

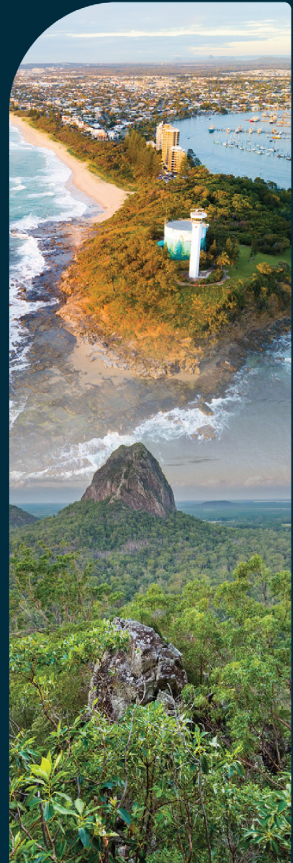
2022-23 BUDGET



Financial Performance Report

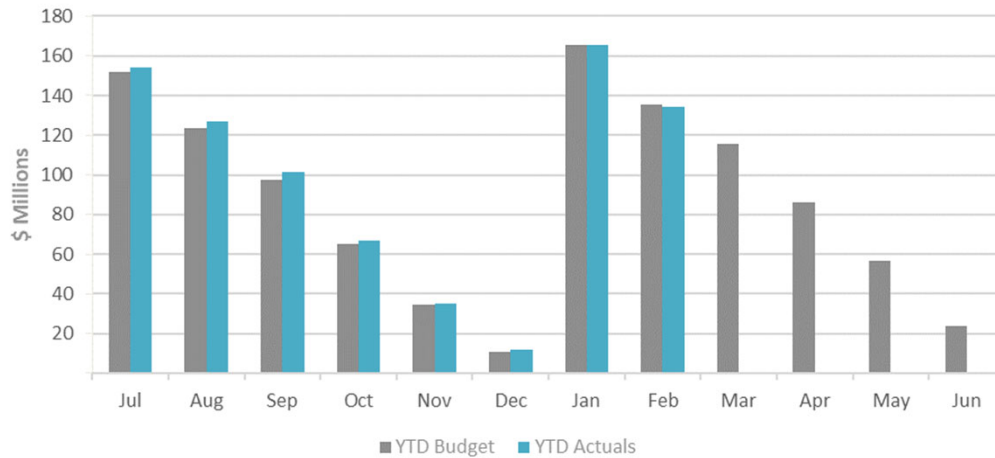
February 2023

Stronger.
Better.
Sustainable.



Statement of Income and Expenses

2022/23 Operating Result

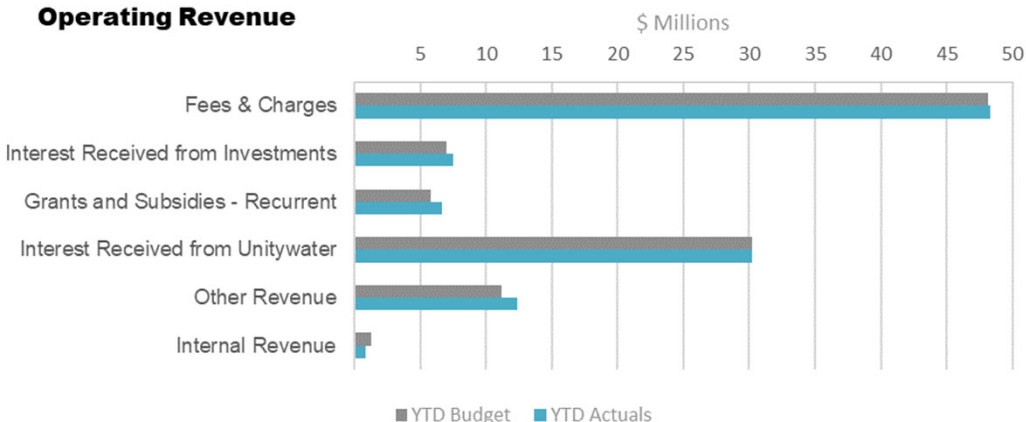


Council has a positive operating result of \$134 million, which is \$1.1 million above current budget as at 28 February 2023.

Statement of Income & Expenses							
	Annual		YTD				Annual
	Original Budget \$'000	Current Budget \$'000	Current Budget \$'000	Actuals \$'000	Variance \$'000	Variance %	Forecast Budget \$'000
Operating Revenue							
Net Rates and Utility Charges	369,957	370,198	368,936	368,906	(30)	(0.0%)	370,198
Fees and Charges	70,045	67,857	48,160	48,347	187	0.4%	67,857
Interest Received from Investments	3,000	11,820	6,992	7,488	496	7.1%	11,820
Operating Grants and Subsidies	12,804	16,167	5,821	6,663	841	14.5%	16,167
Operating Contributions	320	320	235	223	(13)	(5.4%)	320
Unitywater Participation	52,438	52,438	30,204	30,204	0	0.0%	52,438
Other Revenue	23,824	25,880	11,159	12,367	1,208	10.8%	25,880
Internal Sales/Recoveries	2,632	2,260	1,217	831	(386)	(31.7%)	2,260
Total Operating Revenue	535,020	546,940	472,725	475,028	2,303	0.5%	546,940
Operating Expenses							
Employee Costs	163,519	163,092	102,685	101,776	(909)	(0.9%)	163,092
Materials and Services	200,548	209,799	137,036	137,431	395	0.3%	209,799
Finance Costs	12,771	13,167	8,950	8,883	(68)	(0.8%)	13,167
Company Contributions	4,413	4,483	4,483	4,484	0	0.0%	4,483
Depreciation Expense	95,499	101,214	63,666	63,966	300	0.5%	101,214
Other Expenses	23,292	24,447	16,176	16,461	285	1.8%	24,447
Recurrent Capital Expenses	3,195	6,737	6,737	7,900	1,163	17.3%	6,737
Total Operating Expenses	503,237	522,939	339,733	340,900	1,167	0.3%	522,939
Operating Result	31,783	24,000	132,992	134,128	1,136	0.9%	24,000
Capital Revenue							
Capital Grants and Subsidies	18,186	35,014	36,320	36,320	(0)	(0.0%)	35,014
Capital Contributions - Cash	32,000	32,000	18,805	18,805	0	0.0%	32,000
Capital Contributions - Fixed Assets	50,417	50,417	17,822	17,822	-	-	50,417
Total Capital Revenue	100,602	117,431	72,947	72,947	0	0.0%	117,431
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	1,532	1,532	-	-
Movements in landfill and quarry provisions	3,010	3,010	2,007	2,007	-	-	3,010
Assets Transferred to Third Parties	-	-	-	20	20	-	-
Total Non-recurrent Expenses	3,010	3,010	2,007	3,560	1,553	77.4%	3,010
Net Result	129,375	138,421	203,932	203,516	(416)	(0.2%)	138,421

Operating Result – February 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	546,940	472,725	475,028	2,303	0.5%
Operating Expenses	500,042	516,202	332,996	333,000	4	0.0%
Recurrent Capital Expenses	3,195	6,737	6,737	7,900	1,163	17.3%
Operating Result	31,783	24,000	132,992	134,128	1,136	0.9%
Capital Revenue	100,602	117,431	88,736	72,947	(15,789)	(17.8%)
Non-recurrent Expenses	3,010	3,010	2,007	3,560	1,553	77.4%
Net Result	129,375	138,421	219,721	203,516	(16,206)	(7.4%)

As at 28 February 2023, \$475 million operating revenue had been achieved which is \$2.3 million more than current budget.

Substantial Revenue Variance for the Period Ending February 2023

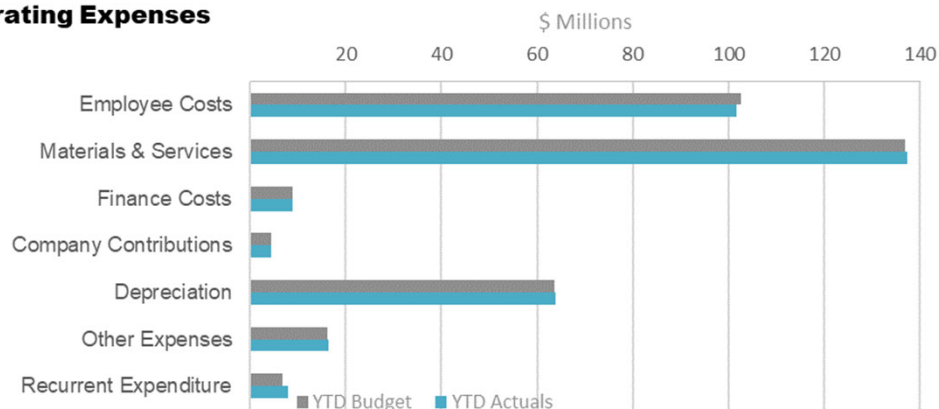
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Revenue							
Other Revenue	23,824	25,880	11,159	12,367	1,208	10.8%	25,880
Interest Received from Investments	3,000	11,820	6,992	7,488	496	7.1%	11,820
Operating Grants and Subsidies	12,804	16,167	5,821	6,663	841	14.5%	16,167

Significant revenue variances:

- **Operating Grants and Subsidies** - \$300,000 of unbudgeted operational grants have been received for Cascading Climate Risk. An additional \$150,000 has been received for Blue Carbon Trial.
- **Other Revenue** – Council has received additional external revenue for environmental offset works

Operating Result – February 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	546,940	472,725	475,028	2,303	0.5%
Operating Expenses	500,042	516,202	332,996	333,000	4	0.0%
Recurrent Capital Expenses	3,195	6,737	6,737	7,900	1,163	17.3%
Operating Result	31,783	24,000	132,992	134,128	1,136	0.9%
Capital Revenue	100,602	117,431	88,736	72,947	(15,789)	(17.8%)
Non-recurrent Expenses	3,010	3,010	2,007	3,560	1,553	77.4%
Net Result	129,375	138,421	219,721	203,516	(16,206)	(7.4%)

Substantial Expenditure Variance for the Period Ending February 2023

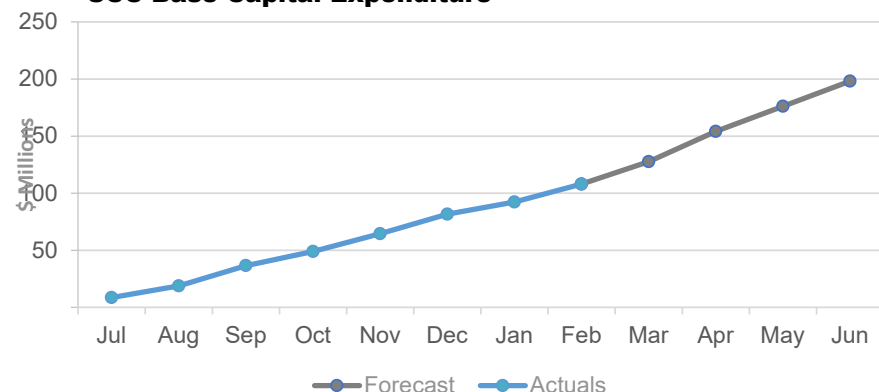
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Expenses							
Employee Costs	163,519	163,092	102,685	101,776	(909)	(0.9%)	163,092
Recurrent Capital Expenses	3,195	6,737	6,737	7,900	1,163	17.3%	6,737

As at 28 February 2023, \$339.7 million had been expended resulting in a variance of \$1.2 million (0.3%) higher than budget.

- Employee Costs are below budget for the current financial year due to ongoing vacancies
- Materials and services are on track to budget due to the inflationary adjustments provided through Budget Review 2 in February 2023.

Capital Expenditure - February 2023

SCC Base Capital Expenditure

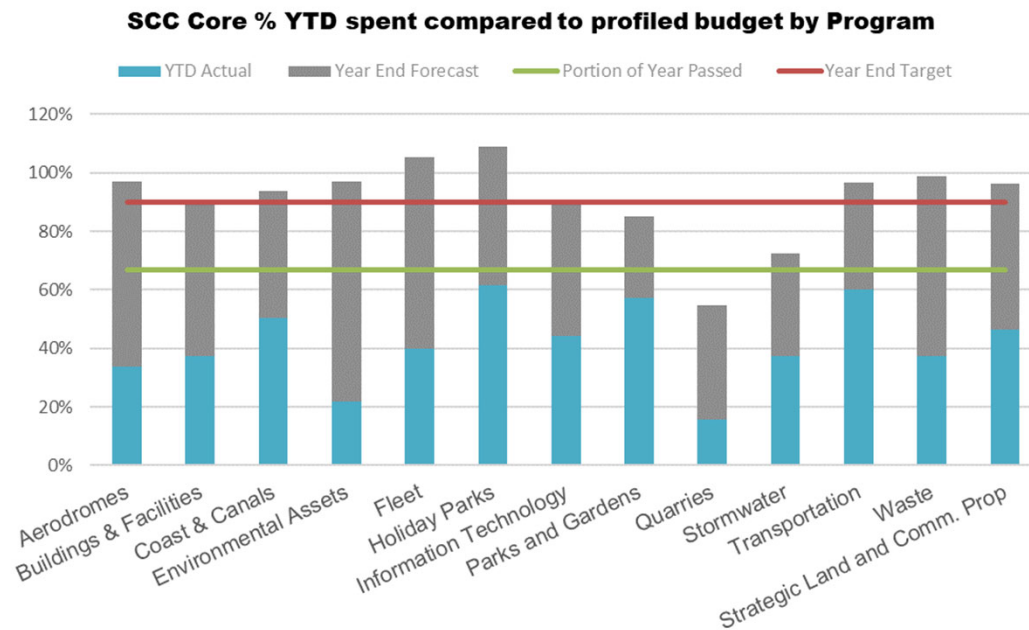


- As at 28 February 2023, \$140 million (47.7%) of Council's \$292.9 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 47.9% of budget, an actual spend of \$108 million.
- Corporate Major Projects progressed 43.1%

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	530	1,327	446	33.7%	1,287	(40)
Buildings and Facilities	21,764	20,116	7,490	37.2%	18,050	(2,066)
Coast and Canals	4,440	5,403	2,727	50.5%	5,060	(342)
Environmental Assets	3,840	2,697	587	21.8%	2,614	(83)
Minor Works	4,850	4,874	2,146	44.0%	3,848	(1,026)
Fleet	4,000	5,559	2,209	39.7%	5,864	305
Holiday Parks	4,095	2,112	1,300	61.5%	2,298	186
Information Technology	7,059	9,238	4,091	44.3%	8,346	(892)
Parks and Gardens	18,380	20,695	11,853	57.3%	17,584	(3,111)
Quarries	610	242	38	15.5%	133	(109)
Stormwater	9,141	8,204	3,072	37.4%	5,939	(2,266)
Transportation	75,526	78,184	46,975	60.1%	75,662	(2,522)
Waste	52,546	66,683	25,017	37.5%	66,000	(683)
Total SCC Core Capital Program	206,781	225,334	107,951	47.9%	212,684	(12,649)
Corporate Major Projects	44,731	39,950	17,232	43.1%	21,856	(18,094)
Strategic Land and Commercial Properties	21,697	22,358	10,396	46.5%	21,524	(834)
Maroochydore City Centre	-	464	3	0.6%	24	(441)
Sunshine Coast Airport Runway	-	4,842	4,029	83.2%	4,842	-
Total Other Capital Program	66,428	67,614	31,660	46.8%	48,245	(19,369)
TOTAL	273,210	292,948	139,611	47.7%	260,930	(32,018)

Capital Expenditure - February 2023 (continued)



Buildings and Facilities

- A contract has been awarded for stage 1 construction of the Kawana Waters regional aquatic centre upgrade project.
- 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
 - Matthew Flinders Rest Area, Beerburrum

Fleet

- \$5.4 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 \$2.1 million stormwater pipe relining program has progressed with \$1.6 million in expenditure

Transportation

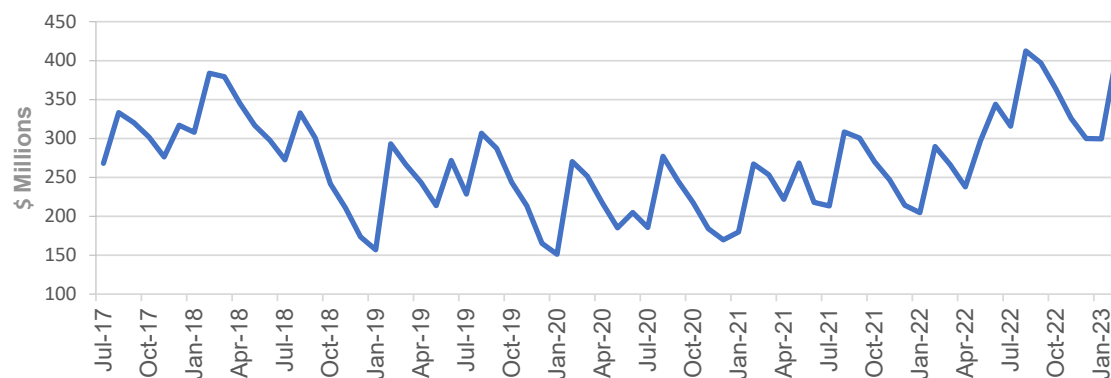
- Council's \$23 million road resurfacing and rehabilitation program has progressed 72% with a total expenditure of \$16.6 million.
- Council's \$2.4 million bus stop program has progressed 80% with a total expenditure of \$1.87 million.
- Construction continues for Council's major transport corridor upgrade at Brisbane Road Mooloolaba

Waste

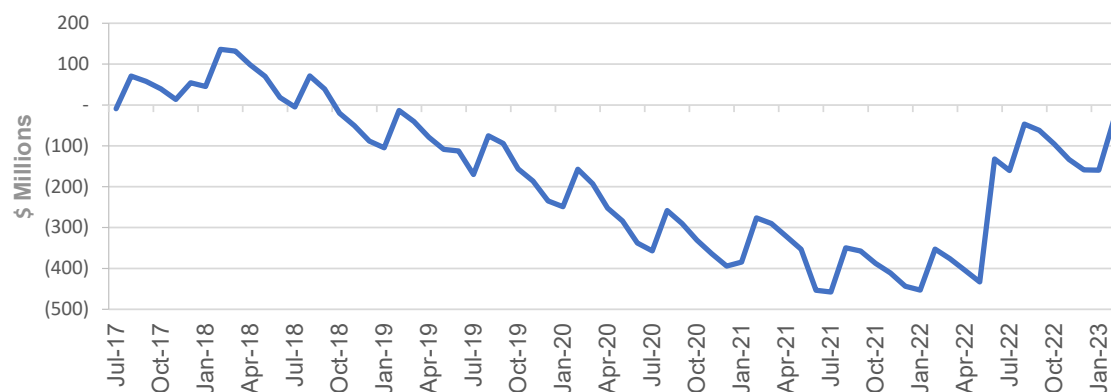
- Design and construction is progressing for the new material resource facility at the Nambour resource recovery centre.

Cash Flows and Balance Sheet

Cash Balance



Net Cash



Cash and Balance Sheet - February 2023

	Original Budget \$000s
CASH FLOWS	
Opening Cash	289,721
Net Cash Inflow/(Outflows) from:	
Operating Activities	78,211
Investing Activities	(177,162)
Financing Activities	19,509
Net Increase/(decrease) in Cash Held	(79,442)
Cash at year end	210,279
BALANCE SHEET	
Current Assets	269,810
Non Current Assets	6,319,144
Total Assets	6,588,954
Current Liabilities	136,038
Non Current Liabilities	541,261
Total Liabilities	677,299
Net Community Assets/Total Community Equity	5,911,655

- Council's cash at 28 February 2023 is \$394 million
- Council's debt at 28 February 2023 is \$457 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.

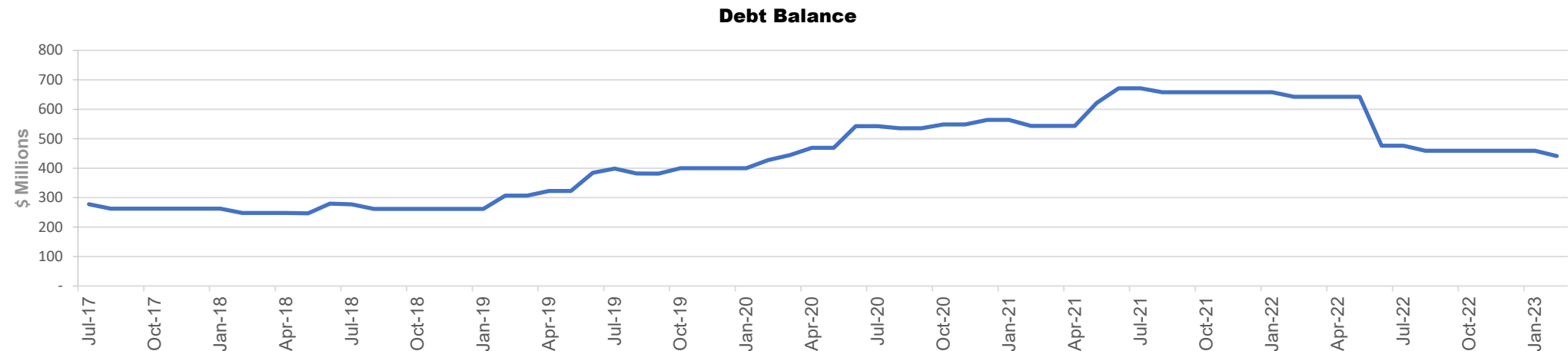
New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

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

Council's debt as at 28 February 2023 is \$457 million.

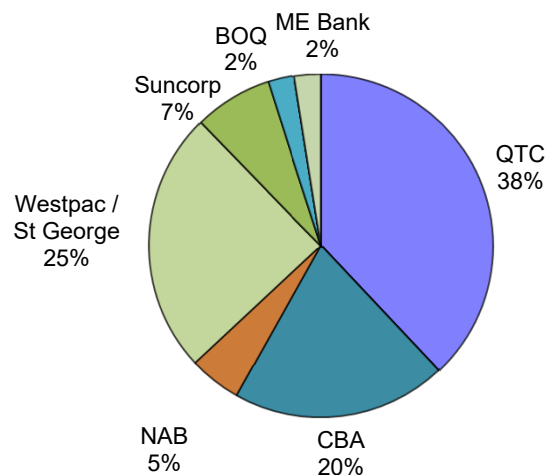
Debt - 2022/23				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,766	16,680	34,200	363,286
Maroochydore City Centre	138,717	6,879	-	131,837
Total	484,483	23,559	34,200	495,124

Table 1: 2022/23 Adopted Debt Balance

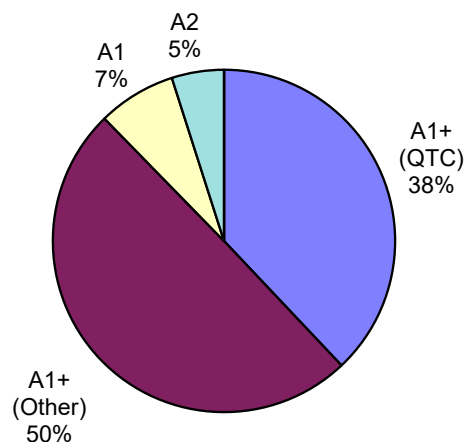


Investment Performance

Investment per financial institution (%)



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



Investment Performance - February 2023

Liquidity as at: 28/02/2023			Term deposits maturing:		
	\$'000's			\$'000's	Count
At-call accounts			within 30 days	20,000	2
QTC + CBA (excl. trust)	224,092	55.18%	30-59 days	10,000	1
Maturities within 7 days	-	0.00%	60-89 days	30,000	3
Total at-call	224,092	55.18%	90-179 days	80,000	8
Investment Policy Target		10.00%	180-364 days	30,000	2
			1 year - 3 years	-	-
			Total	170,000	16

INVESTMENT SUMMARY (including Trust) as at:						Investment Policy	
	28/02/2023		28/11/2022		28/02/2022	Individual Limit	Group Limits
A1+ (QTC)	154,135	38%	156,307	46%	217,840	75%	100%
A1+ (Other)	201,964	50%	151,615	45%	61,088	21%	100%
A1	30,000	7%	10,000	3%	-	0%	30%
A2	20,000	5%	20,000	6%	10,000	3%	30%
A3	-	0%	-	0%	-	0%	5%
Total Funds	406,099		337,922		288,929		
FUND SUMMARY							
General Funds	394,092		326,266		278,508		
Trust Funds	12,006		11,656		10,421		
Total Funds	406,099		337,922		288,929		

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 28 February 2023 Council had \$394 million cash (excluding Trust Fund), with an average interest rate of 4.35%, being 1.27% above benchmark. This is compared to the same period last year with \$278 million cash (excluding Trust Fund) with an average interest rate of 0.48%, being 0.05% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

