

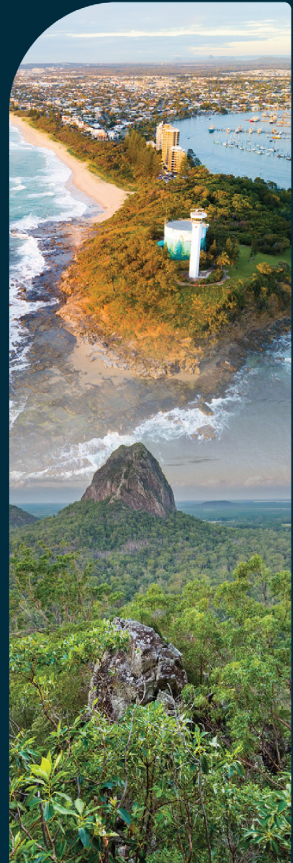
2022-23 BUDGET



Financial Performance Report

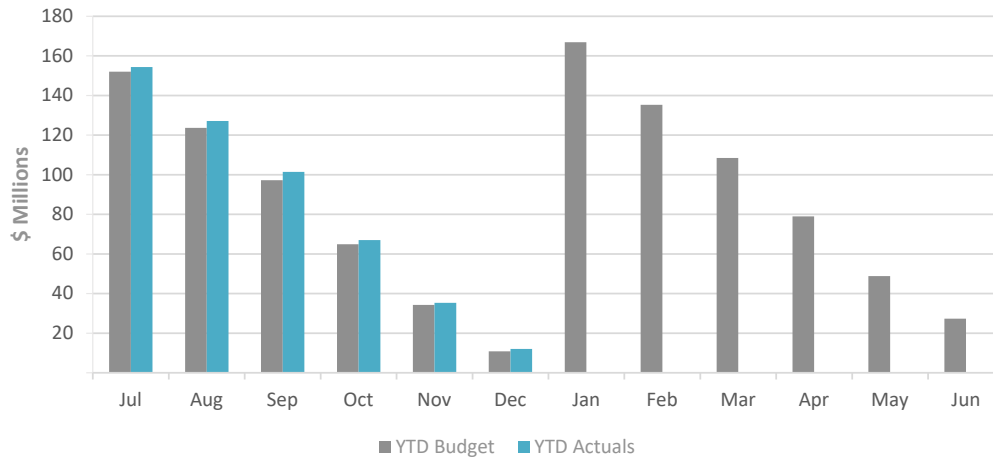
December 2022

Stronger.
Better.
Sustainable.



Statement of Income and Expenses

2022/23 Operating Result

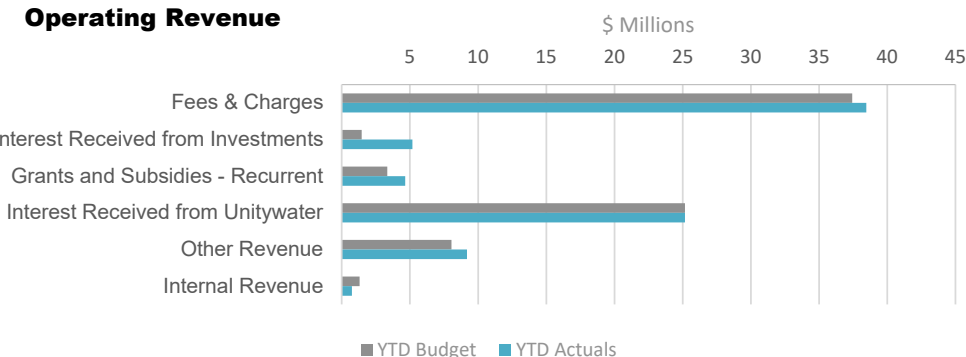


- Council has a positive operating result of \$12 million, which is \$1.2 million above the current budget as at 31 December 2022.

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	369,804	184,752	184,530	(222)	(0.1%)	369,804
Fees and Charges	70,045	70,045	37,428	38,462	1,034	2.8%	70,045
Interest Received from Investments	3,000	3,000	1,464	5,180	3,717	253.9%	3,000
Operating Grants and Subsidies	12,804	14,692	3,345	4,651	1,305	39.0%	14,692
Operating Contributions	320	320	228	223	(5)	(2.4%)	320
Unitywater Participation	52,438	52,438	25,171	25,171	0	0.0%	52,438
Other Revenue	23,824	24,469	8,051	9,182	1,131	14.1%	24,469
Internal Sales/Recoveries	2,632	2,632	1,314	744	(570)	(43.4%)	2,632
Total Operating Revenue	535,020	537,400	261,753	268,142	6,389	2.4%	537,400
Operating Expenses							
Employee Costs	163,519	163,804	77,679	77,753	75	0.1%	163,804
Materials and Services	200,548	204,759	97,352	100,758	3,406	3.5%	204,759
Finance Costs	12,771	12,771	6,828	6,836	8	0.1%	12,771
Company Contributions	4,413	4,413	4,413	4,414	0	0.0%	4,413
Depreciation Expense	95,499	95,499	47,750	47,762	12	0.0%	95,499
Other Expenses	23,292	23,571	11,652	12,122	471	4.0%	23,571
Recurrent Capital Expenses	3,195	5,237	5,237	6,436	1,199	22.9%	5,237
Total Operating Expenses	503,237	510,054	250,911	256,081	5,171	2.1%	510,054
Operating Result	31,783	27,346	10,842	12,061	1,218	11.2%	27,346
Capital Revenue							
Capital Grants and Subsidies	18,186	33,457	27,159	27,159	(0)	(0.0%)	33,457
Capital Contributions - Cash	32,000	32,863	14,840	14,840	(0)	(0.0%)	32,863
Capital Contributions - Fixed Assets	50,417	50,417	141	141	0	0.0%	50,417
Total Capital Revenue	100,602	116,737	42,139	42,139	(0)	(0.0%)	116,737
Non-recurrent Expenses							
Profit/Loss on disposal, revaluation & impairment	-	-	-	390	390	-	-
Movements in landfill and quarry provisions	3,010	3,010	1,505	1,505	-	-	3,010
Assets Transferred to Third Parties	-	-	-	-	-	-	-
Total Non-recurrent Expenses	3,010	3,010	1,505	1,895	390	25.9%	3,010
Net Result	129,375	141,073	51,476	52,305	828	1.6%	141,073

Operating Result – December 2022

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	261,753	268,142	6,389	2.4%
Operating Expenses	500,042	504,817	245,674	249,645	3,972	1.6%
Recurrent Capital Expenses	3,195	5,237	5,237	6,436	1,199	22.9%
Operating Result	31,783	27,346	10,842	12,061	1,218	11.2%
Capital Revenue	100,602	116,737	42,139	42,139	(0)	(0.0%)
Non-recurrent Expenses	3,010	3,010	1,505	1,895	390	25.9%
Net Result	129,375	141,073	51,476	52,305	828	1.6%

As at 31 December 2022, \$268.1 million operating revenue had been achieved which is \$6.3 million more than current budget.

Substantial Revenue Variance for the Period Ending December 2022

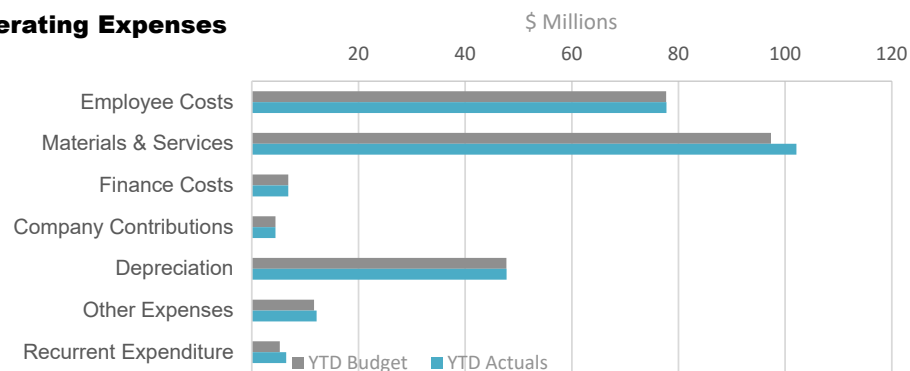
	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
Operating Revenue							
Fees and Charges	70,045	70,045	37,428	38,462	1,034	2.8%	70,045
Interest Received from Investments	3,000	3,000	1,464	5,180	3,717	253.9%	3,000
Other Revenue	23,824	24,469	8,051	9,182	1,131	14.1%	24,469

Significant revenue variances:

- **Fees and Charges** – Council's Holiday Parks, Tip fees, and Animal Registration Fees are all ahead of the expected budget. Change of ownership fees are below the expected budget for the current financial year.
- **Interest Received from Investments** – higher than projected interest revenue received from Council's investments portfolio due to increasing interest rates
- **Other Revenue** – Council has received additional external revenue for environmental offset works

Operating Result – December 2022 (continued)

Operating Expenses



Operating Summary

	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance
	\$000s	\$000s	\$000s	\$000s	\$000s	%
Operating Revenue	535,020	537,400	261,753	268,142	6,389	2.4%
Operating Expenses	500,042	504,817	245,674	249,645	3,972	1.6%
Recurrent Capital Expenses	3,195	5,237	5,237	6,436	1,199	22.9%
Operating Result	31,783	27,346	10,842	12,061	1,218	11.2%
Capital Revenue	100,602	116,737	42,139	42,139	(0)	(0.0%)
Non-recurrent Expenses	3,010	3,010	1,505	1,895	390	25.9%
Net Result	129,375	141,073	51,476	52,305	828	1.6%

Substantial Expenditure Variance for the Period Ending December 2022

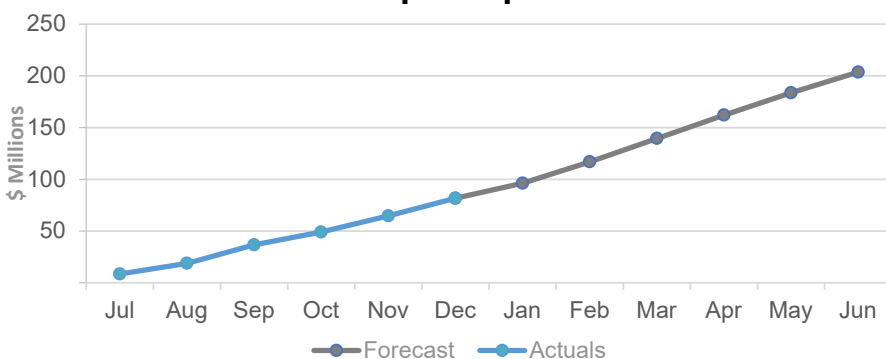
	Annual		YTD				Annual
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance	Forecast Budget
	\$000	\$000	\$000	\$000	\$000	%	\$000
Operating Expenses							
Materials and Services	200,548	204,759	97,352	100,758	3,406	3.5%	204,759
Other Expenses	23,292	23,571	11,652	12,122	471	4.0%	23,571
Recurrent Capital Expenses	3,195	5,237	5,237	6,436	1,199	22.9%	5,237

As at 31 December 2022, \$256 million had been expended resulting in a variance of \$5.2 million (2.1%) 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 \$930,000 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 - December 2022

SCC Base Capital Expenditure

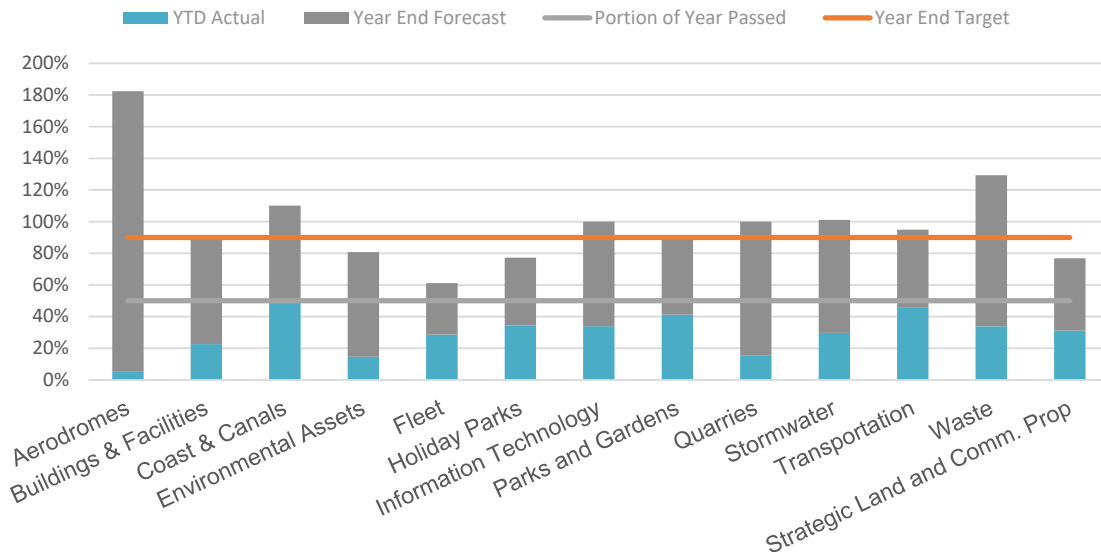


- As at 31 December 2022, \$109.6 million (37.1%) of Council's \$295.5 million Capital Works Program was financially expended.
- The Core Capital Program has progressed 37.6% of budget, an actual spend of \$81.6 million.
- Corporate Major Projects progressed 32.3%

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
Core Capital Works Program						
Aerodromes	530	727	41	5.6%	1,326	599
Buildings and Facilities	21,764	21,578	4,882	22.6%	19,718	(1,860)
Coast and Canals	4,440	4,903	2,388	48.7%	5,402	499
Environmental Assets	3,840	3,337	490	14.7%	2,696	(641)
Minor Works	4,850	4,935	1,899	38.5%	4,813	(122)
Fleet	4,000	6,656	1,907	28.6%	4,074	(2,582)
Holiday Parks	4,095	2,732	940	34.4%	2,112	(620)
Information Technology	7,059	9,238	3,139	34.0%	9,238	-
Parks and Gardens	18,380	22,215	9,158	41.2%	20,273	(1,942)
Quarries	610	242	38	15.5%	242	(0)
Stormwater	9,141	8,356	2,480	29.7%	8,454	98
Transportation	75,526	80,698	36,829	45.6%	76,644	(4,054)
Waste	52,546	51,430	17,440	33.9%	66,532	15,102
Total SCC Core Capital Program	206,781	217,045	81,632	37.6%	221,524	4,479
Other Capital Program						
Corporate Major Projects	44,731	46,074	14,896	32.3%	40,149	(5,925)
Strategic Land and Commercial Properties	21,697	29,870	9,337	31.3%	22,970	(6,900)
Maroochydore City Centre	-	464	24	5.1%	464	(0)
Sunshine Coast Airport Runway	-	2,042	3,714	181.9%	4,000	1,958
Total Other Capital Program	66,428	78,450	27,970	35.7%	67,583	(10,867)
TOTAL	273,210	295,496	109,602	37.1%	289,107	(6,389)

Capital Expenditure - December 2022 (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 \$1.1 million in expenditure

Transportation

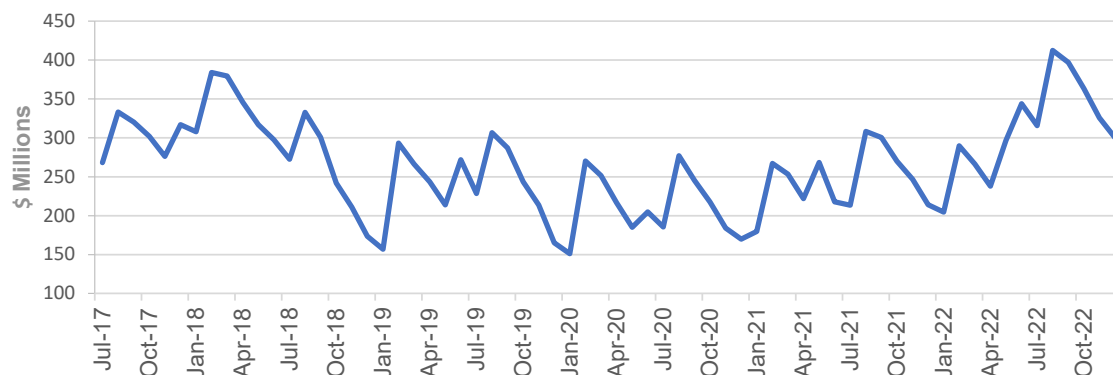
- Council's \$22.3 million road resurfacing and rehabilitation program has progressed 56% with a total expenditure of \$12.5 million.
- Council's \$2.4 million bus stop program has progressed 63% with a total expenditure of \$1.5 million.
- Construction continues for Council's major transport corridor upgrade at Brisbane Road Mooloolaba

Waste

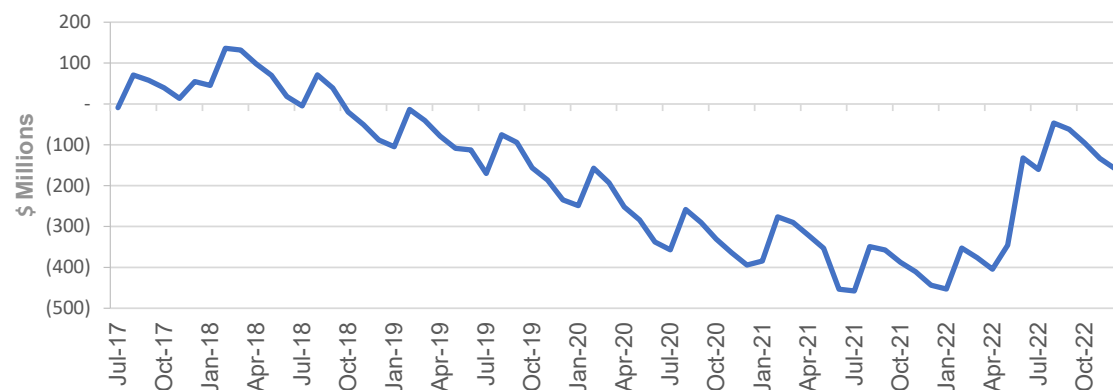
- Design and construction is progressing for the new material resource facility at the Nambour resource recovery centre.

Cash Flows and Balance Sheet

Cash Balance



Net Cash



Cash and Balance Sheet - October 2022

	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 31 December 2022 is \$290 million
- Council's debt at 31 December 2022 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.

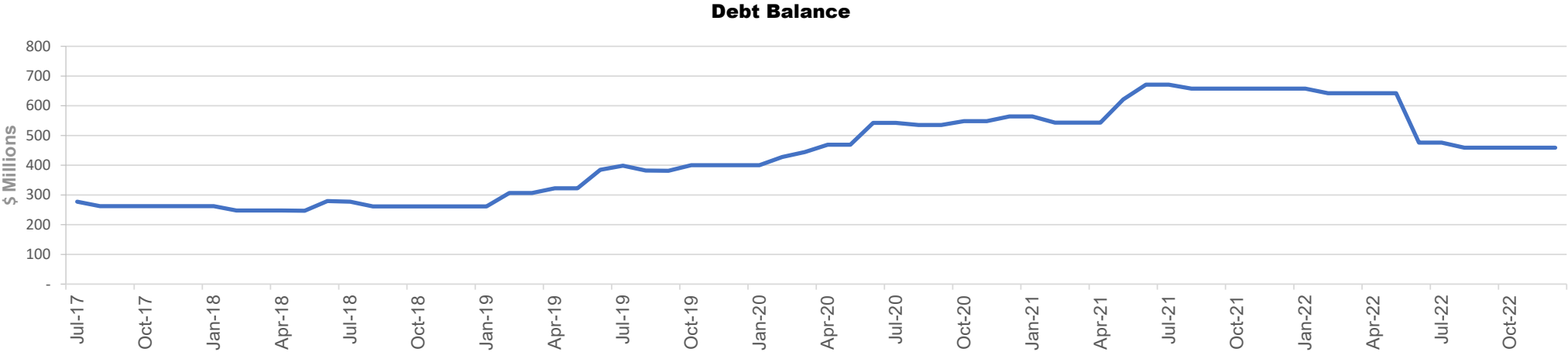
New borrowings are undertaken in accordance with the Queensland Treasury Corporation Guidelines, the Statutory Bodies Financial Arrangements Act 1982 and Section 192 of the Local Government Regulation 2012.

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

Council's debt as at 31 December 2022 is \$472 million.

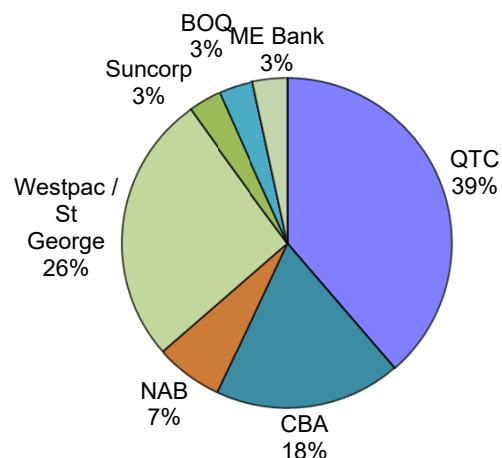
Debt - 2022/23				
	Opening Balance	Debt Redemption	New Borrowings	Closing Balance
	\$000	\$000	\$000	\$000
Sunshine Coast Council Core	345,766	16,680	34,200	363,286
Maroochydore City Centre	138,717	6,879	-	131,837
Total	484,483	23,559	34,200	495,124

Table 1: 2022/23 Adopted Debt Balance

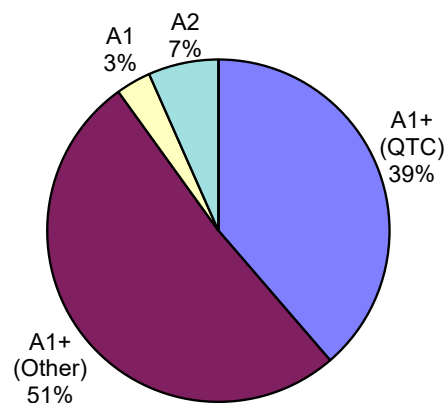


Investment Performance

Investment per financial institution (%)



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



Investment Performance - December 2022

Liquidity as at: 31/12/2022		
	\$'000's	
At-call accounts		
QTC + CBA (excl. trust)	160,055	53.01%
Maturities within 7 days	10,000	3.31%
Total at-call	170,055	56.32%
Investment Policy Target		10.00%

Term deposits maturing:		
	\$'000's	Count
within 30 days	40,000	4
30-59 days	20,000	2
60-89 days	20,000	2
90-179 days	50,000	5
180-364 days	-	-
1 year - 3 years	-	-
Total	130,000	13

INVESTMENT SUMMARY (including Trust) as at:							Investment Policy	
	31/12/2022		30/09/2022		31/12/2021		Individual Limit	Group Limits
A1+ (QTC)	116,765	39%	221,166	54.1%	168,743	78.8%	100%	100%
A1+ (Other)	155,173	51%	157,593	38.6%	45,340	21.2%	40%	100%
A1	10,000	3%	10,000	2.4%	-	0.0%	30%	50%
A2	20,000	7%	20,000	4.9%	-	0.0%	30%	45%
A3	-	0%	-	0.0%	-	0.0%	5%	10%
Total Funds	301,938		408,759		214,083			
FUND SUMMARY								
General Funds	290,055		397,691		203,585			
Trust Funds	11,883		11,068		10,498			
Total Funds	301,938		408,759		214,083			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 December 2022 Council had \$290 million cash (excluding Trust Funds) with an average interest rate of 3.7%, being 0.75% above benchmark. This is compared to the same period last year with \$204 million cash (excluding Trust Fund) with an average interest rate of 0.57%, being 0.52% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).

