

Attachment Folder

Item 8.4

Ordinary Meeting

Thursday, 12 December 2024

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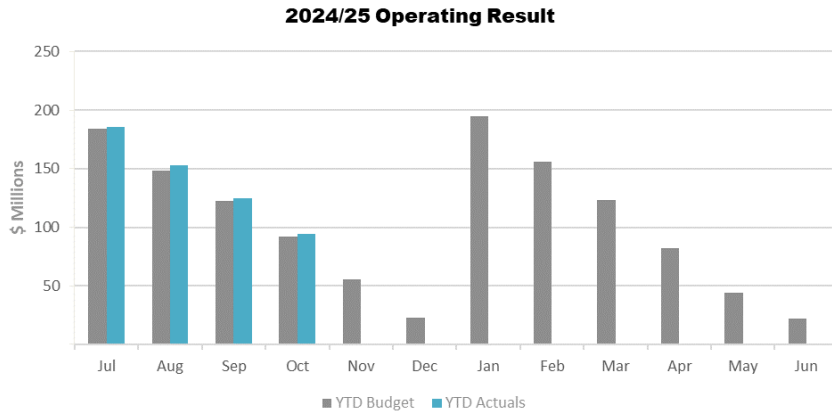
2024-25 BUDGET

Financial Performance Report

November 2024



Statement of Income and Expenses



As at 30 November, Council had an operating result of \$56.8 million, which was \$5.4 million (10.4%) above current budget.

Budget Review 2 will be presented at the December Ordinary Meeting. Operating Result will be lower than current Year End Forecast.

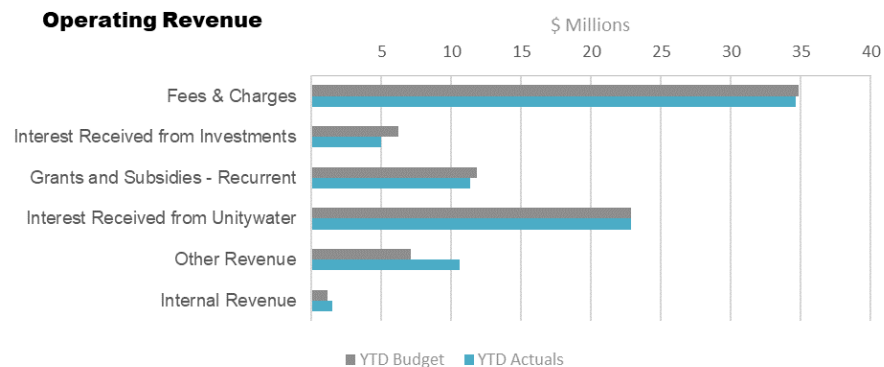
Statement of Income & Expenses							November 2024
	Annual		YTD			Year End Forecast \$000	
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000		Variance %
Operating Revenue							
General Rates	319,728	319,728	158,926	158,442	(484)	(0.3%)	
Cleansing Charges	84,008	84,008	42,614	46,753	4,140	9.7%	
Leaves	23,872	23,872	11,856	11,863	7	0.1%	
Fees and Charges	77,152	77,152	34,852	34,618	(234)	(0.7%)	
Interest Received from Investments	14,883	14,883	6,196	4,939	(1,257)	(20.3%)	
Operating Grants and Subsidies	16,129	17,339	11,849	11,341	(509)	(4.3%)	
Operating Contributions	320	320	277	266	(11)	(3.8%)	
Unitywater Participation	52,500	52,500	22,830	22,830	0	0.0%	
Other Revenue	18,775	19,013	7,119	10,625	3,506	49.3%	
Internal Sales/Recoveries	2,720	2,720	1,118	1,495	377	33.7%	
Total Operating Revenue	610,086	611,533	297,636	303,172	5,536	1.9%	
Operating Expenses							
Employee Costs	186,126	186,414	75,869	77,108	1,240	1.6%	
Materials and Services	234,315	236,685	97,927	96,456	(1,471)	(1.5%)	
Finance Costs	13,284	13,284	5,672	5,358	(315)	(5.5%)	
Company Contributions	4,149	4,149	4,149	4,149	0	0.0%	
Depreciation Expense	115,664	115,664	48,193	48,194	1	0.0%	
Other Expenses	29,593	29,630	10,406	10,891	485	4.7%	
Recurrent Capital Expenses	4,000	4,000	4,000	4,231	231	5.8%	
Total Operating Expenses	587,130	589,826	246,216	246,387	171	0.1%	
Operating Result	22,955	21,707	51,421	56,785	5,365	10.4%	
Capital Revenue							
Capital Grants and Subsidies	20,409	43,238	12,808	12,808	-	-	
Capital Contributions - Cash	-	33,629	17,358	17,358	-	-	
Capital Contributions - Fixed Assets	-	74,538	-	-	-	-	
Total Capital Revenue	20,409	151,405	30,165	30,165	-	-	
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	541	541	-	
Movements in landfill and quarry provisions	2,982	2,982	1,242	1,242	-	-	
Recurrent Capital Expenses - Prior Year	-	-	-	90	90	-	
Assets Transferred to Third Parties	-	-	-	-	-	-	
Total Non-recurrent Expenses	2,982	2,982	1,242	1,873	631	50.8%	
Net Result	40,383	170,131	80,344	85,078	4,734	5.9%	

Operating Result - Revenue

\$303.2 million in operating revenue received which is \$5.5 million higher than budget

- State Commercial Waste Levy \$3.7 million higher than budget
- Cleansing Charges \$421,000 higher than budget
**The review of budget allocations since the September commentary led to a reallocation to the correct category.*
- Sunshine Coast Holiday Park Fees \$788,000 higher than budget
- Plumbing Services Fees and Charges \$461,000 lower than budget
- Interest Received from Investment \$1.2 million lower than budget
- Commercial one-off Revenue \$1.5 million
- Waste Container Refund Scheme \$1.2 million higher than budget

Operating Summary		November 2024				
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	610,086	611,533	297,636	303,172	5,536	1.9%
Operating Expenses	583,130	585,826	242,216	242,156	(60)	(0.0%)
Recurrent Capital Expenses	4,000	4,000	4,000	4,231	231	5.8%
Operating Result	22,955	21,707	51,421	56,785	5,365	10.4%
Capital Revenue	20,409	151,405	30,165	30,165	-	-
Non-recurrent Expenses	2,982	2,982	1,242	1,873	631	50.8%
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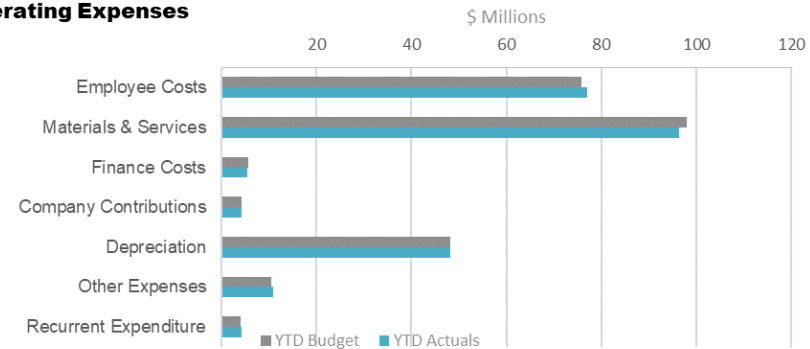
Operating Result - Expenses

\$246.4 million in operating expenses incurred which is \$171,000 (0.1%) higher than budget

- Materials and Services under budget \$1.5 million (1.5%)
 - Operating Projects \$767,000 below budget
 - Grant funded Projects
Cascading Climate Risk
Disaster Recovery Funding Street Tree Planting
Blue Carbon Restoration
- Levy Projects \$554,000 below budget
 - *Environment Levy and Transport Levy*
- Employee costs above budget \$1.2 million (1.6%)
 - Vacancy Rate Target YTD \$3.9 million (5.2%)
 - Full Year Vacancy Rate Target \$9.7 million (4.95%)

Operating Summary		November 2024				
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	610,086	611,533	297,636	303,172	5,536	1.9%
Operating Expenses	583,130	585,826	242,216	242,156	(60)	(0.0%)
Recurrent Capital Expenses	4,000	4,000	4,000	4,231	231	5.8%
Operating Result	22,955	21,707	51,421	56,785	5,365	10.4%
Capital Revenue	20,409	151,405	30,165	30,165	-	-
Non-recurrent Expenses	2,982	2,982	1,242	1,873	631	50.8%
Net Result	40,383	170,131	80,344	85,078	4,734	5.9%

Operating Expenses



Capital Expenditure

\$111.0 million (45.3%) of Council's \$244.9 million total capital works budget has been expensed.

This is compared to the same period last year with \$104.3 million (31.4%) expensed of Council's \$332 million total capital works budget.

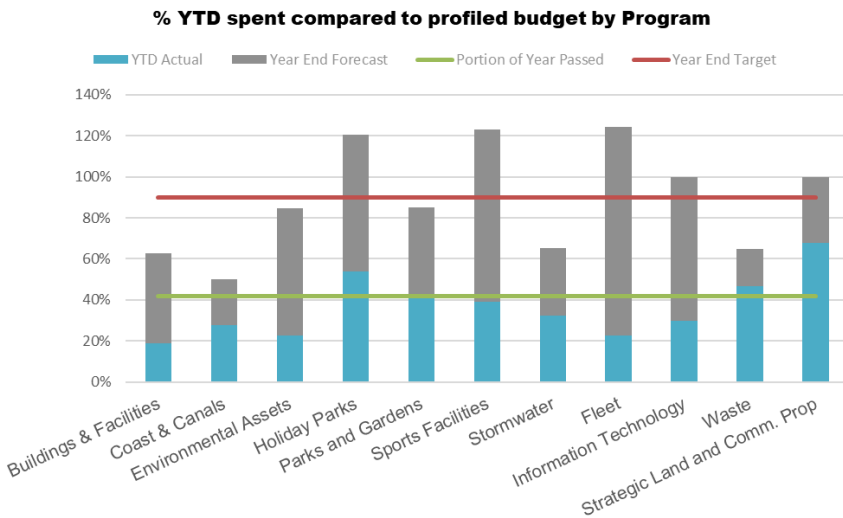
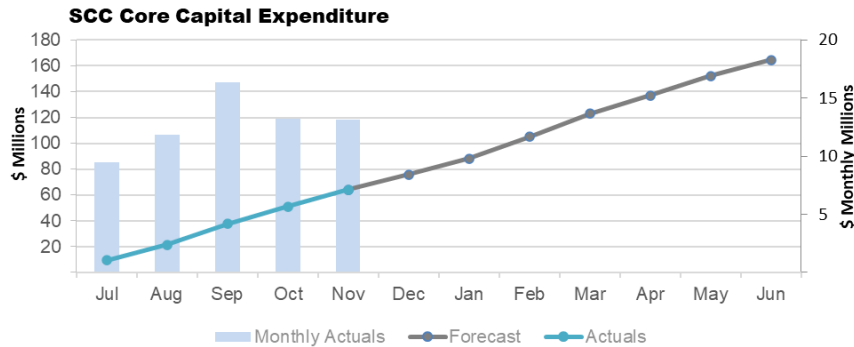
The Core Capital Program has expensed \$64.0 million, 44.6% of budget.

Budget Review 2 will be presented at the December Ordinary Meeting.

Capital Expenditure					November 2024	
	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	1,525	1,525	84	5.5%	724	(801)
Buildings and Facilities	28,286	26,933	5,102	18.9%	16,829	(10,104)
Coast and Canals	6,200	6,939	1,913	27.6%	3,465	(3,474)
Environmental Assets	4,120	4,370	981	22.4%	3,694	(676)
Minor Works	5,862	8,815	2,453	27.8%	5,121	(3,694)
Holiday Parks	2,881	2,807	1,516	54.0%	3,382	575
Parks and Gardens	10,480	9,990	4,534	45.4%	9,235	(755)
Sports Facilities	20,738	21,971	8,560	39.0%	27,031	5,060
Quarries	-	-	1	-	0	0
Stormwater	14,318	14,983	4,871	32.5%	9,771	(5,211)
Transportation	99,213	75,125	34,013	34.7%	87,860	12,735
Budget Review 2 Deferrals**		(30,000)				
Total SCC Core Capital Program	193,623	143,458	64,028	44.6%	167,113	(6,345)
Disaster Recovery Funding Arrangements	4,590	10,772	5,112	47.5%	8,003	(2,769)
Fleet	3,500	3,583	807	22.5%	4,459	876
Information Technology	10,000	10,680	3,194	29.9%	10,646	(34)
Waste	12,882	24,488	11,454	46.8%	15,837	(8,651)
Corporate Major Projects	39,730	39,602	17,972	45.4%	50,919	3,712
Strategic Land and Commercial Properties	18,992	12,332	8,336	67.6%	12,332	-
Total Other Capital Program	89,694	101,456	46,969	46.3%	102,284	(6,777)
TOTAL	283,317	244,914	110,997	45.3%	269,398	(13,122)

** Forecast Year End Actual does not yet reflect Budget Review 2 changes

Capital Expenditure



Building and Facilities

Program YTD spend at 19% of total budget. Current year end forecast at 62.5%. 87% of Projects fall below the year-to-date benchmark of 42%.

Coast & Canals

Program YTD spend at 27.6% of total budget. Current year end forecast at 50%. Moffat Beach Seawall stabilisation and Golden Beach South Seawall 4.0% and 0% spent YTD respectively, projects scheduled to be completed next financial year.

Parks and Gardens

Program YTD spend at 54% of total budget. Current year end forecast at 92.4%. Coastal Pathway 72% YTD spend. Recreation Park and Landscape Amenity Sub-Program 31% YTD spend.

Sports Facilities

Program YTD spend at 39% of total budget. Honey Farm Sports & Rec Precinct 42% YTD spend.

Stormwater

Program YTD spend at 32.5% of total budget. Current year end forecast at 65%. 55% of Projects fall below the year-to-date benchmark of 42%.

Transportation

Program YTD spend at 34.7% of total adjusted budget. Bus Stop Program 45% spend YTD. Road Resurfacing 40.7% spend YTD.

Strategic Land and Commercial Properties.

Program YTD spend at 67.6% of total budget.

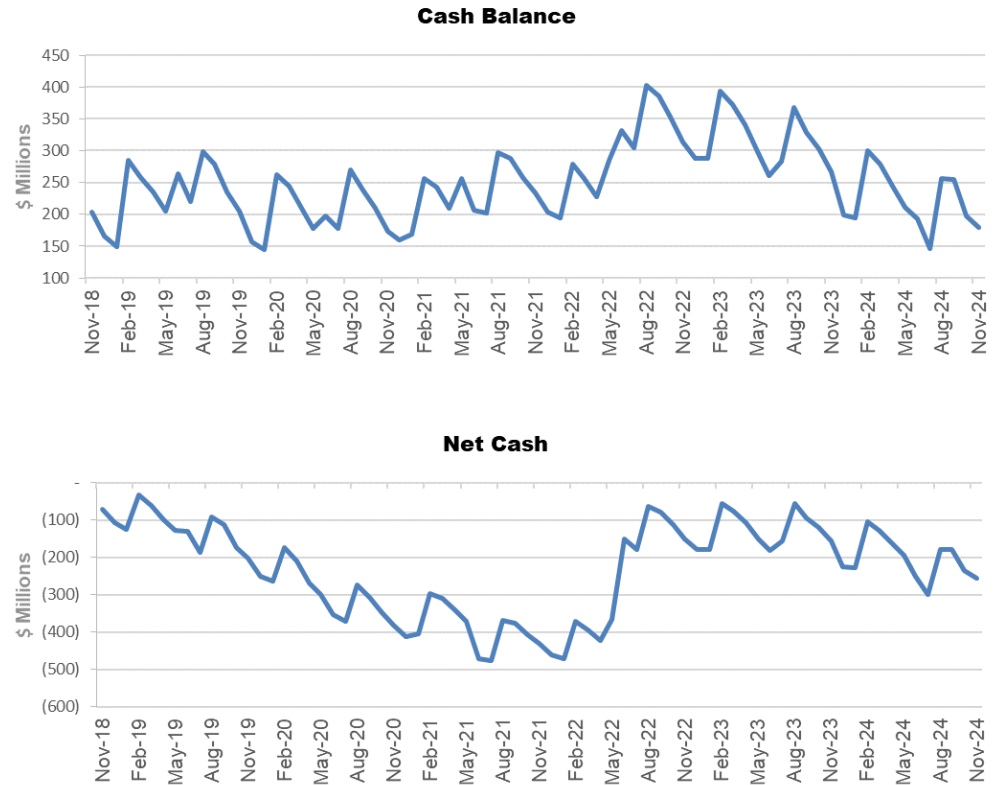
Disaster Recovery Funding Arrangements

Program YTD spend at 47.5% of total budget. Council have requested an extension of time for delivery for Buderim Tramway Landslide and Trail Repair and David Low Way Landslip scheduled to be completed by 30 June 2025. Moffat Beach Seawall and Golden Beach Foreshore Upgrade are scheduled to be completed next financial year.

Cash Flows and Balance Sheet

- Cash balance at 30 November was \$177.9 million excluding Trust
- Debt balance at 30 November was \$433.8 million

Cash and Balance Sheet		2024-25
		Current Budget \$000s
CASH FLOWS		
Opening Cash		193,347
Net Cash Inflow/(Outflows) from:		
Operating Activities		83,826
Investing Activities		(73,214)
Financing Activities		(5,681)
Net Increase/(decrease) in Cash Held		4,931
Cash at year end		198,279
BALANCE SHEET		
Current Assets		278,014
Non Current Assets		7,500,848
Total Assets		7,778,862
Current Liabilities		187,312
Non Current Liabilities		487,150
Total Liabilities		674,462
Net Community Assets/Total Community Equity		7,104,400



Debt

Council's current debt balance is \$433.8 million.

During August, a debt repayment occurred reducing the debt principal by \$12.6 million.

Sunshine Coast Council's debt program is governed by the 2024-25 Debt Policy, which was adopted with the Original Budget adoption on 20 June 2024.

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.

Council's forecast borrowings for the 2024-25 financial year are \$20.3 million and relate to:

- \$10.5 million for Waste
- \$1.5 million for Holiday Parks
- \$7 million for Sunshine Coast Stadium *
- \$1.3 million for Caloundra Aerodrome Master Plan

* Proposed adjustments to borrowings to be considered as part of Budget Review 2

Debt - 2024/25				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,795	20,064	20,294	346,025
Maroochydore City Centre	100,213	5,784	-	94,429
Total	446,008	25,847	20,294	440,455



Investment Performance

At month end Council has \$177.9 million cash (excluding Trust funds), with an average interest rate of 5.1%, being 0.54% above benchmark. This is compared to the same period last year with \$268.5 million cash (excluding Trust funds) with an average interest rate of 5.05%, being 0.79% above benchmark.

The benchmark used to measure performance of cash funds is the Bloomberg AusBond Bank Bill Index (BAUBIL).

All investment parameters remain within the guidelines established by the Investment Policy.

Investment Performance - November 2024				
Liquidity as at:		30/11/2024		
		\$'000's		
At-call accounts				
QTC + CBA (excl. trust)	127,919	63.19%		
Maturities within 7 days	-	0.00%		
Total at-call	127,919	63.19%		
Investment Policy Target		10.00%		
Term deposits maturing:			\$'000's	Count
within 30 days			30,000	2
30-59 days			20,000	2
60-89 days			-	-
90-179 days			-	-
180-364 days			-	-
1 year - 3 years			-	-
Total			50,000	4

INVESTMENT SUMMARY (including Trust) as at:				Investment Policy				
	30/11/2024		31/08/2024		30/11/2023		Individual Limit	Group Limits
A1+ (QTC)	131,666	65%	84,912	30.3%	88,719	30.6%	100%	100%
A1+ (Other)	70,775	35%	185,647	66.2%	181,482	62.5%	100%	100%
A1	-	0%	-	0.0%	-	0.0%	60%	100%
A2	-	0%	10,000	3.6%	20,000	6.9%	60%	90%
A3	-	0%	-	0.0%	-	0.0%	10%	30%
Total Funds	202,441		280,559		290,201			
FUND SUMMARY								
General Funds	177,919		255,614		268,507			
Trust Funds	24,522		24,945		21,694			
Total Funds	202,441		280,559		290,201			

Risks

The 2024-25 budget has been developed to ensure long term financial sustainability for the Sunshine Coast region. A key element to long term financial sustainability is achieving the targeted operating result.

The following items need continued attention:

- The achievement of revenue targets
- The delivery of the \$14.7 million in savings initiatives included in the operating result

Failure to achieve the budgeted operating result will negatively impact Council's financial sustainability both in the short term and long term.

Continued monitoring of the delivery of the capital works program within budgeted scope and cost. Confirmation of capital works deferrals will need to be addressed during Budget Review processes.

Thanks for your time



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2024-25 Financial Year Grant Funding							
	Description	Division	Suburb	Estimated Construction Start Month	Construction Completed Month	TOTAL Grant Revenue \$'000	Project Expenditure to date \$'000
Federal Government						(\$10,098)	\$6,544
1	Roads to Recovery Program					(\$4,800)	
Local Road and Community Infrastructure Grant Funding - Round 4						(\$4,898)	\$6,524
2	H3732 - Oval Avenue and Gosling St Upgrade	Division 02	Caloundra	July 2024	June 2026	(\$1,758)	\$1,955
3	H5683 - LRCIP4 Venue 114 - Stage 1 Solar Install	Division 03	Bokarina	February 2024	September 2024	(\$200)	\$892
4	H7797 - LRCIP4 Kawana Waters Regional Aquatic Centre	Division 03	Bokarina	March 2023	June 2025	(\$347)	\$2,212
5	K3827 - LRCIP4 Charles Clarke Park Revetment Wall	Division 04	Mooloolaba	February 2024	September 2024	(\$500)	\$545
6	H4607 - LRCIP4 Maple Street - Maleny Streetscape	Division 05	Maleny	July 2024	June 2025	(\$600)	\$47
7	H7584 - LRCIP4 Mountain View Road Maleny Lookout	Division 05	Maleny	March 2024		(\$500)	\$530
8	H2063 - LRCIP4 Power Memorial Park Renew Play Equipment	Division 08	Mudjimba	October 2024	November 2024	(\$98)	\$300
9	K4113 - LRCIP4 Lions and Norrie Job Coolum Park	Division 09	Coolum Beach	June 2024	October 2024	(\$500)	\$31
10	K3519 - LRCIP4 Nambour Yandina United Football Club	Division 10	Yandina		May 2024	(\$196)	\$1
11	K2901 - Solar System Replacement	Whole of Council				(\$200)	\$12
Local Road and Community Infrastructure Grant Funding - Round 3						(\$400)	\$20
12	K2732 - LRCIP3 WOR LED Streetlighting Upgrades	Whole of Council		July 2024	December 2024	(\$400)	\$20
State Government						(\$23,640)	\$10,215
13	Disaster Recovery Funding Arrangements					(\$12,323)	
Disaster Ready Fund - Round 1						(\$500)	\$0
14	H7884 - Mooloolaba Foreshore Central Meeting Pla	Division 04	Mooloolaba			(\$500)	\$0
Blackspot Funding						(\$1,238)	\$188
15	K4895 - BlackSpot - Old Gympie Road Beerburum	Division 01	Beerburum			(\$500)	\$127
16	K6053 - BlackSpot Cotton Tree Area - Speed Reduction	Division 04	Maroochydore			(\$50)	\$0
17	K6054 - BlackSpot Sixth Ave Maroochydore - side	Division 04	Maroochydore			(\$350)	\$6
18	K3444 - BlackSpot Ilkley Road Ilkley	Division 05	Ilkley			(\$70)	\$12
19	K6056 - Blackspot - Mons Road Forest Glen	Division 07	Forest Glen			(\$268)	\$13
Community Sustainability Action Grant - Round 8						(\$14)	\$1
20	K7987 - Bankfoot House - Dairy Shingle Roof Rene	Division 01	Glass House Mountains			(\$14)	\$1
Minor Infrastructure and Inclusive Facilities Fund						(\$474)	\$60
21	K7886 - MSSWP2 - Ocean View Avenue and Palm Driv	Division 04	Mooloolaba	April 2025	April 2025	(\$112)	\$14
22	K7887 - MSSWP3 - Meta Street and Douglas Street	Division 04	Mooloolaba	March 2025	April 2025	(\$112)	\$22
23	K7596 - Maleny Skate Park Upgrade Phase 2	Division 05	Maleny			(\$250)	\$24
Minor Infrastructure Program						(\$125)	\$810
24	H3892 - Lions-Norrie Job Park, Coolum Landscape Plan	Division 09	Coolum Beach			(\$125)	\$810
Queensland Transport Cycle Network Program						(\$2,665)	\$6,868
25	K2705 - Coastal Pathway BA 233 to 229 Warana	Division 04	Warana			(\$575)	\$418
26	H3839 - LGIP Stringybark Rd Footbridge-Pathway	Division 07	Sippy Downs			(\$1,400)	\$6,414
27	H8416 - Emu Mountain Road Pathway Construction	Division 09	Coolum Beach			(\$690)	\$36
2022-24 Local Government Grants and Subsidies Program						(\$98)	\$169
28	H5637 - Caloundra Headland Coastal Pathway	Division 02	Kings Beach	September 2023	July 2024	(\$98)	\$169
Walking Network Plans						(\$36)	\$0
29	K3037 - Walking Network Plans	Whole of Council				(\$36)	\$0
30	Passenger Transport Accessible Infrastructure Program					(\$422)	
School Transport Infrastructure Program						(\$821)	\$251
31	K7471 - STIP - Landsborough State School - Pathw	Division 01	Landsborough	September 2024	September 2024	(\$492)	\$212
32	K7376 - STIP - Brightwater State School Dianell	Division 06	Mountain Creek	December 2024	December 2024	(\$300)	\$25
33	K7377 - STIP - Good Samaritan Catholic College	Division 09	Bil Bil			(\$29)	\$14
South East Queensland Community Stimulus Program						(\$3,160)	\$1,407
34	K2914 - Beenwah Cemetery entrance feature and carparking	Division 01	Beenwah			(\$310)	\$1
35	K6414 - Khancoban Drive Park - District Park Development	Division 06	Buderim			(\$250)	\$24
36	K7394 - Albany Lakes Park - Public Amenity	Division 06	Sippy Downs			(\$400)	\$5
37	H5133 - South Coolum Road Coolum New Pathway	Division 08	Coolum Beach			(\$250)	\$23
38	K7568 - Sundew Street MUDJIMBA - East Section kerb and channel	Division 08	Mudjimba			(\$800)	\$12
39	K3347 - Lions Norrie Job Park Coolum Pump Track	Division 09	Coolum Beach			(\$550)	\$9
40	H4605 - SEQCSP Eumundi Town Centre Placemaking	Division 10	Eumundi	August 2024	March 2025	(\$600)	\$1,334
Transport Infrastructure Development Scheme						(\$1,764)	\$492
41	H4613 - Cotton Tree Precinct Improvements	Division 04	Maroochydore	March 2025	March 2025	(\$150)	\$0
43	K1771 - Petrie Creek Road Shoulder Widening from Paynters Creek Road to Celestine Place	Division 07	Rosemount			(\$457)	\$146
44	K1719 - Ridgeview Drive and Havana Road West Junction	Division 09	Peregian Springs			(\$132)	\$31
44	H9072 - North Arm Yandina Creek Road Seal Wideni	Division 09	Yandina Creek	November 2024	May 2025	(\$1,025)	\$314
Project Complete							