

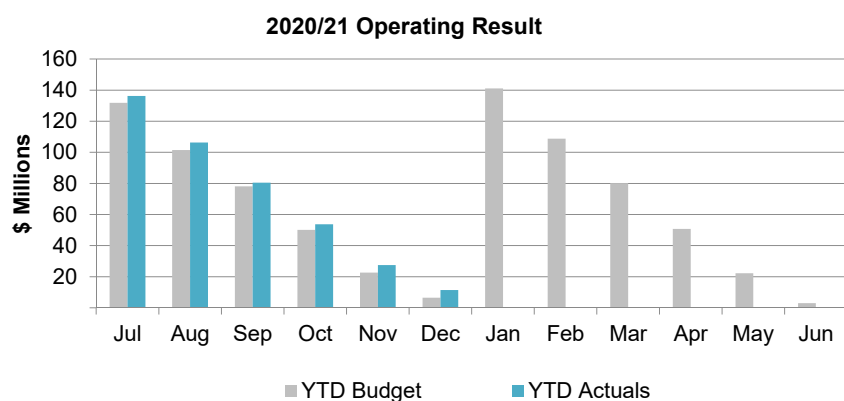
Financial Performance Report

December 2020



Our region.
Healthy.
Smart.
Creative.

Statement of Income and Expenses December 2020



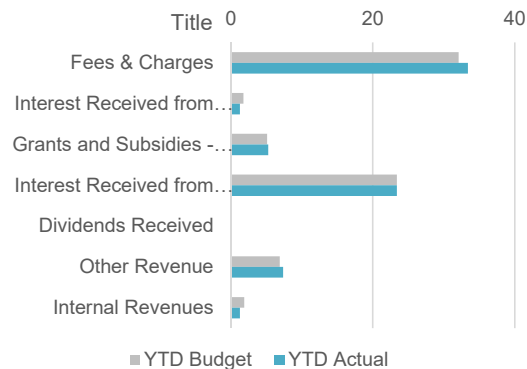
- Council has a positive operating result of \$11.4 million, which is \$4.99 million above the current budget as at 31 December 2020.



Statement of Income & Expenses 31 December 2020							
	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	156,325	156,368	43	0.0%	316,806
Fees and Charges	57,125	58,213	32,096	33,411	1,315	4.1%	58,213
Interest Received from Investments	3,611	3,611	1,806	1,313	(493)	(27.3%)	3,611
Operating Grants and Subsidies	12,224	13,332	5,142	5,286	144	2.8%	13,332
Operating Contributions	287	287	154	155	1	0.8%	287
Unitywater Participation	49,838	49,838	23,397	23,397	-	-	49,838
Other Revenue	21,040	20,805	6,919	7,381	462	6.7%	20,804
Internal Sales/Recoveries	4,138	4,124	1,910	1,307	(603)	(31.6%)	4,152
Total Operating Revenue	465,069	467,015	227,748	228,617	869	0.4%	467,043
Operating Expenses							
Employee Costs	147,973	149,263	72,230	72,245	15	0.0%	149,262
Materials and Services	184,678	186,127	84,059	79,911	(4,147)	(4.9%)	186,128
Finance Costs	12,080	12,080	6,071	6,032	(39)	(0.6%)	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	44,219	44,219	1	0.0%	88,276
Other Expenses	22,255	22,387	10,748	10,779	31	0.3%	22,386
Recurrent Capital Expenses	3,917	4,857	2,415	2,422	7	0.3%	4,354
Total Operating Expenses	460,733	464,544	221,296	217,171	(4,125)	(1.9%)	464,041
Operating Result	4,336	2,471	6,452	11,446	4,994	77.4%	3,002
Capital Revenue							
Capital Grants and Subsidies	10,060	48,002	13,117	13,235	118	0.9%	48,002
Capital Contributions - Cash	31,599	31,599	16,311	18,350	2,039	12.5%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	-	43	43	-	60,000
Total Capital Revenue	101,659	139,601	29,428	31,629	2,200	7.5%	139,601
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	324	324	-	-
Movements in landfill and quarry provisions	5,583	5,583	2,792	2,792	-	-	5,583
Assets Transferred to Third Parties	-	-	-	12	12	-	-
Total Non-recurrent Expenses	5,583	5,583	2,792	3,128	336	12.0%	5,583
Net Result	100,412	136,489	33,089	39,947	6,858	20.7%	137,020

Operating Result – December 2020

Operating Revenues



Operating Summary - December 2020

	Annual		YTD			
	Original Budget \$'000s	Current Budget \$'000s	Current Budget \$'000s	Actuals \$'000s	Variance \$'000s	Variance %
Operating Revenue	465,069	467,015	227,748	228,617	869	0.4%
Operating Expenses	456,816	459,687	218,881	214,749	(4,132)	(1.9%)
Recurrent Capital Expenses	3,917	4,857	2,415	2,422	7	0.3%
Operating Result	4,336	2,471	6,452	11,447	4,994	77.4%
Capital Revenue	101,659	139,601	29,428	31,629	2,200	7.5%
Non-recurrent Expenses	5,583	5,583	2,792	3,128	336	12.0%
Net Result	100,412	136,489	33,089	39,948	6,858	20.7%

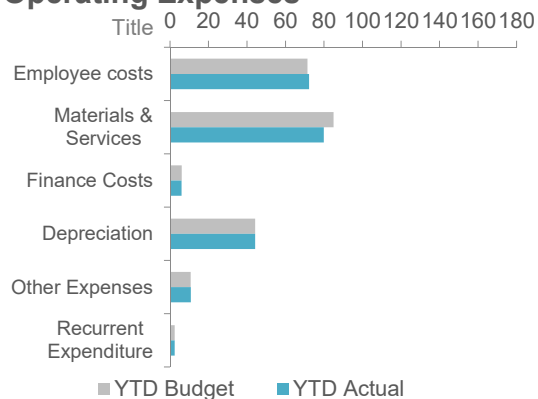
Substantial Revenue Variance for the Period Ending 31 Dec 2020

\$'000	Annual		YTD			
	Original Budget \$'000	Current Budget \$'000	Current Budget \$'000	Actuals \$'000	Variance \$'000	Variance %
Operating Revenue						
Fees and Charges	57,125	56,309	32,096	33,411	1,315	4.1%
Interest Received from Investments	3,611	3,611	1,806	1,313	(493)	(27.3%)
Other Revenue	21,040	20,877	6,919	7,381	462	6.7%
Internal Sales/Recoveries	4,138	4,124	1,910	1,307	(603)	(31.6%)

- As at 31 December 2020 \$228.6 million operating revenue had been achieved which is \$0.9 million more than current budget for the same period.
- This is largely due to:
 - Fees and Charges** – Fees relating to Council's Caravan Parks are currently \$859,000 above budget. Development Services Fees and Tip Fees are also above budget by \$604,000 and \$480,000 respectively while fees relating to parking infringements are below budget by \$1.14 million.
 - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
 - Other Revenue** – The positive variance in Other revenue is due to \$201,000 received in Sponsorship and Container Deposit Scheme above budget \$106,000.
 - Internal Sales** – Internal Quarry Sales are currently below budget \$595,000

Operating Result – December 2020 (continued)

Operating Expenses



Operating Summary - December 2020

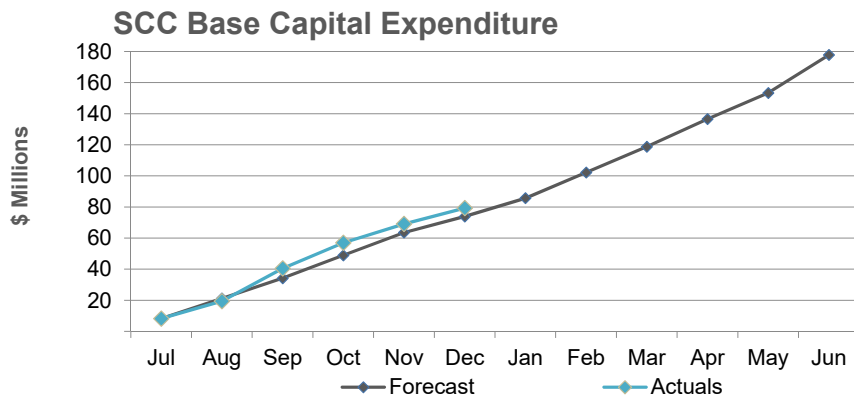
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Recurrent Capital Expenses	3,917	4,857	2,415	2,422	7	0.3%
Operating Result	4,336	2,471	6,452	11,447	4,994	77.4%
Capital Revenue	101,659	139,601	29,428	31,629	2,200	7.5%
Non-recurrent Expenses	5,583	5,583	2,792	3,128	336	12.0%
Net Result	100,412	136,489	33,089	39,948	6,858	20.7%

Substantial Expenditure Variance for the Period Ending 31 Dec 2020

\$'000	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Operating Expenses						
Materials and Services	184,678	186,127	84,059	79,911	(4,147)	(4.9%)

- As at 31 December 2020, \$217.2 million of the \$221.3 million budget year to date had been expended which resulted in an underspend of \$4.1 million or 1.9%
- Materials and Services: the underspend in materials and services is due to timing of contract works for the Waste service delivery contract as well as sealed road maintenance. The reduction in sales for the quarries has resulted in reduced product material on site.

Capital Expenditure - December 2020



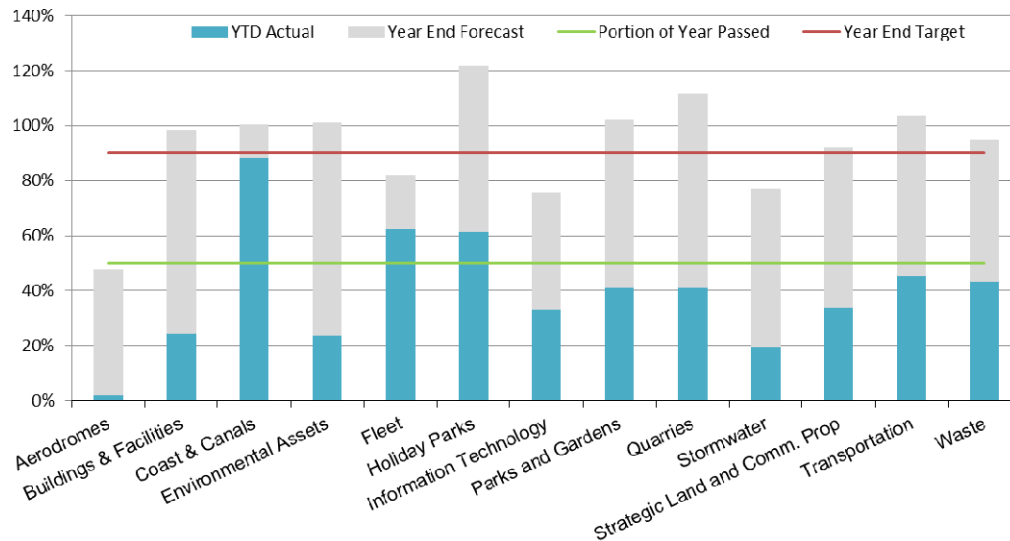
- As at 31 December 2020 \$129.7 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 37.7% of budget, an actual spend of \$79 million.
- Corporate Major Projects progressed 74% and The Sunshine Coast Airport Runway Project progressed 68.9% of their respective annual budgets.



Capital Expenditure - December 2020						
	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	4	1.7%	119	(131)
Buildings and Facilities	45,717	38,395	9,250	24.1%	37,835	(560)
Coast and Canals	2,830	3,458	3,048	88.1%	3,468	10
Minor Works	4,620	4,921	178	3.6%	4,921	-
Environmental Assets	1,375	3,195	748	23.4%	3,225	30
Fleet	2,000	2,037	1,273	62.5%	1,669	(368)
Holiday Parks	1,255	992	609	61.4%	1,209	217
Information Technology	6,275	7,579	2,516	33.2%	5,755	(1,824)
Parks and Gardens	15,141	19,025	7,804	41.0%	19,445	420
Quarries	480	480	197	41.1%	535	55
Stormwater	6,772	6,601	1,302	19.7%	5,095	(1,506)
Strategic Land and Commercial Properties	9,949	26,788	9,080	33.9%	24,746	(2,042)
Transportation	65,588	83,030	37,525	45.2%	86,088	3,059
Waste	14,723	13,683	5,901	43.1%	12,988	(695)
Total SCC Core Capital Program	177,075	210,433	79,435	37.7%	207,098	(3,335)
Corporate Major Projects	16,733	18,375	13,663	74.4%	17,388	(987)
Maroochydore City Centre	11,879	14,156	6,049	42.7%	14,025	(131)
Submarine Cable IBN	-	-	2	-	2	2
Sunshine Coast Airport Runway	36,718	44,288	30,512	68.9%	39,224	(5,064)
Total Other Capital Program	65,330	76,819	50,226	65.4%	70,639	(6,180)
TOTAL	242,405	287,252	129,662	45.1%	277,737	(9,515)
The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement						
Recurrent Expenses			2,422	-		
Non-Recurrent Expenses			3,128	-		

Capital Expenditure – December 2020 (continued)

SCC Core % YTD spent compared to profiled budget by Program



Aerodromes

- Delivery of the runway lighting replacement project for Caloundra Aerodrome is scheduled for construction in the second half of the 2020/21 Financial year.

Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020 with the majority of this years construction program scheduled to be expended in early 2021.

Environmental Assets

- Design of the \$1.3million trails hub at Sugar Bag Road has progressed with construction scheduled to begin in early 2021.

Parks and Gardens

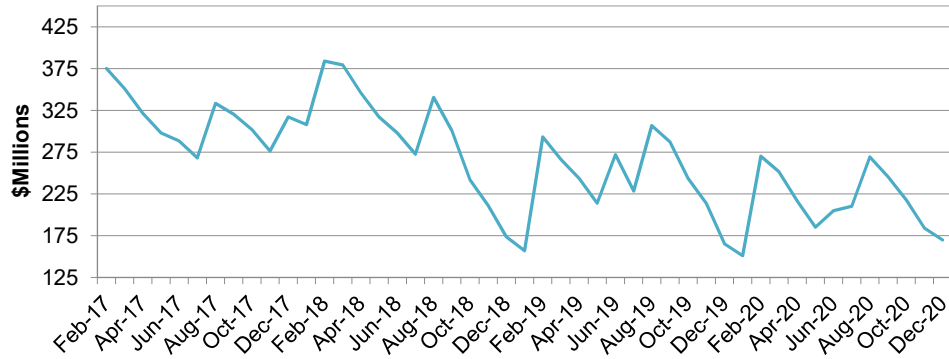
- The contract has been awarded for the design and construction of new clubhouse and change rooms at the Palmwoods cricket club. Construction is scheduled to begin early in 2021.

Stormwater

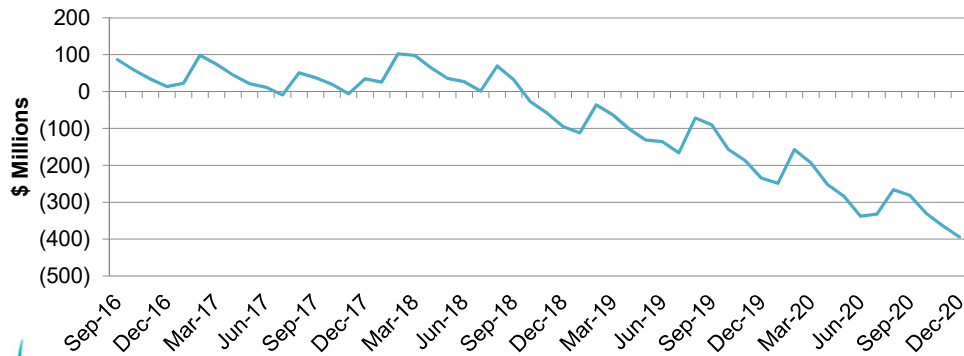
- The Procurement of the civil contractor for the \$1.2m project for the relining of damaged stormwater pipes has been finalised with the program of works beginning in November.

Cash Flows and Balance Sheet

Cash Balance



Net Cash

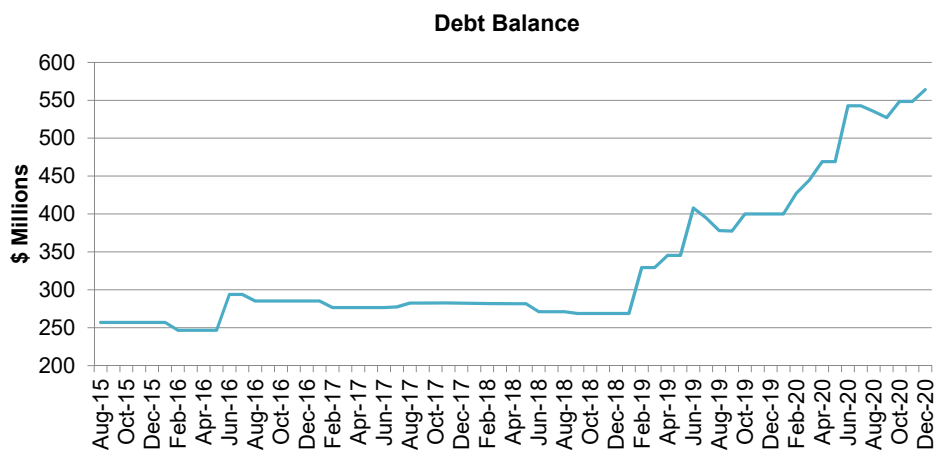


Cash and Balance Sheet - December 2020

	Original Budget \$000s	Current Budget \$000s
CASH FLOWS		
Opening Cash	229,139	197,632
Net Cash Inflow/(Outflows) from:		
Operating Activities	48,942	42,452
Investing Activities	(149,603)	(153,246)
Financing Activities	90,433	97,884
Net Increase/(decrease) in Cash Held	(10,229)	(12,910)
Cash at year end	218,910	184,722
BALANCE SHEET		
Current Assets	272,962	238,609
Non Current Assets	6,173,956	6,188,169
Total Assets	6,446,918	6,426,778
Current Liabilities	408,307	398,329
Non Current Liabilities	410,419	422,473
Total Liabilities	818,726	820,802
Net Community Assets/Total Community Equity	5,628,192	5,605,976

- Council's cash at 31 December 2020 is \$159.7 million excluding trust accounts
- Council's debt at 31 December 2020 is \$564 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 1 and adopted by Council at the September 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.

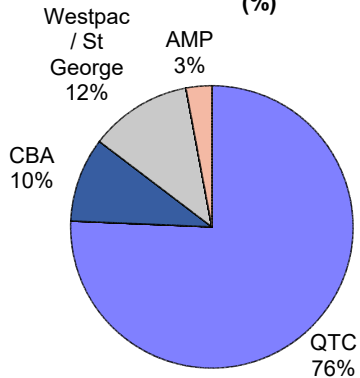
The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

Debt - 2020/21

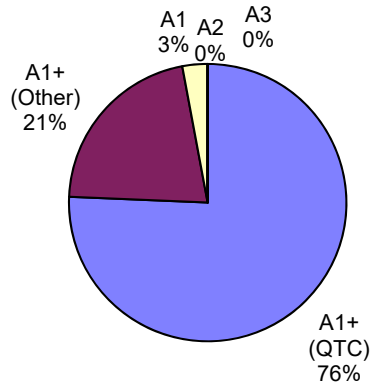
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	190,864	12,292	58,975	237,547
Sunshine Coast Airport Expansion Project	211,492	-	57,430	268,922
Maroochydore City Centre	132,530	8,847	7,500	131,183
Sunshine Coast International Broadband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

Investment Performance

Investment per financial institution (%)



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



Investment Performance - December 2020

Liquidity as at:		31/12/2020		Term deposits maturing:		Count
		\$'000				
At-call accounts						
QTC + CBA (excl. trust)	134,692	79.00%		within 30 days	20,000	2
Maturities within 7 days	-	0.00%		30-59 days	5,000	1
Total at-call	134,692	79.00%		60-89 days	-	-
Investment Policy Target		10.00%		90-179 days	-	-
				180-364 days	-	-
				1 year - 3 years	-	-
				Total	25,000	3

INVESTMENT SUMMARY (including Trust) as at:						Investment Policy		
\$'000	31/12/2020		30/09/2020		31/12/2019		Individual Limit	Group Limits
A1+ (QTC)	129,008	76%	147,438	58.4%	121,346	72.8%	100.0%	100%
A1+ (Other)	36,492	21%	99,979	39.6%	45,238	27.2%	40.0%	100%
A1	5,000	3%	5,000	2.0%	-	0.0%	30.0%	50%
A2	-	0%	-	0.0%	-	0.0%	30.0%	45%
A3	-	0%	-	0.0%	-	0.0%	5.0%	10%
Total Funds	170,501		252,418		166,584			
FUND SUMMARY								
General Funds	159,692		244,376		158,797			
Trust Funds	10,809		8,042		7,787			
Total Funds	170,501		252,418		166,584			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 December 2020 Council had \$159.7 million cash (excluding Trust Fund) with an average interest rate of 0.71%, being 0.68% above benchmark. This is compared to the same period last year with \$159 million cash (excluding Trust Fund) with an average interest rate of 2.06%, being 1.2% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



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