



**2026/27 BUDGETED
FINANCIAL
STATEMENTS**



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1. COMMUNITY FINANCIAL REPORT

BACKGROUND

The following report outlines Council's budgeted financial position and expected performance for the 2026/27 financial year. The information contained in this report is based upon Council's budgeted Financial Statements for the three-year period commencing in 2026/27 with a comparison to the 2025/26 forecast year end position. The budgeted financial statements are contained in Section 2 of this report and include:

- **Statement of Income and Expenditure** – expected revenue and expenses.
- **Statement of Financial Position** – anticipated assets (what we own), liabilities (what we owe) and community equity (our net worth).
- **Statement of Cash Flows** – how forecast revenue received and expenses paid will impact on Council's cash balance.
- **Statement of Changes in Equity** – summary of the forecast transfers to and from equity accounts including accumulated surplus, capital and other reserves.

Council maintains a robust Long Term Financial Forecast in order to ensure Council continues to be sustainable. This forecast is used to calculate sustainability ratios in line with Department of Local Government, Water and Volunteers (DLGWV) requirements. These ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks. An analysis of these ratios is detailed later in this report.

ANNUAL BUDGET 2026/27 AT A GLANCE

Statement of Income and Expenditure (\$'000)		Financial Position (\$'000)	
Operating Revenue	484,952	Current Assets	124,864
Capital Revenue	138,262	Non-Current Assets	6,219,858
Total Revenue	623,214	Total Assets	6,344,722
Operating Expenses	463,613	Current Liabilities	133,388
Capital Expenses	14,000	Non-Current Liabilities	69,867
Total Expenses	477,613	Total Liabilities	203,255
Net Result	145,601	Net Community Assets	6,141,467
Capital Expenditure (\$'000)		Borrowings (\$'000)	
Capital Works Program	289,804	Outstanding Borrowings	69,970
Repayment of Borrowings	18,181	Borrowings per Assessment \$	901

The annual operating budget ensures that Council has adequate revenue to fund expenditure that meets the needs of the community. The capital budget provides for the delivery of infrastructure to service the region now and in the future. The long term forecast focuses on Council's ability to continue to meet community needs over the long term as the community grows.

Council's operations during 2025/26 have continued to face uncertainty from higher than anticipated inflation levels and more recently impacts from international fuel supply issues, as well as difficulties attracting and retaining staff which has impacted service and capital project delivery.

The 2026/27 Budget sets out a Capital Works program of \$289.8M. The Cairns Water Security Stage 1 (CWSS1) project, the largest infrastructure project Council has ever undertaken, is in advanced stages of construction with commissioning due to commence in late 2026. Operational costs are budgeted to commence in 2026/27 when major construction is completed.

The 2026/27 Budget sees ratepayers receiving a 3.95% rate rise on general rates and sewerage access rates. Water access and usage charges will have a higher increase due to the operational costs of the new water treatment plant coming online. Waste management charges will also see a higher increase due to contract pricing for both kerbside collection and residual waste management increasing significantly. The State Government imposed Waste Levy will also impact ratepayers in 2026/27 as Council's previous exemptions have not been granted an extension.

BUDGET ASSUMPTIONS AND PRINCIPLES

Under the requirements of the *Local Government Regulation 2012*, Council's budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

The results of this budget are linked to the Corporate Plan which provides the strategic direction of Council and the Operational Plan which outlines key objectives and deliverables for Council for the upcoming year. The budget forms the basis of Council's Long Term Financial Forecast and is aligned with Council's Asset Management Plan and Capital Works Program.

Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water reticulation and sewerage assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

CORPORATE FINANCIAL STATEMENTS

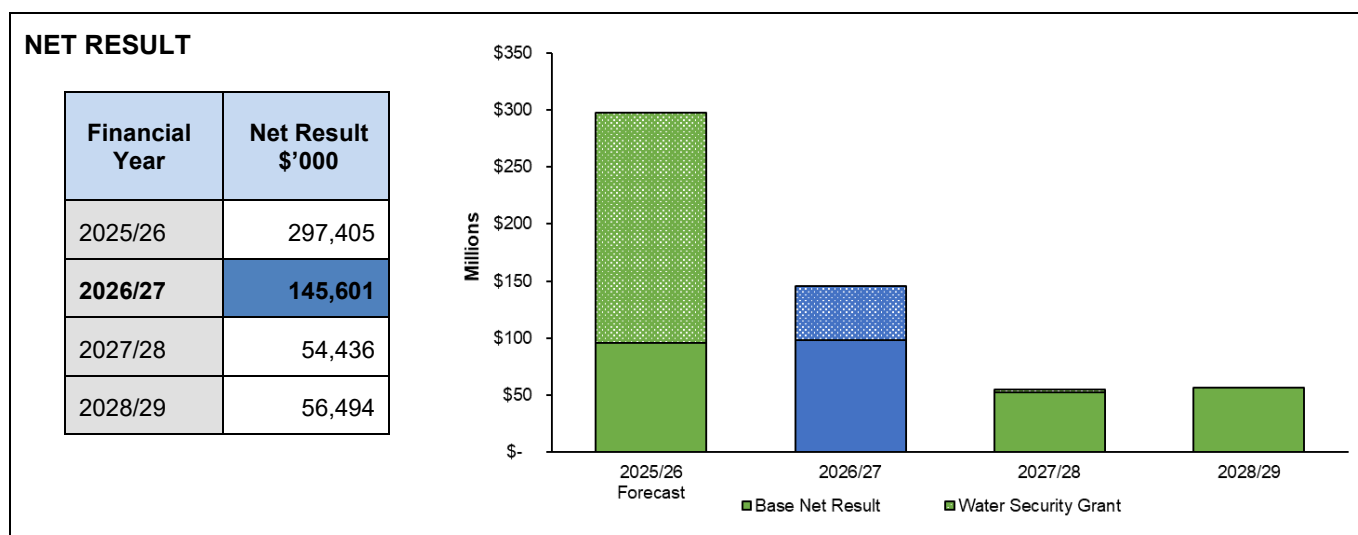
STATEMENT OF INCOME AND EXPENDITURE

NET RESULT

Council's net result reflects total revenue less total expenses. It incorporates capital income and expenditure however does not include expenditure amounts for capital projects.

Council has forecasted a net result of \$145.6M for the Financial Year 2026/27. The net result declines in 2027/28 and 2028/29 to \$54.4M and \$56.5M respectively as grant funding for the CWSS1 project concludes.

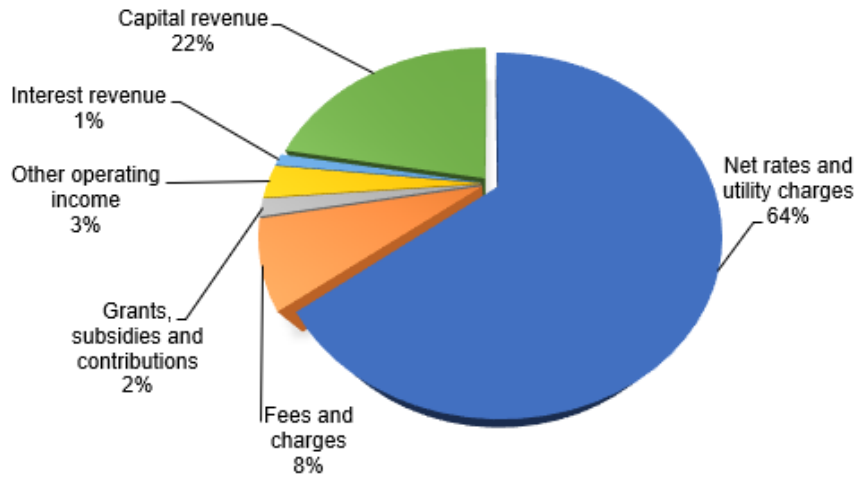
The following graph shows a breakdown of the net result and CWSS1 capital grant funding.



REVENUE

REVENUE CATEGORIES 2026/27

Category	Budget \$'000
Net rates and utility charges	401,565
Fees and charges	47,819
Grants, subsidies and contributions	9,925
Other operating income	18,817
Interest revenue	6,826
Capital revenue	138,262
Total Revenue	623,214

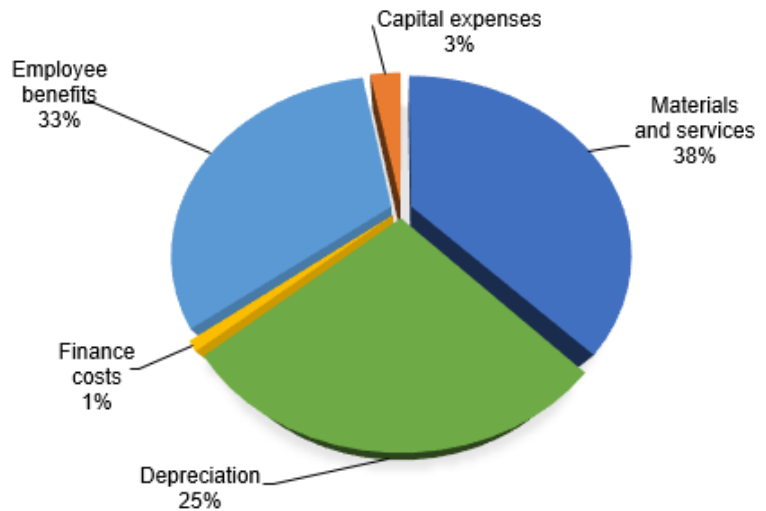


Rates and utility charges continue to be the major source of income for Council. Implicit in Council’s revenue assumptions is a growth rate of 0.9% and a general rates price increase of 3.95%.

EXPENSES

EXPENSES CATEGORIES 2026/27

Category	Budget \$'000
Employee benefits	156,130
Materials and services	181,147
Depreciation	122,158
Finance costs	4,178
Capital expenses	14,000
Total Expenses	477,613



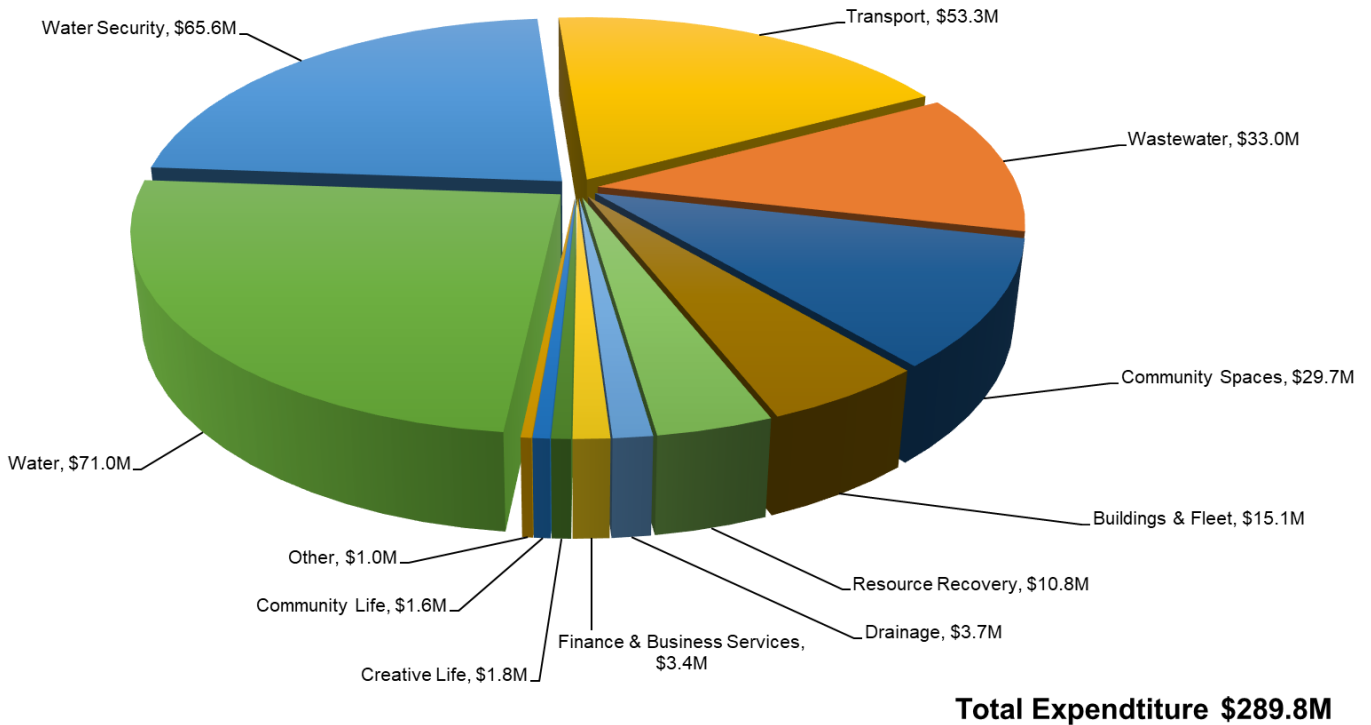
Materials and services together with employee benefits comprise 71% of Council’s forecast total expenditure. Council is one of the region’s largest employers whose strong workforce is responsible for the provision of water, wastewater, resource recovery services, maintenance, planning, lifestyle and community services and capital infrastructure for the community.

In addition to these expenses, depreciation makes up 25% of Council’s planned expenditure. Depreciation represents an allocation of the use or wear and tear of an asset over its expected life. It is impacted by the age, condition and disposal of existing assets as well as the purchase and construction of new assets. Depreciation is not a cash expense.

CAPITAL WORKS PROGRAM

Council manages a very diverse range of infrastructure assets with a gross value in excess of \$7.7B. These assets cover categories such as land, buildings, plant and equipment, road and bridge network, drainage, water, sewerage and solid waste disposal. Council is responsible for the construction, upgrade and renewal of the majority of these assets through its capital works program with a small portion of these assets being contributed by developers via various developments throughout the region.

Council's capital works program for 2026/27 is \$289.8M. Council will utilise a combination of revenue, developer contributions, capital grants and loans to fund this program. The following table provides a breakdown of the proposed capital works for the 2026/27 year by asset category.

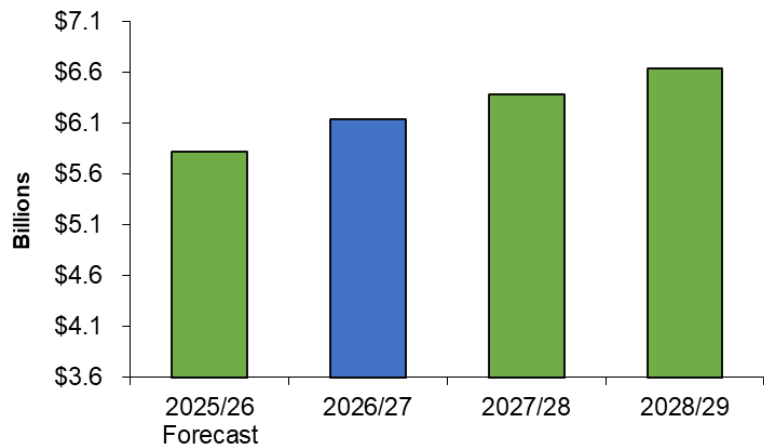


STATEMENT OF FINANCIAL POSITION

Council manages \$5.8B of net community assets on behalf of ratepayers and residents of the region. Growth of net community assets is projected to increase steadily over the next three years, driven mostly by Council's capital works program.

NET COMMUNITY ASSETS AT JUNE

Budget	Net Community Assets \$'000
2025/26	5,819,877
2026/27	6,141,467
2027/28	6,382,381
2028/29	6,634,837



BORROWINGS

Borrowings are in line with Council's Debt Policy and are obtained from Queensland Treasury Corporation (QTC) with the exception of capital projects funded under interest-free loan agreements with Economic Development Queensland (EDQ).

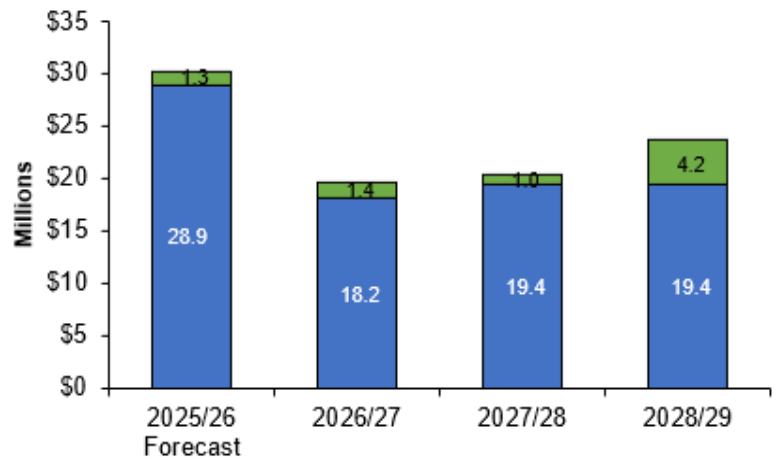
Borrowings are repaid on a monthly basis in accordance with the terms and conditions set by QTC. Council borrows to fund the construction of long term infrastructure assets that provide essential services and ongoing benefits to the community. These borrowings are set to increase in line with Council's extensive budgeted capital works program.

Council also maintains an overdraft facility with QTC to effectively manage cash balances throughout the year in order to delay the drawdown of long term debt. \$5.7M of this overdraft is forecast to be used as at 30 June 2026. Any drawdowns from the facility are typically fully repaid within one year.

Council's borrowings are projected to increase in line with expenditure on capital works, peaking at \$165.2M in 2028/29.

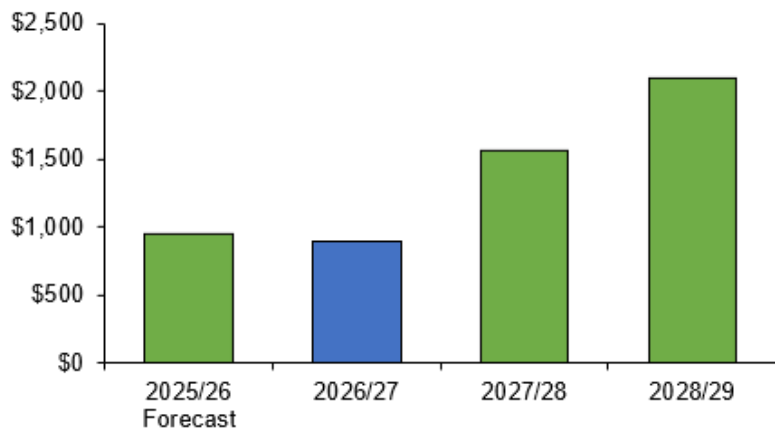
DEBT SERVICE PAYMENTS

Budget	Principal Repayments \$'000	Interest on Borrowings \$'000
2025/26	28,907	1,301
2026/27	18,181	1,390
2027/28	19,351	1,027
2028/29	19,378	4,209



DEBT PER RATEABLE ASSESSMENT

Financial Year	Loan Balance \$'000	Debt per Rateable Assessment \$
2025/26	73,151	950
2026/27	69,970	901
2027/28	122,619	1,564
2028/29	165,241	2,090



LONG TERM FINANCIAL FORECAST

Council maintains a Long Term Financial Forecast in order to ensure it continues to be sustainable in the long term. It covers a period of 10 years and contains forecasts for revenue and expenditure, assets values, liabilities and equity. The Long Term Financial Forecast is key to the strategic direction of Council and is consistent with Council's corporate plan and long term asset management plans underpinned by reasonable annual increases in rates.

In Council's 2024 Credit Review of Council's Long Term Financial Forecast by QTC, Council was rated as Sound with a Neutral outlook. The Sound rating category indicates that Council has adequate capacity to meet its financial commitments in the short, medium and long term and to manage core business risks. Council has maintained a neutral outlook following an upgrade from developing in 2022. This is continued recognition of Council's efforts to balance debt and cash reserves to meet financial obligations whilst investing in an extensive capital works program. QTC however, have noted that Council will need to continue to closely monitor the impacts of the Cairns Water Security Strategy on its long term financial plans.

Factors positively contributing to the 2024 sound rating included:

- Steady operating performance and adequate debt servicing capacity
- Strong growing ratepayer base
- Moderate degree of financial flexibility driven by high level of Council controlled revenue and additional grant funding being secured for the CWSS1 project.

The next credit review is anticipated in late 2026.

Further details are contained in Section 4 of this report.

RATE INCREASES

The following table breaks down the forecast rate increases for general rates and fixed utility charges implicit in the long term forecast, including additional rate increases required to accommodate additional operating expenditure:

- **Water Levy:** The CWSS1 facility is estimated to cost \$472M to build and will have significant operating costs once commissioned. This levy is an additional increase to the existing Water Access and Usage Charge to recover costs of operating the CWSS1 facility.
- **Waste Management Charge – State Waste Levy:** A separate utility charge required to recover direct costs of the Waste Levy charged to Council by the State government.
- **Kerbside Collection and Residual Waste:** Additional increases to the existing Waste Management Charge – General, required to recover increased costs to Council incurred under new kerbside collection and residual waste contracts.

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Base	3.95%	3.20%	5.75%	5.30%	3.30%	3.40%	3.40%	3.40%	3.40%	3.40%
Water Levy	1.35%	1.29%	-	-	-	-	-	-	-	-
Waste Levy	0.93%	0.20%	0.23%	0.21%	0.23%	0.42%	-	-	-	-
Kerbside Collection	0.32%	0.25%	-	-	-	-	-	-	-	-
Residual Waste	0.35%	-	-	-	-	-	-	-	-	-
Growth	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Total	7.80%	5.83%	6.88%	6.41%	4.43%	4.72%	4.30%	4.30%	4.30%	4.30%

MEASURES OF FINANCIAL SUSTAINABILITY

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 2 Division 3 of the Local Government Regulation 2012. Ratios have been calculated for a 10 year period being the three year forecast budget period as well as an additional seven years from Council's Long Term Financial Forecast. The benchmarks used for the prescribed ratios are per the DLGWV Financial Management (Sustainability) Guidelines 2024.

Type	Measure	Target	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
DLGWV Sustainability Ratios													
Financial Capacity	Council Controlled Revenue *	N/A	91.1%	92.7%	93.2%	93.4%	93.4%	93.5%	93.5%	93.4%	93.4%	93.5%	93.6%
	Population Growth * ¹	N/A	1.5%	1.3%									
Operating Performance	Operating Surplus Ratio	Greater than 0%	8.2%	4.4%	1.3%	2.4%	2.9%	2.9%	2.7%	3.0%	3.1%	3.6%	3.4%
	Operating Cash Ratio	Greater than 0%	33.5%	29.9%	27.8%	29.2%	29.9%	29.9%	29.6%	29.7%	29.6%	29.8%	29.4%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	4.8 months	4.2 months	N/A for long-term sustainability statement								
Asset Management	Asset Sustainability Ratio	Greater than 60%	86.5%	97.5%	88.6%	92.6%	94.2%	92.5%	73.5%	75.8%	81.6%	82.3%	76.8%
	Asset Consumption Ratio	Greater than 60%	68.7%	69.4%	69.9%	70.2%	70.3%	70.3%	70.3%	70.2%	70.2%	70.1%	70.1%
	Asset Renewal Funding Ratio *	N/A	100.0%	100.0%	N/A for long-term sustainability statement								
Debt Servicing Capacity	Leverage Ratio	0 - 4 times	0.5	0.5	0.9	1.0	1.0	1.1	1.0	0.9	0.8	0.7	0.6

* Contextual ratios and not subject to audit

¹ Council has used the Compound Annual Growth Rate method for calculating this ratio. This method calculates the average annual growth rate over a 10 year period based on the Queensland Government Statistician's Office population projections for the Cairns local government area for period 2026 to 2036.

Council is within the required targets for the draft DLGWV ratios for all 10 years.

2. BUDGETED FINANCIAL STATEMENTS

Cairns Regional Council - Budgeted Statement of Income and Expenditure

	2025/26 Forecast \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Operating Revenue				
Rates and utility charges	379,659	408,187	431,729	462,848
Less: rebates	(6,220)	(6,622)	(6,894)	(7,421)
Net rates and utility charges	373,439	401,565	424,835	455,427
Fees and charges	34,528	47,819	48,386	50,773
Interest revenue	6,979	6,826	4,988	4,975
Grants, subsidies and contributions	11,548	9,925	10,272	10,632
Miscellaneous revenue	21,312	18,817	19,475	20,157
	<u>447,806</u>	<u>484,952</u>	<u>507,956</u>	<u>541,964</u>
Capital Revenue				
Capital grants and subsidies	235,938	99,023	26,535	22,522
Contributions from developers	13,497	17,239	16,790	16,941
Contributed assets	25,087	22,000	22,220	22,442
	<u>274,522</u>	<u>138,262</u>	<u>65,545</u>	<u>61,905</u>
TOTAL REVENUE	<u>722,328</u>	<u>623,214</u>	<u>573,501</u>	<u>603,869</u>
Operating Expenses				
Employee benefits	142,121	156,130	164,405	170,653
Materials and services	153,229	181,147	199,549	210,460
Depreciation	111,964	122,158	133,575	141,069
Finance costs	3,609	4,178	3,751	7,001
	<u>410,923</u>	<u>463,613</u>	<u>501,280</u>	<u>529,183</u>
Capital Expenses				
Loss on disposal of non-current assets	14,000	14,000	17,785	18,192
TOTAL EXPENSES	<u>424,923</u>	<u>477,613</u>	<u>519,065</u>	<u>547,375</u>
NET RESULT	<u>297,405</u>	<u>145,601</u>	<u>54,436</u>	<u>56,494</u>
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	313,317	175,989	186,478	195,962
TOTAL COMPREHENSIVE INCOME	<u>610,722</u>	<u>321,590</u>	<u>240,914</u>	<u>252,456</u>
Estimated Costs of Significant Business Activities for 2025/26				
(i) the local government's significant business activities carried on using a full cost pricing basis;				-
(ii) the activities of local government's commercial business units:				
Cairns Water		117,740		
Cairns Resource Recovery		59,739		
(iii) the local government's significant business activities				-
Total of Cairns Water and Cairns Resource Recovery		<u>177,479</u>		

Refer to the Estimated Costs of Commercial Business Units at Section 3 for more information

Cairns Regional Council - Budgeted Financial Position

	2025/26 Forecast \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Current Assets				
Cash assets and equivalents	-	58,930	32,031	36,824
Receivables	152,132	61,567	57,718	58,848
Inventories	4,185	4,367	4,520	4,678
	<u>156,317</u>	<u>124,864</u>	<u>94,269</u>	<u>100,350</u>
Non-Current Assets				
Property, plant and equipment	5,869,723	6,219,858	6,536,005	6,831,393
	<u>5,869,723</u>	<u>6,219,858</u>	<u>6,536,005</u>	<u>6,831,393</u>
TOTAL ASSETS	<u>6,026,040</u>	<u>6,344,722</u>	<u>6,630,274</u>	<u>6,931,743</u>
Current Liabilities				
Working capital facility	5,675	-	-	-
Trade and other payables	71,779	72,674	62,762	67,474
Borrowings	19,124	19,361	19,386	20,242
Other liabilities	9,418	5,268	5,268	5,268
Provisions	27,098	36,085	37,041	37,792
	<u>133,094</u>	<u>133,388</u>	<u>124,457</u>	<u>130,776</u>
Non-Current Liabilities				
Borrowings	54,027	50,609	103,233	144,999
Other liabilities	3,263	2,921	2,921	2,921
Provisions	15,779	16,337	17,282	18,210
	<u>73,069</u>	<u>69,867</u>	<u>123,436</u>	<u>166,130</u>
TOTAL LIABILITIES	<u>206,163</u>	<u>203,255</u>	<u>247,893</u>	<u>296,906</u>
NET COMMUNITY ASSETS	<u>5,819,877</u>	<u>6,141,467</u>	<u>6,382,381</u>	<u>6,634,837</u>
Community Equity				
Asset revaluation surplus	2,502,008	2,677,997	2,864,475	3,060,437
Retained surplus / (deficit)	3,317,869	3,463,470	3,517,906	3,574,400
TOTAL COMMUNITY EQUITY	<u>5,819,877</u>	<u>6,141,467</u>	<u>6,382,381</u>	<u>6,634,837</u>

Cairns Regional Council - Budgeted Statement of Cash Flows

	2025/26 Forecast \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Cash flows from operating activities				
Receipts				
Receipts from customers	431,517	463,649	496,294	525,055
Interest revenue	3,697	6,826	4,988	4,975
Operating grants and contributions	11,225	11,057	10,372	10,646
	<u>446,439</u>	<u>481,532</u>	<u>511,654</u>	<u>540,676</u>
Payments				
Payments to suppliers and employees	(303,907)	(338,341)	(374,690)	(377,512)
Finance costs	(1,301)	(1,390)	(1,027)	(4,209)
	<u>(305,208)</u>	<u>(339,731)</u>	<u>(375,717)</u>	<u>(381,721)</u>
Cash provided by / (used in) operational activities	<u>141,231</u>	<u>141,801</u>	<u>135,937</u>	<u>158,955</u>
Cash flows from investing activities				
Receipts				
Proceeds / (loss) from the sale of non-current assets	1,297	1,500	1,500	1,500
Proceeds from developer contributions and government grants and subsidies	153,586	214,289	43,325	39,463
	<u>154,883</u>	<u>215,789</u>	<u>44,825</u>	<u>40,963</u>
Payments				
Payments for property, plant and equipment	(341,288)	(289,804)	(260,310)	(237,747)
	<u>(341,288)</u>	<u>(289,804)</u>	<u>(260,310)</u>	<u>(237,747)</u>
Cash provided by / (used in) investing activities	<u>(186,405)</u>	<u>(74,015)</u>	<u>(215,485)</u>	<u>(196,784)</u>
Cash flows provided from financing activities				
Receipts				
Proceeds from borrowings	-	15,000	72,000	62,000
Proceeds from working capital facility	5,675	-	-	-
Payments				
Repayment of borrowings	(28,907)	(18,181)	(19,351)	(19,378)
Repayment of working capital facility	-	(5,675)	-	-
	<u>(23,232)</u>	<u>(8,856)</u>	<u>52,649</u>	<u>42,622</u>
Cash provided by / (used in) financing activities	<u>(23,232)</u>	<u>(8,856)</u>	<u>52,649</u>	<u>42,622</u>
Net increase / (decrease) in cash held	<u>(68,406)</u>	<u>58,930</u>	<u>(26,899)</u>	<u>4,793</u>
Cash at beginning of reporting period	68,406	-	58,930	32,031
Cash at end of reporting period	<u>-</u>	<u>58,930</u>	<u>32,031</u>	<u>36,824</u>

Cairns Regional Council - Budgeted Statement of Changes in Equity

	Total			
	2025/26	2026/27	2027/28	2028/29
	Forecast			
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	5,209,155	5,819,877	6,141,467	6,382,381
Increase (decrease) to asset revaluation surplus	313,317	175,989	186,478	195,962
Increase (decrease) in net result	297,405	145,601	54,436	56,494
Balance at the end of the period	5,819,877	6,141,467	6,382,381	6,634,837

	Asset Revaluation Surplus			
	2025/26	2026/27	2027/28	2028/29
	Forecast			
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	2,188,691	2,502,008	2,677,997	2,864,475
Increase (decrease) to asset revaluation surplus	313,317	175,989	186,478	195,962
Balance at the end of the period	2,502,008	2,677,997	2,864,475	3,060,437

	Retained Surplus/(Deficit)			
	2025/26	2026/27	2027/28	2028/29
	Forecast			
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	3,020,464	3,317,869	3,463,470	3,517,906
Increase (decrease) in net result	297,405	145,601	54,436	56,494
Balance at the end of the period	3,317,869	3,463,470	3,517,906	3,574,400

Cairns Regional Council - Notes to and forming part of the Budgeted Accounts

	2025/26 Original \$	2025/26 Forecast \$	2026/27 \$	2027/28 \$	2028/29 \$
1 Rates and utility charges					
General Rates	161,346	160,690	168,256	175,154	188,555
Water Access	37,875	37,786	42,190	49,084	52,399
Sewerage	97,266	97,069	101,821	105,996	113,044
Special Charges	1,550	1,547	2,023	2,106	2,246
Water Usage	45,066	46,066	49,592	51,625	55,058
Waste Management Charge - General	36,540	36,501	40,819	43,493	46,358
Waste Management Charge - State Waste Levy	-	-	3,486	4,271	5,188
	<u>379,643</u>	<u>379,659</u>	<u>408,187</u>	<u>431,729</u>	<u>462,848</u>
Less: Rebates	(6,293)	(6,220)	(6,622)	(6,894)	(7,421)
	373,350	373,439	401,565	424,835	455,427

Rates and utility charges - value of change	2025/26 Original \$	2025/26 Forecast \$	2026/27 Original \$	2025/26 Original vs 2026/27 Original Variance		2025/26 Forecast vs 2026/27 Original Variance	
				\$	%	\$	%
General rates and utility charges ¹							
General Rates	161,346	160,690	168,256	6,910	4.28%	7,566	4.71%
Water Access	37,875	37,786	42,190	4,315	11.39%	4,404	11.66%
Sewerage	97,266	97,069	101,821	4,555	4.68%	4,752	4.90%
Waste Management Charge - General	36,540	36,501	40,819	4,279	11.71%	4,318	11.83%
Waste Management Charge - State Waste Levy	-	-	3,486	3,486	100.00%	3,486	100.00%
	<u>333,027</u>	<u>332,046</u>	<u>356,572</u>	<u>23,545</u>	<u>7.07%</u>	<u>24,526</u>	<u>7.39%</u>
Water usage ²	<u>45,066</u>	<u>46,066</u>	<u>49,592</u>	<u>4,526</u>	<u>10.04%</u>	<u>3,526</u>	<u>7.65%</u>

Note 1

Movements in general rates and utility charges incorporates growth and price increases.

Note 2

Water usage movements reflect price and growth increase listed in note 1 as well as assumptions around consumption.

3. ESTIMATED COSTS OF COMMERCIAL BUSINESS UNITS

Cairns Regional Council - Budgeted Income Statement

Cairns Water

	2025/26 Forecast \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Operating Revenue				
Rates and utility charges	179,527	192,096	199,972	215,270
Fees and charges	2,961	3,140	3,171	3,362
Interest revenue	1,440	1,540	1,579	1,618
Other operating income	822	850	880	911
	<u>184,750</u>	<u>197,626</u>	<u>205,602</u>	<u>221,161</u>
Capital Revenue				
Capital grants, subsidies and contributions	202,012	47,771	1,848	-
Contributed assets	7,702	8,000	8,888	8,977
	<u>209,714</u>	<u>55,771</u>	<u>10,736</u>	<u>8,977</u>
TOTAL REVENUE	<u>394,464</u>	<u>253,397</u>	<u>216,338</u>	<u>230,138</u>
Operating Expenses				
Employee benefits	18,563	19,885	20,939	21,734
Finance costs	(5)	-	-	-
Materials and services	39,062	44,861	46,655	48,522
Depreciation	47,366	52,994	60,819	64,206
	<u>104,986</u>	<u>117,740</u>	<u>128,413</u>	<u>134,462</u>
Capital Expenses				
Loss on disposal of non-current assets	4,850	4,330	5,501	5,627
	<u>4,850</u>	<u>4,330</u>	<u>5,501</u>	<u>5,627</u>
TOTAL EXPENSES	<u>109,836</u>	<u>122,070</u>	<u>133,914</u>	<u>140,089</u>
NET RESULT	<u>284,628</u>	<u>131,327</u>	<u>82,424</u>	<u>90,049</u>
Other Comprehensive Income				
Increase in asset revaluation surplus	134,123	42,169	40,871	39,490
TOTAL COMPREHENSIVE INCOME	<u>418,751</u>	<u>173,496</u>	<u>123,295</u>	<u>129,539</u>

Cairns Regional Council - Budgeted Income Statement

Cairns Resource Recovery

	2025/26 Forecast \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Operating Revenue				
Rates and utility charges	36,499	44,305	46,122	49,650
Fees and charges	4,057	16,204	16,366	17,348
Interest revenue	341	363	372	381
Other operating income	10,351	7,244	7,498	7,760
Grants, subsidies and contributions	638	425	-	-
	<u>51,886</u>	<u>68,541</u>	<u>70,358</u>	<u>75,139</u>
Capital Revenue				
Capital grants, subsidies and contributions	-	-	-	-
TOTAL REVENUE	<u>51,886</u>	<u>68,541</u>	<u>70,358</u>	<u>75,139</u>
Operating Expenses				
Employee benefits	7,577	8,370	8,813	9,148
Finance costs	-	2	2	2
Materials and services	33,094	48,991	50,951	52,989
Depreciation	2,207	2,376	2,455	2,787
	<u>42,878</u>	<u>59,739</u>	<u>62,221</u>	<u>64,926</u>
Capital Expenses				
Loss on disposal of non-current assets	212	135	171	175
TOTAL EXPENSES	<u>43,090</u>	<u>59,874</u>	<u>62,392</u>	<u>65,101</u>
Net Result	<u>8,796</u>	<u>8,667</u>	<u>7,966</u>	<u>10,038</u>
Other Comprehensive Income				
Increase in asset revaluation surplus	924	927	866	796
TOTAL COMPREHENSIVE INCOME	<u>9,720</u>	<u>9,594</u>	<u>8,832</u>	<u>10,834</u>

4. 2026/27 LONG TERM FINANCIAL FORECAST

Cairns Regional Council - Long Term Financial Forecast (extract)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue											
Rates and utility charges	373,439	401,565	424,835	455,427	484,293	505,463	530,859	553,771	577,657	604,927	630,903
Fees and charges	34,528	47,819	48,386	50,773	51,385	53,918	54,579	57,267	57,981	60,835	61,606
Interest revenue	6,979	6,826	4,988	4,975	5,805	6,165	6,793	7,568	8,055	8,255	8,515
Grants, subsidies and contributions	11,548	9,925	10,272	10,632	11,004	11,389	11,788	12,200	12,627	13,069	13,527
Other operating income	21,312	18,817	19,475	20,157	20,862	21,592	22,348	23,130	23,940	24,778	25,645
	447,806	484,952	507,956	541,964	573,349	598,527	626,367	653,936	680,260	711,864	740,196
Capital Revenue											
Capital grants and subsidies	235,938	99,023	26,535	22,522	22,631	23,213	23,815	24,439	25,084	25,752	26,444
Contributions from developers	13,497	17,239	16,790	16,941	17,094	17,247	17,403	17,559	17,717	17,877	18,038
Contributed assets	25,087	22,000	22,220	22,442	22,667	22,893	23,122	23,353	23,587	23,823	24,061
	274,522	138,262	65,545	61,905	62,392	63,353	64,340	65,351	66,388	67,452	68,543
TOTAL REVENUE	722,328	623,214	573,501	603,869	635,741	661,880	690,707	719,287	746,648	779,316	808,739
Operating Expenses											
Employee benefits	142,121	156,130	164,405	170,653	177,138	183,869	190,856	198,108	205,636	213,451	221,562
Materials and services	153,229	181,147	199,549	210,460	222,115	233,012	247,298	258,533	270,062	283,326	297,780
Depreciation	111,964	122,158	133,575	141,069	147,944	153,651	159,625	165,633	171,930	178,737	185,567
Finance costs	3,609	4,178	3,751	7,001	9,669	10,772	11,722	11,747	11,267	10,760	10,245
	410,923	463,613	501,280	529,183	556,866	581,304	609,501	634,021	658,895	686,274	715,154
Capital Expenses											
Loss on disposal of non-current assets	14,000	14,000	17,785	18,192	18,609	19,037	19,475	19,925	20,385	20,857	20,857
TOTAL EXPENSES	424,923	477,613	519,065	547,375	575,475	600,341	628,976	653,946	679,280	707,131	736,011
Net result	297,405	145,601	54,436	56,494	60,266	61,539	61,731	65,341	67,368	72,185	72,728
Capital works program expenditure	341,288	289,804	260,310	237,747	213,940	222,929	213,117	199,427	225,834	237,682	241,166
Community Assets											
Total assets	6,026,040	6,344,722	6,630,274	6,931,743	7,179,554	7,435,826	7,682,471	7,929,774	8,184,099	8,449,491	8,721,526
Total liabilities	206,163	203,255	247,893	296,906	313,748	331,813	333,852	326,975	319,479	311,984	304,060
Net Community Assets	5,819,877	6,141,467	6,382,381	6,634,837	6,865,806	7,104,013	7,348,619	7,602,799	7,864,620	8,137,507	8,417,466

5. 2026/27 CODE OF COMPETITIVE CONDUCT STATEMENT

STATEMENT OF ACTIVITIES TO WHICH THE CODE OF COMPETITIVE CONDUCT (CCC) APPLIES

Council has decided by resolution that the CCC is to be applied to the following Prescribed Business Activities for the 2026/27 financial year:

- Cairns Water
- Cairns Resource Recovery

2026/27 ESTIMATED ACTIVITY STATEMENT

Description	Cairns Water \$'000	Cairns Resource Recovery \$'000
Estimated Revenue		
Services provided to the local government	10,900	2,250
Services provided to anyone else	205,626	68,541
Capital Grants Income	47,771	
Community Service Obligations (net cost)	1,170	1,231
Revenue Total	265,467	72,022
Estimated Expenses		
Employee Costs	20,123	8,699
Materials and Services	56,693	52,145
Depreciation	52,994	2,376
Other Expenditure	4,330	135
Income Tax	39,398	2,600
Expenditure Total	173,538	65,955
Estimated Surplus or (Deficit) before dividend:	91,929	6,067

Capital Works expenditure is not included in the above statement. Councils' capital works program for 2026/27 includes \$10.8M for Cairns Resource Recovery and \$169.6M for Cairns Water (including \$65.6M for the CWSS1 project).

2026/27 ESTIMATED COSTS OF CARRYING OUT COMMUNITY SERVICE OBLIGATIONS

Activities	Description of the nature of the Community Service Obligation	Cost of CSO \$'000
Water	Water Rates Rates Based Financial Assistance	79
	Total	79
Wastewater	Sewerage Rates Rates Based Financial Assistance	1,091
	Total	1,091
	Total	1,170

Activities	Community Service Obligation Description	Cost of CSO \$'000
Waste Services	Free Green Waste conducted four times a year	786
	Charity exemptions for waste disposal	124
	Free hazardous waste disposal to prevent incorrect disposals	296
	Recycling services fee free of charge to schools	14
	In Kind Waste & Recycling Collections	9
	Donations of buy back shop items to charity	2
	Total	1,231