



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

For Period Ending 30 June

	Original 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	
Operating Revenue												
Gross Rates & Utility Charges	335,690	326,703	340,059	353,987	368,512	383,735	401,068	418,104	437,482	456,119	477,322	
Interest from Rates & Utilities	670	670	699	730	762	796	835	872	914	955	1,001	
Less Discounts, Pensioner Remissions	(14,871)	(14,871)	(15,525)	(16,208)	(16,922)	(17,666)	(18,532)	(19,347)	(20,295)	(21,188)	(22,226)	
Net Rates & Utility Charges	321,489	312,502	325,233	338,509	352,353	366,865	383,371	399,628	418,101	435,886	456,097	
Fees & Charges	57,857	57,857	59,506	61,202	62,946	64,803	66,715	69,016	71,397	73,861	76,409	
Interest Received from Investments	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	8,838	
Grants and Subsidies - Recurrent	12,329	7,796	12,318	12,318	12,318	12,318	12,318	12,318	12,318	12,318	12,318	
Operating contributions	319	319	319	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	25,016	25,095	42,146	62,484	33,335	40,164	20,964	20,982	42,205	45,643	39,666	
Internal Revenues	8,101	8,101	8,332	8,569	8,814	9,074	9,341	9,664	9,997	10,342	10,699	
Total Operating Revenue	483,788	470,346	506,530	542,077	528,760	552,218	551,704	570,602	613,013	637,044	654,183	
Operating Expenses												
Employee costs	145,196	146,478	151,531	156,759	162,168	167,762	173,550	179,538	185,732	192,139	198,768	
Materials & Services	191,895	183,944	195,105	214,335	202,881	210,546	212,307	220,169	236,401	246,140	250,748	
Finance Costs	10,025	10,025	11,100	13,993	10,345	9,921	9,058	8,110	6,897	5,929	4,744	
Company Contributions	1,527	1,527	1,556	1,586	1,616	1,648	1,681	1,723	1,766	1,810	1,855	
Depreciation	79,076	79,076	81,837	84,402	87,036	89,493	92,407	95,635	99,029	102,387	105,935	
Other Expenses	21,206	21,378	21,981	22,608	23,252	23,938	24,644	25,494	26,374	27,284	28,225	
Recurrent Capital Expenses	5,250	7,887	5,517	6,063	4,752	4,940	4,443	4,451	4,743	4,757	4,442	
Total Operating Expenses	454,175	450,315	468,628	499,746	492,049	508,249	518,090	535,120	560,941	580,446	594,718	
Operating Result	29,613	20,032	37,902	42,331	36,711	43,969	33,615	35,483	52,072	56,597	59,464	
Non-recurrent Revenue & Expenses												
Capital Revenue												
Capital Grants and Subsidies	12,245	23,879	7,966	7,966	7,966	7,966	7,966	7,966	7,966	7,966	7,966	
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	103,844	115,478	94,597	86,596	82,608	83,574	84,647	85,829	87,040	82,513	83,786	
Non-recurrent Expenses												
Profit/Loss on disposal, revaluation & impairment	-	-	-	(52,042)	-	-	-	-	-	-	-	
Movements in landfill and quarry provisions	(2,654)	(4,592)	(2,985)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)	
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-	
NET RESULT	130,804	130,918	129,514	73,844	116,220	124,382	115,037	118,006	135,724	135,638	139,691	

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

For Period Ending 30 June

	Original	Revised	Forecast									
	Budget	Budget	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	2020 \$'000	2020 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Current Assets												
Cash & Investments	208,444	245,520	229,317	271,559	265,518	262,265	248,210	246,513	239,908	224,862	228,830	
Trade and other receivables	16,621	16,069	16,860	17,490	18,146	18,834	19,607	20,390	21,268	22,121	23,079	
Inventories	17,877	17,526	17,166	13,640	12,955	13,097	13,953	15,051	13,957	12,893	12,833	
Other Financial Assets	24,761	25,128	25,232	25,862	26,509	27,172	27,851	28,547	29,261	29,992	30,742	
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0	
Total Current Assets	267,703	304,243	288,576	328,552	323,128	321,369	309,621	310,502	304,394	289,869	295,484	
Non-Current Assets												
Trade and other receivables	460,958	461,208	460,958	445,958	445,958	445,958	445,958	445,958	445,958	445,958	445,958	
Property, plant & equipment	4,790,894	4,848,243	5,116,485	5,035,604	5,271,789	5,502,469	5,749,517	5,998,672	6,262,660	6,527,087	6,635,446	
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	36,009	35,957	32,977	19,801	16,665	16,438	18,718	21,840	17,181	12,607	11,569	
Intangible assets	14,571	11,914	14,257	14,257	14,257	14,257	14,257	14,257	14,257	14,257	14,257	
Total Non-Current Assets	5,840,644	5,895,535	6,162,889	6,053,832	6,286,881	6,517,334	6,766,662	7,018,939	7,278,269	7,538,122	7,645,443	
TOTAL ASSETS	6,108,347	6,199,778	6,451,465	6,382,384	6,610,010	6,838,703	7,076,284	7,329,441	7,582,663	7,827,990	7,940,926	
Current Liabilities												
Trade and other payables	64,158	77,891	64,928	67,041	69,019	71,268	73,719	76,360	79,104	81,955	84,919	
Short Term Borrowings	22,774	23,131	294,312	33,148	37,538	40,606	43,879	48,078	50,493	51,936	37,544	
Provisions	21,181	44,476	21,785	22,537	23,314	24,118	24,950	25,811	26,702	27,623	28,314	
Other	28,213	40,390	28,749	29,468	30,204	30,959	31,733	32,527	33,340	34,173	35,028	
Total Current Liabilities	136,326	185,889	409,774	152,194	160,075	166,952	174,282	182,776	189,638	195,687	185,805	
Non-Current Liabilities												
Long Term Borrowings	550,452	554,637	358,952	364,455	346,216	315,262	295,958	282,425	245,758	214,456	184,780	
Long Term Provisions	39,110	50,175	40,225	41,613	43,049	44,534	46,070	47,660	49,304	51,005	52,280	
Total Non-Current Liabilities	589,563	604,812	399,177	406,068	389,265	359,796	342,028	330,085	295,062	265,461	237,059	
TOTAL LIABILITIES	725,889	790,701	808,951	558,262	549,340	526,748	516,310	512,861	484,700	461,148	422,864	
NET COMMUNITY ASSETS	5,382,458	5,409,077	5,642,514	5,824,122	6,060,670	6,311,955	6,559,973	6,816,580	7,097,963	7,366,843	7,518,062	
Community Equity												
Asset revaluation surplus	1,102,128	1,102,128	1,206,051	1,313,815	1,434,143	1,561,046	1,694,028	1,832,629	1,978,287	2,111,529	2,123,057	
Retained Earnings	4,280,330	4,306,949	4,436,463	4,510,307	4,626,527	4,750,909	4,865,946	4,983,952	5,119,676	5,255,314	5,395,005	
TOTAL COMMUNITY EQUITY	5,382,459	5,409,077	5,642,514	5,824,122	6,060,670	6,311,955	6,559,973	6,816,580	7,097,963	7,366,843	7,518,062	

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

For Period Ending 30 June

	Original 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	1,001,467	1,265,004	1,102,128	1,206,051	1,313,815	1,434,143	1,561,046	1,694,028	1,832,629	1,978,287	2,111,529
Asset revaluation adjustments	100,661	100,661	103,923	107,764	120,328	126,903	132,981	138,601	145,659	133,242	11,528
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,102,128	1,102,128	1,206,051	1,313,815	1,434,143	1,561,046	1,694,028	1,832,629	1,978,287	2,111,529	2,123,057
Retained Earnings											
Balance at beginning of period	4,149,526	4,176,030	4,306,949	4,436,463	4,510,307	4,626,527	4,750,909	4,865,946	4,983,952	5,119,676	5,255,314
Net result for the period	130,804	130,918	129,514	73,844	116,220	124,382	115,037	118,006	135,724	135,638	139,691
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	4,280,330	4,306,949	4,436,463	4,510,307	4,626,527	4,750,909	4,865,946	4,983,952	5,119,676	5,255,314	5,395,005
Total											
Balance at beginning of period	5,150,993	5,441,034	5,672,614	5,906,051	6,087,659	6,324,207	6,575,492	6,823,510	7,080,117	7,361,500	7,630,380
Net result for the period	130,804	130,918	129,514	73,844	116,220	124,382	115,037	118,006	135,724	135,638	139,691
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Asset revaluation adjustments	100,661	100,661	103,923	107,764	120,328	126,903	132,981	138,601	145,659	133,242	11,528
Balance at end of period	5,382,459	5,672,614	5,906,051	6,087,659	6,324,207	6,575,492	6,823,510	7,080,117	7,361,500	7,630,380	7,781,599

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

For Period Ending 30 June

	Original 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
Cash flows from operating activities											
Operating Result	29,613	20,032	37,902	42,331	36,711	43,969	33,615	35,483	52,072	56,597	59,464
Adjustments for:											
Depreciation	79,076	79,076	81,837	84,402	87,036	89,493	92,407	95,635	99,029	102,387	105,935
Interest and dividends received	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)	(58,676)
Landfill Quarry Provision	(2,654)	(4,592)	(2,985)	(3,042)	(3,099)	(3,161)	(3,225)	(3,305)	(3,388)	(3,472)	(3,559)
Finance Costs	10,025	10,025	11,100	13,993	10,345	9,921	9,058	8,110	6,897	5,929	4,744
Change in Working Capital	8,864	4,084	6,305	35,413	7,446	4,027	1,005	185	10,252	10,361	5,175
Net cash inflow (outflow) from operating activities	66,248	49,949	75,484	114,422	79,762	85,574	74,185	77,431	106,186	113,126	113,083
Cash flows from investing activities											
Payments for property, plant and equipment	(309,445)	(342,885)	(256,666)	(186,076)	(156,552)	(146,538)	(159,284)	(157,452)	(168,469)	(164,935)	(164,087)
Proceeds from disposal non current assets	-	-	-	290,000	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	43,844	55,478	39,597	36,596	37,608	37,449	37,369	37,369	37,369	31,600	31,600
Interest and dividends received	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676	58,676
Finance Costs	(10,025)	(10,025)	(11,100)	(13,993)	(10,345)	(9,921)	(9,058)	(8,110)	(6,897)	(5,929)	(4,744)
Net cash inflow (outflow) from investing activities	(216,950)	(238,756)	(169,493)	185,203	(70,613)	(60,334)	(72,297)	(69,517)	(79,321)	(80,588)	(78,555)
Cash flows from financing activities											
Proceeds from borrowings	179,556	192,678	104,342	42,643	21,950	11,696	26,707	36,400	16,462	5,546	6,288
Repayment of borrowing	(21,593)	(21,772)	(26,536)	(300,027)	(37,140)	(40,189)	(42,650)	(46,011)	(49,933)	(53,129)	(36,848)
Net cash inflow (outflow) from financing activities	157,963	170,906	77,807	(257,384)	(15,190)	(28,493)	(15,943)	(9,611)	(33,471)	(47,584)	(30,560)
Net increase (decrease) in cash held	7,261	(17,901)	(16,203)	42,242	(6,040)	(3,253)	(14,056)	(1,697)	(6,605)	(15,046)	3,968
Cash at beginning of reporting period	201,182	263,421	245,520	229,317	271,559	265,519	262,266	248,210	246,513	239,908	224,862
Cash at end of reporting period	208,444	245,520	229,317	271,559	265,519	262,266	248,210	246,513	239,908	224,862	228,830

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

For Period Ending 30 June

	Original Budget	Original 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 (%)	6.1%	4.3%	7.5%	7.8%	6.9%	8.0%	6.1%	6.2%	8.5%	8.9%	9.1%
Fiscal Flexibility											
Council controlled revenue (%)	78.4%	78.7%	76.0%	73.7%	78.5%	78.2%	81.6%	82.1%	79.9%	80.0%	81.4%
Total debt service cover ratio (times)	2.9 x	2.9 x	2.9 x	0.4 x	2.8 x	2.8 x	2.5 x	2.5 x	2.7 x	2.7 x	2.8 x
Net Financial Liabilities Ratio (%)	94.7%	103.4%	102.7%	42.4%	42.8%	37.2%	37.5%	35.5%	29.4%	26.9%	19.5%
Liquidity											
Cash expense cover ratio (months)	6.9	6.9	8.2	7.4	8.2	8.1	7.7	7.2	6.9	6.3	5.7
Asset Sustainability											
Asset Sustainability Ratio (%)	63.5%	69.7%	68.3%	66.0%	69.5%	66.6%	64.0%	63.0%	62.5%	59.6%	63.4%

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

	Original	Revised	Forecast								
	Budget	Budget	2021	2022	2023	2024	2025	2026	2027	2028	2029
	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	450	450	1,480	200	200	200	200	200	200	200	200
Buidlings & Facilities	19,103	21,409	45,737	28,195	14,093	4,753	5,860	4,191	5,730	8,443	6,221
Coast & Canals	2,080	2,080	3,080	2,245	2,850	2,237	2,450	2,150	2,090	1,290	2,090
Divisional Allocations	5,331	7,451	4,631	4,631	4,631	4,631	4,631	4,631	4,631	4,631	4,631
Environmental Assets	1,300	1,360	1,625	1,800	2,900	1,710	2,800	2,800	2,800	2,800	2,800
Fleet	2,900	2,879	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Holiday Parks	4,302	4,756	801	2,415	2,365	505	205	415	3,855	1,105	1,065
Information Communication Technology	5,968	8,317	5,879	5,235	3,575	3,725	3,375	3,975	3,450	3,750	3,642
Parks & Gardens	15,971	19,802	12,916	13,968	13,680	12,592	13,142	12,831	15,540	9,840	12,300
Quarries	1,311	1,234	555	635	610	210	485	160	160	160	160
Stormwater	7,014	5,628	7,741	7,567	7,970	8,835	8,291	7,236	6,354	6,366	7,220
Strategic Land & commercial Properties	14,563	16,785	19,770	12,550	10,300	7,200	11,450	14,700	4,500	11,000	7,900
Transportation	69,115	65,200	61,991	58,151	66,413	53,640	52,884	51,161	61,637	59,425	55,005
Waste	20,622	20,156	18,213	20,955	11,450	10,740	10,229	5,614	10,568	4,648	1,011
Total Sunshine Coast Council Core Capital Program	170,030	177,507	187,419	161,546	144,036	113,977	119,001	113,063	124,515	116,658	107,244
Corporate Major Projects Capital Program											
Corporate Major Projects	14,831	13,607	11,784	300	-	-	-	-	-	-	-
Total Corporate Major Projects Capital Program	14,831	13,607	11,784	300	-	-	-	-	-	-	-
Region Making Capital Program											
Maroochydore City Centre	16,579	20,657	22,876	22,803	8,622	23,025	14,552	17,168	12,466	15,011	14,054
Sunshine Coast Airport Runway Project	104,836	129,884	19,180	-	-	-	-	-	-	-	-
Sunshine Coast International Broadband Network	14,390	15,774	-	-	-	-	-	-	-	-	-
Total Region Making Capital Program	135,805	166,315	42,056	22,803	8,622	23,025	14,552	17,168	12,466	15,011	14,054
SCC Total Capital Works Program	320,665	357,429	241,259	184,649	152,657	137,002	133,554	130,232	136,981	131,669	121,298



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:	23 May 2019 Reference Number: OM19/74
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

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Appendix A

Schedule of proposed external borrowings:

\$'000	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
SCC Business Units	\$35,931	\$67,523	\$42,643	\$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
	\$192,678	\$104,342	\$42,643	\$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.