

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Income and Expenses	Annual Original Budget \$'000	Annual Current Budget \$'000	Annual Forecast Budget \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Operating Revenue							
Gross Rates & Utility Charges	275,930	275,930	274,463	294,008	316,695	336,211	358,149
Interest from Rates & Utilities	2,291	2,291	2,291	2,279	2,416	2,550	2,705
Less Discounts, Pensioner Remissions	(12,694)	(12,694)	(12,694)	(13,302)	(14,015)	(14,763)	(15,556)
Net Rates & Utility Charges	265,527	265,527	264,060	282,985	305,096	323,998	345,298
Fees & Charges	53,110	53,110	54,908	59,575	62,836	66,306	70,040
Interest Received from Investments	45,172	45,172	45,672	44,032	43,367	42,916	41,932
Grants and Subsidies - Recurrent	13,168	13,168	13,565	13,168	13,168	13,168	13,168
Operating contributions	688	688	688	418	419	423	427
Dividends Received	22,624	22,624	22,624	22,850	23,079	23,310	23,543
Other Revenue	15,245	14,765	15,794	16,302	16,811	17,339	17,884
Internal Revenues	9,117	9,117	9,467	9,480	9,751	10,080	10,422
Community Service Obligations	-	-	-	-	-	-	-
Total Operating Revenue	424,650	424,170	426,779	448,810	474,527	497,540	522,714
Operating Expenses							
Employee costs	148,845	148,809	149,256	151,561	157,870	164,441	171,289
Materials & Services	161,830	166,829	167,738	174,284	186,638	197,350	208,661
Internal Expenditure	0	0	0	-	-	-	-
Finance Costs	15,280	15,283	15,286	17,326	19,002	20,631	20,516
Company Contributions	2,548	2,548	2,548	2,548	2,548	2,548	2,548
Depreciation	72,496	72,498	72,496	75,873	79,474	83,115	86,626
Other Expenses	15,971	15,463	15,465	18,383	19,010	19,657	20,327
Competitive Neutrality Adjustments	-	-	-	-	-	-	-
Total Operating Expenses	416,970	421,429	422,788	439,975	464,542	487,742	509,967
Operating Surplus/(Deficit)	7,680	2,741	3,991	8,835	9,985	9,798	12,747
Capital Revenue							
Capital Grants and Subsidies	5,600	13,708	17,150	5,700	5,700	5,700	5,700
Capital Contributions	12,901	12,901	12,924	12,420	12,792	16,709	18,662
Contributed Assets	28,500	28,500	28,500	31,050	31,980	32,940	33,930
Other Capital Revenue	4,181	4,181	4,181	4,472	4,783	-	-
Net Result Surplus / (Deficit)	58,862	62,032	66,746	62,477	65,240	65,147	71,039
Other Capital Funding Sources							
Loan proceeds	44,150	44,150	44,150	41,939	44,236	22,168	28,875
Asset sale proceeds	1,000	1,911	7,714	1,000	1,000	1,000	1,000
Depreciation utilised	72,496	72,498	72,496	75,873	79,474	83,115	86,626
Total Other Capital Funding Sources	117,646	118,559	124,359	118,812	124,710	106,283	116,501
Capital Funding Applications							
Constructed Assets	145,770	186,330	196,146	144,228	153,715	137,591	133,901
Contributed Assets	28,500	28,500	28,500	31,050	31,980	32,940	33,930
Loan redemptions	13,023	13,023	13,023	16,431	19,932	23,762	26,632
Total Capital Funding Applications	187,293	227,853	237,669	191,709	205,627	194,293	194,463
Total Reserve Movements	10,785	47,262	46,564	10,420	15,677	22,863	6,923
Contribution to Council	(0)	(0)	0	0	0	0	0

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2
for the period ending 30 June 2013

COUNCIL BY DEPARTMENT

Statement of Income and Expenses	Infrastructure Services \$'000	Community Services \$'000	Regional Strategy & Planning \$'000	Finance & Business \$'000	Executive Office \$'000	Elimination \$'000	Total Council \$'000
Operating Revenue							
Gross Rates & Utility Charges	48,215	877	12,202	206,382	6,788	0	274,463
Interest from Rates & Utilities	0	0	0	2,291	0	0	2,291
Less Discounts, Pensioner Remissions	0	0	0	(12,694)	0	0	(12,694)
Net Rates & Utility Charges	48,215	877	12,202	195,979	6,788	0	264,060
Fees & Charges	7,547	11,672	7,987	16,577	11,123	0	54,908
Interest Received from Investments	0	0	0	45,672	0	0	45,672
Grants and Subsidies - Recurrent	422	4,262	0	8,746	136	0	13,565
Operating contributions	411	37	241	0	0	0	688
Dividends Received	0	0	0	22,624	0	0	22,624
Other Revenue	5,510	1,442	198	3,294	5,350	0	15,794
Internal Revenues	15,662	9,658	415	39,753	1,048	(57,069)	9,467
Community Service Obligations	471	0	0	(565)	94	0	(0)
Total Operating Revenue	78,237	27,949	21,042	332,081	24,538	(57,069)	426,779
Operating Expenses							
Employee costs	44,941	42,945	26,143	26,712	8,515	0	149,256
Materials & Services	98,948	21,369	11,854	20,832	14,735	0	167,739
Internal Expenditure	20,558	16,181	14,294	6,068	(33)	(57,069)	(0)
Finance Costs	3,537	31	15	8,871	2,832	0	15,286
Company Contributions	0	1,067	170	1,311	0	0	2,548
Depreciation	62,466	4,365	28	4,217	1,419	0	72,496
Other Expenses	5,035	2,134	1,128	5,150	2,017	0	15,465
Competitive Neutrality Adjustments	5,945	0	0	(16,622)	10,677	0	(0)
Total Operating Expenses	241,429	88,093	53,632	56,540	40,163	(57,069)	422,789
Operating Surplus/(Deficit)	(163,192)	(60,143)	(32,590)	275,541	(15,625)	0	3,990
Capital Revenue							
Capital Grants and Subsidies	17,150	0	0	0	0	0	17,150
Capital Contributions	12,023	0	901	0	0	0	12,924
Contributed Assets.	28,500	0	0	0	0	0	28,500
Other Capital Revenue	0	0	0	4,181	0	0	4,181
Net Result Surplus / (Deficit)	(105,519)	(60,143)	(31,689)	279,722	(15,625)	0	66,746
Other Capital Funding Sources							
Loan proceeds	20,077	0	0	18,684	5,389	0	44,150
Asset sale proceeds	1,000	0	0	5,803	911	0	7,714
Depreciation utilised	62,466	4,365	28	4,217	1,419	0	72,496
Total Other Capital Funding Sources	83,543	4,365	28	28,704	7,719	0	124,359
Capital Funding Applications							
Constructed Assets	120,432	19	3,643	28,715	43,337	0	196,146
Contributed Assets	28,500	0	0	0	0	0	28,500
Loan redemptions	4,067	0	0	6,627	2,329	0	13,023
Total Capital Funding Applications	152,999	19	3,643	35,342	45,666	0	237,669
Total Reserve Movements	(717)	1,392	2,246	42,730	914	0	46,564
Contribution to Council	(175,692)	(54,405)	(33,058)	315,813	(52,658)	0	(0)

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

BUSINESS ACTIVITIES

Statement of Income and Expenses	Sunshine Coast Airport \$'000	Waste Management \$'000	Coast Holiday Parks \$'000	Quarries \$'000	Total Business Units \$'000
Operating Revenue					
Gross Rates & Utility Charges	0	46,665	0	0	46,665
Interest from Rates & Utilities	0	0	0	0	0
Less Discounts, Pensioner Remissions	0	0	0	0	0
Net Rates & Utility Charges	0	46,665	0	0	46,665
Fees & Charges	9,909	7,440	14,164	1,351	32,865
Interest Received from Investments	0	0	0	0	0
Grants and Subsidies - Recurrent	0	0	0	0	0
Operating contributions	0	411	0	0	411
Dividends Received	0	0	0	0	0
Other Revenue	5,034	2,427	121	0	7,582
Internal Revenues	2	1,238	0	6,821	8,060
Community Service Obligations	94	471	0	0	565
Total Operating Revenue	15,039	58,651	14,285	8,172	96,147
Operating Expenses					
Employee costs	2,155	2,805	282	1,070	6,312
Materials & Services	2,900	38,668	5,077	4,670	51,315
Internal Expenditure	801	3,683	1,370	930	6,785
Finance Costs	2,533	3,172	190	146	6,041
Company Contributions	0	0	0	0	0
Depreciation	1,162	2,178	670	477	4,488
Other Expenses	72	226	37	46	381
Competitive Neutrality Adjustments	638	(4,301)	241	54	(3,368)
Total Operating Expenses	10,262	46,432	7,867	7,394	71,955
Operating Surplus/(Deficit)	4,777	12,219	6,418	778	24,192
Capital Revenue					
Capital Grants and Subsidies	0	0	0	0	0
Capital Contributions	0	0	0	0	0
Contributed Assets.	0	0	0	0	0
Other Capital Revenue	0	0	0	0	0
Net Result Surplus / (Deficit)	4,777	12,219	6,418	778	24,192
Other Capital Funding Sources					
Loan proceeds	5,389	15,077	610	0	21,076
Asset sale proceeds	911	0	0	0	911
Depreciation utilised	1,162	2,178	670	477	4,488
Total Other Capital Funding Sources	7,462	17,255	1,280	477	26,475
Capital Funding Applications					
Constructed Assets	12,298	19,161	2,894	1,924	36,276
Contributed Assets	0	0	0	0	0
Loan redemptions	2,308	2,719	103	37	5,167
Total Capital Funding Applications	14,605	21,880	2,997	1,961	41,443
Total Reserve Movements	0	1,331	0	0	1,331
Contribution to Council	(2,366)	8,925	4,701	(706)	10,554
Income Tax Equivalent	1,348	1,855	1,925	220	5,348
Net Operating Profit After Tax	3,145	6,076	4,493	513	14,227
Target Return on Capital	8,691	8,391	4,280	545	21,907

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Schedule of Capital Works	Annual Current Budget Subprogram \$'000	Annual Current Budget Program \$'000	Annual Forecast Budget Subprogram \$'000	Annual Forecast Budget Program \$'000
CONSTRUCTED ASSETS				
Buildings and Facilities				
Community Facilities	6,071		6,315	
Corporate Buildings	4,127		4,127	
Heritage Levy	215		305	
Kawana Forest Infrastructure Agreement	901		901	
		11,314		11,648
Coast and Canals				
Coast, Canals and Waterways	1,736		1,736	
		1,736		1,736
Divisional Allocations				
Local Parks	1,383		1,383	
Local Pathways	1,343		1,323	
Minor Emergent Works	1,021		996	
		3,747		3,702
Environmental Operations				
Environmental Infrastructure Rehabilitation and Renewals	75		75	
Environmental Tracks Trails and Infrastructure	58		58	
Environmental Visitor Education Facilities	223		223	
PIP Environmental Parks	67		67	
		424		424
Fleet				
Plant Replacement	2,000		2,000	
		2,000		2,000
Parks and Gardens				
Beach Accesses & Dunal Areas Development	662		664	
Cemeteries	91		91	
PIP Recreation Parks	2,277		2,334	
PIP Sports Facilities	2,936		2,936	
PIP Trails	691		691	
Recreation Park and Landscape Amenity	3,496		3,656	
Recreational Sports Facilities	831		831	
Recreational Tracks & Trails	15		15	
		10,999		11,218
Stormwater				
PIP Stormwater	278		323	
Stormwater Management	3,647		3,619	
Stormwater Quality Management	846		846	
		4,772		4,789
Transportation				
Bridges	3,554		6,539	
Carparks	1,429		1,429	
Gravel Road Network	2,675		2,675	
Pedestrian & Cyclist Enabling Facilities	1,031		1,031	
PIP Transportation	8,651		8,651	
Public Transport Infrastructure	1,934		2,176	
Public Transport Levy	984		984	
Reseals and Rehabilitation	20,191		20,191	
Sealed Road Network	5,952		5,822	
Strategic Pathway & On Road Cycle Networks	6,085		6,085	
Streetlighting	93		93	
Streetscapes - Corridors	2,611		2,811	
Streetscapes - Local Centres	611		611	
Streetscapes - Major Centres	5,622		5,622	
Transport Innovation Projects	133		133	
Transport Management	1,214		1,214	
Transport Renewals	500		500	
		63,269		66,565

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Schedule of Capital Works	Annual Current Budget Subprogram \$'000	Annual Current Budget Program \$'000	Annual Forecast Budget Subprogram \$'000	Annual Forecast Budget Program \$'000
Information Technology				
Information Technology	5,347		5,347	
		5,347		5,347
Strategic Land and Commercial Properties				
Biodiversity Offset Land	1,000		1,000	
Commercial Property	175		175	
Corporate Real Estate	1,000		1,000	
Environmental Land	3,070		3,070	
Land Re-Development	2,694		2,694	
PIP Social Land	2,999		5,249	
PIP Transport Corridors	5,786		5,786	
SCRC Owned Corporations	198		198	
Strategic Land, Economic Development & Innovation	31,816		33,191	
		48,738		52,363
Aerodromes				
Caloundra Aerodrome - Airside	46		79	
		46		79
Sunshine Coast Airport				
Sunshine Coast Airport - Airside	6,193		6,193	
Sunshine Coast Airport - Landside	6,104		6,104	
		12,298		12,298
Sunshine Coast Holiday Parks				
Holiday Parks	2,894		2,894	
		2,894		2,894
Quarries				
Quarries	1,924		1,924	
		1,924		1,924
Waste				
Waste Avoidance and Minimisation	3,803		3,803	
Waste Disposal	13,020		15,358	
		16,823		19,161
TOTAL CONSTRUCTED ASSETS		186,330		196,146
CONTRIBUTED ASSETS				
		28,500		28,500
TOTAL CAPITAL WORKS PROGRAM		214,830		224,646

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Financial Position	Forecast Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
CURRENT ASSETS					
Cash & Investments	185,658	175,398	165,716	142,110	135,364
Trade and other receivables	37,263	39,507	36,878	38,776	40,895
Inventories	1,945	2,013	2,083	2,156	2,231
Other Financial Assets	27,476	28,438	29,433	30,463	31,529
Non-current assets classified as held for sale	980	980	980	980	980
	253,322	246,336	235,090	214,485	210,999
NON CURRENT ASSETS					
Trade and other receivables	488,401	483,627	483,627	483,627	483,627
Property, plant & equipment	4,255,854	4,454,568	4,665,661	4,863,836	5,061,380
Investment in associates	599,191	599,191	599,191	599,191	599,191
Capital works in progress	82,986	82,986	82,986	82,986	82,986
Intangible assets	14,448	17,800	20,257	21,792	22,377
	5,440,880	5,638,172	5,851,722	6,051,432	6,249,561
TOTAL ASSETS	5,694,202	5,884,508	6,086,812	6,265,917	6,460,560
CURRENT LIABILITIES					
Trade and other payables	50,159	47,022	49,269	49,259	50,348
Borrowings	13,023	19,932	23,762	26,632	30,046
Provisions	20,126	20,437	21,288	22,174	23,097
Other	4,383	4,536	4,695	4,859	5,029
	87,691	91,927	99,014	102,924	108,520
NON CURRENT LIABILITIES					
Borrowings	249,305	267,904	288,378	283,914	282,743
Provisions	38,079	39,412	40,595	41,813	43,068
	287,384	307,316	328,973	325,727	325,811
TOTAL LIABILITIES	375,075	399,243	427,987	428,651	434,331
NET COMMUNITY ASSETS	5,319,127	5,485,265	5,658,825	5,837,266	6,026,229
COMMUNITY EQUITY					
Asset revaluation surplus	717,004	820,665	928,994	1,042,288	1,160,212
Council reserves	137,995	127,575	111,898	89,035	82,112
Capital	4,464,128	4,537,025	4,617,933	4,705,943	4,783,905
TOTAL COMMUNITY EQUITY	5,319,127	5,485,265	5,658,825	5,837,266	6,026,229

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Changes in Equity	Forecast Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Capital Accounts					
Balance at beginning of period	4,411,089	4,524,405	4,597,302	4,678,219	4,766,229
Transfers to capital, reserves and shareholdings	0				
Transfers from capital, reserves and shareholdings	113,316	72,897	80,917	88,010	77,962
Balance at end of period	4,524,405	4,597,302	4,678,219	4,766,229	4,844,191
Asset Revaluation Reserve					
Balance at beginning of period	618,981	717,004	820,665	928,994	1,042,288
Asset revaluation adjustments	98,023	103,661	108,329	113,294	117,924
Transfers to capital, reserves and shareholdings	0	0	0	0	0
Balance at end of period	717,004	820,665	928,994	1,042,288	1,160,212
Other Reserves					
Balance at beginning of period	184,674	137,995	127,575	111,898	89,035
Transfers to capital, reserves and shareholdings	24,852	21,255	12,792	16,709	18,662
Transfers from capital, reserves and shareholdings	(71,531)	(31,675)	(28,469)	(39,572)	(25,585)
Balance at end of period	137,995	127,575	111,898	89,035	82,112
Retained Surplus					
Balance at beginning of period	(60,277)	(60,277)	(60,277)	(60,286)	(60,286)
Net result for the period	66,746	62,477	65,240	65,147	71,039
Transfers to capital, reserves and shareholdings	(66,746)	(62,477)	(65,240)	(65,147)	(71,039)
Transfers from capital, reserves and shareholdings					
Asset revaluation adjustments			(9)		
Balance at end of period	(60,277)	(60,277)	(60,286)	(60,286)	(60,286)
TOTAL					
Balance at beginning of period	5,154,467	5,319,127	5,485,265	5,658,825	5,837,266
Net result for the period	66,746	62,477	65,240	65,147	71,039
Transfers to capital, reserves and shareholdings	(41,894)	(41,222)	(52,448)	(48,438)	(52,377)
Transfers from capital, reserves and shareholdings	41,785	41,222	52,448	48,438	52,377
Asset revaluation adjustments	98,023	103,661	108,320	113,294	117,924
Balance at end of period	5,319,127	5,485,265	5,658,825	5,837,266	6,026,229

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Cash Flows	Forecast Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000
Cash flows from operating activities					
Receipts from customers	381,749	389,789	415,970	438,092	465,214
Payments to suppliers and employees	(336,094)	(338,636)	(351,875)	(371,658)	(388,966)
Interest and dividends received	70,587	69,161	68,862	68,776	68,180
Borrowing costs	(15,285)	(17,326)	(19,002)	(20,631)	(20,516)
Net cash inflow (outflow) from operating activities	100,957	102,988	113,955	114,579	123,912
Cash flows from investing activities					
Proceeds - disposal non current assets	7,714	1,000	1,000	1,000	1,000
Payments - Property, Plant & Equipment	(196,146)	(144,228)	(153,715)	(137,591)	(133,901)
Net cash inflow (outflow) from investing activities	(188,432)	(143,228)	(152,715)	(136,591)	(132,901)
Cash flows from financing activities					
Proceeds from borrowings	44,150	41,939	44,236	22,168	28,875
Repayment of borrowing - QTC	(13,023)	(16,431)	(19,932)	(23,762)	(26,632)
Other capital revenue	4,181	4,472	4,774	-	-
Net cash inflow (outflow) from financing activities	35,308	29,980	29,078	(1,594)	2,243
Net increase (decrease) in cash held	(52,167)	(10,260)	(9,682)	(23,606)	(6,746)
Cash at beginning of reporting period	237,825	185,658	175,398	165,716	142,110
Cash at end of reporting period	185,658	175,398	165,716	142,110	135,364

2012/2013 FINANCIAL STATEMENTS - BUDGET REVIEW 2

for the period ending 30 June 2013

TOTAL COUNCIL

Financial Ratios	Forecast Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$'000	Forward Estimate 2014/2015 \$'000	Forward Estimate 2015/2016 \$'000	Forward Estimate 2016/2017 \$'000	Forward Estimate 2017/2018 \$'000	Forward Estimate 2018/2019 \$'000	Forward Estimate 2019/2020 \$'000	Forward Estimate 2020/2021 \$'000	Forward Estimate 2021/2022 \$'000
Working Capital Ratio 1:	2.90	2.70	2.40	2.10	1.90	1.70	1.50	1.40	1.20	1.00
Operating Surplus Ratio	15.6%	13.9%	13.7%	13.1%	13.6%	13.2%	13.2%	13.1%	12.8%	12.9%
Net Financial Liabilities Ratio	28.5%	34.0%	41.0%	43.0%	43.0%	45.0%	44.0%	43.0%	44.0%	40.0%
Interest Coverage Ratio	(7.4)%	(6.2)%	(5.4)%	(4.7)%	(4.3)%	(4.0)%	(3.6)%	(3.4)%	(3.2)%	(3.0)%
Asset Sustainability Ratio	68.0%	71.0%	69.0%	66.0%	67.0%	68.0%	71.0%	72.0%	75.0%	73.0%
Asset Consumption Ratio	78.0%	77.0%	77.0%	76.0%	76.0%	76.0%	75.0%	75.0%	75.0%	74.0%
Operating Surplus Ratio (excluding Capital Revenues)	0.9%	2.0%	2.1%	2.0%	2.4%	2.6%	3.0%	3.3%	3.2%	3.7%

Working Capital Ratio

Measures the extent to which Council has liquid assets available to meet short term financial obligations.

Calculation: Current assets (CA)/current liabilities (CL), expressed as X:1 (where X = CA/CL)

Target: between 1:1 and 4:1

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Net result divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.

Calculation: (total liabilities less current assets) divided by total operating revenue, expressed as a %.

Target: not greater than 60%.

Operating Surplus Ratio (excluding capital revenues)

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Operating Surplus/(Deficit) divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Interest Coverage Ratio

Measures the extent to which Council's operating revenues are committed to funding the interest expense on current loan borrowings and leases.

Calculation: Net interest divided by total operating revenue, expressed as a %.

Target: between 0% and 5%

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 the replacement of infrastructure assets (renewals) divided by depreciation expense, expressed as a %.

Target: greater than 90%.

Asset Consumption Ratio

Shows the remaining average proportion of Council's infrastructure assets relative to their as new value in current dollars.

Calculation: written down value of infrastructure assets divided by gross replacement cost of infrastructure assets, expressed as a %.

Target: between 40% and 80%.