

# Late Report

## **ITEM 8.4**

### **Ordinary Meeting**

**Thursday, 24 February 2022**

**commencing at 9:00am**

**Council Chambers, 1 Omrah Avenue, Caloundra**



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**8 REPORTS DIRECT TO COUNCIL****8.4 BUDGET REVIEW 2 - 2021/22****File No:** Council Meetings**Author:** Coordinator Financial Services  
Business Performance Group**Appendices:** App A - 2021/22 Amended Budget Financial Statements .... 11    
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**PURPOSE**

To amend the 2021/22 budget to reflect Council's anticipated revenue and expenditure forecasts to 30 June 2022.

**EXECUTIVE SUMMARY**

Section 170 of the *Local Government Regulation 2012* allows Council to amend its budget by resolution at any time before the end of the financial year. Major budget reviews are undertaken on a periodic basis to reflect management's best estimate of its financial position at the end of a financial year.

The result of this budget review will decrease the 2021/22 operating result by \$4.4 million to \$10 million. Capital revenues have increased by \$1.1 million from \$106.2 million to \$107.4 million. Expenditure under the Capital Program will decrease by \$24.5 million, from \$315.2 million to \$290.6 million.

The amendments in this budget review will increase the 2021/22 forecast closing cash balance by \$19.4 million to \$210.3 million as at 30 June 2022.

**OFFICER RECOMMENDATION****That Council:**

- (a) receive and note the report titled "Budget Review 2 - 2021/22"**
- (b) adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council's amended budget for 2021/22 financial year incorporating:**
  - (i) the statement of income and expenditure**
  - (ii) the statement of financial position**
  - (iii) the statements of changes in equity**
  - (iv) the statement of cash flow**
  - (v) the relevant measures of financial sustainability**
  - (vi) the long-term financial forecast**
- (c) note the follow documentation applies as adopted 24 June 2021**
  - (i) the Debt Policy**
  - (ii) the Revenue Policy**
  - (iii) the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget, and**

- (iv) the Revenue Statement and the rates and charges to be levied for the 2021/22 financial year and other matters as adopted 24 June 2021 and
- (d) endorse the Minor Capital Works Program (Appendix B).

## FINANCE AND RESOURCING

Adoption of the recommendation of this report will formally amend the 2021/22 Budget.

The amendments in this budget review will increase the 2021/22 forecast closing cash balance by \$19.4 million to \$210.3 million as at 30 June 2022.

Maintaining unrestricted cash and core debt balances were two key principles for development of the 2021/22 budget.

## CORPORATE PLAN

<b>Corporate Plan Goal:</b>	<b><i>Our outstanding organisation</i></b>
<b>Outcome:</b>	We serve our community by providing this great service
<b>Operational Activity:</b>	S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

## CONSULTATION

### Councillor Consultation

A workshop was held with Councillors in February 2022.

### Internal Consultation

All Groups of Council were consulted in the course of the review.

### External Consultation

No external consultation is required for this report.

### Community Engagement

No community engagement is required for this report

## PROPOSAL

Council's core operating budget is proposed to remain at \$17.7 million, with adjustments required to various areas. A categorisation of changes are listed below -

### COVID-19 Impacts

The financial impact of COVID-19 for 2021/22 is **\$1.8 million**. This consists of –

- \$628,000 – Increase cleaning expenses for corporate and community buildings
- \$402,000 – Additional security requirements at customer contact counters and libraries (Note the allocation of security requirements are being reviewed based on changing COVID mandates issued from the State Government)
- \$317,000 – Reduction in Sunshine Coast Airport royalties due to reduced flights.

- \$318,000 – Reduction in revenues from parking infringements
- \$112,000 – Additional 2 weeks of lifeguard services to align with extended school holidays.

### **Funded Requests**

Funded requests relate to additional revenue of **\$6.6 million** and additional offset expenditure or drawn down from restricted cash of **\$3.1 million**. This includes –

- Increase in development activity has resulted in additional fees and charges of \$1 million. A mix of long term temporary resources have been allocated to assist with the increase in activity demand with a total offset cost of \$881,000.
- Increase in cleansing charges and sale of recyclable material resulting in additional revenue of \$3.3 million. Additional expenses have been incurred through gate fees, collection costs and the profit share arrangement resulting in additional expenditure of \$1.9 million.
- Due to increased market activities property search and change of ownership revenue has increased by \$255,000
- An increase in certificate prices to the solar farm has provided an additional \$200,000 of revenue
- \$633,000 have been received from DTMR to funds environment offsets. Funds are to be transferred to restricted cash for future use.
- Drawdown of Caloundra CBD restricted cash funds for downtown Caloundra activities totalling \$253,000.

### **Unavoidable Costs**

Additional costs of **\$1.3 million** will be incurred for 2021/22. These consist of -

- \$555,000 – Revised interest expense for 2021/22 based on actual draw down rate incurred in June 2021
- \$351,000 – Additional costs relating to the Quarry business unit
- \$186,000 – Increase in electrical tariff expenditure for 2021/22
- \$26,000 – Operational costs for Landsborough museum handed back to Council.

### **New/Increased Services**

#### **2022 Olympic and Paralympic Games**

To support the delivery of the interim work program for the remainder of the 2021/2022 financial year, budget allocation of \$370,000 is required. This funding comprises:

- Staff salaries, wages and on-costs for three positions \$150,000
- External consultancy support - Legacy and Benefits Framework \$120,000
- External consultancy – Indoor Venue Options Concept Designs \$100,000.

### Capital Works Program

Council's capital works program is proposed to reduce from \$315 million to \$291.8 million, with deferrals of projects required due to contract and market conditions.

2021/22 Capital Works Program	2021/22 Budget Review 1 \$'000	2021/22 Budget Review 2 \$'000	Change \$'000
Aerodromes	225	225	-
Building and Facilities	13,045	10,349	(2,695)
Coast and Canals	3,545	3,111	(434)
Minor Capital Works	4,150	4,054	(96)
Environmental Assets	1,579	1,747	168
Fleet	3,250	3,279	29
Holiday Parks	2,544	1,894	(650)
Information Technology	8,522	8,664	142
Parks and Gardens	19,601	15,790	(3,663)
Quarries	657	657	-
Stormwater	7,525	7,390	(135)
Transportation	90,228	83,799	(6,429)
Waste	42,952	26,951	(16,001)
<b>Total Core Program</b>	<b>197,674</b>	<b>167,759</b>	<b>(29,915)</b>
Corporate Major Projects	72,661	62,801	(9,860)
Strategic Land and Commercial Properties	31,900	47,134	15,233
Maroochydore City Centre	1,470	1,470	-
Sunshine Coast Airport Runway Expansion	11,460	11,460	-
<b>Total Capital Expenditure</b>	<b>315,166</b>	<b>290,624</b>	<b>(24,541)</b>

**Table 1: 2021/22 Revised Capital Works Program**

Budget review 2 proposes deferrals to the core program of approximately \$30 million. The deferral of works results in a significant increase to the 2022/23 program. Based on previous years delivered programs, Council's historic deliverability ranges is between \$140 – \$180 million per year. A deliverability review of the 2022/23 program will progress through the budget development process.

### Region Shaping Projects - Maroochydore City Centre

The Maroochydore City Centre project included expected land sales revenue of \$4.1 million. The land sales are contingent on EDQ approval, which is likely to occur in the 2022/23 financial year.

### Legal

The report complies with Council's legislative obligations to amend its budget in accordance with Section 170 of the *Local Government Regulation 2012*.

### Policy

There are no policy implications associated with this report.



**Risk**

There are no risks associated with this report.

**Previous Council Resolution****Ordinary Meeting 16 September 2021 (OM21/87)**

That Council

- (a) *receive and note the report titled “Budget Review 2 - 2021/22” and*
- (b) *adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council’s amended budget for 2021/22 financial year incorporating:*
  - (i) *the statement of income and expenditure*
  - (ii) *the statement of financial position*
  - (iii) *the statements of changes in equity*
  - (iv) *the statement of cash flow*
  - (v) *the relevant measures of financial sustainability*
  - (vi) *the long term financial forecast*
  - (vii) *the Debt Policy*
- (c) *note the follow documentation applies as adopted 24 June 2021*
  - (i) *the Revenue Policy*
  - (ii) *the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget, and*
  - (iii) *the Revenue Statement and the rates and charges to be levied for the 2021/22 financial year and other matters as adopted 24 June 2021*
- (d) *endorse the Minor Capital Works Program (Appendix B).*

**Special Meeting Budget 24 June 2021 (SM21/3)**

*That Council adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council’s budget for 2021/22 financial year incorporating:*

- i. the statement of income and expenditure*
- ii. the statement of financial position*
- iii. the statements of changes in equity*
- iv. the statement of cash flow*
- v. the relevant measures of financial sustainability*
- vi. the long term financial forecast*
- vii. the Debt Policy (adopted by Council resolution on 27 May 2021)*
- viii. the Revenue Policy (adopted by Council resolution on 27 May 2021)*
- ix. the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. the Revenue Statement*

- xi. Council's 2021/22 Capital Works Program, endorse the indicative four-year program for the period 2023 to 2026, and note the five-year program for the period 2027 to 2031*
- xii. the rates and charges to be levied for the 2021/22 financial year and other matters as detailed below in clauses 3 to 12 and*
- xiii. endorse the 2021/22 Minor Capital Works Program*
- xiv. establish a \$5 million internally restricted Disaster Rehabilitation Reserve.*

**Related Documentation**

2021/22 Adopted Budget.

**Critical Dates**

Following adoption of this report, subsequent monthly financial reports will reflect the amendments in the current budget.

**Implementation**

Council's budget will be formally adjusted following the Council resolution and included in future monthly reports.



**Sunshine Coast Council - Total  
 Statement of Income and Expense (i)**

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2022 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
<b>Operating Revenue</b>											
Gross Rates & Utility Charges	347,774	348,574	365,721	380,945	396,903	412,074	429,460	445,896	464,733	482,543	502,952
Interest from Rates & Utilities	790	790	833	870	908	945	986	1,026	1,071	1,114	1,163
Less Discounts, Pensioner Remissions	(5,222)	(5,222)	(5,420)	(5,605)	(5,818)	(6,021)	(6,256)	(6,475)	(6,728)	(6,963)	(7,235)
<b>Net Rates &amp; Utility Charges</b>	<b>343,342</b>	<b>344,142</b>	<b>361,133</b>	<b>376,210</b>	<b>391,994</b>	<b>406,997</b>	<b>424,190</b>	<b>440,447</b>	<b>459,077</b>	<b>476,693</b>	<b>496,880</b>
Fees & Charges	65,567	67,530	69,359	71,197	73,226	75,240	77,460	79,590	81,938	84,191	86,674
Interest Received from Investments	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550
Grants and Subsidies - Recurrent	15,397	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563
Operating contributions	302	316	316	316	316	316	316	316	316	316	316
Unitywater Participation	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838	49,838
Other Revenue	19,880	18,387	28,593	34,654	36,751	42,820	38,251	39,327	38,701	30,721	27,505
Internal Revenues	1,752	2,130	2,186	2,244	2,308	2,372	2,442	2,509	2,583	2,654	2,732
<b>Total Operating Revenue</b>	<b>498,628</b>	<b>500,456</b>	<b>529,538</b>	<b>552,572</b>	<b>572,547</b>	<b>595,696</b>	<b>610,609</b>	<b>630,140</b>	<b>650,565</b>	<b>662,526</b>	<b>682,059</b>
<b>Operating Expenses</b>											
Employee costs	156,866	157,761	162,492	167,366	172,385	177,555	182,880	188,364	194,014	199,832	205,825
Materials & Services	190,896	192,131	193,780	200,178	205,809	211,484	217,596	223,630	230,130	236,551	243,470
Finance Costs	12,244	13,120	12,392	13,313	13,270	13,297	12,777	12,279	11,669	11,164	10,682
Company Contributions	3,615	3,615	3,392	2,893	2,674	2,707	2,741	2,776	2,562	2,598	2,635
Depreciation	95,097	95,097	97,452	99,866	102,341	104,878	107,477	110,142	112,874	115,674	118,543
Other Expenses	22,004	24,519	22,067	22,597	23,139	23,695	24,263	24,846	25,442	26,052	26,678
Internal Materials & Services	2	2	2	2	2	2	2	2	2	2	2
Recurrent Capital Expenses	3,444	4,138	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889
<b>Total Operating Expenses</b>	<b>484,168</b>	<b>490,383</b>	<b>495,467</b>	<b>510,103</b>	<b>523,509</b>	<b>537,507</b>	<b>551,626</b>	<b>565,929</b>	<b>580,580</b>	<b>595,762</b>	<b>611,724</b>
<b>Operating Result</b>	<b>14,460</b>	<b>10,073</b>	<b>34,071</b>	<b>42,469</b>	<b>49,038</b>	<b>58,189</b>	<b>58,983</b>	<b>64,211</b>	<b>69,985</b>	<b>66,764</b>	<b>70,335</b>
<b>Non-recurrent Revenue &amp; Expenses</b>											
<b>Capital Revenue</b>											
Capital Grants and Subsidies	22,555	23,732	10,679	31,079	38,822	10,679	10,679	10,679	10,679	10,679	10,679
Capital Contributions	28,631	28,631	28,660	29,004	30,029	29,867	29,786	29,786	29,786	23,942	23,942
Contributed Assets	55,000	55,000	50,417	45,833	41,250	42,281	43,338	44,422	45,532	46,671	47,837
<b>Total Capital Revenue</b>	<b>106,186</b>	<b>107,363</b>	<b>89,756</b>	<b>105,917</b>	<b>110,101</b>	<b>82,828</b>	<b>83,804</b>	<b>84,887</b>	<b>85,998</b>	<b>81,292</b>	<b>82,459</b>
<b>Non-recurrent Expenses</b>											
Profit/Loss on disposal, revaluation & impairment	(7,048)	-	-	-	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)
Assets transferred to third parties	-	-	-	-	-	-	-	-	-	-	-
<b>NET RESULT</b>	<b>108,015</b>	<b>111,853</b>	<b>119,361</b>	<b>143,834</b>	<b>154,501</b>	<b>136,287</b>	<b>137,962</b>	<b>144,177</b>	<b>150,963</b>	<b>142,936</b>	<b>147,571</b>

**Sunshine Coast Council - Total  
 Statement of Financial Position (ii)**

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2022 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
<b>Current Assets</b>											
Cash & Investments	190,926	210,334	149,062	134,109	157,934	184,580	200,615	229,071	255,522	259,678	293,685
Trade and other receivables	17,979	18,207	18,886	19,590	20,332	21,042	21,850	22,616	23,489	24,317	25,260
Inventories	12,271	12,271	12,331	11,977	10,555	10,104	9,915	10,733	10,714	10,702	10,895
Other Financial Assets	27,428	27,428	27,949	28,648	29,364	30,098	30,851	31,622	32,413	33,223	34,054
Non-current assets classified as held for sale	-	-	0	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>248,605</b>	<b>268,240</b>	<b>208,229</b>	<b>194,324</b>	<b>218,185</b>	<b>245,824</b>	<b>263,232</b>	<b>294,043</b>	<b>322,139</b>	<b>327,920</b>	<b>363,894</b>
<b>Non-Current Assets</b>											
Trade and other receivables	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893	434,893
Property, plant & equipment	5,077,225	5,055,943	5,384,230	5,666,657	5,934,147	6,156,168	6,400,008	6,635,308	6,892,724	7,180,111	7,443,602
Investment in associates	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213	538,213
Long Term Inventories	37,676	37,676	39,060	37,908	30,672	29,235	28,558	30,800	30,609	30,433	30,851
Intangible assets	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608	15,608
<b>Total Non-Current Assets</b>	<b>6,103,615</b>	<b>6,082,333</b>	<b>6,412,003</b>	<b>6,693,279</b>	<b>6,953,533</b>	<b>7,174,117</b>	<b>7,417,279</b>	<b>7,654,822</b>	<b>7,912,047</b>	<b>8,199,258</b>	<b>8,463,167</b>
<b>TOTAL ASSETS</b>	<b>6,352,219</b>	<b>6,350,573</b>	<b>6,620,233</b>	<b>6,887,603</b>	<b>7,171,718</b>	<b>7,419,941</b>	<b>7,680,511</b>	<b>7,948,866</b>	<b>8,234,185</b>	<b>8,527,178</b>	<b>8,827,061</b>
<b>Current Liabilities</b>											
Trade and other payables	71,908	72,931	68,245	70,349	72,344	74,377	76,518	78,676	80,948	83,240	85,654
Short Term Borrowings	17,513	17,513	23,375	32,931	36,240	43,412	39,279	40,924	31,688	26,664	25,957
Provisions	26,825	26,825	27,553	28,301	29,069	29,859	30,671	31,504	32,361	33,241	34,146
Other	13,479	13,479	13,479	13,816	14,162	14,516	14,879	15,251	15,632	16,023	16,423
<b>Total Current Liabilities</b>	<b>129,725</b>	<b>130,749</b>	<b>132,652</b>	<b>145,397</b>	<b>151,815</b>	<b>162,165</b>	<b>161,346</b>	<b>166,355</b>	<b>160,629</b>	<b>159,168</b>	<b>162,180</b>
<b>Non-Current Liabilities</b>											
Long Term Borrowings	469,006	469,547	492,921	470,612	453,580	408,186	379,012	339,415	314,778	295,068	257,235
Long Term Provisions	56,592	56,592	58,149	59,748	61,391	63,079	64,814	66,596	68,428	70,309	72,243
<b>Total Non-Current Liabilities</b>	<b>525,599</b>	<b>526,139</b>	<b>551,069</b>	<b>530,359</b>	<b>514,971</b>	<b>471,265</b>	<b>443,826</b>	<b>406,011</b>	<b>383,205</b>	<b>365,377</b>	<b>329,478</b>
<b>TOTAL LIABILITIES</b>	<b>655,324</b>	<b>656,888</b>	<b>683,721</b>	<b>675,756</b>	<b>666,786</b>	<b>633,429</b>	<b>605,172</b>	<b>572,365</b>	<b>543,834</b>	<b>524,546</b>	<b>491,657</b>
<b>NET COMMUNITY ASSETS</b>	<b>5,696,895</b>	<b>5,693,685</b>	<b>5,936,511</b>	<b>6,211,847</b>	<b>6,504,931</b>	<b>6,786,511</b>	<b>7,075,339</b>	<b>7,376,500</b>	<b>7,690,351</b>	<b>8,002,633</b>	<b>8,335,404</b>
<b>Community Equity</b>											
Asset revaluation surplus	772,304	772,304	895,576	1,027,077	1,165,661	1,310,955	1,461,820	1,618,804	1,781,693	1,951,039	2,127,591
Retained Earnings	4,924,592	4,921,381	5,040,935	5,184,769	5,339,270	5,475,557	5,613,519	5,757,696	5,908,658	6,051,594	6,207,813
<b>TOTAL COMMUNITY EQUITY</b>	<b>5,696,896</b>	<b>5,693,685</b>	<b>5,936,511</b>	<b>6,211,846</b>	<b>6,504,931</b>	<b>6,786,511</b>	<b>7,075,339</b>	<b>7,376,500</b>	<b>7,690,351</b>	<b>8,002,633</b>	<b>8,335,404</b>

**Sunshine Coast Council - Total  
 Statement of Changes in Equity (iii)**

For Period Ending 30 June

	Current	Revised	Forecast								
	Budget	Budget	2023	2024	2025	2026	2027	2028	2029	2030	2031
	2022 \$'000	2022 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital Accounts</b>											
<b>Asset Revaluation Reserve</b>											
<b>Balance at beginning of period</b>	<b>658,724</b>	<b>658,724</b>	<b>772,304</b>	<b>895,576</b>	<b>1,027,077</b>	<b>1,165,661</b>	<b>1,310,955</b>	<b>1,461,820</b>	<b>1,618,804</b>	<b>1,781,693</b>	<b>1,951,039</b>
Asset revaluation adjustments	113,580	113,580	123,272	131,501	138,584	145,293	150,866	156,984	162,888	169,346	176,553
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>772,304</b>	<b>772,304</b>	<b>895,576</b>	<b>1,027,077</b>	<b>1,165,661</b>	<b>1,310,955</b>	<b>1,461,820</b>	<b>1,618,804</b>	<b>1,781,693</b>	<b>1,951,039</b>	<b>2,127,591</b>
<b>Retained Earnings</b>											
<b>Balance at beginning of period</b>	<b>4,795,334</b>	<b>4,795,334</b>	<b>4,921,381</b>	<b>5,040,935</b>	<b>5,184,769</b>	<b>5,339,270</b>	<b>5,475,557</b>	<b>5,613,519</b>	<b>5,757,696</b>	<b>5,908,658</b>	<b>6,051,594</b>
Net result for the period	115,063	111,853	119,361	143,834	154,501	136,287	137,962	144,177	150,963	142,936	147,571
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	14,195	14,195	193	-	-	-	-	-	-	-	8,648
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>4,924,592</b>	<b>4,921,381</b>	<b>5,040,935</b>	<b>5,184,769</b>	<b>5,339,270</b>	<b>5,475,557</b>	<b>5,613,519</b>	<b>5,757,696</b>	<b>5,908,658</b>	<b>6,051,594</b>	<b>6,207,813</b>
<b>Total</b>											
<b>Balance at beginning of period</b>	<b>5,081,157</b>	<b>5,081,157</b>	<b>5,320,784</b>	<b>5,563,610</b>	<b>5,838,945</b>	<b>6,132,030</b>	<b>6,413,610</b>	<b>6,702,438</b>	<b>7,003,599</b>	<b>7,317,450</b>	<b>7,629,732</b>
Net result for the period	115,063	111,853	119,361	143,834	154,501	136,287	137,962	144,177	150,963	142,936	147,571
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	14,195	14,195	193	-	-	-	-	-	-	-	8,648
Asset revaluation adjustments	113,580	113,580	123,272	131,501	138,584	145,293	150,866	156,984	162,888	169,346	176,553
<b>Balance at end of period</b>	<b>5,323,995</b>	<b>5,320,784</b>	<b>5,563,610</b>	<b>5,838,945</b>	<b>6,132,030</b>	<b>6,413,610</b>	<b>6,702,438</b>	<b>7,003,599</b>	<b>7,317,450</b>	<b>7,629,732</b>	<b>7,962,503</b>

**Sunshine Coast Council - Total  
 Statement of Cash Flow (iv)**

For Period Ending 30 June

	Current Budget	Revised Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>											
Operating Result	14,460	10,073	34,071	42,469	49,038	58,189	58,983	64,211	69,985	66,764	70,335
Adjustments for:											
Depreciation	95,097	95,097	97,452	99,866	102,341	104,878	107,477	110,142	112,874	115,674	118,543
Interest and dividends received	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)	(52,388)
Landfill Quarry Provision	(5,583)	(5,583)	(4,466)	(4,551)	(4,638)	(4,730)	(4,825)	(4,922)	(5,020)	(5,120)	(5,223)
Finance Costs	12,244	13,120	12,392	13,313	13,270	13,297	12,777	12,279	11,669	11,164	10,682
Change in Working Capital	314,541	327,837	(4,854)	4,892	11,953	5,309	4,354	548	3,889	3,994	3,268
<b>Net cash inflow (outflow) from operating activities</b>	<b>378,371</b>	<b>388,156</b>	<b>82,207</b>	<b>103,601</b>	<b>119,577</b>	<b>124,555</b>	<b>126,379</b>	<b>129,871</b>	<b>141,008</b>	<b>140,087</b>	<b>145,217</b>
<b>Cash flows from investing activities</b>											
Payments for property, plant and equipment	(310,525)	(288,703)	(250,432)	(203,808)	(190,167)	(138,671)	(157,188)	(143,936)	(162,054)	(187,130)	(156,272)
Proceeds from disposal non current assets	-	-	-	-	-	-	-	-	-	-	-
Capital grants, subsidies, contributions, donations	51,186	52,363	39,339	60,083	68,851	40,547	40,466	40,466	40,466	34,622	34,622
Interest and dividends received	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388	52,388
Finance Costs	(12,244)	(13,120)	(12,392)	(13,313)	(13,270)	(13,297)	(12,777)	(12,279)	(11,669)	(11,164)	(10,682)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(219,195)</b>	<b>(197,072)</b>	<b>(171,097)</b>	<b>(104,650)</b>	<b>(82,198)</b>	<b>(59,033)</b>	<b>(77,111)</b>	<b>(63,362)</b>	<b>(80,869)</b>	<b>(111,284)</b>	<b>(79,945)</b>
<b>Cash flows from financing activities</b>											
Proceeds from borrowings	96,461	96,461	50,975	19,009	22,668	4,518	6,027	2,850	7,300	9,000	1,000
Repayment of borrowing	(283,410)	(283,410)	(23,358)	(32,913)	(36,221)	(43,393)	(39,259)	(40,904)	(40,988)	(33,647)	(32,265)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(186,949)</b>	<b>(186,949)</b>	<b>27,617</b>	<b>(13,904)</b>	<b>(13,553)</b>	<b>(38,875)</b>	<b>(33,232)</b>	<b>(38,054)</b>	<b>(33,688)</b>	<b>(24,647)</b>	<b>(31,265)</b>
<b>Net increase (decrease) in cash held</b>	<b>(27,773)</b>	<b>4,135</b>	<b>(61,272)</b>	<b>(14,953)</b>	<b>23,825</b>	<b>26,646</b>	<b>16,036</b>	<b>28,456</b>	<b>26,451</b>	<b>4,156</b>	<b>34,008</b>
Cash at beginning of reporting period	218,699	206,199	210,334	149,062	134,109	157,934	184,580	200,616	229,071	255,522	259,678
<b>Cash at end of reporting period</b>	<b>190,926</b>	<b>210,334</b>	<b>149,062</b>	<b>134,109</b>	<b>157,934</b>	<b>184,580</b>	<b>200,616</b>	<b>229,071</b>	<b>255,522</b>	<b>259,678</b>	<b>293,686</b>

## Sunshine Coast Council - Total Measures of Financial Sustainability (v)

For Period Ending 30 June

	Current Budget	Revised Budget	Forward Estimate								
	2022 \$'000	2022 \$'000	2023 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000
<b>Operating Performance</b>											
Operating Performance Ratio (%)	2.9%	2.0%	6.4%	7.7%	8.6%	9.8%	9.7%	10.2%	10.8%	10.1%	10.3%
<b>Fiscal Flexibility</b>											
Council controlled revenue (%)	82.0%	82.3%	81.3%	81.0%	81.3%	81.0%	82.2%	82.5%	83.2%	84.7%	85.6%
Total debt service cover ratio (times)	3.8 x	3.6 x	3.2 x	4.1 x	3.5 x	3.5 x	3.1 x	3.6 x	3.6 x	4.4 x	5.3 x
Net Financial Liabilities Ratio (%)	81.6%	77.7%	89.8%	87.1%	78.4%	65.1%	56.0%	44.2%	34.1%	29.7%	18.7%
<b>Liquidity</b>											
Cash expense cover ratio (months)	6.1	6.6	4.6	4.1	4.6	5.3	5.6	6.2	6.7	6.6	7.3
<b>Asset Sustainability</b>											
Asset Sustainability Ratio (%)	85.6%	85.6%	88.4%	84.1%	79.9%	79.5%	75.8%	71.5%	74.1%	78.5%	76.8%

### Operating Performance Ratio

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.  
Calculation: Operating Result (excluding capital items) as a percentage of operating revenue

Target: between 0% and 10%

### Council Controlled Revenue Ratio

Indicates the degree of reliance on external funding sources such as operating subsidies, donations and contributions. Council's financial flexibility improves the higher the level of its own source revenue.  
Calculation: Net rates, levies and charges & fees and charges / total operating revenue.

Target: Greater than 60%

### Total Debt Service Cover Ratio

Indicates the ability to repay loan funds. A low cover indicates constrained financial flexibility and limited capacity to manage unforeseen financial shocks.  
Calculation: (Operating result (excluding capital items) + depreciation and amortisation + gross interest expense) / (gross interest expense + prior year current interest bearing liabilities)

Target: Greater than 2 times

### Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.  
Calculation: (Total liabilities - current assets) / total operating revenue (excl. capital items)

Target: not greater than 60%.

### Cash Expense Cover Ratio

Indicates the number of months council can continue paying its immediate expenses without additional cash loans.  
Calculation: (Current year's cash and cash equivalents balance / (total operating expenses - depreciation and amortisation - finance costs charged by QTC - interest paid on overdraft) \* 12  
Target: Greater than 3 months.

### 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 replacement assets (renewals) / depreciation expense  
Target: greater than 90%.

**Sunshine Coast Council  
 Capital Program (in 2022 dollars) (vi)**

**For Period Ending 30 June**

	Current Budget	Revised Budget	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Sunshine Coast Council Core Capital Program</b>											
Aerodromes	225	225	530	200	200	200	200	200	200	200	200
Buidlings & Facilities	13,045	10,349	14,708	12,023	13,583	14,798	23,540	21,241	33,516	40,895	15,850
Coast & Canals	3,545	3,111	3,350	2,937	2,950	3,050	2,590	1,790	2,645	2,750	2,750
Minor Works	4,160	4,054	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620	4,620
Environmental Assets	1,579	1,747	3,050	1,660	2,800	2,800	2,800	3,000	2,840	2,720	2,720
Fleet	3,250	3,279	4,000	4,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Holiday Parks	2,544	1,894	3,395	2,550	2,435	1,355	1,065	2,015	1,965	105	400
Information Communication Technology	8,522	8,664	7,245	3,725	3,375	3,975	3,450	3,750	3,642	3,850	3,800
Parks & Gardens	19,403	15,790	19,955	19,692	15,042	16,931	17,290	11,590	10,776	14,050	6,400
Quarries	657	657	610	210	485	160	160	160	160	160	160
Stormwater	7,525	7,240	8,568	10,202	10,100	9,454	7,236	8,839	8,970	9,865	9,869
Transportation	90,268	83,799	77,101	72,201	73,406	60,275	65,917	65,180	65,417	66,827	71,989
Waste	42,952	26,951	46,702	29,238	6,761	10,776	7,097	1,890	5,980	9,470	1,620
<b>Total Sunshine Coast Council Core Capital Program</b>	<b>197,675</b>	<b>167,760</b>	<b>193,834</b>	<b>163,257</b>	<b>140,257</b>	<b>132,894</b>	<b>140,465</b>	<b>128,775</b>	<b>145,231</b>	<b>160,012</b>	<b>124,878</b>
<b>Other Capital Program</b>											
Corporate Major Projects	72,661	62,801	47,275	44,125	51,418	-	-	-	-	-	-
Strategic Land & commercial Properties	31,900	47,134	13,090	11,300	4,200	10,000	9,000	6,000	5,800	13,500	8,100
<b>Total Other Capital Program</b>	<b>104,561</b>	<b>109,935</b>	<b>60,365</b>	<b>55,425</b>	<b>55,618</b>	<b>10,000</b>	<b>9,000</b>	<b>6,000</b>	<b>5,800</b>	<b>13,500</b>	<b>8,100</b>
<b>Region Shaping Capital Program</b>											
Maroochydore City Centre	1,470	1,470	-	-	-	-	-	-	-	-	-
Sunshine Coast Airport Runway Project	11,461	11,461	-	-	-	-	-	-	-	-	-
<b>Total Region Shaping Capital Program</b>	<b>12,931</b>	<b>12,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SCC Total Capital Works Program</b>	<b>315,167</b>	<b>290,626</b>	<b>254,199</b>	<b>218,682</b>	<b>195,875</b>	<b>142,894</b>	<b>149,465</b>	<b>134,775</b>	<b>151,031</b>	<b>173,512</b>	<b>132,978</b>



**2021/22 MINOR WORKS PROGRAM (xiii)**

This appendix outlines allocations within Council's 2021/22 Minor Works Program for Council's consideration.

Project Number	Project Name	Division	Suburb	Budget Allocation
<b>CEASED PROJECTS</b>				
K2492	Art Valuation Craig Medson Sculpture	Division 1		\$880
K1375	Welcome to Landsborough Signs Design	Division 1		\$18,621
H6217	Beach Access 141, Cotton Tree - Install Seat	Division 4	Maroochydore	\$5,000
H9855	O'Connors Park, Mooloolaba – Cricket Practice Net	Division 4	Mooloolaba	\$45,000
<b>TRANSFERS BETWEEN EXISTING PROJECTS</b>				
K1894	Landsborough Heritage Masterplan Implementation	Division 1	Landsborough	(\$10,000)
H9895	Beerwah Meeting Place Signage Contribution	Division 1	Beerwah	\$10,000
K1886	Caloundra & Districts Netball Association – Outside Shaded Seating	Division 2	Golden Beach	(\$17,681)
K1888	Michael Street and Anning Avenue, Golden Beach - Pathway Construction	Division 2	Golden Beach	\$17,681
K1841	Brightwater Sportsground Mountain Creek - Shelter BBQ	Division 6	Mountain Creek	(\$45,000)
H9387	Chancellor Village Pathway Lighting Project	Division 6	Sippy Downs	\$24,000
K3271	Suncoast Gem Club Sid Lingard Drive Bitumen Works	Division 6	Buderim	\$8,000
K3286	Dixon Road/Mooloolaba Road Roundabout – Landscaping Works	Division 6	Buderim	\$13,000
<b>NEW PROJECTS</b>				
K3284	Public Art Piece Division 1	Division 1		\$19,501
K2171	Contribution – Wharf Carpark	Division 4	Mooloolaba	\$13,000
H9473	Cotton Tree Park Play Tree Replacement	Division 4	Maroochydore	\$32,000
K1060	Baden Powell Street, Maroochydore – Pathway	Division 8	Maroochydore	\$18,000
<b>ADOPTED BUDGET</b>				
H7687	Gowen Drive Park Landsborough Playground Renewal Contribution	Division 1	Landsborough	\$7,500
H9895	Beerwah Community Meeting Place	Division 1	Beerwah	\$15,000
K1072	Turner Street Beerwah Pathway Construction	Division 1	Beerwah	\$25,000
K1398	North Street Beerwah Pathway Construction	Division 1	Beerwah	\$12,500
K1479	Canavan Gracie Park Caloundra West Half Court	Division 1	Caloundra West	\$70,000
K1893	Beerwah Sports Ground - LMP Consultation	Division 1	Beerwah	\$12,000









