



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

For Period Ending 30 June

	Current 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
Operating Revenue											
Gross Rates & Utility Charges	336,026	336,026	349,789	363,783	377,987	392,471	407,518	421,205	435,358	449,561	464,233
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	335,046	348,420	361,994	375,838	390,220	403,320	416,864	430,457	444,499
Fees & Charges	56,309	58,213	64,424	66,196	67,983	69,853	71,774	73,712	75,702	77,708	79,767
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	12,532	13,332	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	20,877	20,805	30,456	40,928	68,283	51,335	30,854	19,931	25,936	27,332	35,085
Internal Revenues	4,138	4,124	4,237	4,354	4,471	4,594	4,721	4,848	4,979	5,111	5,246
Total Operating Revenue	464,398	467,015	500,431	526,166	569,001	567,889	563,838	568,079	589,749	606,877	630,865
Operating Expenses											
Employee costs	148,358	149,263	151,503	154,533	157,623	160,776	163,991	167,271	170,616	174,029	177,509
Materials & Services	184,996	186,127	192,328	198,576	212,831	215,512	211,833	212,983	219,752	225,310	233,075
Finance Costs	12,080	12,080	14,118	10,494	9,847	9,027	8,139	7,023	5,947	4,952	4,577
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	22,505	22,387	22,387	22,924	23,475	24,038	24,615	25,206	25,811	26,430	27,064
Recurrent Capital Expenses	3,917	4,857	4,745	5,361	4,800	4,312	4,135	4,283	4,286	4,455	4,461
Total Operating Expenses	461,686	464,544	483,636	493,031	512,392	520,207	522,464	529,260	541,722	553,280	567,666
Operating Result	2,712	2,471	16,795	33,135	56,609	47,682	41,373	38,819	48,027	53,596	63,199
Non-recurrent Revenue & Expenses											
Capital Revenue											
Capital Grants and Subsidies	42,042	48,002	9,940	9,443	9,443	9,443	9,443	9,443	9,443	9,443	9,443
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	133,641	139,601	96,571	88,074	84,086	85,051	86,125	87,307	88,518	83,991	85,264
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	130,770	136,489	101,852	116,658	136,057	128,003	122,673	121,204	131,525	132,467	143,240

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

For Period Ending 30 June

	Current	Revised	Forecast								
	Budget	Budget	2022	2023	2024	2025	2026	2027	2028	2029	2030
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets											
Cash & Investments	192,793	184,722	208,588	179,712	201,869	200,131	226,960	205,190	232,212	232,972	222,582
Trade and other receivables	16,343	16,451	17,502	18,179	18,824	19,484	20,169	20,802	21,456	22,113	22,791
Inventories	14,221	14,221	14,274	13,909	11,452	10,991	10,792	11,599	11,569	11,546	11,728
Other Financial Assets	23,215	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
Total Current Assets	246,571	238,609	264,020	236,048	256,998	256,081	284,033	264,356	292,672	294,751	285,923
Non-Current Assets											
Trade and other receivables	747,431	747,431	747,228	456,129	456,129	456,129	456,129	456,129	456,129	456,129	456,129
Property, plant & equipment	4,838,079	4,852,106	5,147,557	5,412,448	5,643,162	5,884,012	6,108,329	6,359,763	6,621,007	6,873,862	7,176,712
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	37,676	37,676	37,760	36,608	29,372	27,935	27,258	29,500	29,309	29,133	29,551
Intangible assets	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744	12,744
Total Non-Current Assets	6,174,143	6,188,169	6,483,501	6,456,142	6,679,620	6,919,033	7,142,673	7,396,350	7,657,402	7,910,081	8,213,349
TOTAL ASSETS	6,420,714	6,426,778	6,747,521	6,692,190	6,936,618	7,175,113	7,426,706	7,660,706	7,950,074	8,204,832	8,499,272
Current Liabilities											
Trade and other payables	68,770	69,318	65,251	66,634	68,514	69,957	71,466	73,022	74,628	76,289	78,006
Short Term Borrowings	295,452	295,452	31,853	39,512	42,816	62,860	49,694	51,937	54,252	39,638	34,561
Provisions	10,752	10,752	10,688	10,982	11,284	11,595	11,914	12,241	12,578	12,924	13,279
Other	22,806	22,806	22,806	23,376	23,961	24,560	25,174	25,803	26,448	27,109	27,787
Total Current Liabilities	397,781	398,329	130,598	140,505	146,575	168,971	158,247	163,003	167,907	155,960	153,633
Non-Current Liabilities											
Long Term Borrowings	349,497	349,294	402,863	384,644	353,066	301,670	296,376	253,908	250,102	221,021	204,873
Long Term Provisions	73,179	73,179	75,192	77,260	79,384	81,567	83,810	86,115	88,483	90,917	93,417
Total Non-Current Liabilities	422,676	422,473	478,055	461,904	432,450	383,238	380,186	340,023	338,585	311,938	298,290
TOTAL LIABILITIES	820,457	820,802	608,654	602,409	579,025	552,209	538,433	503,026	506,492	467,898	451,923
NET COMMUNITY ASSETS	5,600,257	5,605,976	6,138,868	6,089,782	6,357,593	6,622,904	6,888,274	7,157,680	7,443,582	7,736,934	8,047,349
Community Equity											
Asset revaluation surplus	771,481	771,481	890,482	1,015,837	1,147,592	1,284,900	1,427,597	1,575,799	1,730,176	1,891,062	2,058,236
Retained Earnings	4,828,776	4,834,495	5,248,385	5,073,945	5,210,002	5,338,004	5,460,677	5,581,881	5,713,406	5,845,873	5,989,113
TOTAL COMMUNITY EQUITY	5,600,257	5,605,976	6,138,867	6,089,782	6,357,593	6,622,905	6,888,275	7,157,680	7,443,582	7,736,935	8,047,349

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

For Period Ending 30 June

	Current	Revised	Forecast								
	Budget	Budget	2022	2023	2024	2025	2026	2027	2028	2029	2030
	2021 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000
Capital Accounts											
Asset Revaluation Reserve											
Balance at beginning of period	657,901	657,901	771,481	890,482	1,015,837	1,147,592	1,284,900	1,427,597	1,575,799	1,730,176	1,891,062
Asset revaluation adjustments	113,580	113,580	119,001	125,355	131,754	137,309	142,697	148,201	154,377	160,886	167,174
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	771,481	771,481	890,482	1,015,837	1,147,592	1,284,900	1,427,597	1,575,799	1,730,176	1,891,062	2,058,236
Retained Earnings											
Balance at beginning of period	4,698,006	4,698,006	4,834,495	5,248,385	5,073,945	5,210,002	5,338,004	5,460,677	5,581,881	5,713,406	5,845,873
Net result for the period	130,770	136,489	101,852	116,658	136,057	128,003	122,673	121,204	131,525	132,467	143,240
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	4,828,776	4,834,495	5,248,385	5,073,945	5,210,002	5,338,004	5,460,677	5,581,881	5,713,406	5,845,873	5,989,113
Total											
Balance at beginning of period	4,983,006	4,983,006	5,233,075	5,765,966	5,716,881	5,984,692	6,250,004	6,515,374	6,784,779	7,070,681	7,364,034
Net result for the period	130,770	136,489	101,852	116,658	136,057	128,003	122,673	121,204	131,525	132,467	143,240
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	119,001	125,355	131,754	137,309	142,697	148,201	154,377	160,886	167,174
Balance at end of period	5,227,356	5,233,075	5,765,966	5,716,881	5,984,692	6,250,004	6,515,374	6,784,779	7,070,681	7,364,034	7,674,448

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

For Period Ending 30 June

	Current 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
Cash flows from operating activities											
Operating Result	2,712	2,471	16,795	33,135	56,609	47,682	41,373	38,819	48,027	53,596	63,199
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	14,118	10,494	9,847	9,027	8,139	7,023	5,947	4,952	4,577
Change in Working Capital	(1,783)	(1,343)	(3,555)	4,562	13,334	5,152	4,238	483	3,855	3,957	3,271
Net cash inflow (outflow) from operating activities	42,253	42,452	66,415	89,720	123,876	108,546	103,516	98,703	112,890	120,226	131,503
Cash flows from investing activities											
Payments for property, plant and equipment	(260,206)	(274,216)	(220,373)	(184,690)	(155,352)	(162,379)	(141,898)	(166,006)	(153,408)	(173,169)	(201,922)
Proceeds from disposal non current assets	-	-	305,000	-	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	73,641	79,601	41,571	38,074	39,086	38,926	38,846	38,846	38,846	33,078	33,078
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)	(14,118)	(10,494)	(9,847)	(9,027)	(8,139)	(7,023)	(5,947)	(4,952)	(4,577)
Net cash inflow (outflow) from investing activities	(145,196)	(153,246)	165,530	(103,661)	(72,664)	(79,031)	(57,742)	(80,733)	(67,060)	(91,594)	(119,973)
Cash flows from financing activities											
Proceeds from borrowings	123,905	123,685	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)	(300,764)	(39,115)	(42,399)	(44,923)	(65,065)	(51,414)	(54,142)	(39,140)	(40,349)
Net cash inflow (outflow) from financing activities	98,104	97,884	(208,079)	(14,935)	(29,055)	(31,253)	(18,945)	(39,740)	(18,808)	(27,872)	(21,920)
Net increase (decrease) in cash held	(4,839)	(12,910)	23,866	(28,876)	22,157	(1,738)	26,829	(21,770)	27,023	759	(10,390)
Cash at beginning of reporting period	197,632	197,632	184,722	208,588	179,712	201,868	200,130	226,960	205,190	232,212	232,971
Cash at end of reporting period	192,793	184,722	208,588	179,712	201,868	200,130	226,960	205,190	232,212	232,971	222,582

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

For Period Ending 30 June

	Current Budget	Revised Budget	Forward Estimate								
	2021 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000
Operating Performance											
Operating Performance Ratio (%)	0.9%	0.5%	3.4%	6.3%	9.9%	8.4%	7.3%	6.8%	8.1%	8.8%	10.0%
Fiscal Flexibility											
Council controlled revenue (%)	80.4%	80.3%	79.8%	78.8%	75.6%	78.5%	81.9%	84.0%	83.5%	83.7%	83.1%
Total debt service cover ratio (times)	0.3 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 (%)	117.4%	124.7%	68.9%	69.6%	56.6%	52.1%	45.1%	42.0%	36.3%	28.5%	26.3%
Liquidity											
Cash expense cover ratio (months)	6.7	6.1	6.7	5.6	6.1	5.9	6.7	6.0	6.6	6.5	6.0
Asset Sustainability											
Asset Sustainability Ratio (%)	74.7%	75.8%	72.2%	72.3%	66.4%	64.4%	64.2%	63.9%	62.5%	67.6%	72.7%

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

	Current	Revised	Forecast								
	Budget	Budget	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	250	200	530	200	200	200	200	200	200	200
Buildings & Facilities	37,385	38,395	55,738	14,665	6,773	8,873	12,998	21,590	19,921	32,676	41,795
Coast & Canals	2,728	3,458	2,325	2,850	2,237	2,450	2,150	2,090	1,290	2,145	2,250
Minor Works	5,425	4,921	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Environmental Assets	2,695	3,195	1,800	3,050	1,660	2,800	2,800	2,800	3,000	2,840	2,720
Fleet	2,000	2,037	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	1,212	992	540	450	2,550	2,355	415	205	2,955	2,945	1,005
Information Communication Technology	7,216	7,579	4,795	3,575	3,725	3,375	3,975	3,450	3,750	3,642	3,850
Parks & Gardens	18,886	19,025	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	6,712	6,601	6,742	7,114	7,829	7,522	7,236	6,354	6,366	7,220	8,115
Strategic Land & commercial Properties	16,326	26,788	6,350	5,000	3,500	7,750	14,700	6,800	8,000	9,900	15,500
Transportation	81,813	83,030	84,468	66,406	67,709	61,466	55,015	58,943	58,536	59,039	59,637
Waste	13,683	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 Program	196,911	210,433	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	16,898	18,375	1,224	23,000	12,500	-	-	-	-	-	-
Total Corporate Major Projects Capital Program	16,898	18,375	1,224	23,000	12,500	-	-	-	-	-	-
Region Shaping Capital Program											
Maroochydhore City Centre	14,156	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	44,338	44,288	-	-	-	-	-	-	-	-	-
Total Region Shaping Capital Program	58,494	58,444	15,644	17,834	16,680	36,765	12,417	12,993	9,042	9,733	20,398
SCC Total Capital Works Program	272,303	287,252	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:	17 September 2020 Reference Number: OM20/103
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
2.1	Endorsement	Y	Council	17 September 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	\$58,755	\$82,685	\$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
Debt Refinancing ERA Maximum	\$50,000									
	\$173,685	\$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.