,214,267	6,478,611	6,747,923	7,026,995	7,320,733	

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

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
Operating Result	20,130	584	4,983	28,423	39,467	62,879	50,888	41,177	39,096	46,968	53,864
Adjustments for:											
Depreciation	79,076	82,276	88,080	91,157	94,347	97,577	100,807	104,581	107,698	110,818	113,845
Interest and dividends received	(58,676)	(54,676)	(53,449)	(54,676)	(54,676)	(54,676)	(54,676)	(54,676)	(54,676)	(54,676)	(54,676)
Landfill Quarry Provision	(4,592)	(4,592)	(5,583)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)
Finance Costs	10,025	9,522	12,049	13,362	10,036	9,582	8,759	7,854	6,595	5,442	4,289
Change in Working Capital	9,980	5,260	(13,832)	19,453	7,324	14,829	5,830	6,630	2,823	6,481	5,655
Change in Receivables	626	788	(3,230)	13,209	(1,313)	(1,362)	(1,464)	(1,490)	(1,603)	(1,597)	(1,720)
Change in Inventories	4,185	386	82	397	2,313	9,444	221	716	(3,230)	161	359
Change in Payables	5,169	4,086	(10,684)	5,847	6,324	6,747	7,074	7,404	7,656	7,917	7,016
Net cash inflow (outflow) from operating activities	55,943	38,374	32,249	94,676	93,400	127,029	108,383	102,261	98,147	111,561	119,417
Cash flows from investing activities											
Payments for property, plant and equipment	(336,944)	(337,850)	(231,620)	(210,232)	(166,139)	(148,598)	(184,269)	(154,317)	(174,562)	(151,762)	(172,981)
Proceeds from disposal non current assets	-	-	-	290,000	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	56,772	58,034	41,492	41,431	39,397	35,238	35,158	35,158	35,158	29,389	29,389
Interest and dividends received	58,676	54,676	53,449	54,676	54,676	54,676	54,676	54,676	54,676	54,676	54,676
Finance Costs	(10,025)	(9,522)	(12,049)	(13,362)	(10,036)	(9,582)	(8,759)	(7,854)	(6,595)	(5,442)	(4,289)
Net cash inflow (outflow) from investing activities	(231,521)	(234,661)	(148,728)	162,513	(82,101)	(68,266)	(103,194)	(72,337)	(91,323)	(73,139)	(93,204)
Cash flows from financing activities											
Proceeds from borrowings	183,778	183,778	114,089	63,583	21,897	13,852	14,244	46,400	12,254	35,725	11,454
Repayment of borrowing	(21,772)	(21,772)	(25,883)	(299,523)	(37,396)	(40,454)	(43,078)	(63,342)	(49,851)	(52,744)	(37,935)
Net cash inflow (outflow) from financing activities	162,006	162,006	88,206	(235,940)	(15,499)	(26,602)	(28,834)	(16,942)	(37,597)	(17,019)	(26,482)
Net increase (decrease) in cash held	(13,572)	(34,281)	(28,273)	21,250	(4,201)	32,162	(23,645)	12,982	(30,773)	21,403	(269)
Cash at beginning of reporting period	263,422	263,421	229,139	200,866	222,116	217,915	250,077	226,432	239,414	208,641	230,044
Cash at end of reporting period	249,850	229,139	200,866	222,116	217,915	250,077	226,432	239,414	208,641	230,044	229,774

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

For Period Ending 30 June

	Current Budget	Revised Budget	Forward Estimate								
	2020 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000
Operating Performance											
Operating Performance Ratio (%)	4.3%	0.1%	1.1%	5.6%	7.5%	11.0%	8.8%	7.2%	6.7%	7.7%	8.5%
Fiscal Flexibility											
Council controlled revenue (%)	78.7%	81.4%	80.1%	79.2%	78.3%	75.2%	78.2%	81.6%	83.8%	83.5%	83.8%
Total debt service cover ratio (times)	2.9 x	2.5 x	2.3 x	0.4 x	3.1 x	3.3 x	3.0 x	2.1 x	2.6 x	2.7 x	2.8 x
Net Financial Liabilities Ratio (%)	103.4%	106.5%	127.8%	68.2%	64.2%	50.4%	50.3%	46.3%	45.1%	40.7%	33.7%
Liquidity											
Cash expense cover ratio (months)	6.9	8.4	7.8	6.7	7.3	6.8	7.5	6.6	6.9	5.8	6.2
Asset Sustainability											
Asset Sustainability Ratio (%)	69.7%	69.7%	62.9%	73.1%	72.7%	68.9%	70.7%	70.6%	70.9%	71.7%	71.3%

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 2019 dollars) (vi)**

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sunshine Coast Council Core Capital Program											
Aerodromes	275	225	350	200	530	200	200	200	200	200	200
Buildings & Facilities	17,568	18,657	45,987	42,238	14,665	6,773	8,873	12,998	21,590	19,921	32,676
Coast & Canals	2,080	2,080	2,830	2,325	2,850	2,237	2,450	2,150	2,090	1,290	2,145
Divisional Allocations	5,547	5,364	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Environmental Assets	1,450	1,450	1,375	1,800	3,050	1,660	2,800	2,800	2,800	3,000	2,840
Fleet	2,772	2,786	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	4,718	5,073	1,255	540	450	2,550	2,355	415	205	2,955	2,945
Information Communication Technology	8,906	7,615	6,434	4,795	3,575	3,725	3,375	3,975	3,450	3,750	3,642
Parks & Gardens	20,981	21,089	15,011	17,373	17,180	15,392	15,342	15,431	17,790	11,490	13,326
Quarries	1,234	1,234	480	635	610	210	485	160	160	160	160
Stormwater	5,174	5,174	6,772	6,742	7,114	7,829	7,522	7,236	6,354	6,366	7,220
Strategic Land & commercial Properties	21,958	21,958	9,039	7,260	5,000	3,500	7,750	14,700	6,800	8,000	9,900
Transportation	66,736	67,237	65,588	84,468	66,406	67,709	61,466	55,015	58,943	58,536	59,039
Waste	19,956	19,956	14,723	20,355	20,300	10,740	10,379	5,614	10,568	4,648	1,011
Total Sunshine Coast Council Core Capital Progra	179,355	179,897	176,464	196,350	149,349	130,144	130,617	128,314	138,570	127,936	142,723
Corporate Major Projects Capital Program											
Corporate Major Projects	9,918	9,918	16,333	-	-	-	-	-	-	-	-
Total Corporate Major Projects Capital Program	9,918	9,918	16,333	-	-	-	-	-	-	-	-
Region Shaping Capital Program											
Maroochydore City Centre	20,657	19,546	11,879	15,644	17,834	16,680	36,765	12,417	12,993	9,042	9,733
Sunshine Coast Airport Runway Project	129,884	129,884	36,819	-	-	-	-	-	-	-	-
Sunshine Coast International Broadband Network	15,774	15,774	-	-	-	-	-	-	-	-	-
Total Region Shaping Capital Program	166,315	165,204	48,698	15,644	17,834	16,680	36,765	12,417	12,993	9,042	9,733
SCC Total Capital Works Program	355,588	355,019	241,495	211,994	167,183	146,824	167,382	140,731	151,563	136,978	152,456



Strategic Policy

2019/20 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:	19 September 2019 Reference Number: OM19/148
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
1.4	Annual Review	Y		
	Endorsement		Council	23 May 2019
1.5	Budget Review 1	Y	Council	19 Sep 2019

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Appendix A

Schedule of proposed external borrowings:

\$'000	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sunshine Coast Council Core	\$27,031	\$71,701	\$47,625	\$21,950	\$11,696	\$11,707	\$6,400	\$16,462	\$5,546	\$1,288
Maroochydore City Centre Project	\$10,000	\$0	\$0	\$0	\$0	\$15,000	\$30,000	\$0	\$0	\$5,000
Sunshine Coast Airport Runway	\$143,247	\$36,819	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sunshine Coast International Broadband Network	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$183,778	\$108,520	\$47,625	\$21,950	\$11,696	\$26,707	\$36,400	\$16,462	\$5,546	\$6,288

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.