

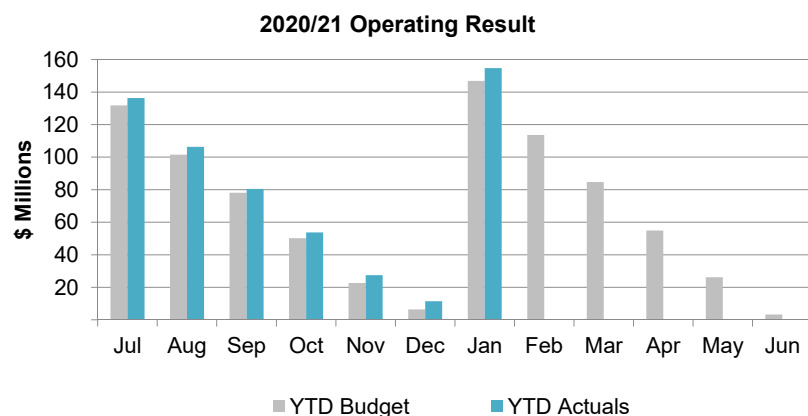
Financial Performance Report

January 2021



Our region.
Healthy.
Smart.
Creative.

Statement of Income and Expenses January 2021



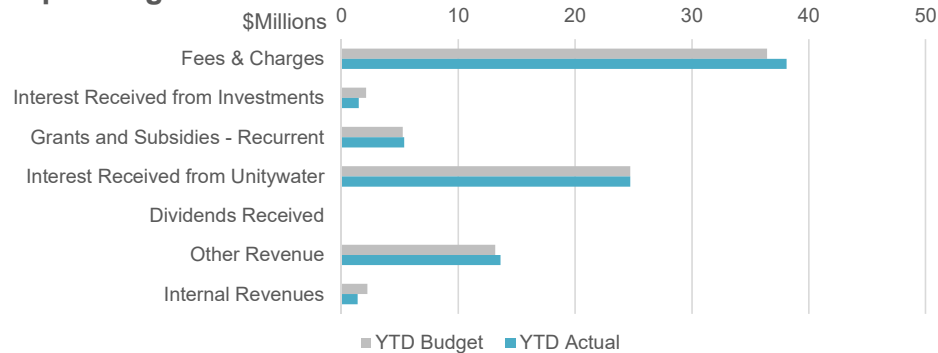
- Council has a positive operating result of \$154.3 million, which is \$7.4 million above the current budget as at 31 January 2021.



Statement of Income & Expenses 31 January 2021							
	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	320,446	322,225	1,779	0.6%	316,806
Fees and Charges	57,125	58,213	36,427	38,108	1,681	4.6%	58,213
Interest Received from Investments	3,611	3,611	2,107	1,476	(631)	(30.0%)	3,611
Operating Grants and Subsidies	12,224	13,332	5,248	5,365	117	2.2%	13,332
Operating Contributions	287	287	256	155	(101)	(39.4%)	287
Unitywater Participation	49,838	49,838	24,721	24,721	-	-	49,838
Other Revenue	21,040	20,805	13,171	13,625	454	3.4%	20,804
Internal Sales/Recoveries	4,138	4,124	2,230	1,390	(841)	(37.7%)	4,152
Total Operating Revenue	465,069	467,015	404,606	407,065	2,458	0.6%	467,043
Operating Expenses							
Employee Costs	147,973	149,263	82,120	81,945	(175)	(0.2%)	149,262
Materials and Services	184,678	186,127	101,006	95,964	(5,041)	(5.0%)	186,128
Finance Costs	12,080	12,080	7,083	7,019	(64)	(0.9%)	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	51,556	51,556	1	0.0%	88,276
Other Expenses	22,255	22,387	12,107	12,079	(28)	(0.2%)	22,386
Recurrent Capital Expenses	3,917	4,857	2,305	2,676	371	16.1%	4,053
Total Operating Expenses	460,733	464,544	257,731	252,802	(4,929)	(1.9%)	463,740
Operating Result	4,336	2,471	146,875	154,263	7,388	5.0%	3,303
Capital Revenue							
Capital Grants and Subsidies	10,060	48,002	13,117	13,271	154	1.2%	48,002
Capital Contributions - Cash	31,599	31,599	18,811	20,770	1,959	10.4%	31,599
Capital Contributions - Fixed Assets	60,000	60,000	3,882	3,882	-	-	60,000
Total Capital Revenue	101,659	139,601	35,810	37,923	2,113	5.9%	139,601
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	324	324	-	-
Movements in landfill and quarry provisions	5,583	5,583	3,257	3,257	-	-	5,583
Assets Transferred to Third Parties	-	-	-	12	12	-	-
Total Non-recurrent Expenses	5,583	5,583	3,257	3,593	336	10.3%	5,583
Net Result	100,412	136,489	179,428	188,593	9,164	5.1%	137,321

Operating Result – January 2021

Operating Revenues



Substantial Revenue Variance for the Period Ending 31 January 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	320,446	322,225	1,779	0.6%
Fees and Charges	57,125	58,213	36,427	38,108	1,681	4.6%
Interest Received from Investments	3,611	3,611	2,107	1,476	(631)	(30.0%)
Other Revenue	21,040	20,805	13,171	13,625	454	3.4%
Internal Sales/Recoveries	4,138	4,124	2,230	1,390	(841)	(37.7%)

Operating Summary - January 2021

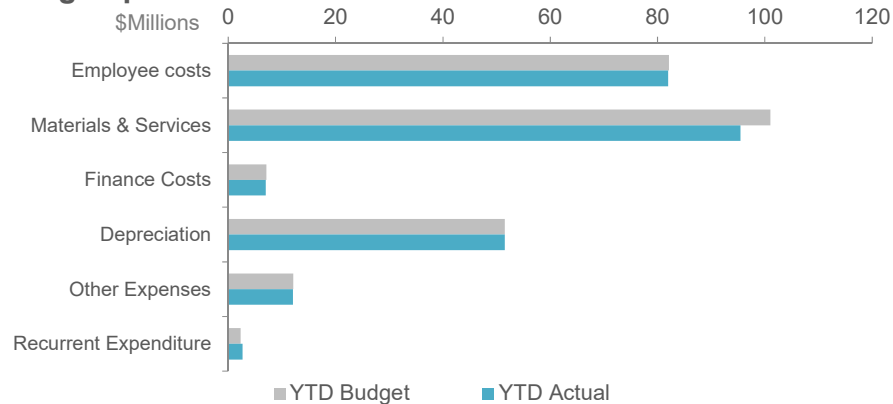
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	404,606	407,065	2,458	0.6%
Operating Expenses	456,816	457,769	255,426	250,126	(5,300)	(5.8%)
Recurrent Capital Expenses	3,917	3,917	2,305	2,676	371	16.1%
Operating Result	4,336	2,712	146,875	154,263	7,388	5.0%
Capital Revenue	101,659	139,601	35,810	37,923	2,113	5.9%
Non-recurrent Expenses	5,583	5,583	3,257	3,593	336	10.3%
Net Result	100,412	136,730	179,428	188,593	9,164	5.1%

As at 31 January 2021 \$407 million operating revenue had been achieved which is \$2.5 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 \$1.3 million above budget. Development Services Fees and Tip Fees are also above budget by \$445,000 and \$371,000 respectively while fees relating to parking infringements are below forecast by \$948,000.
 - 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 \$160,000 received in Sponsorship and Container Deposit Scheme above budget \$106,000. Similarly recovered legal fees are above budget \$87,000.
 - Internal Sales** – Internal Quarry Sales are currently below budget by \$873,000

Operating Result – January 2021 (continued)

Operating Expenses



Substantial Expenditure Variance for the Period Ending 31 January 2021

	Annual		YTD			
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %
Materials and Services	184,678	186,127	101,006	95,964	(5,041)	(5.0%)

Operating Summary - January 2021

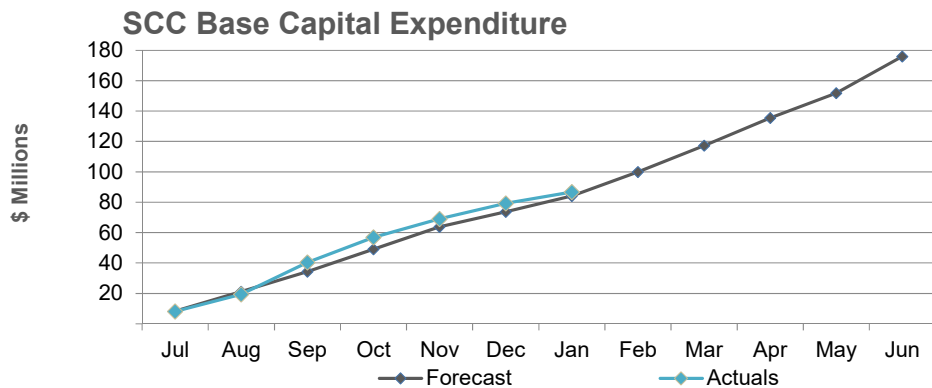
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	464,398	404,606	407,065	2,458	0.6%
Operating Expenses	456,816	457,769	255,426	250,126	(5,300)	(5.8%)
Recurrent Capital Expenses	3,917	3,917	2,305	2,676	371	16.1%
Operating Result	4,336	2,712	146,875	154,263	7,388	5.0%
Capital Revenue	101,659	139,601	35,810	37,923	2,113	5.9%
Non-recurrent Expenses	5,583	5,583	3,257	3,593	336	10.3%
Net Result	100,412	136,730	179,428	188,593	9,164	5.1%

As at 31 January 2021 \$250 million of the \$255 million budget year to date had been expended which resulted in an underspend of 5.3 million or 5.8%

Materials and Services:

- Across whole of Council there has been savings in corporate costs of fuel \$395,000, electricity \$359,000 and water and sewerage \$247,000.
- The reduction in revenue for the Quarry has resulted in reduced associated material costs of \$503,000. Similarly the reduction in fees and charges revenue for Response Services has resulted in a \$260,000 underspend.
- Both Transport Levy Projects and Maintenance Delivery are underspent by \$250,000 and \$450,000 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 – January 2021



- As at 31 January 2021 \$138 million of Council's \$287.3 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 41% of budget, an actual spend of \$87 million.
- Corporate Major Projects progressed 76% and The Sunshine Coast Airport Runway Project progressed 67% of their respective annual budgets.



Capital Expenditure - January 2021

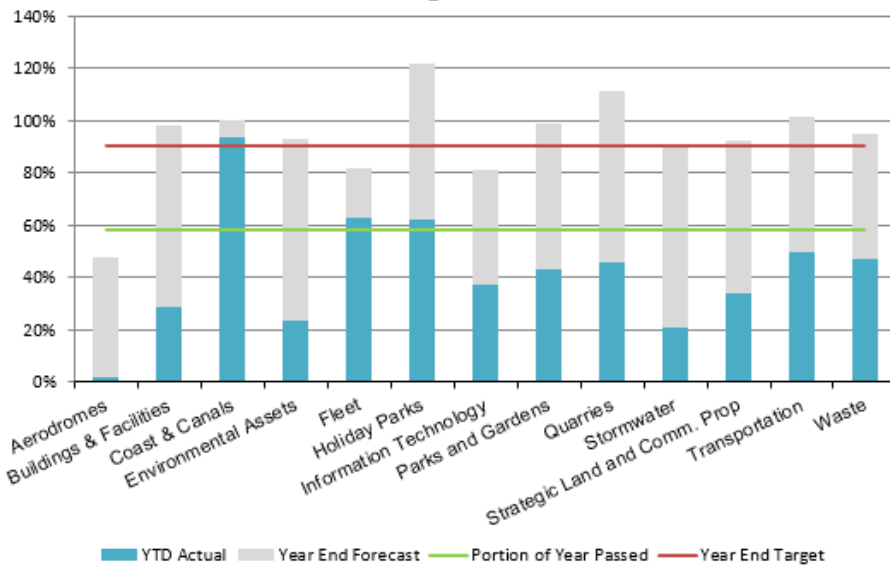
	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
Aerodromes	350	250	4	1.7%	119	(131)
Buildings and Facilities	45,717	38,395	10,958	28.5%	37,835	(560)
Coast and Canals	2,830	3,458	3,231	93.4%	3,468	10
Minor Works	4,620	4,921	257	5.2%	4,921	-
Environmental Assets	1,375	3,195	789	24.7%	3,117	(78)
Fleet	2,000	2,037	1,273	62.5%	1,669	(368)
Holiday Parks	1,255	992	616	62.1%	1,209	217
Information Technology	6,275	7,579	2,691	35.5%	5,893	(1,686)
Parks and Gardens	15,141	19,025	8,321	43.7%	19,088	63
Quarries	480	480	219	45.6%	535	55
Stormwater	6,772	6,601	1,365	20.7%	5,972	(629)
Strategic Land and Commercial Properties	9,949	26,788	9,141	34.1%	24,746	(2,042)
Transportation	65,588	83,030	41,645	50.2%	84,498	1,469
Waste	14,723	13,683	6,419	46.9%	12,988	(695)
Total SCC Core Capital Program	177,075	210,433	86,929	41.3%	206,058	(4,375)
Corporate Major Projects	16,733	18,375	13,961	76.0%	17,388	(987)
Maroochydore City Centre	11,879	14,156	6,888	48.7%	14,025	(131)
Submarine Cable IBN	-	-	2	>100%	2	-
Sunshine Coast Airport Runway	36,718	44,288	29,862	67.4%	45,641	1,353
Total Other Capital Program	65,330	76,819	50,714	66.0%	77,056	235
TOTAL	242,405	287,252	137,642	47.9%	283,114	(4,140)

The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement

Recurrent Expenses			2,676	-		
Non-Recurrent Expenses			3,593	-		

Capital Expenditure – January 2021 (continued)

SCC Core % YTD spent compared to profiled budget by Program



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 with the majority of this years construction program scheduled to be expended in over the 2021 calendar year.

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 February.

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 Procurement of the civil contractor for the \$1.2 million project for the relining of damaged stormwater pipes has been finalised with the program of works currently underway.

Strategic Land and Commercial Properties

- The settlement for several land acquisitions relating to transport corridors are scheduled to be finalised by June 2021.

Transport

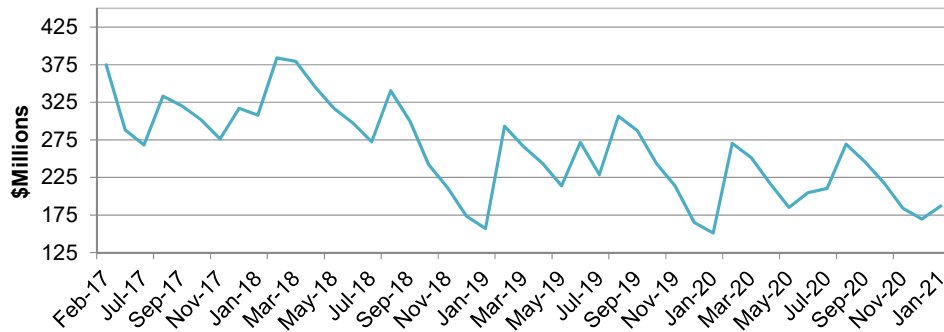
- Planned spend forecasted from February to June for Federal grant funded stimulus projects within the Pedestrian and Cyclist Enabling Facilities, Gravel and Sealed Road Network sub-programs.
- Council's \$18.4 million Road Resurfacing and Rehabilitation program has progressed 54% completion in January. Alongside the reseal program, the bus stop replacement and installation program has progressed 51% completion of the \$2.4 million program.

Waste

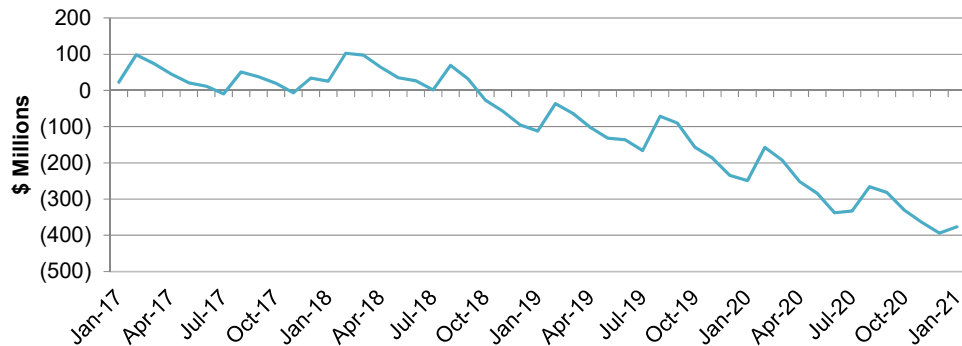
- An extended timeframe for the evaluation of tenders for the new Materials Recycling Facility in Nambour and a delay in the Buderim Resource Centre Upgrade due to geotechnical issues are the main contributors to the underspend in the Waste Capital Works Program.

Cash Flows and Balance Sheet

Cash Balance



Net Cash



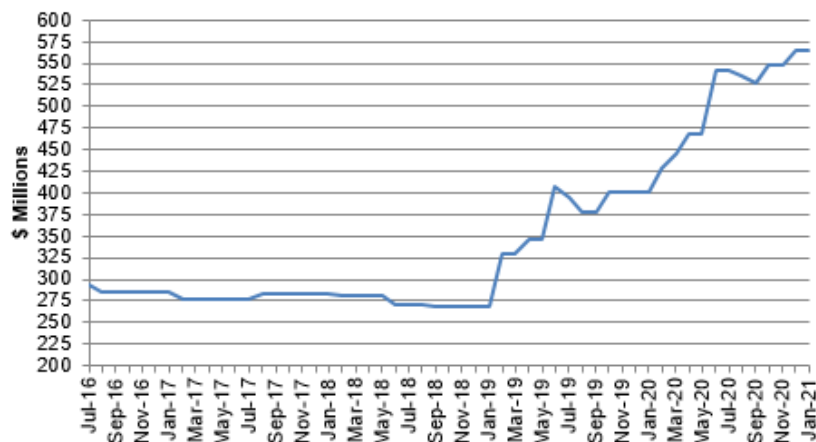
Cash and Balance Sheet - January 2021

	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 31 January 2021 is \$168 million excluding trust accounts
- Council's debt at 31 January 2021 is \$564 million

Debt

Debt Balance



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.

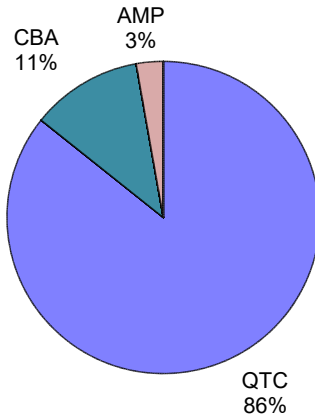
The below table contains Sunshine Coast Council's adopted debt balance for 2020/21

Debt - 2020/21

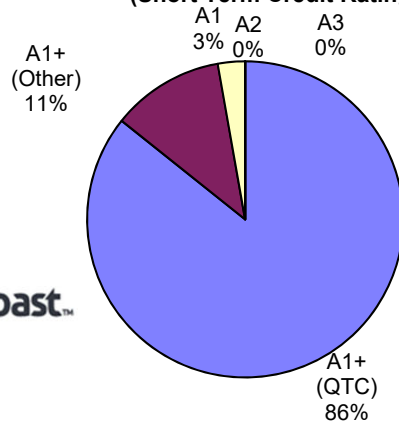
	Opening Balance	Debt Redemptions	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	190,864	12,292	58,975	237,547
Sunshine Coast Airport Expansion Project	211,492	-	57,430	268,922
Maroochydore City Centre	132,530	8,847	7,500	131,183
Sunshine Coast International Broadband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

Investment Performance

Investment per financial institution (%)



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



Investment Performance

January 2021

Investment Performance							
Liquidity as at:		31/01/2021		Term deposits maturing:			
		\$'000				\$'000	Count
At-call accounts				within 30 days		\$5,000	1
QTC + CBA (excl. trust)	163,320	90.92%		30-59 days		-	-
Maturities within 7 days	-	0.00%		60-89 days		-	-
Total at-call	163,320	90.92%		90-179 days		-	-
Investment Policy Target		10.00%		180-364 days		-	-
				1 year - 3 years		-	-
				Total		5,000	1

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
\$'000	31/01/2021		31/10/2020		31/01/2020		Individual Limit	Group Limits
A1+ (QTC)	153,980	86%	75,421	34.6%	115,128	75.8%	100.0%	100%
A1+ (Other)	20,651	11%	137,361	63.1%	36,702	24.2%	40.0%	100%
A1	5,000	3%	5,000	2.3%	-	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	179,632		217,782		151,830			
FUND SUMMARY								
General Funds	168,320		209,052		144,646			
Trust Funds	11,312		8,731		7,184			
Total Funds	179,632		217,782		151,830			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 January 2021 Council had \$168.3 million cash (excluding Trust Fund) with an average interest rate of 0.70%, being 0.67% above benchmark. This is compared to the same period last year with \$144 million cash (excluding Trust Fund) with an average interest rate of 1.68%, being 1.01% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).



Our region.
Healthy.
Smart.
Creative.



© Sunshine Coast Regional Council 2009-current.
Sunshine Coast Council™ is a registered trademark of Sunshine Coast Regional Council.