

# Item 8.2

## **Attachment 1**

### **Ordinary Meeting**

**Thursday, 16 September 2021**



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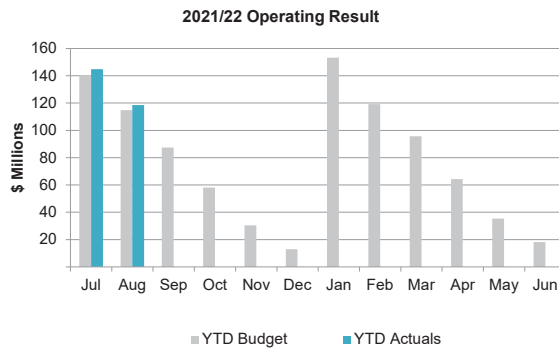


2021|22  
**BUDGET**  
Creating a safer, secure future

**Financial Performance Report**  
August 2021

sunshinecoast.qld.gov.au  
Sunshine Coast Council Budget 2021/22

# Statement of Income and Expenses August 2021

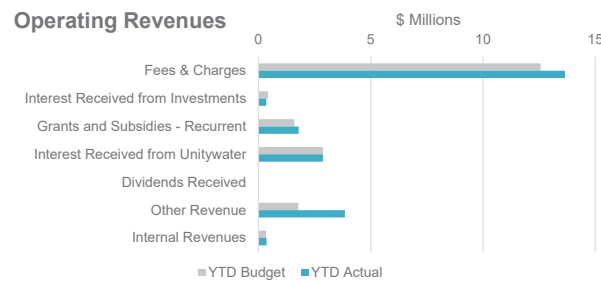


- Council has a positive operating result of \$118.5 million, which is \$4.3 million above the current budget as at 31 August 2021.



	Annual		YTD				Annual
	Original Budget \$'000	Current Budget \$'000	Current Budget \$'000	Actuals \$'000	Variance \$'000	Variance %	Forecast Budget \$'000
<b>Operating Revenue</b>							
Net Rates and Utility Charges	343,342	343,342	168,884	169,139	255	0.2%	343,342
Fees and Charges	65,577	65,577	12,572	13,649	1,077	8.6%	65,577
Interest Received from Investments	2,550	2,550	425	350	(75)	(17.5%)	2,550
Operating Grants and Subsidies	15,218	15,218	1,604	1,788	184	11.5%	15,218
Operating Contributions	302	302	259	274	15	5.6%	302
Unitywater Participation	49,838	49,838	2,868	2,868	-	-	49,838
Other Revenue	19,854	19,854	1,771	3,848	2,076	117.2%	19,853
Internal Sales/Recoveries	1,752	1,752	341	360	19	5.5%	1,749
<b>Total Operating Revenue</b>	<b>498,433</b>	<b>498,433</b>	<b>188,724</b>	<b>192,276</b>	<b>3,551</b>	<b>1.9%</b>	<b>498,429</b>
<b>Operating Expenses</b>							
Employees Costs	156,239	156,239	21,902	21,970	68	0.3%	156,262
Materials and Services	187,077	187,077	27,835	26,474	(1,361)	(4.9%)	187,654
Finance Costs	12,244	12,244	2,041	2,272	232	11.3%	12,244
Company Contributions	3,615	3,615	3,615	3,615	(0)	(0.0%)	3,615
Depreciation Expense	95,097	95,097	15,849	15,849	(0)	(0.0%)	95,097
Other Expenses	21,884	21,884	2,709	2,960	251	9.3%	21,884
Recurrent Capital Expenses	3,446	3,446	636	636	0	0.0%	3,444
<b>Total Operating Expenses</b>	<b>479,602</b>	<b>479,602</b>	<b>74,587</b>	<b>73,777</b>	<b>(810)</b>	<b>(1.1%)</b>	<b>480,200</b>
<b>Operating Result</b>	<b>18,831</b>	<b>18,831</b>	<b>114,137</b>	<b>118,499</b>	<b>4,362</b>	<b>3.8%</b>	<b>18,229</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	18,000	18,000	-	4,678	4,678	-	19,368
Capital Contributions - Cash	28,631	28,631	4,772	7,821	3,049	63.9%	28,631
Capital Contributions - Fixed Asset	55,000	55,000	-	-	-	-	55,000
<b>Total Capital Revenue</b>	<b>101,631</b>	<b>101,631</b>	<b>4,772</b>	<b>12,499</b>	<b>7,727</b>	<b>161.9%</b>	<b>102,999</b>
<b>Non-recurrent Expenses</b>							
Profit/Loss on disposal, revaluation & impairment	7,048	7,048	-	-	-	-	7,048
Movements in landfill and quarry provisions	5,583	5,583	827	827	-	-	4,964
Assets Transferred to Third Parties	-	-	-	-	-	-	-
<b>Total Non-recurrent Expenses</b>	<b>12,631</b>	<b>12,631</b>	<b>827</b>	<b>827</b>	<b>-</b>	<b>-</b>	<b>12,012</b>
<b>Net Result</b>	<b>107,831</b>	<b>107,831</b>	<b>118,082</b>	<b>130,170</b>	<b>12,089</b>	<b>10.2%</b>	<b>109,216</b>

## Operating Result – August 2021



	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	498,433	498,433	188,724	192,276	3,551	1.9%
Operating Expenses	476,156	476,156	73,951	73,141	(810)	(1.1%)
Recurrent Capital Expenses	3,446	3,446	636	636	0	0.0%
<b>Operating Result</b>	<b>18,831</b>	<b>18,831</b>	<b>114,137</b>	<b>118,498</b>	<b>4,361</b>	<b>3.8%</b>
Capital Revenue	101,631	101,631	4,772	12,499	7,727	161.9%
Non-recurrent Expenses	12,631	12,631	827	827	-	-
<b>Net Result</b>	<b>107,831</b>	<b>107,831</b>	<b>118,082</b>	<b>130,170</b>	<b>12,088</b>	<b>10.2%</b>

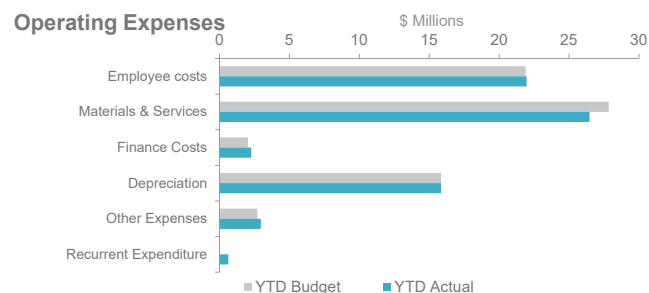
### Substantial Revenue Variance for the Period Ending 31 August 2021

	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
<b>Operating Revenue</b>							
Fees and Charges	65,577	65,577	12,572	13,649	1,077	8.6%	65,577
Other Revenue	19,854	19,854	1,771	3,848	2,076	117.2%	19,853

- As at 31 August 2021 \$192.3 million operating revenue had been achieved which is \$3.5 million more than current budget.
- Significant revenue variances:
  - Fees and Charges** – Development services applications and material change of use fees are above budget by \$561,000
  - Other Revenue** – Council has received land sales revenue for Lot A1 within the Maroochydhore City Centre which is causing a positive variance to budget



## Operating Result – August 2021 (continued)



Operating Summary						
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	498,433	498,433	188,724	192,276	3,551	1.9%
Operating Expenses	476,156	476,156	73,951	73,141	(810)	(1.1%)
Recurrent Capital Expenses	3,446	3,446	636	636	0	0.0%
<b>Operating Result</b>	<b>18,831</b>	<b>18,831</b>	<b>114,137</b>	<b>118,498</b>	<b>4,361</b>	<b>3.8%</b>
Capital Revenue	101,631	101,631	4,772	12,499	7,727	161.9%
Non-recurrent Expenses	12,631	12,631	827	827	-	-
<b>Net Result</b>	<b>107,831</b>	<b>107,831</b>	<b>118,082</b>	<b>130,170</b>	<b>12,088</b>	<b>10.2%</b>

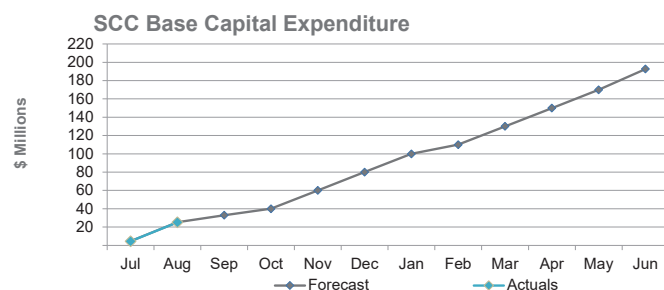
Substantial Expenditure Variance for the Period Ending 31 August 2021							
	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Materials and Services	187,077	187,077	27,835	26,474	(1,361)	(4.9%)	187,654
Other Expenses	21,884	21,884	2,709	2,960	251	9.3%	21,884

- As at August 2021, \$73.7 million of the \$74.6 million budget year to date had been expended which resulted in an underspend of \$810,000
- Employee expenses are on budget for August, with an underspend in materials and services relating to timing of contractor payments.





## Capital Expenditure - August 2021

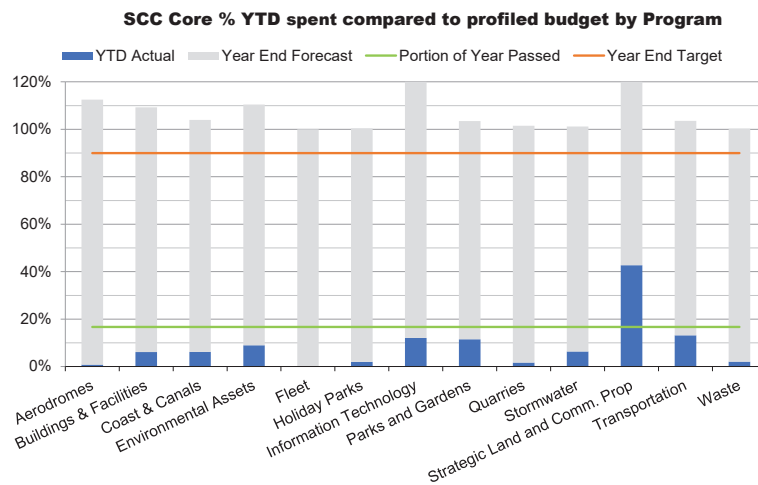


- As at August 2021 \$32.3 million of Council's \$268.9 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 9.1% of budget, an actual spend of \$17.2 million.
- Corporate Major Projects progressed 10.7%
- Forecast Year End Variance to Budget reflects potential carry overs from 2020/21 to 2021/22 year. The final results will be included in Budget Review 1 report due in September 2021



	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
Aerodromes	200	200	2	0.8%	225	25
Buildings and Facilities	12,459	12,459	776	6.2%	13,546	1,087
Coast and Canals	3,125	3,125	195	6.2%	3,125	-
Environmental Assets	1,800	1,800	162	9.0%	1,916	116
Minor Works	4,620	4,620	432	9.3%	5,531	911
Fleet	3,250	3,250	-	-	3,250	-
Holiday Parks	2,540	2,540	51	2.0%	2,540	-
Information Technology	6,620	6,620	796	12.0%	8,385	1,765
Parks and Gardens	17,587	17,587	2,020	11.5%	17,786	199
Quarries	635	635	11	1.7%	635	-
Stormwater	8,201	8,201	519	6.3%	8,201	-
Transportation	86,876	86,876	11,427	13.2%	86,876	-
Waste	40,641	40,641	847	2.1%	40,641	-
<b>Total SCC Core Capital Program</b>	<b>188,554</b>	<b>188,554</b>	<b>17,237</b>	<b>9.1%</b>	<b>192,657</b>	<b>4,103</b>
Corporate Major Projects	60,425	60,425	6,495	10.7%	72,105	11,680
Strategic Land and Commercial Properties	19,383	19,383	8,274	42.7%	23,441	4,058
Maroochydore City Centre	553	553	63	11.5%	553	-
Sunshine Coast Airport Runway	-	-	191	-	7,170	7,170
<b>Total Other Capital Program</b>	<b>80,361</b>	<b>80,361</b>	<b>15,024</b>	<b>18.7%</b>	<b>103,269</b>	<b>22,908</b>
<b>TOTAL</b>	<b>268,915</b>	<b>268,915</b>	<b>32,261</b>	<b>12.0%</b>	<b>295,926</b>	<b>27,011</b>

## Capital Expenditure - August 2021 (continued)



### Buildings and Facilities

- The upgrade and refurbishment of the Nambour Aquatic centre is in construction and is scheduled to be finalised in September pending final delivery of materials

### Environmental Assets

- Several key tracks and trails have progressed through planning stage. These include Glass House Mountains regional trail, Buderim-Palmwoods Tramway trail, Gardners Fall trail and Caloundra Town Reserve trail.

### Holiday Parks

- Design is currently underway for the replacement of amenities for Mudjimba and Coolum Beach holiday parks.

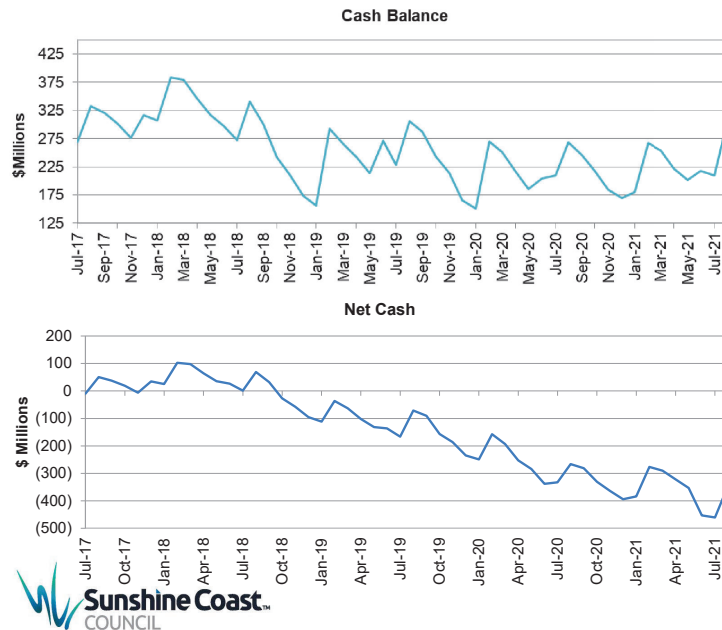
### Stormwater

- The Procurement of the civil contractor for the \$2.8 million project for the stormwater pipe relining program has been finalised with the program of works scheduled to begin in November.

### Transportation

- Council's \$23.3 million road resurfacing and rehabilitation program has progressed 6% for August with a total expenditure of \$1.4 million.
- Procurement for the sealing and upgrade of Citrus Road, Palmwoods has finalised with construction scheduled to be complete by December 2021.

## Cash Flows and Balance Sheet



### Cash and Balance Sheet - August 2021

	Original Budget \$'000s
<b>CASH FLOWS</b>	
Opening Cash	186,095
Net Cash Inflow/(Outflows) from:	
Operating Activities	66,159
Investing Activities	126,453
Financing Activities	(187,393)
<b>Net Increase/(decrease) in Cash Held</b>	<b>5,219</b>
<b>Cash at year end</b>	<b>191,314</b>
<b>BALANCE SHEET</b>	
Current Assets	246,160
Non Current Assets	6,290,967
<b>Total Assets</b>	<b>6,537,127</b>
Current Liabilities	120,894
Non Current Liabilities	537,476
<b>Total Liabilities</b>	<b>658,370</b>
<b>Net Community Assets/Total Community Equity</b>	<b>5,878,757</b>

- Council's cash at 31 August 2021 is \$301.3 million
- Council's debt at 31 August 2021 is \$657 million

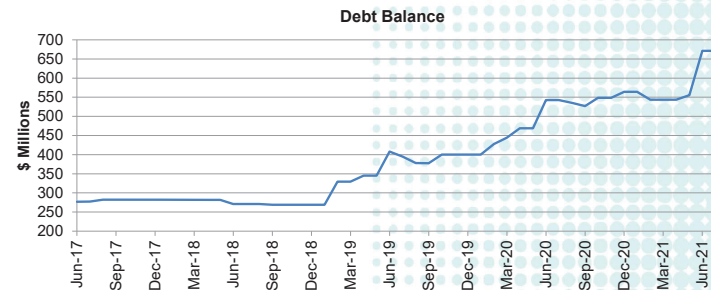
# Debt

Sunshine Coast Council's debt program is governed by the 2021/22 Debt Policy, which was adopted with the Original Budget adoption on 24 June 2021.

New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

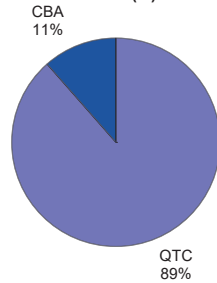
The table to the right contains Sunshine Coast Council's adopted debt balance for 2021/22

Debt - 2021/22				
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	256,656	10,087	98,461	355,030
Sunshine Coast Airport Expansion Project	269,290	269,290	-	-
Maroochydore City Centre	134,035	5,847	-	128,188
Sunshine Coast International Broadband Network	11,089	910	-	10,179

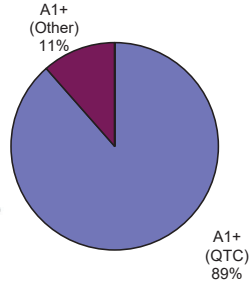


# Investment Performance

Investment per financial institution (%)



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



Investment Performance - August 2021						
Liquidity as at:	31/08/2021				Term deposits maturing:	
	\$'000's				\$'000's	Count
At-call accounts					within 30 days	-
QTC + CBA (excl. trust)	301,307	96.22%			30-59 days	-
					60-89 days	-
Maturities within 7 days	-	0.00%			90-179 days	-
<b>Total at-call</b>	<b>301,307</b>	<b>96.22%</b>			180-364 days	-
Investment Policy Target		10.00%			1 year - 3 years	-
					<b>Total</b>	-
<b>INVESTMENT SUMMARY (including Trust) as at:</b>						
\$'000	31/08/2021	31/05/2021	31/08/2020	Investment Policy		
				Individual Limit	Group Limits	
A1+ (QTC)	278,110	241,615	177,376	100%	100%	
A1+ (Other)	35,019	27,030	84,786	40%	100%	
A1	-	-	5,000	30%	50%	
A2	-	-	10,000	30%	45%	
A3	-	-	-	5%	10%	
<b>Total Funds</b>	<b>313,129</b>	<b>268,645</b>	<b>277,163</b>			
<b>FUND SUMMARY</b>						
General Funds	301,307	256,899	269,208			
Trust Funds	11,822	11,746	7,954			
<b>Total Funds</b>	<b>313,129</b>	<b>268,645</b>	<b>277,163</b>			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 August 2021 Council had \$301.3 million cash (excluding Trust Fund) with an average interest rate of 0.60%, being 0.58% above benchmark. This is compared to the same period last year with \$269.2 million cash (excluding Trust Fund) with an average interest rate of 1.62%, being 0.71% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



