

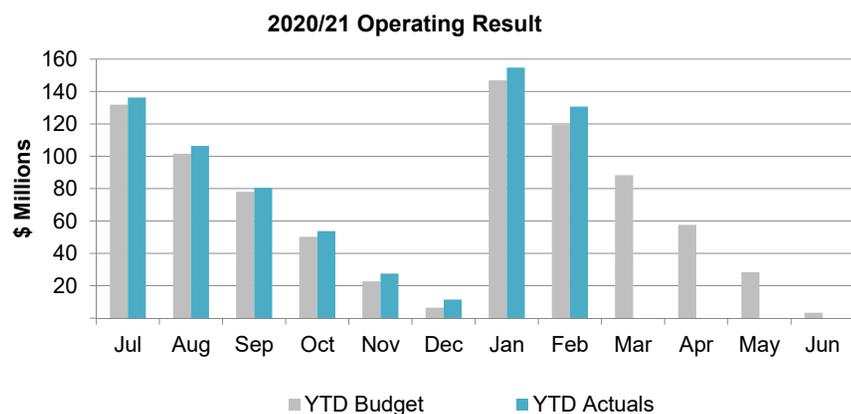
# Financial Performance Report

February 2021



Our region.  
**Healthy.**  
**Smart.**  
**Creative.**

# Statement of Income and Expenses February 2021



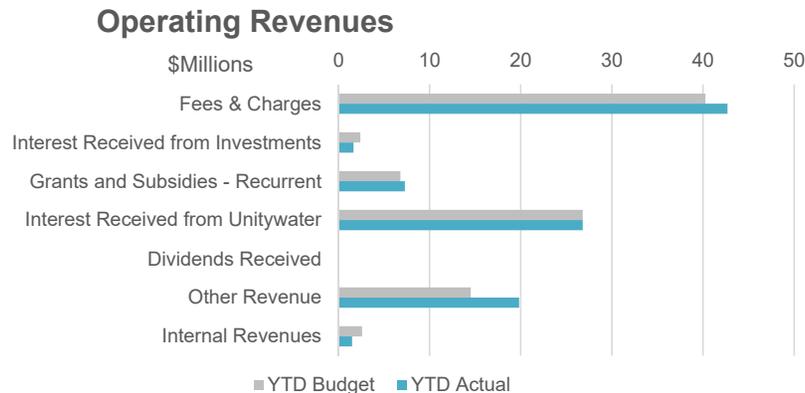
- Council has a positive operating result of \$125.8 million, which is \$7 million above the current budget as at 28 February 2021.



## Statement of Income & Expenses 28 February 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                     | 316,806               | 316,806              | 316,620              | 318,276        | 1,657          | 0.5%          | 316,806               |
| Fees and Charges                                  | 57,125                | 56,309               | 40,257               | 42,696         | 2,439          | 6.1%          | 58,213                |
| Interest Received from Investments                | 3,611                 | 3,611                | 2,408                | 1,650          | (757)          | (31.5%)       | 3,611                 |
| Operating Grants and Subsidies                    | 12,224                | 12,532               | 6,795                | 7,295          | 501            | 7.4%          | 13,332                |
| Operating Contributions                           | 287                   | 287                  | 256                  | 155            | (101)          | (39.4%)       | 287                   |
| Unitywater Participation                          | 49,838                | 49,838               | 26,808               | 26,808         | 0              | 0.0%          | 49,838                |
| Other Revenue                                     | 21,040                | 20,877               | 14,513               | 14,981         | 468            | 3.2%          | 20,804                |
| Internal Sales/Recoveries                         | 4,138                 | 4,138                | 2,587                | 1,498          | (1,089)        | (42.1%)       | 4,152                 |
| <b>Total Operating Revenue</b>                    | <b>465,069</b>        | <b>464,398</b>       | <b>410,243</b>       | <b>413,360</b> | <b>3,117</b>   | <b>0.8%</b>   | <b>467,043</b>        |
| <b>Operating Expenses</b>                         |                       |                      |                      |                |                |               |                       |
| Employee Costs                                    | 147,973               | 148,358              | 93,388               | 93,196         | (192)          | (0.2%)        | 149,262               |
| Materials and Services                            | 184,678               | 184,996              | 113,137              | 109,287        | (3,850)        | (3.4%)        | 186,128               |
| Finance Costs                                     | 12,080                | 12,080               | 8,095                | 7,961          | (134)          | (1.7%)        | 12,080                |
| Company Contributions                             | 1,554                 | 1,554                | 1,554                | 1,562          | 8              | 0.5%          | 1,554                 |
| Depreciation Expense                              | 88,276                | 88,276               | 58,893               | 58,893         | 0              | 0.0%          | 88,276                |
| Other Expenses                                    | 22,255                | 22,505               | 13,319               | 13,624         | 306            | 2.3%          | 22,384                |
| Recurrent Capital Expenses                        | 3,917                 | 3,917                | 3,024                | 3,024          | (0)            | (0.0%)        | 4,053                 |
| <b>Total Operating Expenses</b>                   | <b>460,733</b>        | <b>461,686</b>       | <b>291,409</b>       | <b>287,546</b> | <b>(3,863)</b> | <b>(1.3%)</b> | <b>463,738</b>        |
| <b>Operating Result</b>                           | <b>4,336</b>          | <b>2,712</b>         | <b>118,834</b>       | <b>125,814</b> | <b>6,980</b>   | <b>5.9%</b>   | <b>3,305</b>          |
| <b>Capital Revenue</b>                            |                       |                      |                      |                |                |               |                       |
| Capital Grants and Subsidies                      | 10,060                | 48,002               | 13,117               | 13,271         | 154            | 1.2%          | 48,932                |
| Capital Contributions - Cash                      | 31,599                | 31,599               | 21,311               | 30,523         | 9,211          | 43.2%         | 31,599                |
| Capital Contributions - Fixed Assets              | 60,000                | 60,000               | 3,882                | 3,882          | 0              | 0.0%          | 60,000                |
| <b>Total Capital Revenue</b>                      | <b>101,659</b>        | <b>139,601</b>       | <b>38,310</b>        | <b>47,676</b>  | <b>9,365</b>   | <b>24.4%</b>  | <b>140,531</b>        |
| <b>Non-recurrent Expenses</b>                     |                       |                      |                      |                |                |               |                       |
| Profit/Loss on disposal, revaluation & impairment | -                     | -                    | -                    | 390            | 390            | -             | -                     |
| Movements in landfill and quarry provisions       | 5,583                 | 5,583                | 3,722                | 3,722          | -              | -             | 5,583                 |
| Assets Transferred to Third Parties               | -                     | -                    | -                    | -              | -              | -             | -                     |
| <b>Total Non-recurrent Expenses</b>               | <b>5,583</b>          | <b>5,583</b>         | <b>3,722</b>         | <b>4,112</b>   | <b>390</b>     | <b>10.5%</b>  | <b>5,583</b>          |
| <b>Net Result</b>                                 | <b>100,412</b>        | <b>136,730</b>       | <b>153,422</b>       | <b>169,378</b> | <b>15,956</b>  | <b>10.4%</b>  | <b>138,253</b>        |

# Operating Result – February 2021



## Substantial Revenue Variance for the Period Ending 28 February 2021

|                                    | Annual                |                      | YTD                  |               |                |            |
|------------------------------------|-----------------------|----------------------|----------------------|---------------|----------------|------------|
|                                    | Original Budget \$000 | Current Budget \$000 | Current Budget \$000 | Actuals \$000 | Variance \$000 | Variance % |
| <b>Operating Revenue</b>           |                       |                      |                      |               |                |            |
| Net Rates and Utility Charges      | 316,806               | 316,806              | 316,620              | 318,276       | 1,657          | 0.5%       |
| Fees and Charges                   | 57,125                | 56,309               | 40,257               | 42,696        | 2,439          | 6.1%       |
| Interest Received from Investments | 3,611                 | 3,611                | 2,408                | 1,650         | (757)          | (31.5%)    |
| Operating Grants and Subsidies     | 12,224                | 12,532               | 6,795                | 7,295         | 501            | 7.4%       |
| Other Revenue                      | 21,040                | 20,877               | 14,513               | 14,981        | 468            | 3.2%       |
| Internal Sales/Recoveries          | 4,138                 | 4,138                | 2,587                | 1,498         | (1,089)        | (42.1%)    |

## Operating Summary - February 2021

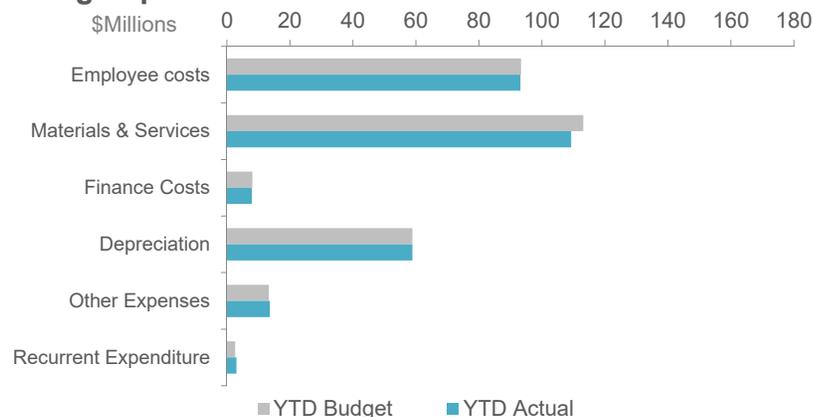
|                            | Annual                 |                       | YTD                   |                |                 |              |
|----------------------------|------------------------|-----------------------|-----------------------|----------------|-----------------|--------------|
|                            | Original Budget \$000s | Current Budget \$000s | Current Budget \$000s | Actuals \$000s | Variance \$000s | Variance %   |
| Operating Revenue          | 465,069                | 464,398               | 410,243               | 413,360        | 3,117           | 0.8%         |
| Operating Expenses         | 456,816                | 457,769               | 288,385               | 284,522        | (3,863)         | (1.3%)       |
| Recurrent Capital Expenses | 3,917                  | 3,917                 | 3,024                 | 3,024          | (0)             | (0.0%)       |
| <b>Operating Result</b>    | <b>4,336</b>           | <b>2,712</b>          | <b>118,834</b>        | <b>125,814</b> | <b>6,980</b>    | <b>5.9%</b>  |
| Capital Revenue            | 101,659                | 139,601               | 38,310                | 47,676         | 9,365           | 24.4%        |
| Non-recurrent Expenses     | 5,583                  | 5,583                 | 3,722                 | 4,112          | 390             | 10.5%        |
| <b>Net Result</b>          | <b>100,412</b>         | <b>136,730</b>        | <b>153,422</b>        | <b>169,379</b> | <b>15,956</b>   | <b>10.4%</b> |

As at 28 February 2021 \$413 million operating revenue had been achieved which is \$3.1 million more than current budget for the same period.

- This is largely due to:
  - Net Rates and Utility Charges** – An increase in waste collection services has led to a 2.7% increase in cleansing charges on 2019/20 result and higher than the increase in service level anticipated in the 2020/21 budget.
  - Fees and Charges** – Fees relating to Council's Caravan Parks are currently \$1.7 million above budget. Tip Fees and Development Services Fees are also above budget by \$1m and \$776,000 respectively while fees relating to parking infringements are below forecast by \$1.3m.
  - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
  - Operating Grants and Subsidies** – Council has received unbudgeted grant funds for the Qld Bushfire Local Economy Recovery Grant program of \$400,000.
  - Other Revenue** – The positive variance in Other revenue is due to \$160,000 received in Sponsorship and Waste Sales of Recoverables above budget \$206,000. Similarly recovered legal fees are above budget \$87,000.
  - Internal Sales** – Internal Quarry Sales are currently below budget by \$1.1m

# Operating Result – February 2021 (continued)

## Operating Expenses



## Substantial Expenditure Variance for the Period Ending 28 February 2021

|                        | Annual                |                      | YTD                  |               |                |            |
|------------------------|-----------------------|----------------------|----------------------|---------------|----------------|------------|
|                        | Original Budget \$000 | Current Budget \$000 | Current Budget \$000 | Actuals \$000 | Variance \$000 | Variance % |
| Materials and Services | 184,678               | 184,996              | 113,137              | 109,287       | (3,850)        | (3.4%)     |

## Operating Summary - February 2021

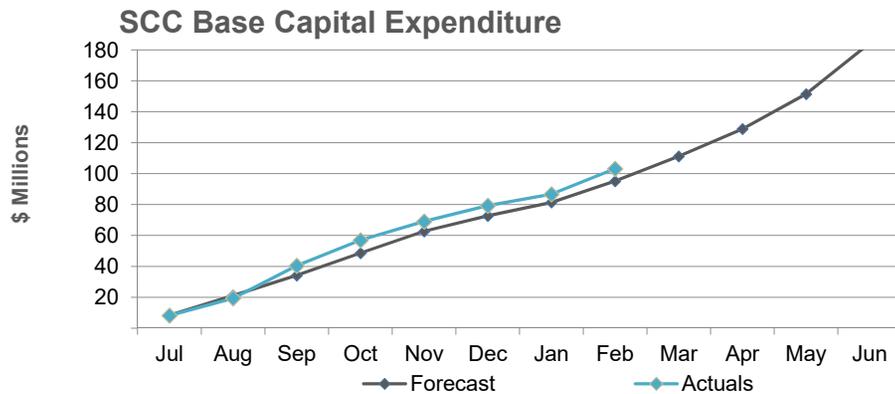
|                            | Annual                 |                       | YTD                   |                |                 |              |
|----------------------------|------------------------|-----------------------|-----------------------|----------------|-----------------|--------------|
|                            | Original Budget \$000s | Current Budget \$000s | Current Budget \$000s | Actuals \$000s | Variance \$000s | Variance %   |
| Operating Revenue          | 465,069                | 464,398               | 410,243               | 413,360        | 3,117           | 0.8%         |
| Operating Expenses         | 456,816                | 457,769               | 288,385               | 284,522        | (3,863)         | (1.3%)       |
| Recurrent Capital Expenses | 3,917                  | 3,917                 | 3,024                 | 3,024          | (0)             | (0.0%)       |
| <b>Operating Result</b>    | <b>4,336</b>           | <b>2,712</b>          | <b>118,834</b>        | <b>125,814</b> | <b>6,980</b>    | <b>5.9%</b>  |
| Capital Revenue            | 101,659                | 139,601               | 38,310                | 47,676         | 9,365           | 24.4%        |
| Non-recurrent Expenses     | 5,583                  | 5,583                 | 3,722                 | 4,112          | 390             | 10.5%        |
| <b>Net Result</b>          | <b>100,412</b>         | <b>136,730</b>        | <b>153,422</b>        | <b>169,379</b> | <b>15,956</b>   | <b>10.4%</b> |

As at 28 February 2021 \$285 million of the \$288 million budget year to date had been expended which resulted in an underspend of 3.9 million or 1.3%

### Materials and Services:

- Across whole of Council there has been savings below budget in corporate costs of fuel \$452,000, electricity \$387,000 and water and sewerage \$785,000.
- The reduction in revenue for the Quarry has resulted in reduced associated material costs of \$787,000. Similarly the reduction in fees and charges revenue for Response Services has resulted in a \$293,000 underspend.
- Both Transport Levy Projects and Maintenance Delivery are underspent by \$239,000 and \$291,000 respectively due to the timing in the delivery of road maintenance and Natural Areas Management is \$475,000 underspent due to timing in contract payments.

# Capital Expenditure – February 2021



- As at 28 February 2021 \$161 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 50.2% of budget, an actual spend of \$103 million.
- Corporate Major Projects progressed 80.3% and The Sunshine Coast Airport Runway Project progressed 79.6% of their respective annual budgets.

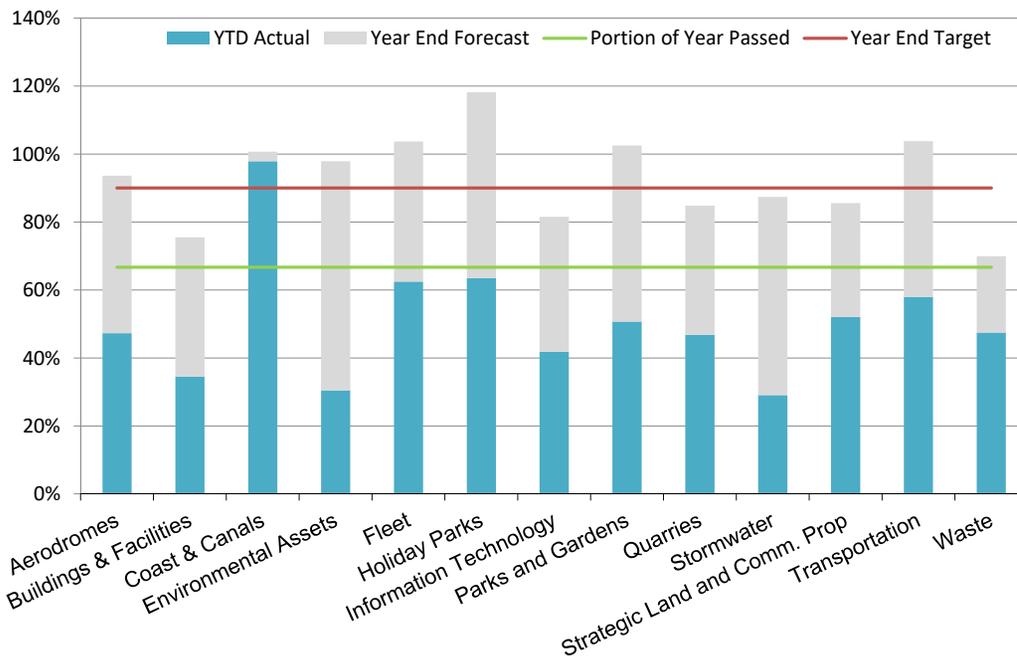


## Capital Expenditure - February 2021

|  | 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                               | 350                    | 250                   | 118            | 47.3%                | 234                      | (16)                                 |
| Buildings and Facilities                 | 45,717                 | 38,395                | 13,274         | 34.6%                | 28,994                   | (9,401)                              |
| Coast and Canals                         | 2,830                  | 3,458                 | 3,384          | 97.9%                | 3,481                    | 23                                   |
| Environmental Assets                     | 1,375                  | 3,195                 | 973            | 30.5%                | 3,127                    | (68)                                 |
| Fleet                                    | 2,000                  | 2,037                 | 1,273          | 62.5%                | 2,111                    | 74                                   |
| Holiday Parks                            | 1,255                  | 992                   | 629            | 63.5%                | 1,172                    | 180                                  |
| Information Technology                   | 6,275                  | 7,579                 | 3,170          | 41.8%                | 6,178                    | (1,401)                              |
| Parks and Gardens                        | 15,141                 | 19,025                | 9,644          | 50.7%                | 19,504                   | 479                                  |
| Quarries                                 | 480                    | 480                   | 225            | 46.8%                | 406                      | (74)                                 |
| Stormwater                               | 6,772                  | 6,601                 | 1,920          | 29.1%                | 5,768                    | (833)                                |
| Strategic Land and Commercial Properties | 9,949                  | 26,788                | 13,942         | 52.0%                | 22,923                   | (3,865)                              |
| Transportation                           | 65,588                 | 83,030                | 48,126         | 58.0%                | 86,188                   | 3,159                                |
| Waste                                    | 14,723                 | 13,683                | 6,495          | 47.5%                | 9,565                    | (4,118)                              |
| <b>Total SCC Core Capital Program</b>    | <b>172,455</b>         | <b>205,512</b>        | <b>103,174</b> | <b>50.2%</b>         | <b>189,653</b>           | <b>(15,859)</b>                      |
| Minor Works                              | 4,620                  | 4,921                 | 502            | 10.2%                | 2,355                    | (2,566)                              |
| Corporate Major Projects                 | 16,733                 | 18,375                | 14,757         | 80.3%                | 17,336                   | (1,039)                              |
| Maroochydore City Centre                 | 11,879                 | 14,156                | 7,622          | 53.8%                | 8,388                    | (5,768)                              |
| Submarine Cable IBN                      | -                      | -                     | 2              | -                    | 2                        | -                                    |
| Sunshine Coast Airport Runway            | 36,718                 | 44,288                | 35,267         | 79.6%                | 42,774                   | (1,514)                              |
| <b>Total Other Capital Program</b>       | <b>69,950</b>          | <b>81,740</b>         | <b>58,150</b>  | <b>71.1%</b>         | <b>70,856</b>            | <b>(10,886)</b>                      |
| <b>TOTAL</b>                             | <b>242,405</b>         | <b>287,252</b>        | <b>161,324</b> | <b>56.2%</b>         | <b>260,508</b>           | <b>(26,746)</b>                      |

# Capital Expenditure – February 2021 (continued)

**SCC Core % YTD spent compared to profiled budget by Program**



## Aerodromes

- Delivery of the runway lighting replacement project for Caloundra Aerodrome is currently underway and scheduled for completion in May 2021.

## Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020. A portion of the current financial year budget will be deferred into next financial year to align with the expected contract payment cash flows. The construction program remains on track for complete June 2022.

## Environmental Assets

- Design of the \$1.3 million State Government funded trails hub at Sugar Bag Road has been finalised, with the construction contract to be awarded in March.

## Information Technology

- Several projects in the Information Technology Program will be deferred due to shortage in resources.

## Parks and Gardens

- The contract has been awarded for the design and construction of the new State Funded clubhouse and change rooms at the Palmwoods cricket club.

## Quarries

- A number of projects are forecasted to be delivered between March and June 2021.

## Stormwater

- The \$1.2 million relining of damaged stormwater pipe program is currently 40% complete.

## Strategic Land and Commercial Properties

- Several land acquisitions relating to transport corridors will be deferred due to delays in land settlements.

## Transport

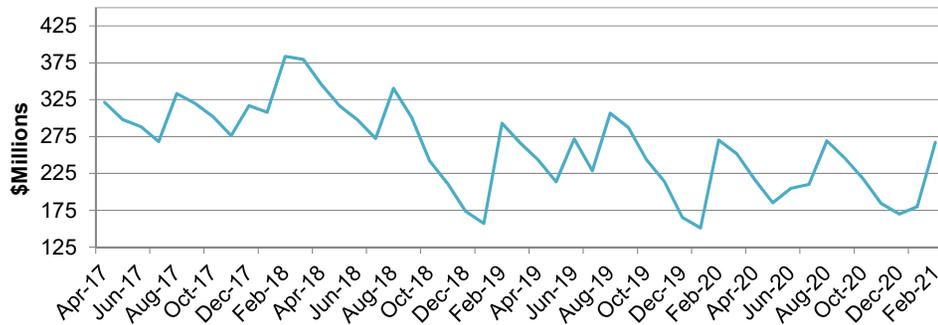
- Planned spend forecasted from February to June for Federal grant funded stimulus projects within the Pedestrian and Cyclist Enabling Facilities, Gravel and Sealed Road Network sub-programs.
- Council's \$18.4 million Road Resurfacing and Rehabilitation program has progressed 59% completion in February. Alongside the reseal program, the bus stop replacement and installation program has progressed 66% completion of the \$2.4 million program.

## Waste

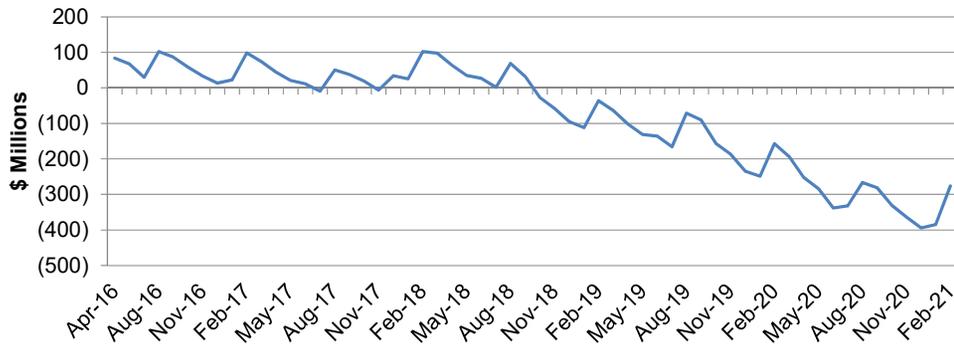
- An extended timeframe for the evaluation of tenders for the new Materials Recycling Facility in will result in deferral of funds.

# Cash Flows and Balance Sheet

Cash Balance



Net Cash



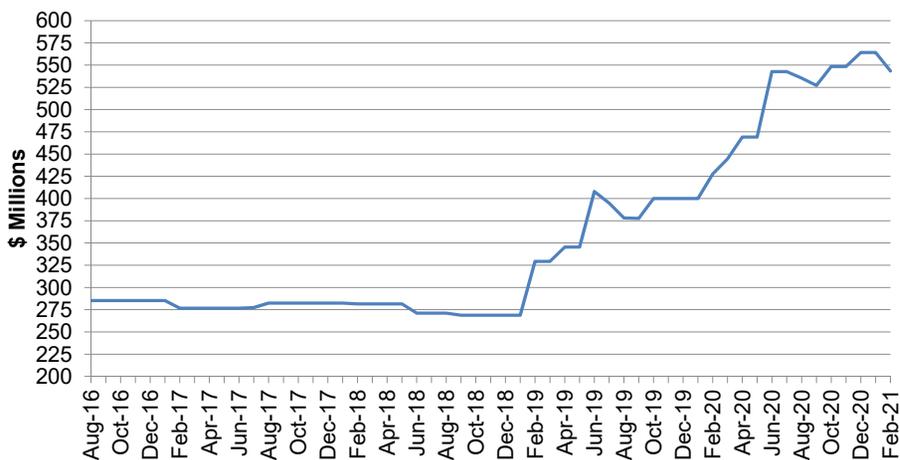
Cash and Balance Sheet - February 2021

|   | Original Budget \$000s | Current Budget \$000s |
|---|------------------------|-----------------------|
| <b>CASH FLOWS</b>                           |                        |                       |
| Opening Cash                                | 229,139                | 197,632               |
| Net Cash Inflow/(Outflows) from:            |                        |                       |
| Operating Activities                        | 48,942                 | 42,253                |
| Investing Activities                        | (149,603)              | (145,196)             |
| Financing Activities                        | 90,433                 | 98,104                |
| <b>Net Increase/(decrease) in Cash Held</b> | <b>(10,229)</b>        | <b>(4,839)</b>        |
| <b>Cash at year end</b>                     | <b>218,910</b>         | <b>192,793</b>        |
| <b>BALANCE SHEET</b>                        |                        |                       |
| Current Assets                              | 272,962                | 246,571               |
| Non Current Assets                          | 6,173,956              | 6,174,143             |
| <b>Total Assets</b>                         | <b>6,446,918</b>       | <b>6,420,714</b>      |
| Current Liabilities                         | 408,307                | 397,781               |
| Non Current Liabilities                     | 410,419                | 422,676               |
| <b>Total Liabilities</b>                    | <b>818,726</b>         | <b>820,457</b>        |
| <b>Net Community Assets/</b>                |                        |                       |
| <b>Total Community Equity</b>               | <b>5,628,192</b>       | <b>5,600,257</b>      |

- Council's cash at 28 February 2021 is \$256 million excluding trust accounts
- Council's debt at 28 February 2021 is \$543 million

# Debt

Debt Balance



Sunshine Coast Council's debt program is governed by the 2020/21 Debt Policy, which was adopted with the Original Budget adoption on 25 June 2020. The Debt policy was revised during Budget Review 2 and adopted by Council at the December Ordinary meeting. 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.

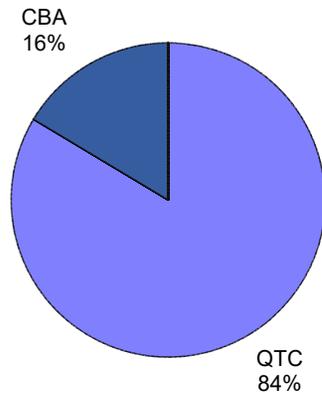
The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

## Debt - 2020/21

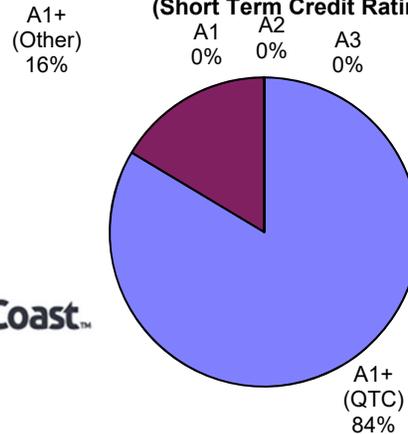
|  | Opening Balance | Debt Redemptions | New Borrowings | Closing Balance |
|--|-----------------|------------------|----------------|-----------------|
|  | \$000           | \$000            | \$000          | \$000           |
| Sunshine Coast Council Core                    | 190,864         | 12,292           | 58,975         | 237,547         |
| Sunshine Coast Airport Expansion Project       | 211,492         | -                | 57,430         | 268,922         |
| Maroochydore City Centre                       | 132,530         | 8,847            | 7,500          | 131,183         |
| Sunshine Coast International Broadband Network | 11,236          | 908              | -              | 10,328          |

# Investment Performance

Investment per financial institution (%)



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



| Investment Performance - February 2021 |                |               |  |
|--|----------------|---------------|--|
| Liquidity as at:                       |                | 28/02/2021    |  |
|  |                | \$'000        |  |
| At-call accounts                       |                |               |  |
| QTC + CBA (excl. trust)                | 255,619        | 95.66%        |  |
| Maturities within 7 days               | -              | 0.00%         |  |
| <b>Total at-call</b>                   | <b>255,619</b> | <b>95.66%</b> |  |
| Investment Policy Target               |                | 10.00%        |  |

| Term deposits maturing: |          |          |
|-------------------------|----------|----------|
|                         | \$'000   | Count    |
| within 30 days          | -        | -        |
| 30-59 days              | -        | -        |
| 60-89 days              | -        | -        |
| 90-179 days             | -        | -        |
| 180-364 days            | -        | -        |
| 1 year - 3 years        | -        | -        |
| <b>Total</b>            | <b>-</b> | <b>-</b> |

| INVESTMENT SUMMARY (including Trust) as at: |                |     |                |       |                |       | Investment Policy |              |
|---|----------------|-----|----------------|-------|----------------|-------|-------------------|--------------|
| \$'000                                      | 28/02/2021     |     | 28/11/2020     |       | 28/02/2020     |       | Individual Limit  | Group Limits |
| A1+ (QTC)                                   | 223,366        | 84% | 91,083         | 48.9% | 142,841        | 52.7% | 100.0%            | 100%         |
| A1+ (Other)                                 | 43,838         | 16% | 90,370         | 48.5% | 87,959         | 32.5% | 40.0%             | 100%         |
| A1  | -              | 0%  | 5,000          | 2.7%  | 10,000         | 3.7%  | 30.0%             | 50%          |
| A2  | -              | 0%  | -              | 0.0%  | 30,000         | 11.1% | 30.0%             | 45%          |
| A3  | -              | 0%  | -              | 0.0%  | -              | 0.0%  | 5.0%              | 10%          |
| <b>Total Funds</b>                          | <b>267,204</b> |     | <b>186,453</b> |       | <b>270,800</b> |       |                   |              |
| <b>FUND SUMMARY</b>                         |                |     |                |       |                |       |                   |              |
| General Funds                               | 255,619        |     | 176,036        |       | 263,026        |       |                   |              |
| Trust Funds                                 | 11,585         |     | 10,417         |       | 7,773          |       |                   |              |
| <b>Total Funds</b>                          | <b>267,204</b> |     | <b>186,453</b> |       | <b>270,800</b> |       |                   |              |

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 28 February 2021 Council had \$255.6 million cash (excluding Trust Fund) with an average interest rate of 0.70%, being 0.67% above benchmark. This is compared to the same period last year with \$263 million cash (excluding Trust Fund) with an average interest rate of 1.68%, being 1.01% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



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