

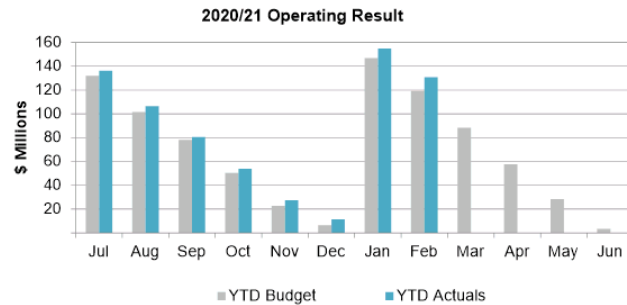
Financial Performance Report

February 2021



 Our region.
Healthy.
Smart.
Creative.

Statement of Income and Expenses February 2021



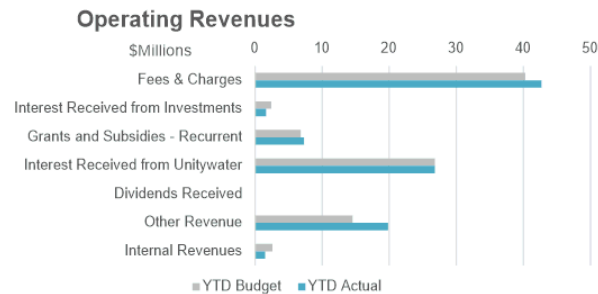
- Council has a positive operating result of \$125.8 million, which is \$7 million above the current budget as at 28 February 2021.



Statement of Income & Expenses 28 February 2021

	Annual		YTD				Annual Forecast Budget \$000
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	
Operating Revenue							
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%	20,800
Internal Sales/Recoveries	4,138	4,138	2,587	1,498	(1,089)	(42.1%)	4,152
Total Operating Revenue	465,069	464,398	410,243	413,360	3,117	0.8%	467,042
Operating Expenses							
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%)	186,124
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%)	4,052
Total Operating Expenses	460,733	461,686	291,409	287,546	(3,863)	(1.3%)	463,734
Operating Result	4,336	2,712	118,834	125,814	6,980	5.9%	3,308
Capital Revenue							
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
Total Capital Revenue	101,659	139,601	38,310	47,676	9,365	24.4%	140,531
Non-recurrent Expenses							
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	-	-	-	-	-	-	-
Total Non-recurrent Expenses	5,583	5,583	3,722	4,112	390	10.5%	5,583
Net Result	100,412	136,730	153,422	169,378	15,956	10.4%	138,251

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 %
Operating Revenue						
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%)



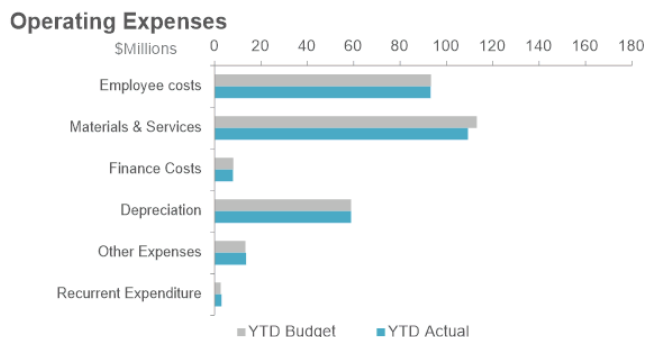
Operating Summary - February 2021

	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%)
Operating Result	4,336	2,712	118,834	125,814	6,980	5.9%
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%
Net Result	100,412	136,730	153,422	169,379	15,956	10.4%

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)



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%)



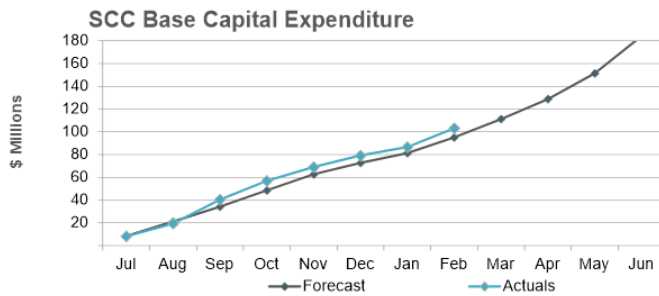
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	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	410,243	413,360	3,117	0.8%
Operating Expenses	456,816	457,769	288,385	284,522	(3,863)	(1.3%)
Recurrent Capital Expenses	3,917	3,917	3,024	3,024	(0)	(0.0%)
Operating Result	4,336	2,712	118,834	125,814	6,980	5.9%
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%
Net Result	100,412	136,730	153,422	169,379	15,956	10.4%

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



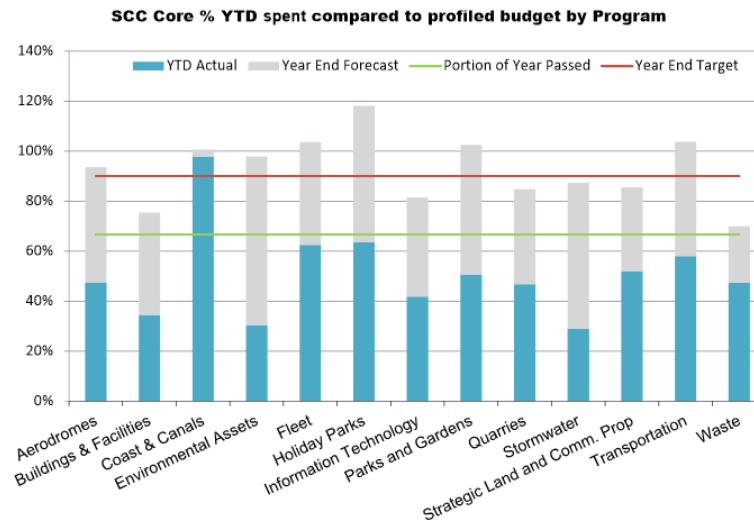
- As at 28 February 2021 \$161 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 50.2% of budget, an actual spend of \$103 million.
- Corporate Major Projects progressed 80.3% and The Sunshine Coast Airport Runway Project progressed 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)
Total SCC Core Capital Program	172,455	205,512	103,174	50.2%	189,653	(15,859)
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)
Total Other Capital Program	69,950	81,740	58,150	71.1%	70,856	(10,886)
TOTAL	242,405	287,252	161,324	56.2%	260,508	(26,746)

Capital Expenditure – February 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, 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.

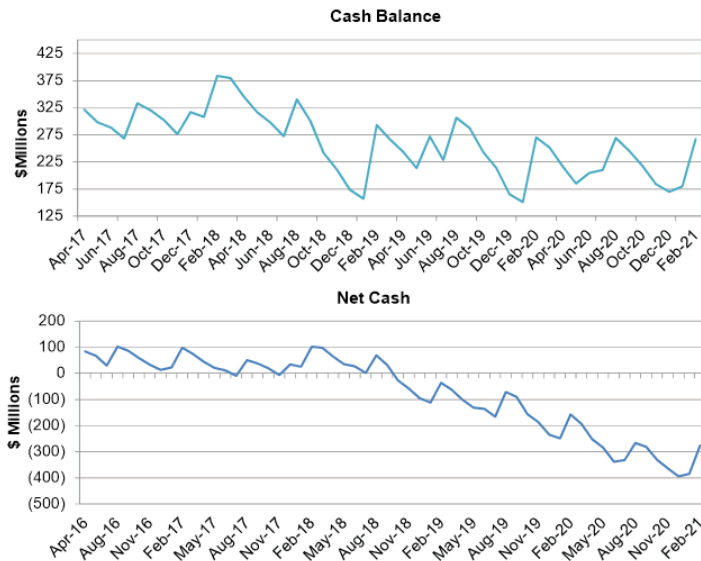
Transport

- 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 re-seal 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

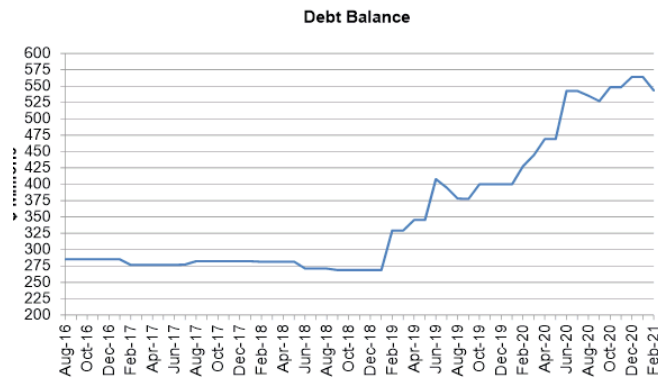


Cash and Balance Sheet - February 2021

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



