

ADOPTION OF THE 2012/2013 BUDGET - APP A FINANCIAL STATEMENTS

2012/2013 BUDGET - FINANCIAL STATEMENTS

for the period ending 30 June 2013

TOTAL COUNCIL

Statement of Income and Expenses	Budget 2012/2013 \$'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	295,107	317,862	337,450	359,465
Interest from Rates & Utilities	2,291	2,289	2,427	2,562	2,718
Less Discounts, Pensioner Remissions	(12,694)	(13,347)	(14,064)	(14,815)	(15,610)
Net Rates & Utility Charges	265,527	284,049	306,225	325,197	346,573
Fees & Charges	53,110	59,107	63,351	68,350	74,188
Interest Received from Investments	45,172	44,942	44,575	44,649	44,828
Grants and Subsidies - Recurrent	13,168	13,168	13,168	13,168	13,168
Operating contributions	688	418	419	423	427
Dividends Received	22,624	22,850	23,079	23,310	23,543
Other Revenue	15,245	15,718	16,206	16,713	17,236
Internal Revenues	9,117	9,113	9,371	9,684	10,010
Community Service Obligations	-	-	-	-	-
Total Operating Revenue	424,650	449,365	476,394	501,494	529,973
Operating Expenses					
Employee costs	148,845	151,081	157,816	164,386	171,229
Materials & Services	161,830	171,745	183,157	192,845	203,052
Internal Expenditure	-	-	-	-	-
Finance Costs	15,280	17,320	18,996	20,637	21,247
Company Contributions	2,548	2,548	2,548	2,548	2,548
Depreciation	72,496	75,819	81,251	88,271	95,234
Other Expenses	15,971	18,958	19,605	20,274	20,966
Competitive Neutrality Adjustments	-	-	-	-	-
Total Operating Expenses	416,970	437,471	463,373	488,961	514,276
Operating Surplus/(Deficit)	7,680	11,894	13,021	12,533	15,697
Capital Revenue					
Capital Grants and Subsidies	5,600	5,700	5,700	5,700	5,700
Capital Contributions	12,901	12,420	13,302	17,248	19,221
Contributed Assets.	28,500	31,050	32,130	33,090	34,080
Other Capital Revenue	4,181	4,472	4,783	-	-
Net Result Surplus / (Deficit)	58,862	65,536	68,936	68,571	74,698
Other Capital Funding Sources					
Loan proceeds	44,150	41,939	44,420	33,333	23,980
Asset sale proceeds	1,000	1,000	1,000	1,000	1,000
Depreciation utilised	72,496	75,819	81,251	88,271	95,234
Total Other Capital Funding Sources	117,646	118,758	126,671	122,604	120,214
Capital Funding Applications					
Constructed Assets	145,770	145,149	154,419	138,204	134,472
Contributed Assets	28,500	31,050	32,130	33,090	34,080
Loan redemptions	13,023	16,431	19,932	23,772	27,286
Total Capital Funding Applications	187,293	192,630	206,481	195,066	195,838
Total Reserve Movements	10,785	8,336	10,874	3,891	926
Contribution to Council	0	0	0	0	0

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COUNCIL BY DEPARTMENT

Statement of Income and Expenses	Infrastructure Services \$'000	Community Services \$'000	Regional Strategy & Planning \$'000	Finance & Business \$'000	Executive Office \$'000	Eliminations \$'000	Total Council \$'000
Operating Revenue							
Gross Rates & Utility Charges	48,681	877	12,202	214,169	-	-	275,930
Interest from Rates & Utilities	-	-	-	2,291	-	-	2,291
Less Discounts, Pensioner Remissions	-	-	-	(12,694)	-	-	(12,694)
Net Rates & Utility Charges	48,681	877	12,202	203,767	-	-	265,527
Fees & Charges	7,535	11,652	7,987	25,924	11	-	53,110
Interest Received from Investments	-	-	-	45,172	-	-	45,172
Grants and Subsidies - Recurrent	-	4,317	-	8,746	106	-	13,168
Operating contributions	411	37	241	0	-	-	688
Dividends Received	-	-	-	22,624	-	-	22,624
Other Revenue	5,564	1,462	198	8,016	4	-	15,245
Internal Revenues	15,771	9,658	365	38,246	1,046	(55,969)	9,117
Community Service Obligations	471	-	-	(471)	-	-	0
Total Operating Revenue	78,433	28,004	20,992	352,024	1,166	- 55,969	424,650
Operating Expenses							
Employee costs	46,239	44,087	26,963	28,015	3,541	-	148,845
Materials & Services	98,024	21,421	10,791	30,487	1,108	-	161,830
Internal Expenditure	20,558	16,290	14,294	7,407	(2,580)	(55,969)	(0)
Finance Costs	3,537	31	12	11,700	-	-	15,280
Company Contributions	-	1,067	170	1,311	-	-	2,548
Depreciation	62,397	4,375	28	5,642	53	-	72,496
Other Expenses	5,024	2,143	1,128	7,208	468	-	15,971
Competitive Neutrality Adjustments	5,945	-	-	(5,945)	-	-	0
Total Operating Expenses	241,725	89,413	53,386	85,825	2,590	- 55,969	416,970
Operating Surplus/(Deficit)	(163,292)	(61,409)	(32,394)	266,199	(1,423)	-	7,680
Capital Revenue							
Capital Grants and Subsidies	5,600	-	-	-	-	-	5,600
Capital Contributions	12,901	-	-	-	-	-	12,901
Contributed Assets	28,500	-	-	-	-	-	28,500
Other Capital Revenue	-	-	-	4,181	-	-	4,181
Net Result Surplus / (Deficit)	(116,291)	(61,409)	(32,394)	270,380	(1,423)	-	58,862
Other Capital Funding Sources							
Loan proceeds	20,077	-	-	24,073	-	-	44,150
Asset sale proceeds	1,000	-	-	-	-	-	1,000
Depreciation utilised	62,397	4,375	28	5,642	53	-	72,496
Total Other Capital Funding Sources	83,474	4,375	28	29,715	53	-	117,646
Capital Funding Applications							
Constructed Assets	98,453	-	4,232	43,085	-	-	145,770
Contributed Assets	28,500	-	0	0	-	-	28,500
Loan redemptions	4,067	-	0	8,956	-	-	13,023
Total Capital Funding Applications	131,019	-	4,232	52,041	-	-	187,293
Total Reserve Movements	1,021	0	524	9,239	0	-	10,784
Contribution to Council	(162,815)	(57,034)	(36,074)	257,292	(1,370)	-	(0)

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Statement of Income and Expenses	BUSINESS UNITS				
	Sunshine Coast Airport \$'000	Waste Management \$'000	Sunshine Coast Holiday Parks \$'000	Quarries \$'000	Total Business Units \$'000
Operating Revenue					
Gross Rates & Utility Charges	-	47,095	-	-	47,095
Interest from Rates & Utilities	-	-	-	-	-
Less Discounts, Pensioner Remissions	-	-	-	-	0
Net Rates & Utility Charges	0	47,095	-	-	47,095
Fees & Charges	9,346	7,410	14,164	1,351	32,272
Interest Received from Investments	-	-	-	-	-
Grants and Subsidies - Recurrent	-	-	-	-	-
Operating contributions	-	411	-	-	411
Dividends Received	-	-	-	-	-
Other Revenue	5,034	2,415	121	-	7,570
Internal Revenues	2	1,238	-	6,821	8,060
Community Service Obligations	94	471	-	-	564
Total Operating Revenue	14,476	59,039	14,285	8,172	95,972
Operating Expenses					
Employee costs	2,155	2,805	282	1,114	6,357
Materials & Services	2,323	38,758	5,077	4,670	50,828
Internal Expenditure	1,105	3,683	1,370	930	7,088
Finance Costs	2,533	3,172	190	146	6,041
Company Contributions	-	-	-	-	-
Depreciation	1,157	2,178	670	477	4,483
Other Expenses	72	226	37	46	381
Competitive Neutrality Adjustments	638	285	240	54	1,218
Total Operating Expenses	9,983	51,108	7,867	7,438	76,396
Operating Surplus/(Deficit)	4,493	7,931	6,418	733	19,576
Capital Revenue					
Capital Grants and Subsidies	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Contributed Assets	-	-	-	-	-
Other Capital Revenue	-	-	-	-	-
Profit on Sale of Assets	-	-	-	-	-
Net Result Surplus / (Deficit)	4,493	7,931	6,418	733	19,576
Other Capital Funding Sources					
Loan proceeds	5,389	15,077	610	0	21,076
Asset sale proceeds	-	-	-	-	-
Depreciation utilised	1,157	2,178	670	477	4,483
Total Other Capital Funding Sources	6,546	17,255	1,280	477	25,559
Capital Funding Applications					
Constructed Assets	7,705	15,186	1,555	655	25,101
Contributed Assets	-	-	-	-	-
Loan redemptions	2,308	2,719	103	37	5,167
Total Capital Funding Applications	10,013	17,905	1,658	692	30,268
Total Reserve Movements	-	(1,905)	0	0	(1,905)
Contribution to Council	1,026	5,377	6,040	519	12,962
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

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Schedule of Capital Works	Subprogram \$'000	Program \$'000
CONSTRUCTED ASSETS		
Buildings and Facilities		
Community Facilities	5,273	
Corporate Buildings	3,230	
Heritage Levy Building	205	
Kawana Forest Infrastructure Agreement	901	
		9,609
Coast and Canals		
Coast, Canals and Waterways	1,218	
		1,218
Divisional Allocations		
Local Parks	1,200	
Local Pathways	1,200	
Minor Emergent Works	975	
		3,375
Environmental Operations		
Environmental Infrastructure Rehabilitation and Renewals	20	
Environmental Tracks Trails and Infrastructure	55	
Environmental Visitor Education Facilities	215	
		290
Fleet		
Plant Replacement	2,000	
		2,000
Parks and Gardens		
Beach Accesses & Dunal Areas Development	647	
Cemeteries	91	
PIP Recreation Parks	1,552	
PIP Sports Facilities	2,645	
PIP Trails	440	
Recreation Park and Landscape Amenity	3,363	
Recreational Sports Facilities	686	
		9,424
Stormwater		
PIP Stormwater	250	
Stormwater Management	3,290	
Stormwater Quality Management	986	
		4,526
Transportation		
Bridges	3,147	
Car parks	1,419	
Gravel Road Network	2,292	
Public Transport Levy	762	
Pedestrian & Cyclist Enabling Facilities	941	
PIP Transportation	7,524	
Public Transport Infrastructure	1,426	
Reseals and Rehabilitation	20,000	
Sealed Road Network	4,338	
Strategic Pathway & On Road Cycle Networks	3,557	
Street lighting	93	
Streetscapes - Corridors	2,340	
Streetscapes - Local Centres	430	
Streetscapes - Major Centres	4,100	
Transport Innovation Projects	100	
Transport Management	1,018	
Transport Renewals	500	
		53,987

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Schedule of Capital Works	Subprogram \$'000	Program \$'000
Information Technology		
Information Technology	4,566	4,566
Strategic Land and Commercial Properties		
Biodiversity Offset Land	1,000	
Commercial Property	175	
Corporate Real Estate	1,000	
Environmental Land	3,070	
Land Re-Development	1,100	
PIP Social Land	1,000	
PIP Transport Corridors	4,245	
SCRC Owned Corporations	160	
Strategic Land, Economic Development & Innovation	19,924	31,674
Sunshine Coast Airport		
Airside	4,299	
Landside	3,406	7,705
Sunshine Coast Holiday Parks		
Sunshine Coast Holiday Parks	1,555	1,555
Quarries		
Quarries	655	655
Waste		
Waste Avoidance and Minimisation	2,789	
Waste Disposal	12,397	15,186
TOTAL CONSTRUCTED ASSETS		145,770
CONTRIBUTED ASSETS		28,500
TOTAL CAPITAL WORKS PROGRAM		174,270

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Statement of Financial Position	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	171,638	168,692	166,339	163,975	160,126
Trade and other receivables	69,750	71,601	66,855	66,653	72,049
Inventories	4,520	4,678	4,842	5,011	5,186
Other Financial Assets	5,192	5,374	5,562	5,757	5,958
Non-current assets classified as held for sale	1,360	1,360	1,360	1,360	1,360
	252,460	251,705	244,958	242,756	244,679
NON CURRENT ASSETS					
Trade and other receivables	488,402	483,627	483,627	483,627	483,627
Property, plant & equipment	4,145,538	4,346,914	4,558,070	4,752,052	4,941,019
Investment in associates	599,191	599,191	599,191	599,191	599,191
Capital works in progress	74,050	74,050	74,050	74,050	74,050
Intangible assets	5,954	5,106	4,258	3,410	2,562
	5,313,135	5,508,888	5,719,196	5,912,330	6,100,449
TOTAL ASSETS	5,565,595	5,760,593	5,964,154	6,155,086	6,345,128
CURRENT LIABILITIES					
Trade and other payables	55,403	56,426	58,203	57,715	58,312
Borrowings	16,431	19,932	23,772	27,286	30,461
Provisions	17,008	17,264	18,034	18,785	19,567
Other	4,536	4,695	4,859	5,029	5,205
	93,378	98,317	104,868	108,815	113,545
NON CURRENT LIABILITIES					
Trade and other payables	89	92	95	98	101
Borrowings	246,169	268,176	288,824	294,871	288,390
Provisions	39,007	40,372	41,785	43,038	44,329
	285,265	308,640	330,704	338,007	332,820
TOTAL LIABILITIES	378,643	406,957	435,572	446,822	446,365
NET COMMUNITY ASSETS	5,186,952	5,353,636	5,528,582	5,708,264	5,898,763
COMMUNITY EQUITY					
Asset revaluation surplus	621,477	722,625	828,635	939,746	1,055,547
Council reserves	135,955	127,619	116,745	112,854	111,928
Capital	4,429,520	4,503,392	4,583,202	4,655,664	4,731,288
TOTAL COMMUNITY EQUITY	5,186,952	5,353,636	5,528,582	5,708,264	5,898,763

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TOTAL COUNCIL

Statement of Changes in Equity	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	4,537,258	4,606,905	4,680,777	4,760,587	4,833,049
Transfers to capital, reserves and shareholdings	0				
Transfers from capital, reserves and shareholdings	69,647	73,872	79,810	72,462	75,624
Balance at end of period	4,606,905	4,680,777	4,760,587	4,833,049	4,908,673
Asset Revaluation Reserve					
Balance at beginning of period	525,113	621,477	722,625	828,635	939,746
Asset revaluation adjustments	96,364	101,148	106,010	111,111	115,801
Transfers to capital, reserves and shareholdings	0	0	0	0	0
Balance at end of period	621,477	722,625	828,635	939,746	1,055,547
Other Reserves					
Balance at beginning of period	146,740	135,955	127,619	116,745	112,854
Transfers to capital, reserves and shareholdings	4,941	12,420	13,302	17,248	19,221
Transfers from capital, reserves and shareholdings	(15,725)	(20,756)	(24,176)	(21,139)	(20,147)
Balance at end of period	135,955	127,619	116,745	112,854	111,928
Retained Surplus					
Balance at beginning of period	(177,390)	(177,385)	(177,385)	(177,385)	(177,385)
Net result for the period	58,862	65,536	68,936	68,571	74,698
Transfers to capital, reserves and shareholdings	(58,862)	(65,536)	(68,936)	(68,571)	(74,698)
Transfers from capital, reserves and shareholdings					
Asset revaluation adjustments	5				
Balance at end of period	(177,385)	(177,385)	(177,385)	(177,385)	(177,385)
TOTAL					
Balance at beginning of period	5,031,721	5,186,952	5,353,636	5,528,582	5,708,264
Net result for the period	58,862	65,536	68,936	68,571	74,698
Transfers to capital, reserves and shareholdings	(53,922)	(53,116)	(55,634)	(51,323)	(55,477)
Transfers from capital, reserves and shareholdings	53,922	53,116	55,634	51,323	55,477
Asset revaluation adjustments	96,369	101,148	106,010	111,111	115,801
Balance at end of period	5,186,952	5,353,636	5,528,582	5,708,264	5,898,763

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Statement of Cash Flows	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	362,966	390,875	420,346	444,075	468,023
Payments to suppliers and employees	(324,792)	(332,413)	(349,628)	(368,680)	(384,936)
Interest and dividends received	70,087	70,081	70,081	70,521	71,089
Borrowing costs	(15,280)	(17,320)	(18,996)	(20,637)	(21,247)
Net cash inflow (outflow) from operating activities	92,981	111,223	121,803	125,279	132,929
Cash flows from investing activities					
Proceeds - disposal non current assets	1,000	1,000	1,000	1,000	1,000
Payments - Property, Plant & Equipment	(145,770)	(145,149)	(154,419)	(138,204)	(134,472)
Net cash inflow (outflow) from investing activities	(144,770)	(144,149)	(153,419)	(137,204)	(133,472)
Cash flows from financing activities					
Proceeds from borrowings	44,150	41,939	44,420	33,333	23,980
Repayment of borrowing - QTC	(13,023)	(16,431)	(19,932)	(23,772)	(27,286)
Other capital revenue	4,181	4,472	4,775	-	-
Net cash inflow (outflow) from financing activities	35,308	29,980	29,263	9,561	(3,306)
Net increase (decrease) in cash held	(16,481)	(2,946)	(2,353)	(2,364)	(3,849)
Cash at beginning of reporting period	188,119	171,638	168,692	166,339	163,975
Cash at end of reporting period	171,638	168,692	166,339	163,975	160,126

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Financial Ratios	TOTAL COUNCIL										
	Budget	Forward	Forward	Forward	Forward	Forward	Forward	Forward	Forward	Forward	Forward
	2012/2013 \$'000	Estimate 2013/2014 \$000	Estimate 2014/2015 \$000	Estimate 2015/2016 \$000	Estimate 2016/2017 \$000	Estimate 2017/2018 \$000	Estimate 2018/2019 \$000	Estimate 2019/2020 \$000	Estimate 2020/2021 \$000	Estimate 2021/2022 \$000	
Working Capital Ratio 1:	2.70	2.60	2.30	2.20	2.20	2.00	2.00	1.90	1.80	1.70	
Operating Surplus Ratio	13.9%	14.6%	14.5%	13.7%	14.1%	13.5%	13.1%	12.5%	12.8%	12.8%	
Net Financial Liabilities Ratio	30.0%	35.0%	40.0%	41.0%	38.0%	38.0%	34.0%	32.0%	30.0%	25.0%	
Interest Coverage Ratio	(7.3)%	(6.4)%	(5.6)%	(5.0)%	(4.7)%	(4.4)%	(4.3)%	(4.2)%	(4.1)%	(4.0)%	
Asset Sustainability Ratio	70.0%	73.0%	69.0%	64.0%	61.0%	61.0%	60.0%	59.0%	62.0%	60.0%	
Asset Consumption Ratio	80.0%	80.0%	79.0%	78.0%	78.0%	77.0%	76.0%	76.0%	75.0%	74.0%	
Operating Surplus Ratio (excluding Capital Revenues)	1.8%	2.6%	2.7%	2.5%	3.0%	3.0%	2.9%	2.8%	3.2%	3.6%	

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%.