

**STATEMENT OF INCOME AND EXPENSES**

For the period ending 30 June 2017

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2015/16 \$000	Forecast Budget 2016/17 \$000	Forward Estimate								
			2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Operating Revenue</b>											
Gross Rates & Utility Charges	254,248	271,352	282,976	295,162	307,873	322,722	338,285	354,597	371,695	389,615	408,397
Interest from Rates & Utilities	1,277	1,340	1,346	1,353	1,360	1,367	1,374	1,380	1,387	1,394	1,401
Less Discounts, Pensioner Remissions	(11,435)	(13,353)	(13,860)	(14,387)	(14,990)	(15,622)	(16,282)	(16,973)	(17,696)	(18,452)	(19,241)
Net Rates & Utility Charges	244,090	259,339	270,463	282,129	294,243	308,467	323,376	339,005	355,386	372,556	390,557
Fees & Charges	59,878	62,787	64,513	66,352	68,243	70,597	73,033	75,131	77,776	80,472	83,217
Interest Received from Investments	8,530	8,603	8,874	9,101	9,503	9,964	10,344	10,842	11,745	12,655	13,565
Grants and Subsidies - Recurrent	12,115	12,077	12,077	12,077	12,077	12,077	12,077	12,077	12,077	12,077	12,077
Operating contributions	1,136	706	706	706	706	706	706	706	706	706	706
Interest Received from Unitywater	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933
Dividends Received	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	28,927	29,182	29,482
Other Revenue	13,673	19,189	24,577	25,391	40,097	31,623	29,677	31,153	32,046	32,604	33,708
Internal Revenues	6,458	6,170	6,340	6,520	6,706	6,938	7,177	7,424	7,681	7,946	8,220
Community Service Obligations	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>395,974</b>	<b>418,965</b>	<b>437,645</b>	<b>452,372</b>	<b>481,670</b>	<b>490,466</b>	<b>506,485</b>	<b>503,882</b>	<b>524,276</b>	<b>545,131</b>	<b>567,687</b>
<b>Operating Expenses</b>											
Employee costs	123,264	128,392	131,923	135,683	139,550	144,364	149,345	154,497	159,828	165,342	171,046
Materials & Services	152,141	161,701	168,274	174,763	186,576	189,425	198,415	193,129	201,792	210,784	220,517
Internal Expenditure	-	-	-	-	-	-	-	-	-	-	-
Finance Costs	9,618	9,684	11,712	11,497	11,048	10,575	22,149	9,106	8,245	7,459	5,587
Company Contributions	1,218	1,421	1,446	1,474	1,502	1,539	1,578	1,617	1,658	1,699	1,741
Depreciation	66,773	68,920	72,546	75,264	78,068	80,004	80,951	83,146	85,314	86,589	87,634
Other Expenses	18,647	17,924	18,247	18,594	18,947	19,421	19,906	20,404	20,914	21,437	21,973
Competitive Neutrality Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>371,661</b>	<b>388,041</b>	<b>404,149</b>	<b>417,275</b>	<b>435,690</b>	<b>445,328</b>	<b>472,344</b>	<b>461,900</b>	<b>477,750</b>	<b>493,310</b>	<b>508,498</b>
<b>Operating Result</b>	<b>24,313</b>	<b>30,924</b>	<b>33,496</b>	<b>35,097</b>	<b>45,979</b>	<b>45,138</b>	<b>34,141</b>	<b>41,983</b>	<b>46,526</b>	<b>51,821</b>	<b>59,189</b>
<b>Capital Revenue</b>											
Capital Grants and Subsidies	11,343	12,525	7,660	7,806	7,954	8,153	8,357	8,566	8,780	9,000	9,225
Capital Contributions	23,000	22,000	25,200	25,200	21,200	18,200	18,200	18,200	18,200	18,200	18,200
Contributed Assets	67,624	60,000	60,000	60,000	55,000	50,000	45,000	46,125	47,278	48,460	49,672
Other Capital Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Net Result</b>	<b>126,281</b>	<b>125,449</b>	<b>126,356</b>	<b>128,103</b>	<b>130,134</b>	<b>121,491</b>	<b>105,698</b>	<b>114,874</b>	<b>120,784</b>	<b>127,481</b>	<b>136,286</b>

**STATEMENT OF FINANCIAL POSITION**

For the period ending 30 June 2017

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2015/16 \$000	Forecast Budget 2016/17 \$000	Forward Estimate									
			2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	
<b>CURRENT ASSETS</b>												
Cash & Investments	295,508	219,048	229,665	234,915	256,320	271,988	283,308	288,789	302,388	313,276	332,870	
Trade and other receivables	20,770	14,604	15,297	15,883	17,291	17,471	18,061	18,882	19,706	20,548	21,462	
Inventories	3,596	15,079	5,477	6,331	8,623	2,934	2,963	4,171	7,669	9,306	3,707	
Other Financial Assets	26,600	27,052	27,079	27,566	27,593	28,255	28,283	28,962	28,990	29,686	29,715	
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	1	
	346,475	275,783	277,518	284,695	309,827	320,649	332,614	340,803	358,753	372,816	387,754	
<b>NON CURRENT ASSETS</b>												
Trade and other receivables	434,394	434,394	434,394	434,394	434,394	434,394	434,394	434,394	434,394	434,394	434,395	
Property, plant & equipment	3,663,290	3,997,857	4,272,728	4,561,583	4,937,427	5,169,010	5,020,675	5,223,389	5,434,911	5,659,289	5,879,380	
Investment in associates	539,213	539,213	539,213	539,213	539,213	539,213	539,213	539,213	539,213	539,213	539,213	
Capital works in progress	125,813	131,873	131,784	132,496	135,355	136,830	135,537	133,993	133,391	135,019	136,046	
Intangible assets	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	
	4,779,201	5,119,828	5,394,610	5,684,177	6,062,880	6,295,938	6,146,310	6,347,480	6,558,400	6,784,406	7,005,524	
<b>TOTAL ASSETS</b>	<b>5,125,676</b>	<b>5,395,612</b>	<b>5,672,128</b>	<b>5,968,872</b>	<b>6,372,706</b>	<b>6,616,587</b>	<b>6,478,924</b>	<b>6,688,283</b>	<b>6,917,153</b>	<b>7,157,222</b>	<b>7,393,279</b>	
<b>CURRENT LIABILITIES</b>												
Trade and other payables	56,627	58,906	60,841	62,879	64,968	67,502	70,143	72,894	75,762	78,751	81,867	
Borrowings	14,615	17,785	20,117	22,288	24,868	26,592	28,556	30,670	33,660	36,978	39,763	
Provisions	13,584	13,815	13,829	14,077	14,091	14,429	14,444	14,790	14,805	15,160	15,175	
Other	9,939	10,108	10,118	10,300	10,310	10,558	10,568	10,821	10,832	11,092	11,103	
	94,765	100,614	104,904	109,545	114,238	119,081	123,710	129,176	135,058	141,981	147,907	
<b>NON CURRENT LIABILITIES</b>												
Borrowings	279,604	317,516	372,755	442,353	614,257	631,039	266,014	247,842	240,387	232,456	210,044	
Provisions	26,712	27,166	27,193	27,682	27,709	28,374	28,402	29,084	29,112	29,811	29,840	
	306,316	344,682	399,947	470,036	641,966	659,413	294,416	276,926	269,499	262,267	239,884	
<b>TOTAL LIABILITIES</b>	<b>401,082</b>	<b>445,296</b>	<b>504,852</b>	<b>579,580</b>	<b>756,204</b>	<b>778,493</b>	<b>418,126</b>	<b>406,102</b>	<b>404,558</b>	<b>404,248</b>	<b>387,791</b>	
<b>NET COMMUNITY ASSETS</b>	<b>4,724,594</b>	<b>4,950,316</b>	<b>5,167,276</b>	<b>5,389,292</b>	<b>5,616,502</b>	<b>5,838,093</b>	<b>6,060,798</b>	<b>6,282,182</b>	<b>6,512,596</b>	<b>6,752,975</b>	<b>7,005,488</b>	
<b>COMMUNITY EQUITY</b>												
Asset revaluation surplus	1,019,391	1,113,142	1,209,117	1,308,485	1,411,097	1,516,846	1,639,612	1,751,988	1,867,583	1,986,541	2,108,910	
Retained Earnings	294,727	426,697	547,681	670,329	794,928	910,770	1,010,708	1,119,717	1,234,535	1,355,956	1,486,100	
Capital	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	
<b>TOTAL COMMUNITY EQUITY</b>	<b>4,724,595</b>	<b>4,950,316</b>	<b>5,167,276</b>	<b>5,389,292</b>	<b>5,616,502</b>	<b>5,838,093</b>	<b>6,060,798</b>	<b>6,282,182</b>	<b>6,512,596</b>	<b>6,752,975</b>	<b>7,005,488</b>	

STATEMENT OF CHANGES IN EQUITY

For the period ending 30 June 2017

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2015/16 \$000	Forecast Budget 2016/17 \$000	Forward Estimate								
			2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Capital Accounts</b>											
Balance at beginning of period	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478	3,410,478
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>	<b>3,410,478</b>
<b>Asset Revaluation Reserve</b>											
Balance at beginning of period	930,867	1,020,519	1,113,142	1,209,117	1,308,485	1,411,097	1,516,846	1,639,612	1,751,988	1,867,583	1,986,541
Asset revaluation adjustments	88,524	92,622	95,975	99,368	102,612	105,750	122,766	112,376	115,596	118,957	122,369
<b>Balance at end of period</b>	<b>1,019,391</b>	<b>1,113,142</b>	<b>1,209,117</b>	<b>1,308,485</b>	<b>1,411,097</b>	<b>1,516,846</b>	<b>1,639,612</b>	<b>1,751,988</b>	<b>1,867,583</b>	<b>1,986,541</b>	<b>2,108,910</b>
<b>Retained Earnings</b>											
Balance at beginning of period	167,324	294,726	426,697	547,681	670,329	794,928	910,770	1,010,708	1,119,717	1,234,535	1,355,956
Net result for the period	126,281	125,449	126,356	128,103	130,134	121,491	105,698	114,874	120,784	127,481	136,286
Transfers from capital, reserves and shareholdings	1,122	6,522	(5,372)	(5,456)	(5,535)	(5,649)	(5,760)	(5,865)	(5,966)	(6,059)	(6,142)
<b>Balance at end of period</b>	<b>294,727</b>	<b>426,697</b>	<b>547,681</b>	<b>670,329</b>	<b>794,928</b>	<b>910,770</b>	<b>1,010,708</b>	<b>1,119,717</b>	<b>1,234,535</b>	<b>1,355,956</b>	<b>1,486,100</b>
<b>TOTAL</b>											
Balance at beginning of period	4,508,669	4,725,723	4,950,316	5,167,276	5,389,292	5,616,502	5,838,093	6,060,798	6,282,182	6,512,596	6,752,975
Net result for the period	126,281	125,449	126,356	128,103	130,134	121,491	105,698	114,874	120,784	127,481	136,286
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	1,122	6,522	(5,372)	(5,456)	(5,535)	(5,649)	(5,760)	(5,865)	(5,966)	(6,059)	(6,143)
Asset revaluation adjustments	88,524	92,622	95,975	99,368	102,612	105,750	122,766	112,376	115,596	118,957	122,369
<b>Balance at end of period</b>	<b>4,724,594</b>	<b>4,950,316</b>	<b>5,167,276</b>	<b>5,389,292</b>	<b>5,616,502</b>	<b>5,838,093</b>	<b>6,060,798</b>	<b>6,282,182</b>	<b>6,512,596</b>	<b>6,752,975</b>	<b>7,005,487</b>

STATEMENT OF CASH FLOWS

For the period ending 30 June 2017

SUNSHINE COAST COUNCIL TOTAL

	Current Budget 2015/16 \$000	Forecast Budget 2016/17 \$000	Forward Estimate									
			2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	
<b>Cash flows from operating activities</b>												
Receipts from customers	337,766	358,868	370,422	384,219	413,387	420,705	436,735	430,210	449,773	468,450	490,180	
Payments to suppliers and employees	(287,854)	(317,165)	(319,081)	(329,474)	(343,455)	(349,274)	(364,136)	(364,256)	(383,290)	(398,577)	(409,878)	
Interest and dividends received	59,902	60,038	60,315	60,549	60,958	61,425	61,813	64,767	65,992	67,164	68,382	
Finance costs	(9,618)	(10,951)	(13,073)	(12,820)	(12,260)	(11,816)	(23,272)	(10,119)	(9,195)	(8,417)	(6,563)	
<b>Net cash inflow (outflow) from operating activities</b>	<b>100,195</b>	<b>90,790</b>	<b>98,583</b>	<b>102,474</b>	<b>118,631</b>	<b>121,040</b>	<b>111,140</b>	<b>120,602</b>	<b>123,281</b>	<b>128,620</b>	<b>142,121</b>	
<b>Cash flows from investing activities</b>												
Payments for property, plant and equipment	(158,804)	(247,524)	(179,365)	(203,066)	(302,035)	(151,518)	(124,313)	(127,388)	(133,911)	(142,206)	(132,399)	
Proceeds from disposal non current assets	800	880	968	1,065	1,171	1,288	348,684	1,559	1,715	1,886	2,075	
Capital grants, subsidies, contributions and donations	34,343	34,525	32,860	33,006	29,154	26,353	26,557	26,766	26,980	27,200	27,425	
Finance Costs	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash inflow (outflow) from investing activities</b>	<b>(123,660)</b>	<b>(212,119)</b>	<b>(145,537)</b>	<b>(168,995)</b>	<b>(271,709)</b>	<b>(123,877)</b>	<b>250,928</b>	<b>(99,063)</b>	<b>(105,216)</b>	<b>(113,120)</b>	<b>(102,899)</b>	
<b>Cash flows from financing activities</b>												
Proceeds from borrowings	41,234	61,036	75,356	91,887	196,772	43,373	10,798	12,498	26,205	29,047	17,350	
Repayment of borrowing	(14,188)	(16,167)	(17,785)	(20,117)	(22,288)	(24,868)	(361,548)	(28,556)	(30,670)	(33,660)	(36,978)	
<b>Net cash inflow (outflow) from financing activities</b>	<b>27,046</b>	<b>44,869</b>	<b>57,571</b>	<b>71,770</b>	<b>174,483</b>	<b>18,505</b>	<b>(350,749)</b>	<b>(16,058)</b>	<b>(4,466)</b>	<b>(4,613)</b>	<b>(19,628)</b>	
<b>Net increase (decrease) in cash held</b>	<b>3,580</b>	<b>(76,460)</b>	<b>10,617</b>	<b>5,249</b>	<b>21,405</b>	<b>15,669</b>	<b>11,319</b>	<b>5,481</b>	<b>13,599</b>	<b>10,887</b>	<b>19,594</b>	
Cash at beginning of reporting period	291,928	295,508	219,048	229,665	234,915	256,320	271,988	283,308	288,789	302,388	313,276	
<b>Cash at end of reporting period</b>	<b>295,508</b>	<b>219,048</b>	<b>229,665</b>	<b>234,915</b>	<b>256,320</b>	<b>271,988</b>	<b>283,308</b>	<b>288,789</b>	<b>302,388</b>	<b>313,276</b>	<b>332,870</b>	

2016/17 BUDGET - FINANCIAL STATEMENTS					
STATEMENT OF INCOME AND EXPENSES					
For the period ending 30 June 2017					
					BUSINESS ACTIVITIES
	Quarries Business Unit \$000	Sunshine Coast Airport \$000	Waste & Resource Management \$000	Sunshine Coast Holiday Parks \$000	Total Business Activities \$000
<b>Revenue</b>					
Net Rates & Utility Charges	-	-	47,488	-	43,939
Fees & Charges	42	14,668	6,189	13,991	32,408
Operating grants and subsidies	-	-	-	-	-
Internal sales/recoveries	7,259	3	835	-	8,787
Community Service Obligations	-	124	546	-	664
Operating contributions	-	-	673	-	1,103
Interest Revenue	-	-	-	-	-
Profit/Loss on Disposal of Assets	-	-	-	-	-
Other Revenue	-	5,625	1,912	-	7,678
<b>Total Revenue</b>	<b>7,301</b>	<b>20,421</b>	<b>57,643</b>	<b>13,991</b>	<b>94,579</b>
<b>Operating Expenses</b>					
Employee costs	912	2,849	2,387	282	6,304
Materials and Services	4,385	4,669	31,686	5,048	44,590
Other Expenses	34	362	1,139	149	1,688
Internal consumption/charges	1,585	1,270	2,899	1,340	6,687
Competitive neutrality costs	4	669	279	374	1,450
<b>Total Operating Expenses</b>	<b>6,920</b>	<b>9,820</b>	<b>38,389</b>	<b>7,194</b>	<b>60,718</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation</b>	<b>381</b>	<b>10,601</b>	<b>19,254</b>	<b>6,798</b>	<b>33,861</b>
Depreciation Expense	199	1,906	2,811	563	5,256
<b>Earnings before Interest and Tax</b>	<b>183</b>	<b>8,695</b>	<b>16,443</b>	<b>6,235</b>	<b>28,605</b>
Interest Expense	32	2,862	3,089	93	6,419
<b>Earnings before Tax</b>	<b>150</b>	<b>5,833</b>	<b>13,353</b>	<b>6,142</b>	<b>22,185</b>
Income tax equivalent	45	1,750	4,006	1,842	6,656
<b>Net Result after Tax</b>	<b>105</b>	<b>4,083</b>	<b>9,347</b>	<b>4,299</b>	<b>17,835</b>

### CHANGE IN RATES AND UTILITY CHARGES

For the period ending 30 June 2017

Total Rates & Charges	2015/16 \$	2016/17 \$	Variation \$
Minimum General Rate	1,110.00	1,138.00	28.00
240 litre Wheelie Bin	271.40	276.00	4.60
Environment Levy	60.00	70.00	10.00
Transport Levy	20.00	27.00	7.00
Heritage Levy	5.00	8.00	3.00
<b>Gross Rates &amp; Charges</b>	<b>1,466.40</b>	<b>1,519.00</b>	<b>52.60</b>
Discount (general rate only)	55.50	56.90	1.40
<b>Net Rates &amp; Charges</b>	<b>1,410.90</b>	<b>1,462.10</b>	<b>51.20</b>

Notes:

General rates have increased by 2.5%

Wheelie Bin charge has increased by 1.7%

Combined this results in a 2.2% increase in line with the LGAQ CCI Index

Levies have collectively increased by \$20

**MEASURES OF FINANCIAL SUSTAINABILITY**

For the period ending 30 June 2017

**SUNSHINE COAST COUNCIL TOTAL**

	Forecast Budget 2016/17 \$000	Forward Estimate								
		2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000
<b>Operating Performance</b>										
Operating Surplus Ratio (%)	7.4%	7.7%	7.8%	9.5%	9.2%	6.7%	8.3%	8.9%	9.5%	10.4%
<b>Fiscal Flexibility</b>										
Council controlled revenue (%)	76.9%	76.5%	77.0%	75.3%	77.3%	78.3%	77.2%	77.7%	78.2%	78.6%
Total debt service cover ratio (times)	4.7	4.3	4.1	4.3	4.0	3.6	3.7	3.7	3.7	3.6
Net Financial Liabilities Ratio (%)	40.5%	51.9%	65.2%	92.7%	93.3%	16.9%	13.0%	8.7%	5.8%	0.0%
<b>Liquidity</b>										
Cash expense cover ratio (months)	8.5	8.5	8.5	8.8	9.1	8.9	9.3	9.4	9.4	9.6
<b>Asset Sustainability</b>										
Asset Sustainability Ratio (%)	85.5%	76.3%	76.5%	73.6%	76.2%	75.6%	77.5%	72.9%	74.5%	73.4%

**Operating Surplus 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%

**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 (excluding 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.

**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

**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%.