

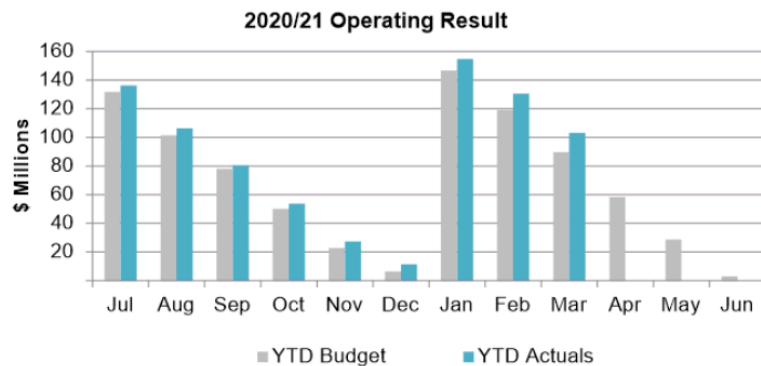
Financial Performance Report

March 2021



Our region.
Healthy.
Smart.
Creative.

Statement of Income and Expenses March 2021



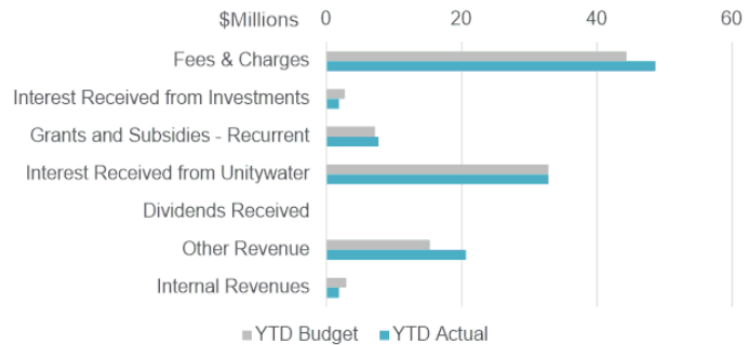
- Council has a positive operating result of \$98.4 million, which is \$8.6 million above the current budget as at 31 March 2021.



Statement of Income & Expenses							
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Revenue							
Net Rates and Utility Charges	316,806	316,806	316,894	318,746	1,852	0.6%	316,806
Fees and Charges	57,125	56,309	44,380	48,645	4,265	9.6%	58,213
Interest Received from Investments	3,611	3,611	2,708	1,855	(853)	(31.5%)	3,611
Operating Grants and Subsidies	12,224	12,532	7,172	7,673	501	7.0%	13,332
Operating Contributions	287	287	260	158	(103)	(39.4%)	287
Unitywater Participation	49,838	49,838	32,778	32,778	0	0.0%	49,838
Other Revenue	21,040	20,877	15,277	15,792	514	3.4%	20,804
Internal Sales/Recoveries	4,138	4,138	2,948	1,862	(1,086)	(36.9%)	4,152
Total Operating Revenue	465,069	464,398	422,418	427,508	5,090	1.2%	467,043
Operating Expenses							
Employee Costs	147,973	148,358	110,139	110,015	(124)	(0.1%)	149,262
Materials and Services	184,678	184,996	127,156	122,806	(4,351)	(3.4%)	186,128
Finance Costs	12,080	12,080	9,107	9,108	1	0.0%	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	66,229	66,231	1	0.0%	88,276
Other Expenses	22,255	22,505	15,477	15,799	322	2.1%	22,384
Recurrent Capital Expenses	3,917	3,917	3,025	3,632	608	20.1%	4,354
Total Operating Expenses	460,733	461,686	332,688	329,152	(3,536)	(1.1%)	464,039
Operating Result	4,336	2,712	89,730	98,356	8,626	9.6%	3,004
Capital Revenue							
Capital Grants and Subsidies	10,060	48,002	13,117	18,852	5,735	43.7%	48,932
Capital Contributions - Cash	31,599	31,599	23,811	39,258	15,447	64.9%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	-	12,059	12,059	-	60,000
Total Capital Revenue	101,659	139,601	36,928	70,169	33,240	90.0%	140,531
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	418	418	-	-
Movements in landfill and quarry provisions	5,583	5,583	4,187	4,187	-	-	5,583
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	5,583	5,583	4,187	4,605	418	10.0%	5,583
Net Result	100,412	136,730	122,471	163,920	41,448	33.8%	137,952

Operating Result – March 2021

Operating Revenues



Substantial Revenue Variance for the Period Ending 31 March 2021

	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Net Rates and Utility Charges	316,806	316,806	320,446	322,225	1,779	0.6%
Fees and Charges	57,125	58,213	36,427	38,108	1,681	4.6%
Interest Received from Investments	3,611	3,611	2,107	1,476	(631)	(30.0%)
Operating Grants and Subsidies	12,224	12,532	7,172	7,673	501	7.0%
Other Revenue	21,040	20,805	13,171	13,625	454	3.4%
Internal Sales/Recoveries	4,138	4,124	2,230	1,390	(841)	(37.7%)



Operating Summary

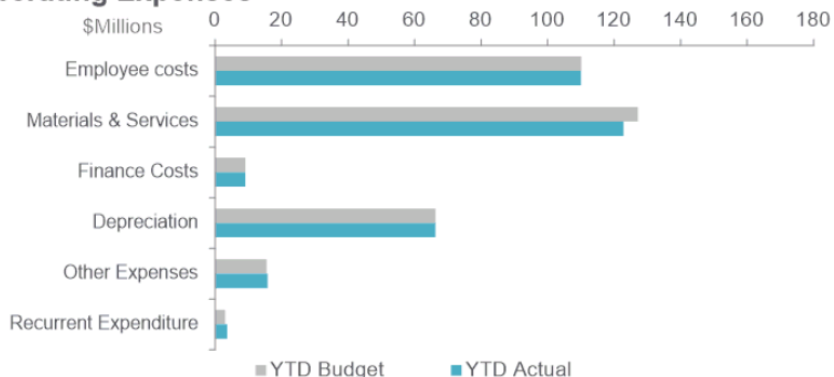
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	422,418	427,508	5,090	1.2%
Operating Expenses	456,816	457,769	329,663	325,520	(4,144)	(1.3%)
Recurrent Capital Expenses	3,917	3,917	3,025	3,632	608	20.1%
Operating Result	4,336	2,712	89,730	98,356	8,626	9.6%
Capital Revenue	101,659	139,601	36,928	70,169	33,240	90.0%
Non-recurrent Expenses	5,583	5,583	4,187	4,605	418	10.0%
Net Result	100,412	136,730	122,471	163,920	41,449	33.8%

As at 31 March 2021 \$427.5 million operating revenue had been achieved which is \$5.1 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 \$2.1m above budget. Tip Fees and Development Services Fees are also above budget by \$2.1m and \$1.1m.
 - 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 \$108,000 in the recoupment of legal fees, \$124,000 received in sponsorship for the Horizon festival and the sale of recyclables being \$209,000 above budget.
 - Internal Sales** – Internal Quarry Sales are currently below budget by \$1.3m

Operating Result – March 2021 (continued)

Operating Expenses



Substantial Expenditure Variance for the Period Ending 31 March 2021

	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Materials and Services	184,678	184,996	127,156	122,806	(4,351)	(3.4%)

Operating Summary

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	422,418	427,508	5,090	1.2%
Operating Expenses	456,816	457,769	329,663	325,520	(4,144)	(1.3%)
Recurrent Capital Expenses	3,917	3,917	3,025	3,632	608	20.1%
Operating Result	4,336	2,712	89,730	98,356	8,626	9.6%
Capital Revenue	101,659	139,601	36,928	70,169	33,240	90.0%
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Net Result	100,412	136,730	122,471	163,920	41,449	33.8%

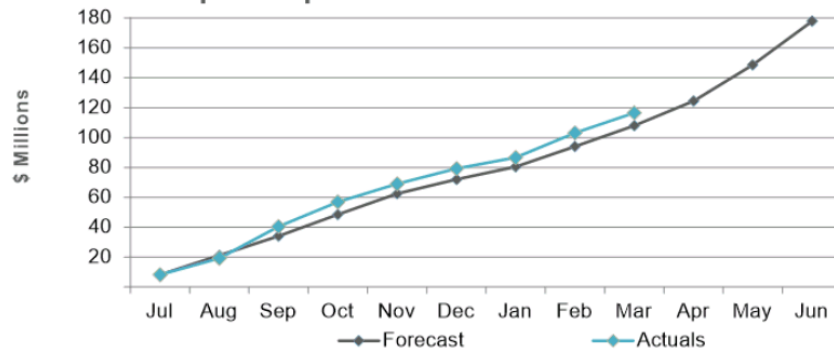
As at 31 March 2021 \$326 million of the \$330 million budget year to date had been expended which resulted in an underspend of 4.1 million or 1.3%

Materials and Services:

- Across whole of Council there has been savings below budget in corporate costs of fuel \$564,000, electricity \$242,000 and water and sewerage \$585,000.
- The reduction in revenue for the Quarry has resulted in reduced associated material costs of \$884,000. Similarly the reduction in fees and charges revenue for Response Services has resulted in a \$365,000 underspend.
- Transport Levy Projects are underspent by \$215,000 due to the timing in the delivery of road maintenance and Cultural Heritage Contracts are currently \$289,000 underspent.

Capital Expenditure – March 2021

SCC Base Capital Expenditure

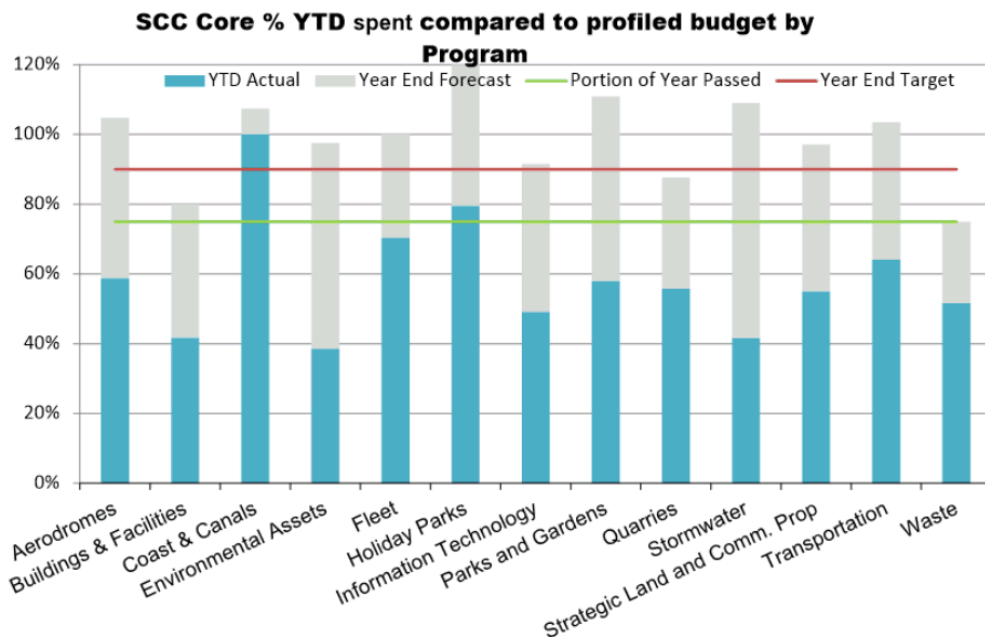


- As at 31 March 2021 \$176.7 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 56.9% of budget, an actual spend of \$102 million.
- Corporate Major Projects progressed 85.4% and The Sunshine Coast Airport Runway Project progressed 80% of their respective annual budgets.



Capital Expenditure		March 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	147	58.8%	233	(17)
Buildings and Facilities	45,717	38,395	16,066	41.8%	27,945	(10,450)
Coast and Canals	2,830	3,458	3,459	100.0%	3,639	181
Environmental Assets	1,375	3,195	1,296	40.6%	2,944	(251)
Fleet	2,000	2,037	1,434	70.4%	1,878	(159)
Holiday Parks	1,255	992	789	79.5%	1,153	161
Information Technology	6,275	7,579	3,850	50.8%	6,489	(1,090)
Parks and Gardens	15,141	19,025	11,210	58.9%	19,844	819
Quarries	480	480	268	55.9%	377	(103)
Stormwater	6,772	6,601	2,752	41.7%	6,384	(217)
Transportation	65,588	83,030	53,444	64.4%	81,759	(1,271)
Waste	14,723	13,683	7,060	51.6%	9,696	(3,987)
Total SCC Core Capital Program	162,506	178,725	101,776	56.9%	162,341	(16,383)
Minor Works	4,620	4,921	694	14.1%	2,377	(2,544)
Corporate Major Projects	16,733	18,375	15,687	85.4%	17,510	(865)
Strategic Land and Commercial Properties	9,949	26,788	14,745	55.0%	25,222	(1,565)
Maroochydore City Centre	11,879	14,156	8,363	59.1%	9,842	(4,314)
Submarine Cable IBN	-	-	3	-	3	3
Sunshine Coast Airport Runway	36,718	44,288	35,447	80.0%	44,430	142
Total Other Capital Program	79,899	108,528	74,939	69.1%	99,384	(9,143)
TOTAL	242,405	287,252	176,714	61.5%	261,726	(25,526)
The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement						
Recurrent Expenses			3,632	-		
Non-Recurrent Expenses			4,605	-		

Capital Expenditure – March 2021 (continued)



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. Construction is currently underway with an anticipated completion in June 2021.

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.

Stormwater

- The \$1.2 million relining of damaged stormwater pipe program is currently 50% complete.

Strategic Land and Commercial Properties

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

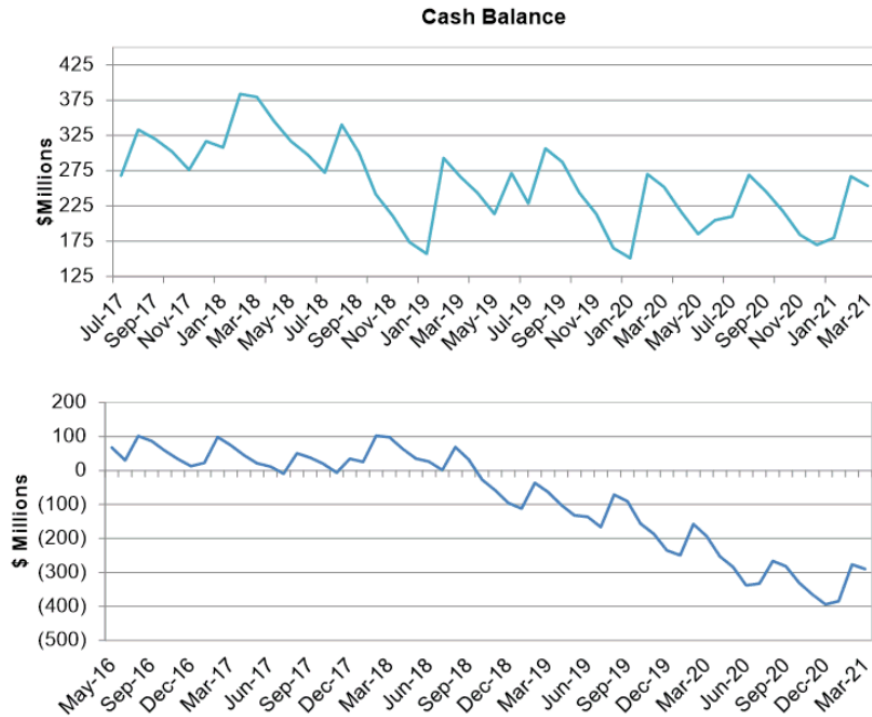
Transport

- 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 \$19.6 million Road Resurfacing and Rehabilitation program has progressed 66% completion in March. Alongside the reseal program, the \$2.4 million bus stop replacement and installation program has progressed 78%.

Waste

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

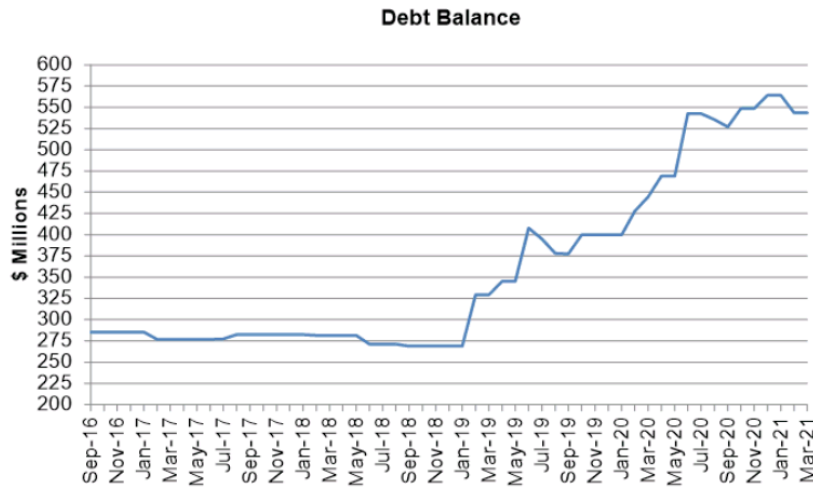
Cash Flows and Balance Sheet



Cash and Balance Sheet - March 2021		
	Original Budget \$000s	Current Budget \$000s
CASH FLOWS		
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
Net Increase/(decrease) in Cash Held	(10,229)	(4,839)
Cash at year end	218,910	192,793
BALANCE SHEET		
Current Assets	272,962	246,571
Non Current Assets	6,173,956	6,174,143
Total Assets	6,446,918	6,420,714
Current Liabilities	408,307	397,781
Non Current Liabilities	410,419	422,676
Total Liabilities	818,726	820,457
Net Community Assets/Total Community Equity	5,628,192	5,600,257

- Council's cash at 31 March 2021 is \$242 million excluding trust accounts
- Council's debt at 31 March 2021 is \$543 million

Debt



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.

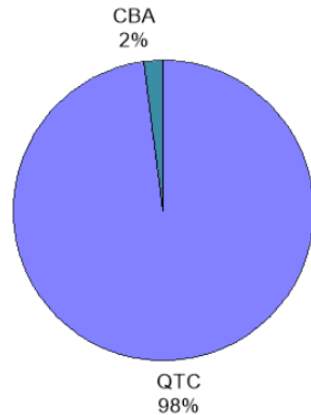
The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

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

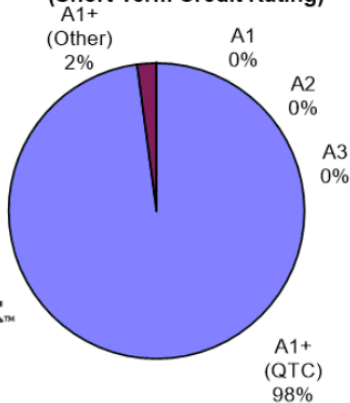


Investment Performance

Investment per financial institution (%)



(Short Term Credit Rating)



Investment Performance - March 2021			
Liquidity as at:	31/03/2021		Term deposits maturing:
	\$'000		\$'000
At-call accounts			Count
QTC + CBA (excl. trust)	242,202	95.45%	within 30 days
Maturities within 7 days	-	0.00%	30-59 days
Total at-call	242,202	95.45%	60-89 days
Investment Policy Target		10.00%	90-179 days
			180-364 days
			1 year - 3 years
			Total

INVESTMENT SUMMARY (including Trust) as at:				Investment Policy				
\$'000	31/03/2021	31/12/2020	31/03/2020	Individual Limit	Group Limits			
A1+ (QTC)	248,411	98%	129,008	75.7%	99,919	39.6%	100%	100%
A1+ (Other)	5,341	2%	36,492	21.4%	82,320	32.6%	40%	100%
A1	-	0%	5,000	2.9%	10,000	4.0%	30%	50%
A2	-	0%	-	0.0%	60,000	23.8%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
Total Funds	253,751		170,501		252,239			
FUND SUMMARY								
General Funds	242,202		159,692		244,660			
Trust Funds	11,550		10,809		7,579			
Total Funds	253,751		170,501		252,239			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 March 2021 Council had \$242 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 \$252 million cash (excluding Trust Fund) with an average interest rate of 1.70%, being 0.52% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

