

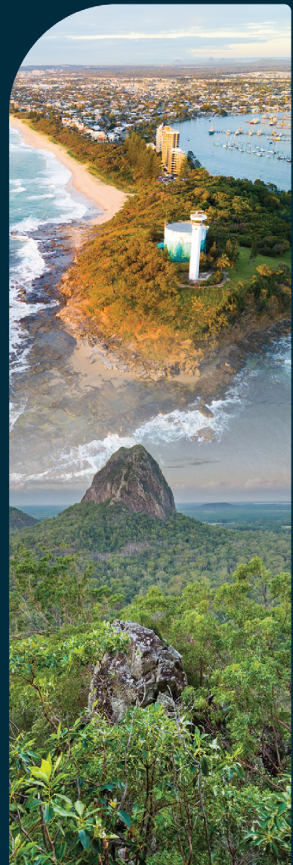
# 2022-23 **BUDGET**



## **Financial Performance Report**

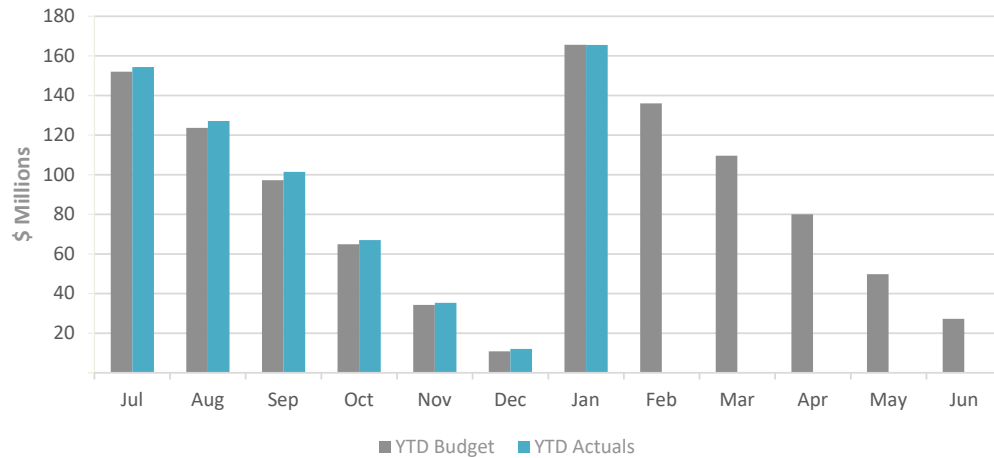
January 2023

**Stronger.  
Better.  
Sustainable.**



# Statement of Income and Expenses

**2022/23 Operating Result**

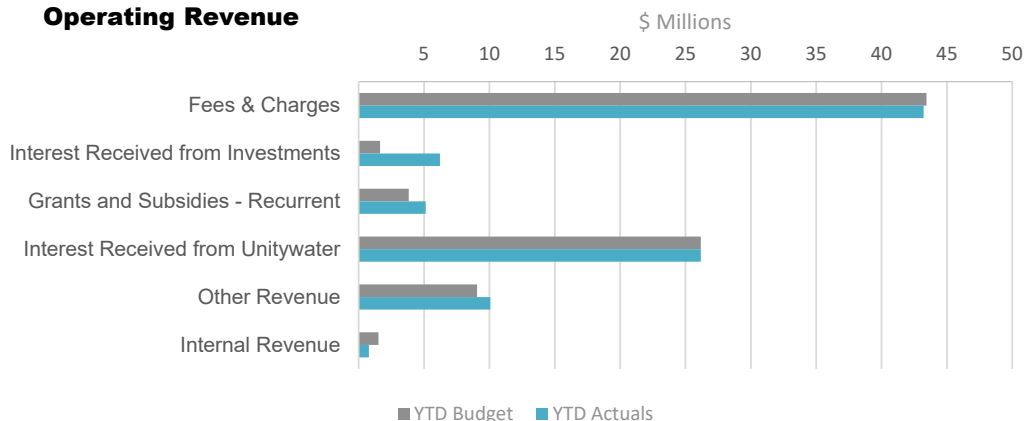


Council has a positive operating result of \$165.5 million, which is \$1.3 million above current budget as at 31 January 2023.

Statement of Income & Expenses							
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
<b>Operating Revenue</b>							
Net Rates and Utility Charges	369,957	369,804	369,804	369,256	(548)	(0.1%)	369,804
Fees and Charges	70,045	70,045	43,440	43,209	(231)	(0.5%)	70,045
Interest Received from Investments	3,000	3,000	1,630	6,216	4,585	281.3%	3,000
Operating Grants and Subsidies	12,804	14,692	3,823	5,127	1,304	34.1%	14,692
Operating Contributions	320	320	232	223	(9)	(3.9%)	320
Unitywater Participation	52,438	52,438	26,167	26,167	0	0.0%	52,438
Other Revenue	23,824	24,469	9,058	10,066	1,008	11.1%	24,469
Internal Sales/Recoveries	2,632	2,632	1,519	778	(741)	(48.8%)	2,632
<b>Total Operating Revenue</b>	<b>535,020</b>	<b>537,400</b>	<b>455,673</b>	<b>461,041</b>	<b>5,368</b>	<b>1.2%</b>	<b>537,400</b>
<b>Operating Expenses</b>							
Employee Costs	163,519	163,804	90,482	89,073	(1,409)	(1.6%)	163,804
Materials and Services	200,548	204,811	114,307	117,423	3,117	2.7%	204,811
Finance Costs	12,771	12,771	7,954	7,890	(64)	(0.8%)	12,771
Company Contributions	4,413	4,413	4,413	4,414	0	0.0%	4,413
Depreciation Expense	95,499	95,499	55,708	55,752	44	0.1%	95,499
Other Expenses	23,292	23,571	13,286	14,030	744	5.6%	23,571
Recurrent Capital Expenses	3,195	5,237	5,237	6,920	1,683	32.1%	5,237
<b>Total Operating Expenses</b>	<b>503,237</b>	<b>510,107</b>	<b>291,387</b>	<b>295,501</b>	<b>4,115</b>	<b>1.4%</b>	<b>510,107</b>
<b>Operating Result</b>	<b>31,783</b>	<b>27,294</b>	<b>164,286</b>	<b>165,540</b>	<b>1,254</b>	<b>0.8%</b>	<b>27,294</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	18,186	33,457	27,159	27,159	(0)	(0.0%)	33,457
Capital Contributions - Cash	32,000	32,863	18,640	16,604	(2,035)	(10.9%)	32,863
Capital Contributions - Fixed Assets	50,417	50,417	8,577	8,577	(0)	(0.0%)	50,417
<b>Total Capital Revenue</b>	<b>100,602</b>	<b>116,737</b>	<b>54,376</b>	<b>52,340</b>	<b>(2,036)</b>	<b>(3.7%)</b>	<b>116,737</b>
<b>Non-recurrent Expenses</b>							
Profit/Loss on disposal, revaluation & impairment	-	-	-	715	715	-	-
Movements in landfill and quarry provisions	3,010	3,010	1,756	1,756	-	-	3,010
Assets Transferred to Third Parties	-	-	-	20	20	-	-
<b>Total Non-recurrent Expenses</b>	<b>3,010</b>	<b>3,010</b>	<b>1,756</b>	<b>2,491</b>	<b>735</b>	<b>41.8%</b>	<b>3,010</b>
<b>Net Result</b>	<b>129,375</b>	<b>141,020</b>	<b>216,906</b>	<b>215,389</b>	<b>(1,517)</b>	<b>(0.7%)</b>	<b>141,020</b>

# Operating Result – January 2023

## Operating Revenue



## Operating Summary

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	535,020	537,400	455,673	461,041	5,368	1.2%
Operating Expenses	503,237	510,107	291,387	295,501	5,797	34.1%
<b>Operating Result</b>	<b>31,783</b>	<b>27,294</b>	<b>164,286</b>	<b>165,540</b>	<b>1,254</b>	<b>0.8%</b>
Capital Revenue	100,602	116,737	54,376	52,340	(2,036)	(3.7%)
Non-recurrent Expenses	3,010	3,010	1,756	2,491	735	41.8%
<b>Net Result</b>	<b>129,375</b>	<b>141,020</b>	<b>216,906</b>	<b>215,389</b>	<b>(1,517)</b>	<b>(0.7%)</b>

As at 31 January 2023, \$461 million operating revenue had been achieved which is \$5.4 million more than current budget.

## Substantial Revenue Variance for the Period Ending January 2023

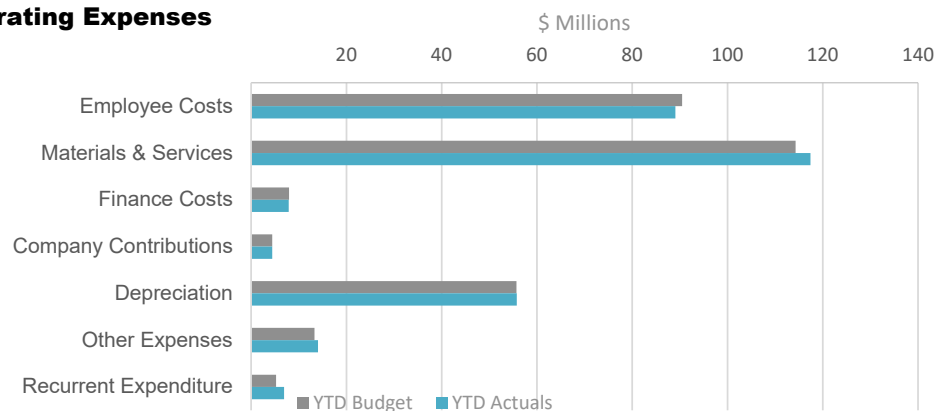
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
<b>Operating Revenue</b>							
Interest Received from Investments	3,000	3,000	1,630	6,216	4,585	281.3%	3,000
Operating Grants and Subsidies	12,804	14,692	3,823	5,127	1,304	34.1%	14,692
Other Revenue	23,824	24,469	9,058	10,066	1,008	11.1%	24,469

Significant revenue variances:

- **Interest Received from Investments** – higher than projected interest revenue received from Council's investments portfolio due to increasing interest rates
- **Operating Grants and Subsidies** - \$370,000 of unbudgeted operational grants have been received for the February to April disasters. An additional \$423,000 has been received to progress the next stage of the CHAS.
- **Other Revenue** – Council has received additional external revenue for environmental offset works

# Operating Result – January 2023 (continued)

## Operating Expenses



## Operating Summary

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	535,020	537,400	455,673	461,041	5,368	1.2%
Operating Expenses	503,237	510,107	291,387	295,501	5,797	34.1%
<b>Operating Result</b>	<b>31,783</b>	<b>27,294</b>	<b>164,286</b>	<b>165,540</b>	<b>1,254</b>	<b>0.8%</b>
Capital Revenue	100,602	116,737	54,376	52,340	(2,036)	(3.7%)
Non-recurrent Expenses	3,010	3,010	1,756	2,491	735	41.8%
<b>Net Result</b>	<b>129,375</b>	<b>141,020</b>	<b>216,906</b>	<b>215,389</b>	<b>(1,517)</b>	<b>(0.7%)</b>

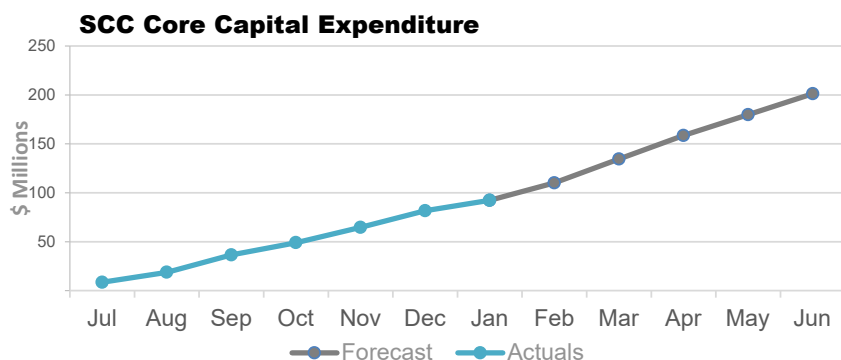
## Substantial Expenditure Variance for the Period Ending January 2023

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
<b>Operating Expenses</b>							
Employee Costs	163,519	163,804	90,482	89,073	(1,409)	(1.6%)	163,804
Materials and Services	200,548	204,811	114,307	117,423	3,117	2.7%	204,811
Other Expenses	23,292	23,571	13,286	14,030	744	5.6%	23,571

As at 31 January 2023, \$288.6 million had been expended resulting in a variance of \$6.5 million (2.6%) higher than budget.

- Employee Costs are below budget for the current financial year due to ongoing vacancies
- Materials and services are above budget due to unbudgeted expenditure on the February and April 2022 disasters. This expenditure will form part of Council's disaster claim submission to Queensland Reconstruction Authority.
- Council has incurred additional expenditure on contracts relating to service delivery areas due to the impact of increasing inflation. The contracts include landscape and turf maintenance, public amenity cleaning and waste collection services.

# Capital Expenditure - January 2023

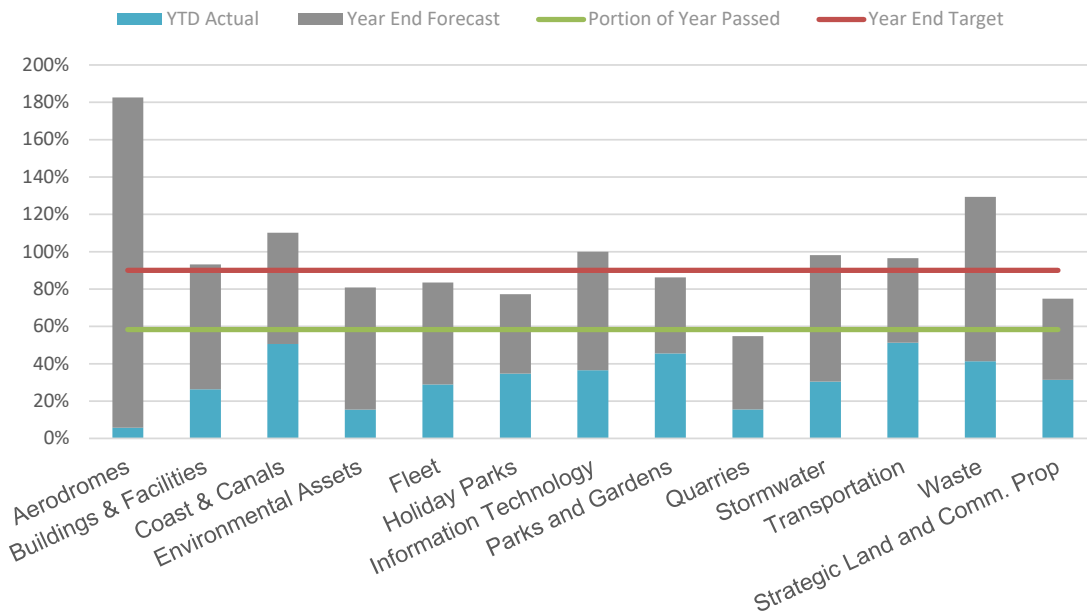


- As at 31 January 2023, \$121 million (41%) of Council's \$295.5 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 42.5% of budget, an actual spend of \$92.3 million.
- Corporate Major Projects progressed 32.3%

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
<b>Core Capital Works Program</b>						
Aerodromes	530	727	42	5.8%	1,327	600
Buildings and Facilities	21,764	21,578	5,694	26.4%	20,116	(1,462)
Coast and Canals	4,440	4,903	2,482	50.6%	5,403	500
Environmental Assets	3,840	3,337	516	15.5%	2,697	(640)
Minor Works	4,850	4,883	1,926	39.4%	4,913	30
Fleet	4,000	6,656	1,926	28.9%	5,559	(1,097)
Holiday Parks	4,095	2,732	951	34.8%	2,112	(620)
Information Technology	7,059	9,238	3,376	36.5%	9,238	-
Parks and Gardens	18,380	22,266	10,151	45.6%	19,217	(3,049)
Quarries	610	242	38	15.5%	133	(109)
Stormwater	9,141	8,356	2,546	30.5%	8,204	(152)
Transportation	75,526	80,698	41,394	51.3%	77,881	(2,817)
Waste	52,546	51,430	21,290	41.4%	66,533	15,103
<b>Total SCC Core Capital Program</b>	<b>206,781</b>	<b>217,045</b>	<b>92,332</b>	<b>42.5%</b>	<b>223,333</b>	<b>6,288</b>
Corporate Major Projects	44,731	46,074	15,401	33.4%	40,150	(5,924)
Strategic Land and Commercial Properties	21,697	29,870	9,391	31.4%	22,373	(7,497)
Maroochydore City Centre	-	464	24	5.1%	464	(0)
Sunshine Coast Airport Runway	-	2,042	3,900	191.0%	4,824	2,782
<b>Total Other Capital Program</b>	<b>66,428</b>	<b>78,450</b>	<b>28,715</b>	<b>36.6%</b>	<b>67,811</b>	<b>(10,639)</b>
<b>TOTAL</b>	<b>273,210</b>	<b>295,496</b>	<b>121,047</b>	<b>41.0%</b>	<b>291,144</b>	<b>(4,352)</b>

# Capital Expenditure - January 2023 (continued)

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



## Buildings and Facilities

- Detailed design is progressing for of a new library and community centre at Sippy Downs as well as the upgrade of the Kawana Waters regional aquatic centre.
- Procurement is underway for the replacement/refurbishment of 11 public amenity buildings throughout the region. This includes:
  - Buderim Lions Park, Buderim
  - Russell Family Park, Montville
  - Allan Walker Park, Buddina
  - QCWA Park, Landsborough
  - Sir Francis Nicklin Park, Palmwoods
  - Glenfields Neighbourhood Park, Mountain Creek
  - Frank McIvor Park, Currimundi
  - Outrigger Park, Minyama
  - Lemon Park, Palmwoods
  - Mary Cairncross, Maleny
  - Pioneer Park, Gheerulla

## Fleet

- \$5.5 million of orders have been placed with delivery expected throughout the 2022/23 and following financial year.

## Holiday Parks

- Construction for the replacement of amenities at the Coolum Beach and Mudjimba holiday park have both finished construction are both finalised.

## Stormwater

- Council's \$3.6 million stormwater pipe relining program has progressed with \$1.5 million in expenditure

## Transportation

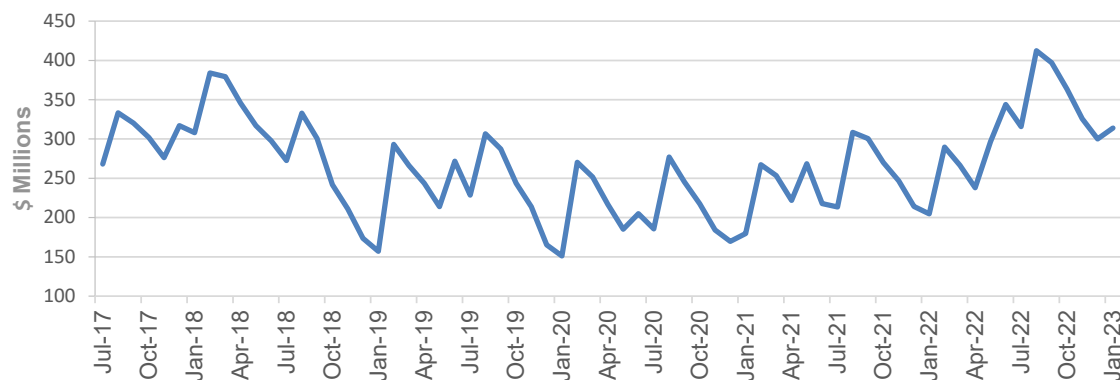
- Council's \$22.3 million road resurfacing and rehabilitation program has progressed 67% with a total expenditure of \$14.9 million.
- Council's \$2.4 million bus stop program has progressed 67% with a total expenditure of \$1.6 million.
- Construction continues for Council's major transport corridor upgrade at Brisbane Road Mooloolaba

## Waste

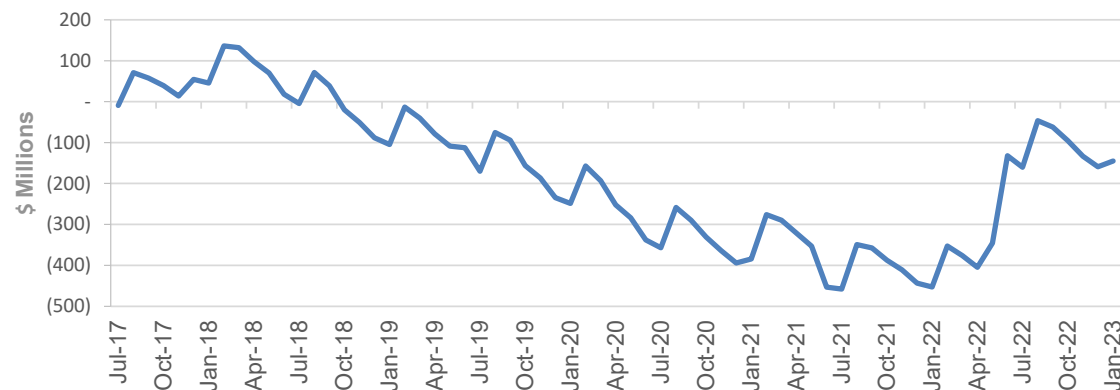
- Design and construction is progressing for the new material resource facility at the Nambour resource recovery centre.

# Cash Flows and Balance Sheet

**Cash Balance**



**Net Cash**



## Cash and Balance Sheet - January 2023

	Original Budget \$000s
<b>CASH FLOWS</b>	
Opening Cash	289,721
Net Cash Inflow/(Outflows) from:	
Operating Activities	78,211
Investing Activities	(177,162)
Financing Activities	19,509
<b>Net Increase/(decrease) in Cash Held</b>	<b>(79,442)</b>
<b>Cash at year end</b>	<b>210,279</b>

## BALANCE SHEET

Current Assets	269,810
Non Current Assets	6,319,144
<b>Total Assets</b>	<b>6,588,954</b>
Current Liabilities	136,038
Non Current Liabilities	541,261
<b>Total Liabilities</b>	<b>677,299</b>
<b>Net Community Assets/Total Community Equity</b>	<b>5,911,655</b>

- Council's cash at 31 January 2023 is \$314 million
- Council's debt at 31 January 2023 is \$472 million

# Debt

Sunshine Coast Council's debt program is governed by the 2022/23 Debt Policy, which was adopted with the Original Budget adoption on 23 June 2022.

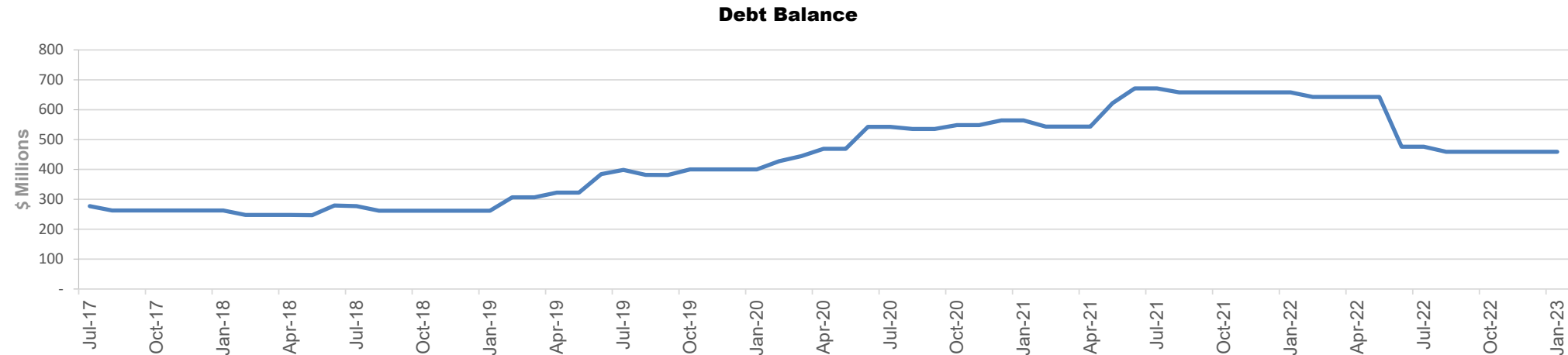
New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

Table 1 includes Sunshine Coast Council's budgeted debt balance for 2022/23.

Council's debt as at 31 January 2023 is \$472 million.

Debt - 2022/23				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,766	16,680	34,200	363,286
Maroochydore City Centre	138,717	6,879	-	131,837
<b>Total</b>	<b>484,483</b>	<b>23,559</b>	<b>34,200</b>	<b>495,124</b>

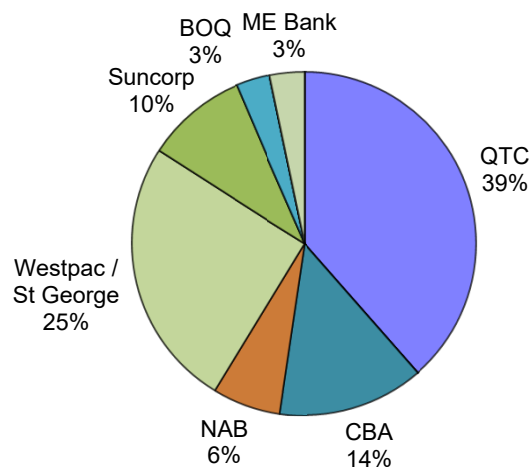
Table 1: 2022/23 Adopted Debt Balance



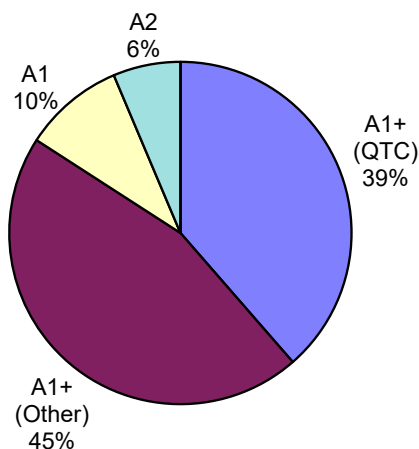


# Investment Performance

Investment per financial institution (%)



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



## Investment Performance - January 2023

Liquidity as at:		31/01/2023
		\$'000's
<b>At-call accounts</b>		
QTC + CBA (excl. trust)	152,720	48.52%
Maturities within 7 days	-	0.00%
<b>Total at-call</b>	<b>152,720</b>	<b>48.52%</b>
Investment Policy Target		10.00%

Term deposits maturing:		\$'000's	Count
within 30 days		10,000	1
30-59 days		20,000	2
60-89 days		10,000	1
90-179 days		80,000	8
180-364 days		30,000	2
1 year - 3 years		-	-
<b>Total</b>		<b>150,000</b>	<b>14</b>

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
	31/01/2023		31/10/2022		31/01/2022		Individual Limit	Group Limits
A1+ (QTC)	121,459	39%	175,917	48.2%	173,111	86.3%	100%	100%
A1+ (Other)	143,318	46%	159,277	43.6%	27,451	13.7%	40%	100%
A1	30,000	10%	10,000	2.7%	-	0.0%	30%	50%
A2	20,000	6%	20,000	5.5%	-	0.0%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
Total Funds	314,777		365,194		200,562			
FUND SUMMARY								
General Funds	302,720		354,385		190,215			
Trust Funds	12,058		10,809		10,347			
Total Funds	314,777		365,194		200,562			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 January 2023 Council had \$303 million cash (excluding Trust Fund), with an average interest rate of 4.13%, being 0.91% above benchmark. This is compared to the same period last year with \$190 million cash (excluding Trust Fund) with an average interest rate of 0.38%, being 0.05% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

