

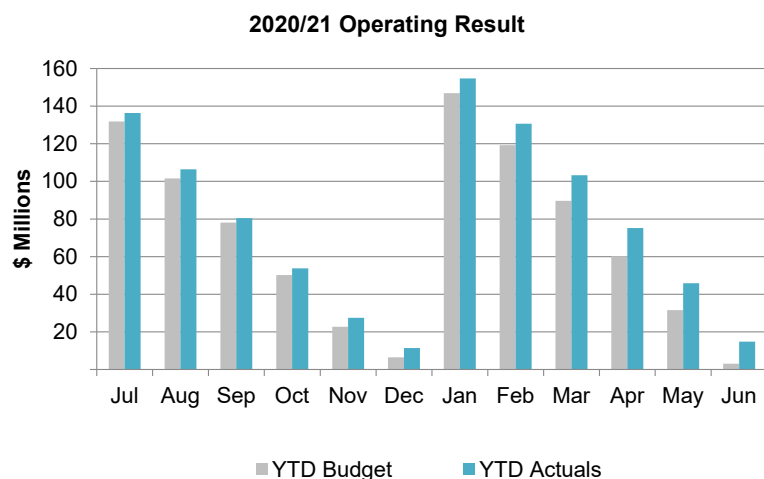
# Financial Performance Report

June 2021



Our region.  
**Healthy.**  
**Smart.**  
**Creative.**

# Statement of Income and Expenses June 2021



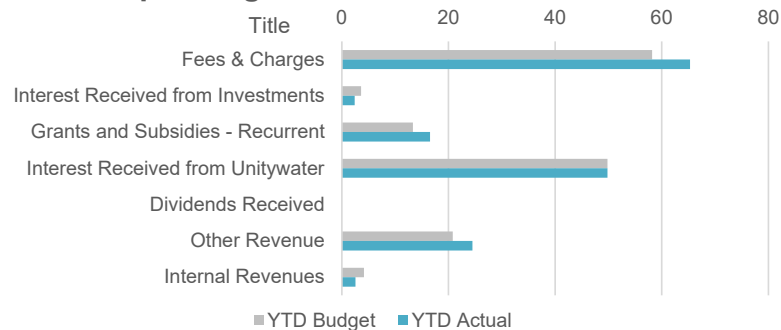
- Council has a positive operating result of \$10.9 million, which is \$7.9 million above the current budget as at 30 June 2021.



Statement of Income & Expenses - INTERIM June						
	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
<b>Operating Revenue</b>						
Net Rates and Utility Charges	316,806	316,806	316,806	319,569	2,763	0.9%
Fees and Charges	57,125	56,309	58,213	65,286	7,073	12.2%
Interest Received from Investments	3,611	3,611	3,611	2,403	(1,208)	(33.5%)
Operating Grants and Subsidies	12,224	12,532	13,332	16,537	3,205	24.0%
Operating Contributions	287	287	287	179	(108)	(37.7%)
Unitywater Participation	49,838	49,838	49,838	49,838	-	-
Other Revenue	21,040	20,877	20,804	19,640	(1,164)	(5.6%)
Internal Sales/Recoveries	4,138	4,138	4,152	2,554	(1,599)	(38.5%)
<b>Total Operating Revenue</b>	<b>465,069</b>	<b>464,398</b>	<b>467,043</b>	<b>476,005</b>	<b>8,963</b>	<b>1.9%</b>
<b>Operating Expenses</b>						
Employee Costs	147,973	148,358	149,262	147,051	(2,211)	(1.5%)
Materials and Services	184,678	184,996	186,128	185,511	(617)	(0.3%)
Finance Costs	12,080	12,080	12,080	12,303	223	1.8%
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%
Depreciation Expense	88,276	88,276	88,276	90,782	2,506	2.8%
Other Expenses	22,255	22,505	22,384	23,089	705	3.2%
Recurrent Capital Expenses	3,917	3,917	4,354	4,769	415	9.5%
<b>Total Operating Expenses</b>	<b>460,733</b>	<b>461,686</b>	<b>464,039</b>	<b>465,066</b>	<b>1,027</b>	<b>0.2%</b>
<b>Operating Result</b>	<b>4,336</b>	<b>2,712</b>	<b>3,004</b>	<b>10,939</b>	<b>7,935</b>	<b>264.1%</b>
<b>Capital Revenue</b>						
Capital Grants and Subsidies	10,060	48,002	48,002	34,558	(13,444)	(28.0%)
Capital Contributions - Cash	31,599	31,599	31,599	45,198	13,599	43.0%
Capital Contributions - Fixed Assets	60,000	60,000	60,000	24,577	(35,423)	(59.0%)
<b>Total Capital Revenue</b>	<b>101,659</b>	<b>139,601</b>	<b>139,601</b>	<b>104,333</b>	<b>(35,268)</b>	<b>(25.3%)</b>
<b>Non-recurrent Expenses</b>						
Profit/Loss on disposal, revaluation & impairment	-	-	-	1,046	1,046	-
Movements in landfill and quarry provisions	5,583	5,583	5,583	5,583	-	-
Assets Transferred to Third Parties	-	-	-	17	17	-
<b>Total Non-recurrent Expenses</b>	<b>5,583</b>	<b>5,583</b>	<b>5,583</b>	<b>6,647</b>	<b>1,064</b>	<b>19.1%</b>
<b>Net Result</b>	<b>100,412</b>	<b>136,730</b>	<b>137,022</b>	<b>108,625</b>	<b>(28,397)</b>	<b>(20.7%)</b>

# Operating Result – June 2021

## Operating Revenues



## Operating Summary - INTERIM June 2021

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	467,043	476,005	8,963	1.9%
Operating Expenses	456,816	457,769	459,685	460,297	612	0.1%
Recurrent Capital Expenses	3,917	3,917	4,354	4,769	415	9.5%
<b>Operating Result</b>	<b>4,336</b>	<b>2,712</b>	<b>3,004</b>	<b>10,939</b>	<b>7,935</b>	<b>264.2%</b>
Capital Revenue	101,659	139,601	139,601	104,333	(35,268)	(25.3%)
Non-recurrent Expenses	5,583	5,583	5,583	6,647	1,064	19.1%
<b>Net Result</b>	<b>100,412</b>	<b>136,730</b>	<b>137,022</b>	<b>108,625</b>	<b>(28,396)</b>	<b>(20.7%)</b>

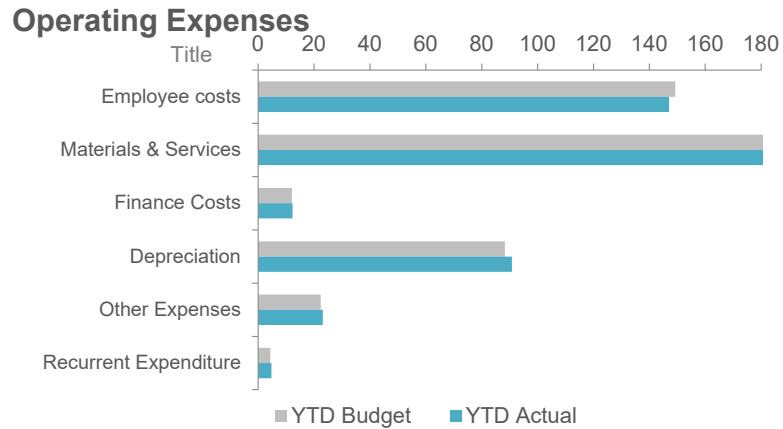
## Substantial Revenue Variance for the Period Ending 30 June 2021

	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
<b>Operating Revenue</b>						
Net Rates and Utility Charges	316,806	316,806	316,806	319,569	2,763	0.9%
Fees and Charges	57,125	56,309	58,213	65,286	7,073	12.2%
Interest Received from Investments	3,611	3,611	3,611	2,403	(1,208)	(33.5%)
Internal Sales/Recoveries	4,138	4,138	4,152	2,554	(1,599)	(38.5%)

As at 30 June 2021 \$476 million operating revenue had been achieved which is \$8.9 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 and Sunshine Coast Stadium are currently \$3.1m and \$1.3m above budget respectively. Tip Fees and Development Services Fees are also above budget by \$1.1m and \$3.1m.
  - Interest Received from Investments** - The reduced RBA cash rate has had an impact on Council's investment revenue.
  - Internal Sales** – Internal Quarry Sales are currently below budget by \$1.5m

# Operating Result – June 2021(continued)



Substantial Expenditure Variance for the Period Ending 30 June 2021						
	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Employee Costs	147,973	148,358	149,262	147,051	(2,211)	(1.5%)
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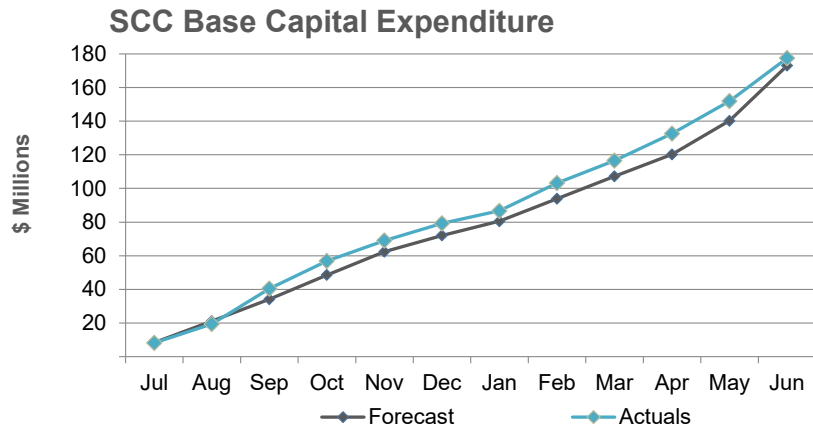
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Operating Revenue	465,069	464,398	467,043	476,005	8,963	1.9%
Operating Expenses	456,816	457,769	459,685	460,297	612	0.1%
Recurrent Capital Expenses	3,917	3,917	4,354	4,769	415	9.5%
<b>Operating Result</b>	<b>4,336</b>	<b>2,712</b>	<b>3,004</b>	<b>10,939</b>	<b>7,935</b>	<b>264.2%</b>
Capital Revenue	101,659	139,601	139,601	104,333	(35,268)	(25.3%)
Non-recurrent Expenses	5,583	5,583	5,583	6,647	1,064	19.1%
<b>Net Result</b>	<b>100,412</b>	<b>136,730</b>	<b>137,022</b>	<b>108,625</b>	<b>(28,396)</b>	<b>(20.7%)</b>

As at 30 June 2021 \$460 million of the \$459.7 million budget year to date had been expended which resulted in an overspend of \$0.6 million or 0.1%

- Across whole of Council there has been savings in corporate materials and services of \$2 million, largely due to water and sewerage \$856,000, fuel \$758,000 and electricity \$733,000.
- Depreciation end of year adjustment \$2.5 million



# Capital Expenditure – June 2021



- As at 30 June 2021 \$245.9 million of Council's \$287.3 million Capital Works Program was financially expended.
- End of Year Accruals of approximately \$6 million will reduce the variance underspend of \$41 million
- The Core Capital Program has progressed 84% of budget, an actual spend of \$154 million.
- Corporate Major Projects progressed 96% and The Sunshine Coast Airport Runway Project progressed 81% of their respective annual budgets.

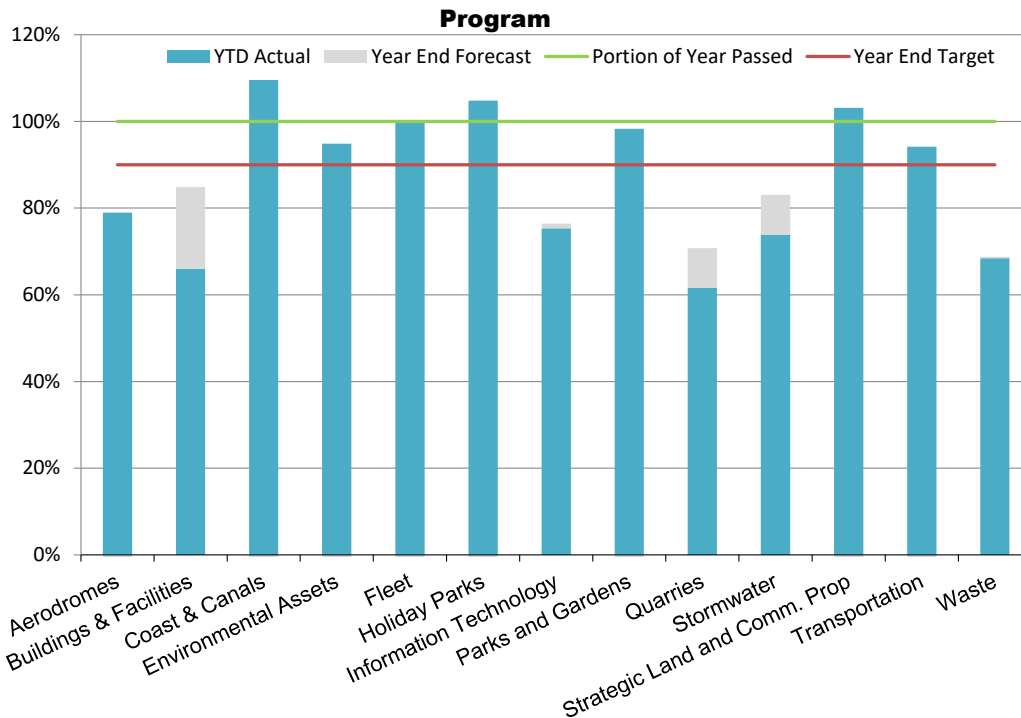


## Capital Expenditure - INTERIM June 2021

	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	197	79.0%	197	(53)
Buildings and Facilities	45,717	38,395	25,347	66.0%	25,347	(13,048)
Coast and Canals	2,830	3,458	3,788	109.5%	3,788	330
Environmental Assets	1,375	3,195	3,030	94.8%	3,030	(165)
Minor Works	4,620	4,921	1,933	39.3%	1,933	(2,988)
Fleet	2,000	2,037	2,042	100.2%	2,042	5
Holiday Parks	1,255	992	1,039	104.8%	1,039	47
Information Technology	6,275	7,579	5,712	75.4%	5,712	(1,867)
Parks and Gardens	15,141	19,025	18,701	98.3%	18,701	(324)
Quarries	480	480	296	61.6%	296	(184)
Stormwater	6,772	6,601	4,878	73.9%	4,878	(1,723)
Transportation	65,588	83,030	78,191	94.2%	78,191	(4,839)
Waste	14,723	13,683	9,367	68.5%	9,367	(4,316)
<b>Total SCC Core Capital Program</b>	<b>167,126</b>	<b>183,646</b>	<b>154,521</b>	<b>84.1%</b>	<b>154,521</b>	<b>(29,124)</b>
Corporate Major Projects	16,733	18,375	17,674	96.2%	17,674	(701)
Strategic Land and Commercial Properties	9,949	26,788	27,625	103.1%	27,625	838
Maroochydore City Centre	11,879	14,156	10,041	70.9%	10,041	(4,115)
Submarine Cable IBN	-	-	6	-	6	6
Sunshine Coast Airport Runway	36,718	44,288	36,035	81.4%	36,035	(8,253)
<b>Total Other Capital Program</b>	<b>75,279</b>	<b>103,607</b>	<b>91,382</b>	<b>88.2%</b>	<b>91,382</b>	<b>(12,225)</b>
<b>TOTAL</b>	<b>242,405</b>	<b>287,252</b>	<b>245,903</b>	<b>85.6%</b>	<b>245,903</b>	<b>(41,349)</b>

# Capital Expenditure – June 2021(continued)

**SCC Core % YTD spent compared to profiled budget by Program**



## Buildings and Facilities

- The Sunshine Coast City Hall commenced construction in late August 2020. \$16 million of the current financial year budget will be carried over into next financial year to align with the expected contract payment cash flows. The construction program remains on track for completion in June 2022.

## Maroochydore City Centre

- The original budget allocation for the Maroochydore City Centre project included \$3.3 million to design and construct stage 6A(1). The awarding of the Development Agreement with Walker Corporation removed the requirement for Council to fund the infrastructure component. An allocation of \$300,000 is to be utilised to fund a construction worker carpark located on precinct 2 to mitigate community safety, environment and traffic management risks.

## Parks and Gardens

- Delay in the delivery of the Coastal Pathway program due to delay in State Government design sign off.

## Stormwater

- The \$1.2 million relining of damaged stormwater pipe program is currently 100% complete.

## Transport

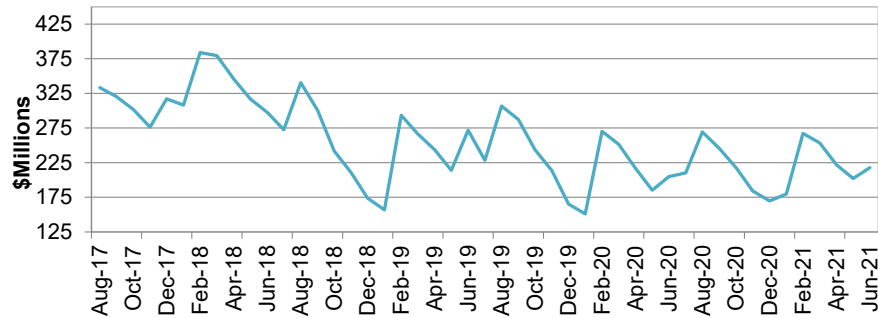
- Delays have been experienced in the Mooloolaba Foreshore Project due to the impact of weather events.
- Council's \$18.4 million Road Resurfacing and Rehabilitation program has progressed to 100% completion. Alongside the reseal program, the \$2.4 million bus stop replacement and installation program has also progressed 100%.

## Waste

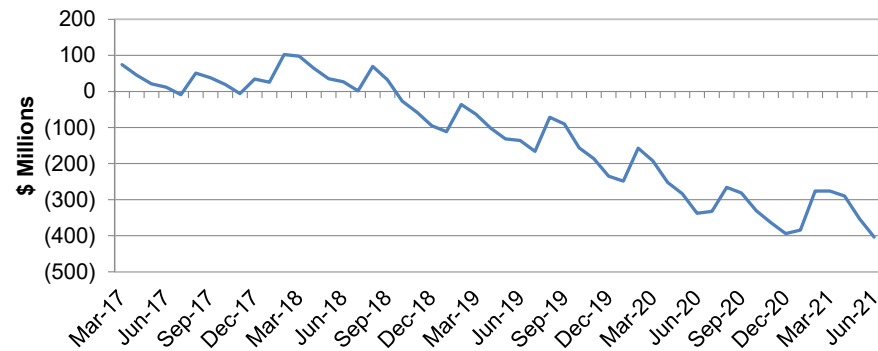
- An extended timeframe for the evaluation of tenders for the new Materials Recycling Facility will result in the carryover of funds to next financial year.

# Cash Flows and Balance Sheet

Cash Balance



Net Cash

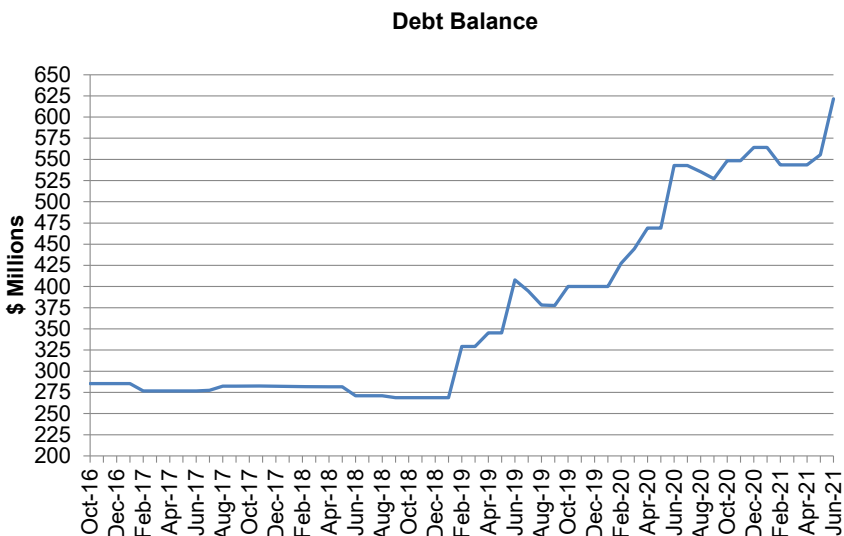


Cash and Balance Sheet - June 2021

	Original Budget \$000s	Current Budget \$000s
<b>CASH FLOWS</b>		
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
<b>Net Increase/(decrease) in Cash Held</b>	<b>(10,229)</b>	<b>(4,839)</b>
<b>Cash at year end</b>	<b>218,910</b>	<b>192,793</b>
<b>BALANCE SHEET</b>		
Current Assets	272,962	246,571
Non Current Assets	6,173,956	6,174,143
<b>Total Assets</b>	<b>6,446,918</b>	<b>6,420,714</b>
Current Liabilities	408,307	397,781
Non Current Liabilities	410,419	422,676
<b>Total Liabilities</b>	<b>818,726</b>	<b>820,457</b>
<b>Net Community Assets/Total Community Equity</b>	<b>5,628,192</b>	<b>5,600,257</b>

- Council's cash at 30 June 2021 is \$206 million excluding trust accounts
- Council's debt at 30 June 2021 is \$648 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.

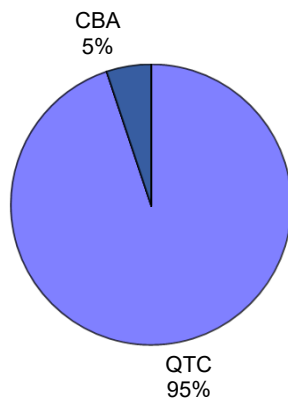
The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

<b>Debt - 2020/21</b>				
	<b>Opening Balance</b>	<b>Debt Redemptions</b>	<b>New Borrowings</b>	<b>Closing Balance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
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

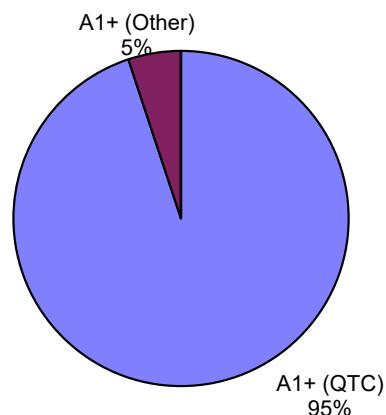


# Investment Performance

Investment per financial institution (%)



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



## Investment Performance - June 2021

Liquidity as at:		30/06/2021		Term deposits maturing:		\$'000	Count
		\$'000					
<b>At-call accounts</b>				within 30 days		-	-
QTC + CBA (excl. trust)		206,121	94.66%	30-59 days		-	-
Maturities within 7 days		-	0.00%	60-89 days		-	-
<b>Total at-call</b>		<b>206,121</b>	<b>94.66%</b>	90-179 days		-	-
Investment Policy Target			10.00%	180-364 days		-	-
				1 year - 3 years		-	-
				<b>Total</b>		-	-

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
\$'000	30/06/2021		30/03/2021		30/06/2020		Individual Limit	Group Limits
A1+ (QTC)	206,666	95%	248,411	97.9%	144,493	70.5%	100%	100%
A1+ (Other)	11,080	5%	5,341	2.1%	10,361	5.1%	40%	100%
A1	-	0%	-	0.0%	10,000	4.9%	30%	50%
A2	-	0%	-	0.0%	40,000	19.5%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
<b>Total Funds</b>	<b>217,746</b>		<b>253,751</b>		<b>204,854</b>			
<b>FUND SUMMARY</b>								
General Funds	206,121		242,202		198,135			
Trust Funds	11,625		11,550		6,719			
<b>Total Funds</b>	<b>217,746</b>		<b>253,751</b>		<b>204,854</b>			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 June 2021 Council had \$206 million cash (excluding Trust Fund) with an average interest rate of 0.60%, being 0.58% above benchmark. This is compared to the same period last year with \$198 million cash (excluding Trust Fund) with an average interest rate of 1.73%, being 1.63% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



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