Sunshine Coast COUNCIL

Attachment Folder

Late Attachments Item 8.2

Ordinary Meeting

Thursday, 15 February 2024

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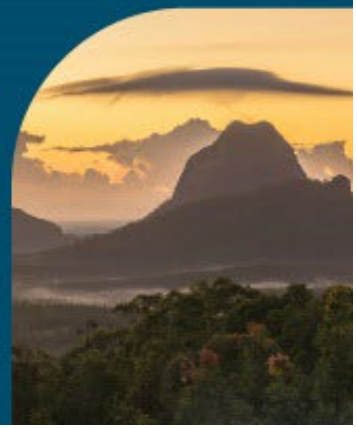
2023-24
BUDGET

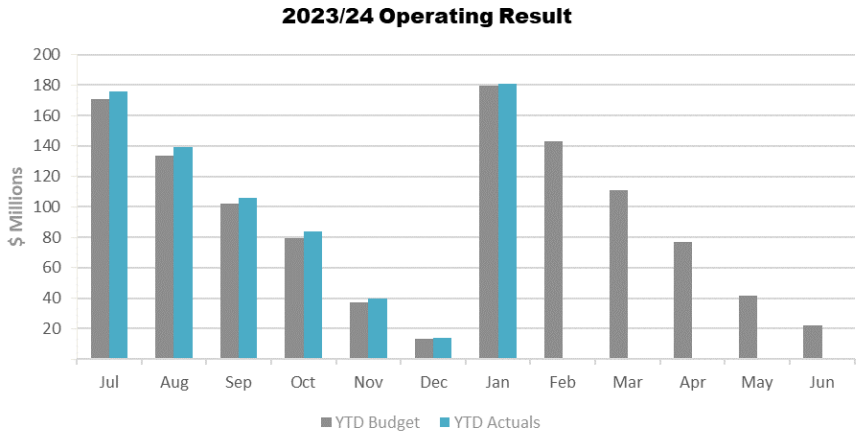
Financial Performance Report

January 2024

Sunshine Coast COUNCIL



Statement of Income and Expenses

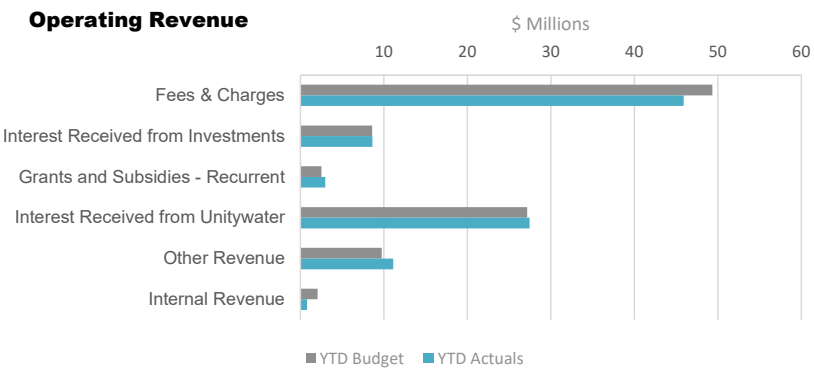


At the end of January 2024, Council has a positive operating result of $182.5 million, which is $3.2 million above the current budget.

Statement of Income & Expenses

	Annual		YTD				Annual
	Original Budget $000	Current Budget $000	Current Budget $000	Actuals $000	Variance $000	Variance %	Forecast Budget $000
Operating Revenue							
General Rates	298,265	298,265	297,545	297,621	76	0.0%	298,265
Cleansing Charges	78,328	78,328	76,798	78,982	2,184	2.8%	78,328
Levies	28,756	30,352	27,302	27,633	331	1.2%	30,352
Fees and Charges	82,335	79,254	49,338	45,898	(3,439)	(7.0%)	79,254
Interest Received from Investments	13,850	15,350	8,579	8,615	36	0.4%	15,350
Operating Grants and Subsidies	14,977	18,537	2,517	2,972	455	18.1%	18,537
Operating Contributions	320	320	302	247	(55)	(18.3%)	320
Unitywater Participation	52,438	52,438	27,149	27,462	314	1.2%	52,438
Other Revenue	17,787	18,436	9,738	11,109	1,371	14.1%	18,436
Internal Sales/Recoveries	3,560	3,977	2,051	801	(1,250)	(60.9%)	3,977
Total Operating Revenue	**590,615**	**595,258**	**501,318**	**501,341**	**22**	**0.0%**	**595,258**
Operating Expenses							
Employee Costs	176,203	176,993	99,289	99,369	80	0.1%	176,993
Materials and Services	235,600	242,232	130,448	127,295	(3,153)	(2.4%)	242,232
Finance Costs	13,137	12,809	7,572	6,620	(952)	(12.6%)	12,809
Company Contributions	4,657	4,657	4,657	4,656	(0)	(0.0%)	4,657
Depreciation Expense	105,674	105,674	62,617	62,617	-	-	105,674
Other Expenses	26,732	26,876	13,945	14,843	898	6.4%	26,876
Recurrent Capital Expenses	4,000	4,000	3,408	3,408	-	-	4,000
Total Operating Expenses	**566,003**	**573,241**	**321,935**	**318,808**	**(3,127)**	**(1.0%)**	**573,241**
Operating Result	**24,612**	**22,017**	**179,384**	**182,533**	**3,150**	**1.8%**	**22,017**
Capital Revenue							
Capital Grants and Subsidies	70,836	99,758	24,725	24,725	(0)	(0.0%)	99,758
Capital Contributions - Cash	32,384	32,481	16,605	16,605	0	0.0%	32,481
Capital Contributions - Fixed Assets	82,820	82,820	2,027	2,027	(0)	(0.0%)	82,820
Total Capital Revenue	**186,040**	**215,059**	**43,357**	**43,357**	**(0)**	**(0.0%)**	**215,059**
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	1,926	1,926	-	-
Movements in landfill and quarry provisions	2,982	2,982	1,739	1,739	-	-	2,982
Recurrent Capital Expenses - Prior Year	-	-	-	5,155	5,155	-	-
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	**2,982**	**2,982**	**1,739**	**8,821**	**7,082**	**407.2%**	**2,982**
Net Result	**207,671**	**234,095**	**221,002**	**217,070**	**(3,932)**	**(1.8%)**	**234,095**

Operating Result – January 2024



Operating Summary

	Annual		YTD			
	Original Budget $000s	Current Budget $000s	Current Budget $000s	Actuals $000s	Variance $000s	Variance %
Operating Revenue	590,615	595,258	501,318	501,341	22	0.0%
Operating Expenses	562,003	569,241	318,527	315,400	(3,127)	(1.0%)
Recurrent Capital Expenses	4,000	4,000	3,408	3,408	-	-
Operating Result	**24,612**	**22,017**	**179,384**	**182,533**	**3,150**	**1.8%**
Capital Revenue	186,040	215,059	43,357	43,357	(0)	(0.0%)
Non-recurrent Expenses	2,982	2,982	1,739	8,821	7,082	407.2%
Net Result	**207,671**	**234,095**	**221,002**	**217,070**	**(3,932)**	**(1.8%)**

Substantial Revenue Variance for the Period Ending January 2024

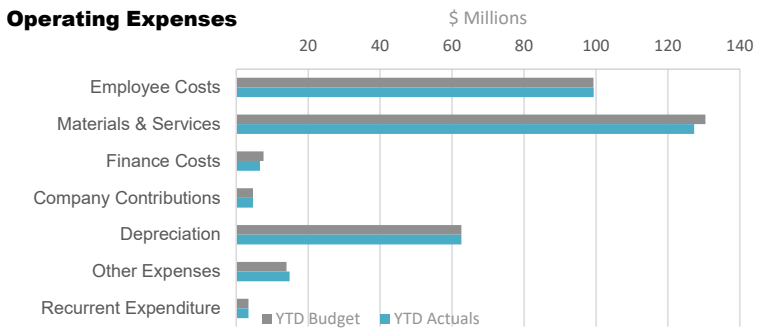
	Annual		YTD				Annual
	Original Budget $000	Current Budget $000	Current Budget $000	Actuals $000	Variance $000	Variance %	Forecast Budget $000
Operating Revenue							
Cleansing Charges	78,328	78,328	76,798	78,982	2,184	2.8%	78,328
Fees and Charges	82,335	79,254	49,338	45,898	(3,439)	(7.0%)	79,254
Other Revenue	17,787	18,436	9,738	11,109	1,371	14.1%	18,436

As at 31 January 2024, $501 million operating revenue has been achieved which is on budget.

Significant revenue variances:

- **Cleansing Charges –** Commercial general waste collection charges ahead of budget.
- **Fees and Charges –** Council's Holiday Parks revenue lower than budget for the month but ahead of budget year to date. Plumbing applications, Caloundra Music Festival and Quarry Services fees are $1M below budget respectively.
- **Other Revenue –** Additional revenue received for environmental offsets and council owned properties lease revenue is higher than budget. Sale of an easement to Energex assisting bottom line.

Operating Result – January 2024 (continued)



Operating Summary

	Annual		YTD			
	Original Budget $000s	Current Budget $000s	Current Budget $000s	Actuals $000s	Variance $000s	Variance %
Operating Revenue	590,615	595,258	501,318	501,341	22	0.0%
Operating Expenses	562,003	569,241	318,527	315,400	(3,127)	(1.0%)
Recurrent Capital Expenses	4,000	4,000	3,408	3,408	-	-
Operating Result	**24,612**	**22,017**	**179,384**	**182,533**	**3,150**	**1.8%**
Capital Revenue	186,040	215,059	43,357	43,357	(0)	(0.0%)
Non-recurrent Expenses	2,982	2,982	1,739	8,821	7,082	407.2%
Net Result	**207,671**	**234,095**	**221,002**	**217,070**	**(3,932)**	**(1.8%)**

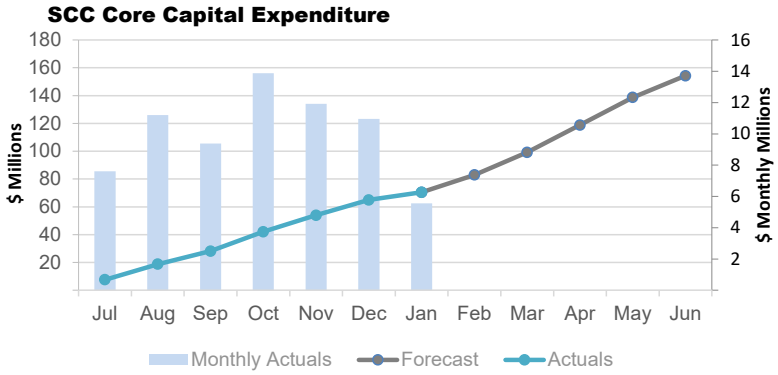
Substantial Expenditure Variance for the Period Ending January 2024

	Annual		YTD				Annual
	Original Budget $000	Current Budget $000	Current Budget $000	Actuals $000	Variance $000	Variance %	Forecast Budget $000
Operating Expenses							
Materials and Services	235,600	242,232	130,448	127,295	(3,153)	(2.4%)	242,232
Finance Costs	13,137	12,809	7,572	6,620	(952)	(12.6%)	12,809

As at 31 January 2024, $319 million had been expended resulting in a variance of $3.1 million (1.0%) lower than budget.

- **Materials and Services** – Lower than expected contractor expenses have been realised throughout various areas of Council including quarry services, Caloundra Music Festival, Waste Management, and Community Facilities. Solar Farm energy charges lower than budget
- **Finance costs -** interest expense on QTC debt. A portion of interest expense in the Waste branch has been classified as capital and transferred to the capital program.

Capital Expenditure - January 2024

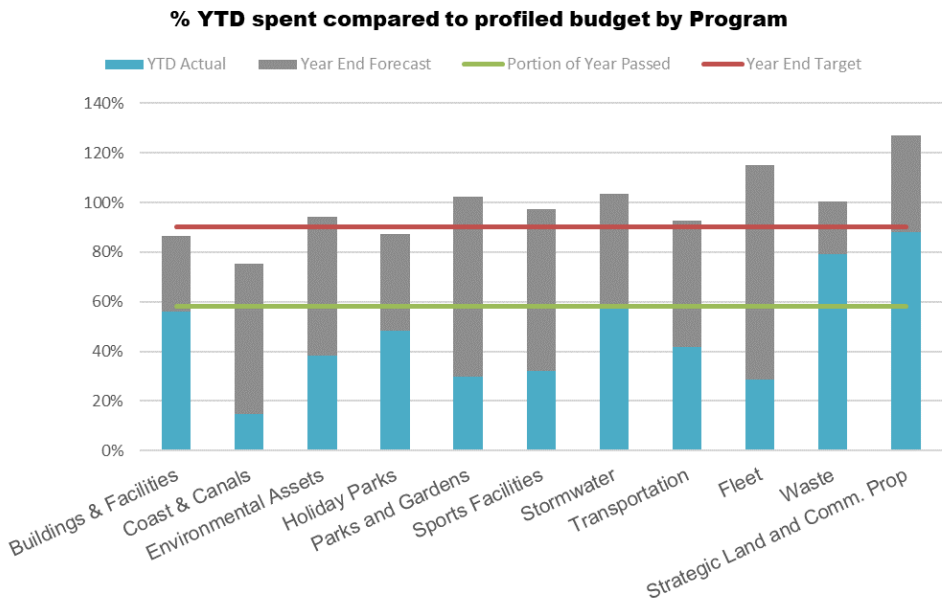


- On 31 January 2024, $162 million (48.8%) of Council's $332.6 million Capital Works Program had been financially expended.
- The Core Capital Program has progressed 41.6% of budget, an actual spend of $70.5 million.
- Corporate Major Projects has progressed 58.1%
- A range of significant projects will move further into full construction during early 2024 including
  - Caloundra Centre Activation – Library
  - Honey Farm Road Sports and Recreation Precinct works
  - Stringybark Road Pedestrian and Cycle Bridge
  - Kawana Aquatic Centre Staged works

Capital Expenditure

	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
Core Capital Works Program						
Aerodromes	845	995	266	26.7%	1,159	164
Buildings and Facilities	31,331	20,905	11,692	55.9%	18,096	(2,808)
Coast and Canals	2,087	6,267	915	14.6%	4,708	(1,559)
Environmental Assets	3,497	3,857	1,479	38.4%	3,628	(229)
Minor Works	5,020	5,814	1,592	27.4%	4,506	(1,308)
Holiday Parks	2,556	1,643	795	48.4%	1,435	(208)
Parks and Gardens	12,176	12,314	3,666	29.8%	12,618	304
Sports Facilities	19,438	10,621	3,428	32.3%	10,333	(288)
Quarries	-	-	41	-	41	41
Stormwater	15,515	11,230	6,494	57.8%	11,606	376
Transportation	87,862	95,963	40,126	41.8%	88,810	(7,153)
Total SCC Core Capital Program	**180,328**	**169,609**	**70,495**	**41.6%**	**156,941**	**(12,667)**
Disaster Recovery Funding Arrangements	40,089	41,553	5,335	12.8%	50,308	8,755
Fleet	5,242	4,000	1,152	28.8%	4,608	608
Information Technology	10,000	9,631	3,312	34.4%	9,032	(599)
Waste	25,203	49,503	39,247	79.3%	49,686	184
Corporate Major Projects	32,975	28,007	16,261	58.1%	26,270	(1,738)
Strategic Land and Commercial Properties	36,880	30,075	26,517	88.2%	38,148	8,073
Maroochydore City Centre	-	275	37	13.5%	34	(241)
Sunshine Coast Airport Runway	-	-	41	-	1,526	1,526
Total Other Capital Program	**150,389**	**163,044**	**91,903**	**56.4%**	**179,612**	**16,568**
TOTAL	**330,716**	**332,653**	**162,397**	**48.8%**	**336,553**	**3,901**

Capital Expenditure – January 2024 (continued)



Coast and Canals

- $2.5 million budget for Charles Clarke Park, works to start February 2024
- $1.6 million budget for Outrigger Boat Ramp, works started September 2023 with completion in April 2024.

Building and Facilities

- $20.9 million budget including community and corporate facilities is well progressed at 56%, with a spend of $11.7 million

Fleet

- $5.7 million on order, expecting $4 million budget to be expended by the end of the 2023/24 financial year with $1.14 million of fleet received so far.

Parks and Gardens

- $3.6 million Coastal Pathways has progressed to 23% with a spend of $843,000
- $7.6 million Recreational Parks program has progressed 29% with a spend of $2.2 million

Sports Facilities

- $4.2 million Honey Farm Road Bulk Earthworks has progressed 4% with a spend of $189,000

Strategic Land and Commercial Properties

- Acquisitions and negotiations for land associated with Council's trunk road infrastructure and open space requirements will continue through the new financial year, currently 86% expensed

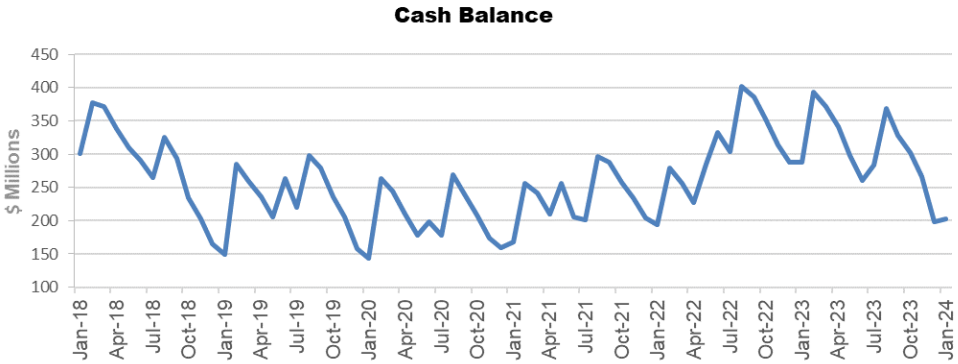
Transportation

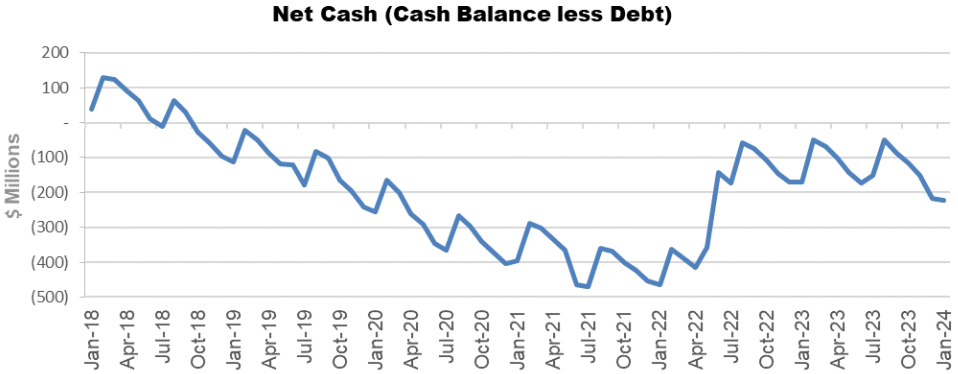
- Council's $25 million road resurfacing and rehabilitation program has progressed 60% with a spend of $15 million
- Council's $9.8 million Unsealed Road Upgrades program has progressed 72% with a spend of $7.1 million
- Council's $1.2 million bus stop program has progressed 46% with a spend of $550,000
- Pedestrian and Cycling Enabling Facilities has progressed 57% with a spend of $2.2 million

Waste

- Construction is complete on the new Material Resource Facility (MRF) and the facility is now operational at the Nambour Waste Precinct
- The Landfill Expansion liner component of the works are underway, with the Project now 85% complete.

Cash Flows and Balance Sheet





Cash and Balance Sheet	2023-24
	Current Budget $000s
CASH FLOWS	
Opening Cash	260,120
Net Cash Inflow/(Outflows) from:	
Operating Activities	85,682
Investing Activities	(144,892)
Financing Activities	4,457
Net Increase/(decrease) in Cash Held	**(54,753)**
Cash at year end	**205,367**
BALANCE SHEET	
Current Assets	279,734
Non Current Assets	7,332,142
Total Assets	**7,611,876**
Current Liabilities	178,915
Non Current Liabilities	509,749
Total Liabilities	**688,664**
Net Community Assets/Total Community Equity	**6,923,212**

- Council's cash at 31 January 2024 is $203.9 million
- Council's debt at 31 January 2024 is $425 million