ORDINARY MEETING 16 SEPTEMBER 2026	5.6

CAIRNS REGIONAL COUNCIL – 2025/26 FINANCIAL STATEMENTS

F&BS | 63/17/2-01 | #7938138

RECOMMENDATION:

That Council:

1. **Adopts the 2025/26 Cairns Regional Council Financial Statements; and**
2. **Delegates authority to the Mayor and Chief Executive Officer to execute the Management Certificate and Financial Sustainability Statements on behalf of Council.**

INTERESTED PARTIES:

Nil

EXECUTIVE SUMMARY:

The financial statements for the year ended 30 June 2026 have been finalised and are recommended for approval.

Clearance on the Financial Statements has been received from Grant Thornton (as contract auditors for the Queensland Audit Office (QAO)) who will issue an unmodified audit opinion.

The Audit Committee have reviewed the statements and have recommended them for approval by Council.

COMMENT:

Officers have finalised the preparation of Council's financial statements for 2025/26.

Review by Audit Committee

The financial statements were reviewed by the Audit Committee on 8 September 2026 where representatives of Grant Thornton and the QAO were in attendance. Audit Committee have endorsed the financial statements and recommend them for approval by Council.

Results for the Year Ended 30 June 2026

Council's annual financial statements are consolidated with its controlled entity, Cairns Art Gallery. The following is an analysis of the final actual results against budget for Council only. Council's final actual results were the same as the June management accounts presented to Council on 29 July 2026.

2025/26 FINANCIAL ANALYSIS AT A GLANCE				
	Consolidated	Council Only		
	Actual $ '000	Actual $ '000	Budget $ '000	Variance $ '000
Total operating revenue	451,564	450,505	438,976	11,529
Total operating expenses	(414,842)	(414,451)	(421,158)	6,707
Capital revenue	229,833	229,832	292,173	(62,341)
Net result	**266,555**	**265,886**	**309,991**	**(44,105)**

Outlined below are the variances in operating revenues to budget:

Operating Revenue				
		Actual $ '000	Budget $ '000	Variance $ '000
Net rate and utility charges		372,871	373,350	(479)
Fees and charges		34,708	33,041	1,667
Interest received	1	7,527	4,567	2,960
Other operating income	2	22,903	19,512	3,391
Grants, contributions and donations	3	12,496	8,506	3,990
Total operating revenue		**450,505**	**438,976**	**11,529**

1	The favourable variance in interest received is mainly within investment interest and is a result of higher than budgeted cash balance as a result of the timing of capital works program ($2.5M).
2	Other operating income is favourable to budget mainly within external works income ($1.4M) and various resource recovery income streams ($668K).
3	The favourable variance in grants, contributions and donations is driven by higher than budgeted grant funding receipts, particularly Financial Assistance grant $1.8M and Disaster Management grant funding $664K.

Outlined below are the variances in operating expenses to budget:

Operating Expenses				
		Actual $ '000	Budget $ '000	Variance $ '000
Employee benefits	1	145,868	141,389	(4,479)
Materials and services	2	153,678	160,549	6,871
Depreciation		111,982	111,257	(725)
Finance costs	3	2,923	7,963	5,040
Total operating expenses		**414,451**	**421,158**	**6,707**

1	The unfavourable variance in employee benefits is mainly driven by impacts of the EBA, which has been offset by favourable variances in materials and services.

2	Favourable materials and services include consultants ($2.5M), electricity ($1.2M), IT hardware, software and project support ($846K), and events, contributions and outgoing grants ($730K). They are partially offset in reservoir emergent works ($1.4M), disaster response related expenses ($1.1M) and Bedminster operating costs ($872K).
3	The favourable variance in finance costs is due to less loan interest than anticipated mainly due to the $40M loan drawdown budgeted in June 2025 not being required due to delays in delivering the capital works program.

Outlined below are the variances in capital revenue to budget:

Capital Revenue				
		Actual **$ '000**	**Budget** **$ '000**	**Variance** **$ '000**
Gain /(Loss) on disposal of PPE		(14,912)	(14,000)	(912)
Contributions	**1**	12,379	18,673	(6,294)
Contributed assets	**2**	36,154	22,178	13,976
Subsidies and grants	**3**	196,211	265,322	(69,111)
Total capital revenue		**229,832**	**292,173**	**(62,341)**

1	Contributions are lower than anticipated ($6.3M), as receipt timing can vary depending on development activity.
2	Contributed assets are favourable to budget. Recognition of contributed assets is dependent upon the timing of development activity, which is outside of Council's control.
3	Subsidies and grants are lower than budget due to the timing of delivery of the relevant capital works projects, as revenue is recognised in line with expenditure ($69.1M).

Financial Sustainability Ratios

The Department of Housing, Local Government, Water and Volunteers financial sustainability ratios have been provided as an indication of the performance of Council against key financial sustainability criteria which must be met to ensure the prudent management of financial risks.

Type	Measure	Rationale	Actual Result	Benchmark	Within Limits
Operating Performance	Operating Surplus Ratio	Holistic overview of Council operating performance	**8.1%**	**> 0%**	☑
	Operating Cash Ratio	Cash operating performance (less depreciation and other non-cash items)	**33.4%**	**> 0%**	☑
Liquidity	Unrestricted Cash Expense Cover Ratio	Unconstrained liquidity available to Council	**6.3**	**> 2 months**	☑
Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt	**0.5**	**0 - 4 times**	☑

Type	Measure	Rationale	Actual Result	Benchmark	Within Limits
Asset Management	Asset Sustainability Ratio	Capital renewals program performance	**79.3%**	**> 60%**	☑
	Asset Consumption Ratio	Extent to which assets are being consumed	**68.7%**	**> 60%**	☑
	Asset Renewal Funding Ratio	Asset replacement program performance	**100.0%**	**N/A[1]**	**N/A**
Financial Capacity	Council Controlled Revenue	Capacity to generate revenue internally	**90.5%**	**N/A[1]**	**N/A**
	Population Growth	Population growth/decline pressures on Council	**1.5%**	**N/A[1]**	**N/A**

1 This ratio is for contextual purposes only and does not have a specified benchmark.

Significant Accounting Issues:

No material accounting issues were identified during the audit.

Asset Revaluation

Council maintains a rolling schedule of comprehensive asset revaluations by asset class with index or desktop reviews conducted in the intervening years. A summary of the resulting revaluation movements is set out in the following table:

Financial Statement Asset Class	Name of Valuer	Movement in WDV ($'000)	Index % Applied or % WDV Movement	Last Comp Reval	Next Comp Reval
Comprehensive Valuations					
Water Above Ground	Stantec	89,485	44.64%	2026	2031
Transport (Bridges and Footpaths)	AVR/Management Valuation	72,780	24.14%	2026	2030
Indexed Valuations					
Buildings & Other Structures	APV	36,511	7.80%	2023	2028
Freehold Land	APV	49,134	12.21%	2023	2028
Solid Waste Management	Management Valuation	893	2.76%	2023	2028
Drainage	Management Valuation	19,212	2.76%	2022	2027
Water Mains	Management Valuation	20,811	4.30%	2025	2030
Sewer Mains	Management Valuation	22,923	4.30%	2025	2030
Sewerage Above Ground	Management Valuation	13,442	4.30%	2024	2029

Financial Statement Asset Class	Name of Valuer	Movement in WDV ($'000)	Index % Applied or % WDV Movement	Last Comp Reval	Next Comp Reval
Transport (ex. Bridges and Footpaths)	Management Valuation	38,382	2.76%	2024	2029
		363,573			

Comprehensive Revaluations

Water (Above Ground)

External contractors, Stantec, were engaged to undertake the revaluation of above ground water assets which included condition assessment and replacement cost assessment.

Transport (Bridges and Footpaths)

The comprehensive revaluation for bridges and footpaths was undertaken internally in conjunction with external contractors, AVR. This included condition assessment and replacement cost assessment. The internal process was consistent with that of an external revaluation and industry standards.

Indexation Review

Land, Buildings and Other Structures

APV were contracted to provide a fair value assessment for land and building assets as at 30 June 2026. The increases were based on the Cairns real estate market movements.

All Other Assets

The indexation review of these classes of assets was performed internally. Numerous industry indexes were reviewed as well as the movement in local market prices focusing on labour, plant and material rates in order to determine the applicable index rate for the 2025/26 financial year.

Final Audit

Grant Thornton as contract auditors for QAO have provided final clearance on the 2025/26 Financial Statements and have indicated they will issue an unmodified audit opinion.

Management Representation Letter

Grant Thornton have prepared a Management Representation Letter which is used as additional audit evidence to confirm certain matters identified during the audit or to support other audit evidence gathered during the audit. This will be signed by the CFO and CEO.

Next Steps:

To finalise the 2025/26 financial statements, the following steps need to be completed:

- Following council resolution, the Mayor and CEO will sign the Management Certificate for the financial statements and the Current-year and Long-term Financial Sustainability Statements.
- Following receipt of a signed management representation letter and a signed Management Certificate, QAO will sign their audit opinion.

OPTIONS:

Option 1 (recommended):

That Council:

1. Adopts the 2025/26 Cairns Regional Council Financial Statements; and
2. Delegates authority to the Mayor and Chief Executive Officer to execute the Management Certificate and Financial Sustainability Statements on behalf of Council.

Option 2 (not recommended)

That Council does not adopt the 2025/26 Cairns Regional Council Financial Statements and seeks further information.

ATTACHMENTS:

Attachment 1: 2025/26 Financial Statements (DM #7940149)

Jason Ritchie
Executive Manager Finance

Lisa Whitton
Chief Financial Officer

CAIRNS REGIONAL COUNCIL
Financial Statements
For the year ended 30 June 2026

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Cairns Regional Council

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	372,869	341,721
Fees and charges	3(b)	34,707	32,224
Other recurrent revenue	3(c)	23,965	21,116
Grants, subsidies, contributions and donations	4(a)	12,496	11,342
Total recurrent revenue		444,037	406,403
Interest received		7,527	5,763
Total operating revenue		451,564	412,166
Capital income			
Grants, subsidies, contributions and donations	4(b)	244,745	226,842
Total income	2(b)	696,309	639,008
Expenses			
Recurrent expenses			
Employee benefits	5	(139,581)	(129,730)
Materials and services	6	(160,293)	(151,996)
Finance costs		(2,923)	(3,613)
Depreciation and amortisation			
Property, plant and equipment	10(b)	(111,677)	(106,495)
Intangible assets		(368)	(383)
Total recurrent expenses		(414,842)	(392,217)
Capital expenses			
Capital expenses	7	(14,912)	(10,195)
		(14,912)	(10,195)
Total expenses	2(b)	(429,754)	(402,412)
Net result		266,555	236,596
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus		363,573	192,516
Total other comprehensive income for the year		363,573	192,516
Total comprehensive income for the year		630,128	429,112

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Cairns Regional Council

Consolidated Statement of Financial Position
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	8	56,824	69,975
Trade and other receivables	9(a)	109,177	63,907
Inventories		4,715	6,002
Total current assets		170,716	139,884
Non-current assets			
Property, plant and equipment	10(b)	5,897,469	5,332,320
Intangible assets		2,937	3,182
Right of use assets		3,906	4,154
Total non-current assets		5,904,312	5,339,656
Total assets		6,075,028	5,479,540
Current liabilities			
Trade and other payables	11	78,968	88,162
Provisions	12	32,077	27,511
Borrowings	13	18,098	28,417
Contract liabilities	14	19,184	24,023
Lease liabilities		346	383
Total current liabilities		148,673	168,496
Non-current liabilities			
Provisions	12	15,979	15,010
Borrowings	13	55,041	73,074
Contract liabilities	14	3,096	753
Lease liabilities		3,928	4,024
Total non-current liabilities		78,044	92,861
Total liabilities		226,717	261,357
Net community assets		5,848,311	5,218,183
Community equity			
Asset revaluation surplus		2,555,598	2,192,025
Retained surplus		3,292,713	3,026,158
Total community equity		5,848,311	5,218,183

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Cairns Regional Council

Consolidated Statement of Cash Flows
For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
General rates and utility charges		370,942	342,413
Rental and levies, fees and charges		32,666	30,968
Operating grants, subsidies and contributions		12,496	10,255
Interest received		7,527	5,763
Other revenue		25,421	22,616
Payments			
Payments to employees		(136,743)	(126,814)
Payments to suppliers		(155,132)	(155,867)
Interest expense		(1,855)	(2,503)
Net cash inflow from operating activities	19	155,322	126,831
Cash flows from investing activities			
Grants, subsidies, contributions and donations for capital acquisitions:			
Capital contributions		10,506	11,323
Government subsidies and grants		147,178	175,354
Payments for property, plant and equipment		(298,565)	(232,052)
Payments for intangible assets		(438)	(115)
Proceeds from the sale of non-current assets		1,198	1,345
Net cash outflow from investing activities		(140,121)	(44,145)
Cash flows from financing activities			
Proceeds from working capital facility	20	-	40,325
Repayment of working capital facility	20	-	(40,325)
Repayment of borrowings	20	(28,352)	(27,735)
Net cash outflow from financing activities		(28,352)	(27,735)
Net increase in cash and cash equivalents held		(13,151)	54,951
Cash and cash equivalents at beginning of the financial year		69,975	15,024
Cash and cash equivalents at end of the financial year	8	56,824	69,975

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Cairns Regional Council

Consolidated Statement of Changes in Equity
For the year ended 30 June 2026

	Asset revaluation surplus $'000	Retained surplus $'000	Total $'000
Balance as at 1 July 2025	2,192,025	3,026,158	5,218,183
Net result	-	266,555	266,555
Other comprehensive income for the year			
Increase in asset revaluation surplus	363,573	-	363,573
Total comprehensive income for the year	363,573	266,555	630,128
Balance as at 30 June 2026	2,555,598	3,292,713	5,848,311
Balance as at 1 July 2024	1,999,509	2,789,562	4,789,071
Net result	-	236,596	236,596
Other comprehensive income for the year			
Increase in asset revaluation surplus	192,516	-	192,516
Total comprehensive income for the year	192,516	236,596	429,112
Balance as at 30 June 2025	2,192,025	3,026,158	5,218,183

The above statement should be read in conjunction with the accompanying notes and accounting policies.

1 Information about these financial statements

1.1 Basis of preparation

Cairns Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2025 to 30 June 2026 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the Local Government Regulation 2012.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities and certain classes of property and plant and equipment which are measured at fair value.

1.2 Basis of consolidation

Council and its controlled entity together form the consolidated entity. The financial statements of controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions between Council and the entity controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of the controlled entity have been adjusted on consolidation where necessary, to ensure the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of Council. Information on the controlled entity that has been consolidated is included in Note 21.

1.3 New and revised Accounting Standards adopted during the year

Council has not adopted any new or revised Accounting Standards during the year ended 30 June 2026.

1.4 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026. Council has assessed all the standards and interpretations currently issued which are not yet effective, and have determined that there is no expected material impact on the reported financial position or performance.

1.5 Estimates and judgements

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:
• Revenue recognition - Note 3 and Note 4
• Valuation and depreciation of property, plant and equipment - Note 10
• Annual leave - Note 12
• Developer contribution credits - Note 12
• Long service leave - Note 12
• Contingent liabilities - Note 17
• Financial instruments and financial risk management - Note 23

1.6 Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.7 Taxation

Council is exempt from income tax, however, Council is subject to Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Tax Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

The significant business activities of Council (as noted in Note 24) pay an income tax equivalent to Council in accordance with the requirements of the *Local Government Act 2009.*

Where a significant business activity is subject to the National Tax Equivalents Regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

Council pays payroll tax to the Queensland Government on certain activities.

1.8 Volunteer services

Council's operations are carried out with the assistance of volunteers, where individuals donate their time and skills to help Council achieve its objectives within the community. Council has not recognised volunteer services in these financial statements as Council would not purchase these services had they not been donated, and the value cannot be reliably measured.

2 Analysis of Results by Function

(a) Components of Council functions

The activities relating to Council's components reported on in Note 2(b) are as follows :

Finance and Business Services
The Finance and Business Services directorate works across all areas of Council to ensure effective procurement, financial sustainability and technological capability of operations. The core functions provide essential internal services that support the organisation to deliver services to the community and include Financial Accounting, Information Services, Management Accounting, Procurement & Payables and Revenue & Business Support.

People and Organisational Performance
People and Organisational Performance ensures the workforce is engaged to deliver Council's vision of 'Shaping the Future'. It achieves this by recognising and building a contemporary workplace that prioritises the wellness, health and safety of staff. Core functions include Organisational Performance, Wellbeing, Health & Safety and Strategic Communications & Engagement.

Planning, Growth and Sustainability
The Planning, Growth and Sustainability directorate is responsible for overseeing the planning and development process from end to end – long term strategic growth and environmental design, planning, assessment and regulation. The goal of the directorate is to protect and enhance the natural and built environment by planning, monitoring, applying and enforcing compliance with Local, State and Federal regulations and laws. The core functions include Growth & Sustainability, Development & Planning and Property Compliance.

Economic Development and Advocacy
The Economic Development and Advocacy directorate works to deliver a prosperous environment for business and industry, enabling growth and wealth creation for our residents by creating a strong, diversified and growing economy. This is achieved through creating diverse and secure employment opportunities, a foundation for new and existing businesses to grow and succeed, advocacy for priority issues and the attraction and retention of investment.

Lifestyle and Community
The Lifestyle and Community Directorate celebrates and strengthens our quality of life and community spirit by creating opportunities for residents and visitors to be active, informed and involved in the life of our region. This directorate manages a number of the region's public facilities; including the Botanical Gardens, Sugarworld, Munro Martin Parklands, Tanks Art Centre, museums & art galleries and the region's libraries, as well as servicing parks & gardens with barbeque & picnic facilities, sports grounds and playgrounds. The three core functions of the directorate include managing Creative Life, Community Life and Community Spaces.

Cairns Infrastructure and Assets
The Cairns Infrastructure and Assets directorate is responsible for Council’s built environment portfolio, managing all stages of the community infrastructure program from planning and design through to construction, maintenance, and upgrades. The portfolio covers transport, stormwater, water and wastewater, resource recovery, buildings, facilities, plant fleet and marine assets, which are managed by two sub-directorates:

- **Engineering Services** - the core functions include Asset Services, Infrastructure Planning, Capital Delivery, Major Projects and Buildings, Fleet & Facilities.
- **Service Delivery** - the core functions include Utility Services, Works Construction & Maintenance, Resource Recovery, Water Laboratory and Plumbing & Trade Waste.

Cairns Regional Council

Notes to the consolidated financial statements
For the year ended 30 June 2026

2 Analysis of results by function
(b) Income, expenses and assets have been attributed to the following functions:

Year ended 30 June 2026

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Finance & Business Services	6,977	272,492	(11,799)	2,244	(106,942)	162,972	(49,030)	(617)	8,151	(41,496)	131,648	121,476	550,474
People & Organisational Performance	1,439	18	96	-	-	1,553	(21,090)	-	210	(20,880)	(19,423)	(19,327)	11,563
Planning, Growth & Sustainability	1,040	5,353	-	-	-	6,393	(13,721)	-	117	(13,604)	(7,211)	(7,211)	589
Economic Development & Advocacy	-	-	-	-	-	-	(7,091)	-	-	(7,091)	(7,091)	(7,091)	2
Lifestyle & Community	1,713	23,808	7,287	254	-	33,062	(101,604)	(3,348)	2,378	(102,574)	(73,705)	(69,512)	539,204
Cairns Infrastructure & Assets - Engineering Services	327	93	12,918	32,780	-	46,118	(53,211)	(4,680)	123	(57,768)	(52,668)	(11,650)	2,969,772
Cairns Infrastructure & Assets - Service Delivery	1,000	256,008	187,709	13,256	(12,822)	445,151	(288,466)	(6,267)	108,785	(185,948)	64,505	259,203	1,993,037
Controlled entity net of eliminations	-	1,060	-	-	-	1,060	(393)	-	-	(393)	667	667	10,387
Total Council Continuing Operations	12,496	558,832	196,211	48,534	(119,764)	696,309	(534,606)	(14,912)	119,764	(429,754)	36,722	266,555	6,075,028

Year ended 30 June 2025

Functions	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital				Recurring	Capital					
	Grants	Other	Grants	Other									
	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Finance & Business Services	7,646	243,362	(10,051)	9,763	(94,502)	156,218	(46,537)	(2,697)	3,206	(46,028)	113,175	110,190	538,470
People & Organisational Performance	961	27	55	-	-	1,043	(20,794)	-	189	(20,605)	(19,617)	(19,562)	11,035
Planning, Growth & Sustainability	894	5,287	41	-	-	6,222	(12,828)	-	127	(12,701)	(6,520)	(6,479)	804
Economic Development & Advocacy	-	-	-	-	-	-	(7,081)	-	-	(7,081)	(7,081)	(7,081)	2
Lifestyle & Community	3,242	21,828	10,105	78	-	35,253	(97,258)	(2,483)	2,250	(97,491)	(69,938)	(62,238)	501,475
Cairns Infrastructure & Assets - Engineering Services	-	165	10,615	35,653	-	46,433	(49,808)	(1,939)	109	(51,638)	(49,534)	(5,205)	2,639,178
Cairns Infrastructure & Assets - Service Delivery	(1,401)	236,018	162,978	7,605	(12,214)	392,986	(264,031)	(3,076)	100,835	(166,272)	59,207	226,714	1,779,018
Controlled entity net of eliminations	-	853	-	-	-	853	(596)	-	-	(596)	257	257	9,558
Total Council Continuing Operations	11,342	507,540	173,743	53,099	(106,716)	639,008	(498,933)	(10,195)	106,716	(402,412)	19,949	236,596	5,479,540

3 Revenue

(a) Rates, levies and charges

Rates, levies and utility charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised within trade and other payables on the Statement of Financial Position until the beginning of the rating period to which they relate. All rates and utility charges are recognised at a point in time in accordance with AASB 1058 *Income of Not for Profit Entities* .

	2026 $'000	2025 $'000
General rates	160,653	146,102
Special rates	1,547	996
Water access	37,783	33,721
Water consumption	45,567	40,027
Sewerage access	97,062	92,175
Cleansing charges	36,504	34,605
Rates and utility charge revenue	379,116	347,626
Less: rebates	(6,247)	(5,905)
Net rates and utility charges	372,869	341,721

(b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods or services being provided. There is no material obligation for Council in relation to refunds or returns. Revenue from infringements is recognised on issue of the infringement notice.

Building and property fees	6,677	5,816
Regulatory and parking fees	8,832	9,003
Infringement	5,841	5,495
Water and resource recovery fees	4,307	4,283
Other fees and charges	9,050	7,627
	34,707	32,224

(c) Other recurrent revenue

Revenue from contract and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance, it is held as a liability in revenue received in advance on the Statement of Financial Position and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Reimbursements revenue is recognised when the payment is probable and the amount of the payment can be determined, which is after the contract requirement has been delivered. Cost recovery income is recognised when received. Sundry and other recurrent revenue relates to sales of goods and delivery of services. Revenue is recognised at the point in time that either the customer obtains control of the goods (which is generally at delivery) or when the service is rendered.

All other recurrent revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* .

Contract and recoverable works	5,718	4,010
Reimbursements and cost recoveries	2,615	2,915
Sales	5,932	5,883
Sundry and other recurrent revenue	9,700	8,308
	23,965	21,116

4 Grants, subsidies, contributions and donations

(a) Recurrent grants, subsidies and contributions

Recurrent grants, subsidies and contributions do not have an enforceable performance obligation associated with them and therefore are recognised as revenue when received in accordance with AASB 1058.

	2026 $'000	2025 $'000
General purpose grants	12,469	11,111
Donations	27	231
	12,496	11,342

(b) Capital grants, subsidies and contributions

Capital Grants
All capital grant funding received under an enforceable contract to enable Council to acquire or construct a specified item of property, plant and equipment, which will be under Council's control on completion, is recognised as revenue as and when the obligation to construct or purchase is completed in accordance with AASB 1058. For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Where Council recognises capital grant revenue under AASB 1058 in advance of invoicing the grantor, a contract asset is recognised in trade and other receivables which represents the excess of costs incurred in relation to the construction of the asset over the amount that Council has invoiced the grantor. Where Council receives grant revenue upfront of construction of the asset, this revenue is held as a contract liability and is recognised as revenue over time as the asset is constructed.

Donations and Contributions
Contributions received from developers do not have an enforceable performance obligation associated with them and therefore the infrastructure charges are recognised as revenue when received in accordance with AASB 1058.

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Timing of revenue recognition for grants, subsidies and contributions:

	2026		2025	
	Revenue recognised at a point in time $'000	Revenue recognised over time $'000	Revenue recognised at a point in time $'000	Revenue recognised over time $'000
Grants and subsidies	4,039	192,172	711	173,032
Contributions	12,380	-	13,612	-
Assets contributed by developers	36,154	-	39,487	-
	52,573	192,172	53,810	173,032

4 Grants, subsidies, contributions and donations (continued)

(b) Capital grants, subsidies and contributions

Capital – grants, subsidies, contributions and donations are analysed as follows:

	Note	2026 $'000	2025 $'000
(i) Monetary revenue designated for capital funding purposes:			
Government subsidies and grants		196,211	173,743
Contributions		12,380	13,612
		208,591	187,355
(ii) Non-monetary revenue received:			
Developer assets contributed by developers at fair value		36,154	39,487
Total capital grants, subsidies, contributions and donations		244,745	226,842

5 Employee benefits

	Note	2026 $'000	2025 $'000
Staff wages and salaries		110,107	101,344
Councillors' remuneration		1,403	1,351
Annual, sick and long service leave entitlements		22,000	20,594
Superannuation	18	14,638	13,476
		148,148	136,765
Other employee related expenses		2,876	3,292
		151,024	140,057
Less: Capitalised employee expenses		(11,443)	(10,327)
		139,581	129,730

Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

Total employees at the reporting date:	2026 No. employees	2025 No. employees
Elected members	10	10
Employees	1,261	1,253
Total full time equivalent employees	1,271	1,263

Notes to the consolidated financial statements
For the year ended 30 June 2026

6 Materials and services

	2026 $'000	2025 $'000
Agency and temporary employment services	7,418	8,041
Audit of the Annual Financial Statements by the Auditor-General*	233	222
Communication and IT	9,743	9,813
Consumable materials	3,712	3,642
Consultants	4,885	6,278
Donations paid and grants to community groups	7,177	7,328
Electricity	9,586	10,429
Entertainers services	1,979	2,008
External services and hire	16,247	14,795
Garbage collection services	24,029	23,402
Insurance	4,089	4,136
Minor equipment purchases	2,070	2,752
Other materials	10,858	9,462
Other services	11,656	10,013
Plant and equipment hire	6,338	6,550
Rental and lease expenses	1,334	1,253
Repairs and maintenance	32,834	26,437
Waste processing and disposal	6,105	5,435
	160,293	151,996

* Total audit fees quoted by the Queensland Audit Office relating to the 2025/26 financial statements are $233,000 (2025: $222,000).

7 Capital expenses

Capital expenses comprise the loss on disposal and write off of capital assets. The gain or loss on disposal is recognised on the date the asset was taken out of service.

	2026 $'000	2025 $'000
Loss on disposal of capital assets	5,726	6,128
Loss on write-off of non-current assets	9,186	4,067
	14,912	10,195

8 Cash and cash equivalents

	2026 $'000	2025 $'000
Cash at bank	14,425	4,410
Cash on hand	19	21
Deposits and investments held with QTC	42,380	65,544
Balance per Statement of Cash Flows	56,824	69,975

Council is exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

	2026 $'000	2025 $'000
QTC working capital facility		
Used	-	-
Unused	120,000	120,000
Facility limit	120,000	120,000
Unrestricted Cash		
Cash and cash equivalents	56,824	69,975
Less: Externally imposed restrictions on cash	(16,613)	(20,706)
Unrestricted cash	40,211	49,269

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. At the reporting date this balance comprised of:

	2026 $'000	2025 $'000
Unspent government grants	10,577	19,134
Unspent developer contributions	760	760
Waste Levy refund received in advance	5,276	812
	16,613	20,706

Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and Local Government Regulation 2012, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

	2026 $'000	2025 $'000
Monies collected or held on behalf of other entities yet to be paid out	39	67
Security deposits	5,576	5,423
	5,615	5,490

9 Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price or contract price. Settlement of these amounts is required within 30 days from invoice date.

Contract assets represent the excess of costs incurred in relation to the construction of an asset over the amounts that Council has invoiced the grantor.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue. Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables unless the arrears are deemed to be greater than the proceeds Council would receive from the sale of the property.

Interest is charged on outstanding rates at a rate of 12.12% per annum (2025: 12.35%), unless waived under Council's Financial Hardship policy. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors received.

	Note	2026 $'000	2025 $'000
(a) Receivables (financial instruments)			
Rateable revenue and utility charges		23,908	22,476
Water charges		3,101	2,912
Fees and charges		5,232	4,967
Grants receivable		481	8,024
Other debtors		6,362	4,785
Less: loss allowance	9(b)	(2,076)	(2,230)
		37,008	40,934
Receivables (non-financial instruments)			
Other accrued revenue		6,486	7,622
Contract assets		58,690	8,186
GST receivable		3,203	3,048
Prepayments		3,790	4,117
		72,169	22,973
Total current receivables		109,177	63,907
(b) Loss allowance			
Opening balance at 1 July		2,230	1,707
Receivables written off in period		(227)	(166)
Impairments recognised		73	689
Closing balance at 30 June	9(a)	2,076	2,230

10 Property, plant and equipment

(a) i) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment have an asset capitalisation threshold of $5,000. All other assets have an asset capitalisation threshold of $10,000 except for land, network assets and complex assets which all have a capitalisation threshold of $1.

Network assets are an aggregate of interrelated assets that perform a specific service which, individually are likely to be below the capitalisation threshold levels, but collectively are above the capitalisation threshold for their class. Networked assets include computer network assets, leasehold and land improvements.

Land under roads and reserve land which fall under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

ii) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

iii) Depreciation

Land, work in progress, road formation & embankments and formation work associated with the construction of dams, retention basins, unlined open drains, reservoirs and pump stations are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

Cairns Regional Council

Notes to the consolidated financial statements
For the year ended 30 June 2026

10 Property, plant and equipment (continued)

(b) Movements in property, plant and equipment

2026

Asset class	Land and site improvements	Buildings, other structures and other assets	Plant, equipment and other assets	Transport assets	Water	Sewerage	Drainage	Solid waste disposal	Work in progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair Value Category	Levels 2 & 3	Levels 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Asset values										
Opening gross value as at 1 July 2025	474,301	656,704	122,387	2,252,911	1,508,989	1,416,216	919,595	49,310	295,468	7,695,882
Additions at cost	-	-	-	-	-	-	-	-	292,899	292,899
Contributed assets at valuation	1,795	44	448	12,527	4,155	9,006	8,179	-	-	36,154
Internal transfers from work in progress	3,280	3,825	14,955	33,182	18,092	16,301	12,558	1,650	(103,843)	-
Disposals	-	-	(4,305)	-	-	-	-	-	-	(4,305)
Write-offs	(91)	(338)	(4,979)	(4,408)	(6,522)	(556)	(1,103)	(68)	(8,751)	(26,816)
Revaluation adjustment to the asset revaluation surplus	50,724	51,950	-	123,985	147,179	61,043	25,269	1,348	-	461,498
Internal transfers between asset classes	-	-	172	-	-	-	-	-	-	172
Closing gross value as at 30 June 2026	530,009	712,185	128,678	2,418,197	1,671,893	1,502,010	964,498	52,240	475,773	8,455,484
Accumulated depreciation and impairment										
Opening balance as at 1 July 2025	29,594	174,237	83,853	505,342	800,565	545,710	209,978	14,283	-	2,363,562
Depreciation provided in period	2,200	12,224	9,563	28,322	21,435	25,793	9,936	2,204	-	111,677
Depreciation on disposals	-	-	(3,292)	-	-	-	-	-	-	(3,292)
Depreciation on write-offs	(8)	(48)	(4,665)	(2,407)	(4,361)	(102)	(266)	-	-	(11,857)
Revaluation adjustment to the asset revaluation surplus	1,590	15,477	-	12,823	36,845	24,678	6,057	455	-	97,925
Internal transfers to other asset classes	-	51	(52)	-	-	(24)	25	-	-	-
Closing accumulated depreciation	33,376	201,941	85,407	544,080	854,484	596,055	225,730	16,942	-	2,558,015
Net value at 30 June 2026	496,633	510,244	43,271	1,874,117	817,409	905,955	738,768	35,298	475,773	5,897,469
Residual value			8,172							
Range of estimated useful life in years	10-100	15-150	3-50	15-100	10-150	9-100	10-150	20-100		
Additions comprise:										
Renewals	-	-	-	-	-	-	-	-	80,956	80,956
New assets	-	-	-	-	-	-	-	-	200,266	200,266
Non-infrastructure additions	-	-	-	-	-	-	-	-	11,677	11,677
Total additions	-	-	-	-	-	-	-	-	292,899	292,899

Cairns Regional Council

Notes to the consolidated financial statements
For the year ended 30 June 2026

10 Property, plant and equipment (continued)

(b) Movements in property, plant and equipment

2025

Asset class	Land and site improvements	Buildings, other structures and other assets	Plant, equipment and other assets	Transport assets	Water	Sewerage	Drainage	Solid waste disposal	Work in progress	Total
Basis of measurement	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair Value Category	Levels 2 & 3	Levels 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Asset values										
Opening gross value as at 1 July 2024	455,085	596,987	154,703	2,105,587	1,437,840	1,331,833	872,119	46,935	141,519	7,142,609
Additions at cost	-	-	-	-	-	-	-	-	274,857	274,857
Contributed assets at valuation	4,592	-	702	6,832	2,475	4,141	3,946	-	-	22,688
Internal transfers from work in progress	2,026	26,130	9,716	27,404	26,717	12,960	11,179	867	(116,999)	-
Disposals	-	-	(4,486)	-	-	-	-	-	-	(4,486)
Write-offs	(2,520)	(2,305)	(1,245)	(191)	(1,324)	(621)	(313)	(243)	(3,909)	(12,671)
Revaluation adjustment to the asset revaluation surplus	15,075	35,892	-	76,683	43,281	67,903	32,664	1,751	-	273,249
Internal transfers between asset classes	43	-	(37,003)	36,596	-	-	-	-	-	(364)
Closing gross value as at 30 June 2025	474,301	656,704	122,387	2,252,911	1,508,989	1,416,216	919,595	49,310	295,468	7,695,882
Accumulated depreciation and impairment										
Opening balance as at 1 July 2024	25,989	153,960	98,871	442,228	771,285	485,413	193,087	11,773	-	2,182,606
Depreciation provided in period	2,014	11,058	9,439	26,893	21,063	24,649	9,346	2,033	-	106,495
Depreciation on disposals	-	-	(3,159)	-	-	-	-	-	-	(3,159)
Depreciation on write-offs	-	(1,040)	(1,235)	(311)	(112)	(111)	(20)	(39)	-	(2,868)
Revaluation adjustment to the asset revaluation surplus	1,586	10,259	-	16,719	8,329	35,759	7,565	516	-	80,733
Internal transfers to other asset classes	5	-	(20,063)	19,813	-	-	-	-	-	(245)
Closing accumulated depreciation	29,594	174,237	83,853	505,342	800,565	545,710	209,978	14,283	-	2,363,562
Net value at 30 June 2025	444,707	482,467	38,534	1,747,569	708,424	870,506	709,617	35,027	295,468	5,332,320
Residual value			7,959							
Range of estimated useful life in years	10-100	15-150	3-50	15-100	10-150	9-100	10-150	20-100		
Additions comprise:										
Renewals	-	-	-	-	-	-	-	-	80,834	80,834
New assets	-	-	-	-	-	-	-	-	178,818	178,818
Non-infrastructure additions	-	-	-	-	-	-	-	-	15,205	15,205
Total additions	-	-	-	-	-	-	-	-	274,857	274,857

10 Property, plant and equipment (continued)

(c) Valuation

(i) Valuation processes

Council compares the carrying amount of its property, plant and equipment on an annual basis to current fair value and makes adjustment where these are materially different. At least every 5 years, Council performs a full comprehensive revaluation performed by a combination of independent, professionally qualified valuers and experienced Council Officers.

In the intervening years, Council undertakes:
- A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for the land and site improvements and buildings, other structures and other assets classes which involves management providing updated information to the valuer regarding changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

Level 1	Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.
Level 3	Fair value based on unobservable inputs for the asset and liability.

Council's policy is to recognise transfers in and out of the fair value hierarchy at the end of the reporting period. There were no transfers between levels of the hierarchy during the year.

10 Property, plant and equipment (continued)

(c) Valuation

(ii) Valuation techniques used to derive fair values

Asset Class and Fair Value Level	Valuation Approach	Last Comprehensive Valuation Date	Valuer	Index Applied	Index Amount	Key Assumptions and Estimates
Land and Site Improvements (level 2)	Market Value	30 June 2023	APV Valuers and Asset Management	Index determined by APV Valuers and Asset Management	12.21%	- Current zoning of land - Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size)
Land and Site Improvements (level 3)	Current Replacement Cost	30 June 2023	APV Valuers and Asset Management	Index determined by APV Valuers and Asset Management	12.21%	- Current replacement cost for a modern equivalent asset with a similar service potential - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database and project costs from recently completed projects)
Buildings (level 2)	Market Value	30 June 2023	APV Valuers and Asset Management	Index determined by APV Valuers and Asset Management	7.80%	- Sale prices per square metre (database of recent sales of comparable properties, adjusted for differences in key attributes such as condition)
Buildings and Other Structures (level 3)	Current Replacement Cost	30 June 2023	APV Valuers and Asset Management	Index determined by APV Valuers and Asset Management	9.08%	- Current replacement cost for a modern equivalent asset with a similar service potential - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database and project costs from recently completed buildings)
Buildings and Other Structures - Other assets (level 3)	Current Replacement Cost	30 June 2024	Ross Searle	Index determined by Ross Searle	0.00%	- Sales price per artwork based on prices paid for comparable works, market conditions and exchange rates (where applicable)
Transport Assets - Roads (including kerb and channel, medians and roundabouts) (level 3)	Current Replacement Cost	30 June 2024	Council and Stantec Australia Pty Ltd	Index determined by Council	2.76%	- Current replacement cost for a modern equivalent asset, on a greenfield site, with a similar service potential (including components that may not need to be replaced such as earthworks) - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs. Applicable rates are determined by asset usage, material and length - Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component - Road hierarchy and soil factors taking into account current condition. These are assumed to be consistent across each component - Remaining life of assets including existing conditions. These limitations are not incorporated into standardised unit rates. The conditions of assets not inspected are extrapolated based upon the condition data collected on inspected assets
Transport Assets - Bridges and Footpaths (level 3)	Current Replacement Cost	30 June 2026	Council and AVR Consulting Pty Ltd	Comprehensively Revalued	Not applicable	

10 Property, plant and equipment (continued)

(c) Valuation

(ii) Valuation techniques used to derive fair values

Asset Class and Fair Value Level	Valuation Approach	Last Comprehensive Valuation Date	Valuer	Index Applied	Index Amount	Key Assumptions and Estimates
Water Assets - Above Ground (level 3)	Current Replacement Cost	30 June 2026	Stantec Australia Pty Ltd	Comprehensively Revalued	Not applicable	- Current replacement cost for a modern equivalent asset, on a greenfield site, with a similar service potential (including components that may not need to be replaced such as earthworks) - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs. Applicable rates are determined by asset usage, material, depth, length and size - Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component - Development, soil and depth factors taking into account current condition. These are assumed to be consistent across each component - Remaining lives and physical obsolescence, particularly for underground infrastructure not easily inspected. These limitations are not incorporated into standardised unit rates. The conditions of assets not inspected are extrapolated based upon the condition data collected on inspected assets
Water Assets - Mains (level 3)	Current Replacement Cost	30 June 2025	Council and Stantec Australia Pty Ltd	Index determined by Council	4.30%	
Sewerage Assets - Above Ground (level 3)	Current Replacement Cost	30 June 2024	Stantec Australia Pty Ltd	Index determined by Council	4.30%	
Sewerage Assets - Mains (level 3)	Current Replacement Cost	30 June 2025	Council and Stantec Australia Pty Ltd	Index determined by Council	4.30%	
Drainage (level 3)	Current Replacement Cost	30 June 2022	Council and Stantec Australia Pty Ltd	Index determined by Council	2.76%	
Solid Waste Disposal (level 3)	Current Replacement Cost	30 June 2023	Stantec Australia Pty Ltd	Index determined by Council	2.76%	- Current replacement cost for a modern equivalent asset with a similar service potential - Standardised unit rates for construction as at the date of last revaluation (based on industry standard cost guides, valuer database, current contract data and costs from recently completed projects) indexed for subsequent changes in construction costs - Componentisation of costs for complex assets. It is assumed that design and construction is to the same standard across each component

11 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

		2026 $'000	2025 $'000
Payables (financial instruments)			
Creditors		15,295	19,696
Accrued expenses		34,139	42,666
Other payables		6,531	3,837
	23(a)	55,965	66,199
Payables (non-financial instruments)			
Prepaid rates		20,824	19,732
Sick leave		1,681	1,718
Other entitlements		498	513
		23,003	21,963
Total current trade and other payables		78,968	88,162

12 Provisions

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates.

Developer contribution credits

A provision is made for the cost of trunk infrastructure assets constructed by developers on behalf of Council. The provision is raised when construction works are sufficiently progressed that the value and timing of payment can be reliably measured. Corresponding assets are also recognised within work in progress at this time. Where the value of the trunk infrastructure assets cannot be reliably measured, a contingent liability and corresponding contingent asset are disclosed.

The provision is classified as current where payment is expected to be settled within 12 months and is classified as non-current where payment is not expected to be settled within 12 months. Where payment for the trunk infrastructure assets is not expected to be settled within 12 months, the value of the payment is discounted to present value.

	2026	2025
Current		
Annual leave	14,571	13,916
Developer contribution credits	15,307	11,496
Long service leave	2,199	2,099
	32,077	27,511
Non-current		
Long service leave	15,979	15,010
	15,979	15,010

12 Provisions (continued)

	2026 $'000	2025 $'000
Details of movements in non-employee benefit provisions:		
Developer contribution credits		
Balance at the beginning of the financial year	11,496	11,280
Developer contribution credits arising	6,946	4,118
Developer contribution credits paid	(1,094)	(1,797)
Developer contribution credits offset against contributions payable to Council	(2,041)	(2,105)
Balance at end of financial year	15,307	11,496

13 Borrowings

Where borrowing costs can be attributed to a specific capital project, the costs are capitalised as part of the qualifying asset during construction. Otherwise, borrowing costs are expensed as finance costs when they are incurred. Expected final repayment dates vary from 15 June 2028 to 15 April 2032.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

A reconciliation of liabilities arising from finance activities can be found at note 20.

Working capital facility
A working capital facility (WCF) of $120,000,000 has been established with QTC. As at 30 June 2026 there were no working capital drawdowns.

Details of borrowings at the reporting date are:

	2026 $'000	2025 $'000
Current		
Loans - QTC	17,817	28,136
Loans - other	281	281
	18,098	28,417
Non-Current		
Loans - QTC	55,041	72,793
Loans - other	-	281
	55,041	73,074

The QTC loan market value at the reporting date was $68,904,681. This represents the value of the debt if Council repaid it at this date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. Refer to Note 23 for further information on market value.

Loans - other: This is an interest free loan over 9 years obtained from Economic Development Queensland as part of the Priority Development Infrastructure Co-Investment Program. The funds were used to construct trunk sewerage infrastructure at Mount Peter and are unsecured. The funds were received in September 2018 with repayment to be made in 8 equal instalments over the loan period. There is one instalment remaining to be paid. The loan has been measured at amortised cost and not fair value. The benefit of the interest free terms has not been brought into account in these financial statements due to materiality.

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreements during the 2026 or 2025 financial years.

14 Contract liabilities

Revenue received in advance represents consideration received in advance of the service being performed or in the case of capital grants and subsidies, in advance of the asset being constructed. It is recognised as revenue in the period when the service is performed or the asset is constructed.

	2026 $'000	2025 $'000
Current		
Capital grants	16,777	22,850
Other revenue and receipts received in advance	227	329
State Waste Levy	2,180	844
	19,184	24,023
Non-current		
State Waste Levy	3,096	753
	3,096	753

Revenue recognised that was included in the contract liability balance at the beginning of the year:

	2026 $'000	2025 $'000
Funds to construct Council controlled assets	16,938	15,997
Non-capital performance obligations	2,471	1,430
	19,409	17,427

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next two years.

15 Commitments for expenditure

Capital commitments

Commitment for the construction of capital assets contracted for at the reporting date but not recognised as liabilities are as follows:

	2026 $'000	2025 $'000
Capital assets	91,194	236,969
	91,194	236,969
Not later than 1 year	91,194	205,478
Later than 1 year but not later than 5 years	-	31,490
	91,194	236,969

16 Events after the reporting date

There has not been any event that occurred after the end of the reporting period that has significantly affected, or may significantly affect, the current or future financial results of Council.

17 Contingent liabilities

(a) Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

	2026 $'000	2025 $'000
Various claims are pending against Council. In the opinion of Council's solicitor the potential loss on all claims as at 30 June 2026 should not exceed:	99	85

Additional claims may exist, however, these have not been quantified to date.

Cairns Regional Council is a member of the Local Government Mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2025, the financial statements of Local Government Mutual Queensland reported an accumulated surplus and it is not anticipated any liability will arise. As at 30 June 2025 the financial statements of Local Government Mutual Queensland reported a members' equity balance of $73,436,848. (2024: $72,144,102).

(b) Loan and bank guarantees

	2026 $'000	2025 $'000
Loans and bank guarantees to community organisations	664	764

18 Superannuation

Cairns Regional Council contributes to the LGIAsuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*. The scheme is managed by the Brighter Super trustee.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIAsuper trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under *Superannuation Prudential Standard 160* was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date". The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2027.

The most significant risks that may result in LGIAsuper increasing the contribution rate, on the advice of the actuary, are:

- Investment risk: The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk: The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2026 $'000	2025 $'000
Superannuation contributions made to the Regional Defined Benefits Fund		239	240
Other superannuation contributions for employees		14,243	13,078
Other superannuation contributions for the benefit of elected members		156	158
Total superannuation contributions paid by Council:	5	14,638	13,476

Notes to the consolidated financial statements
For the year ended 30 June 2026

19 Reconciliation of net result attributable to Council to net cash inflow from operating activities

	2026 $'000	2025 $'000
Net result attributable to Council	266,555	236,596
Non-cash operating items:		
Depreciation and amortisation	112,045	106,878
	112,045	106,878
Investing and development activities (non-cash):		
Capital grants, subsidies, contributions and donations	(244,860)	(226,842)
Capital expenses	14,999	10,195
	(229,861)	(216,647)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(2,477)	155
(Increase)/decrease in inventories	1,287	(1,033)
Increase/(decrease) in payables	2,472	(59)
Increase/(decrease) in provisions	1,724	2,044
Increase/(decrease) in revenue received in advance	3,577	(1,103)
	6,583	4
Net cash inflow from operating activities	155,322	126,831

20 Reconciliation of liabilities arising from finance activities

	2026 $'000	2025 $'000
Short and Long Term Borrowings		
As at 1 July	101,491	129,226
Cash repayments of borrowings	(28,352)	(27,735)
Cash proceeds from working capital facility	-	40,325
Cash repayments of working capital facility	-	(40,325)
As at 30 June	73,139	101,491

21 Transactions with Related Parties

(a) Controlled Entities
The controlled entity of Council is Cairns Art Gallery Precinct Ltd (the Gallery). Council has consolidated a 100% interest in the Gallery into these financial statements by virtue of its controlling interest. Under the constitution of the Gallery, control is able to be exercised by Council by determining the composition of the Board.

During the year, Council provided funding to the Gallery with a total value of $2,250,000 (2025: $1,307,000) under a one year funding agreement effective 1 July 2025 to 30 June 2026. These transactions are eliminated on consolidation. The premises occupied by the Gallery are provided to them by Council for a nominal annual amount. In addition, electricity costs of $319,743 (2025: $260,900) were paid by Council on behalf of the Gallery.

21 Transactions with Related Parties (continued)

(b) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management. It also includes the KMP of Council's controlled entity. The compensation paid to KMP comprises:

	2026 $'000	2025 $'000
Short-term employee benefits	4,006	3,601
Post-term benefits	391	386
Long-term benefits	55	28
Termination benefits	-	109
Total	4,452	4,124

Additional remuneration disclosures are provided in the annual report.

(c) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below:

Employee expenses for close family members of KMP	196	299
Professional services	23	4
	219	303

Close family members of KMP were employed through an arm's length process in accordance with Council's recruitment policies. They are paid in accordance with the relevant award for the job they perform. The above figure includes all remuneration received by close family members of KMP.

During the year, three entities controlled by close family members of KMP provided professional services to Council. All transactions occurred through an arm's length process under normal terms and conditions. There were no other material transactions with other related parties during the year. All transactions with other related parties occurred at arm's length and under Council's normal terms and conditions.

(d) Outstanding balances

There were no material balances outstanding at the end of the reporting period in relation to transactions with related parties. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(e) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(f) Commitments to/from other related parties

Council has no outstanding commitments to/from other related parties.

(g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Cairns Region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates, fees and charges
- Dog registration
- Use of Council facilities such as swimming pools and car parking

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

22 Parent entity

The following information relates to the parent entity, Cairns Regional Council. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	Parent	
	2026	**2025**
	$'000	**$'000**
Current assets	168,472	138,238
Non-current assets	5,896,183	5,331,751
Total assets	6,064,655	5,469,989
Current liabilities	148,218	168,238
Non-current liabilities	77,810	92,588
Total liabilities	226,028	260,826
Asset revaluation surplus	2,552,265	2,188,691
Retained surplus	3,286,362	3,020,472
Total equity	5,838,627	5,209,163
Net result	265,886	236,340
Other comprehensive income	363,573	192,516
Total comprehensive income for the year	629,459	428,856

23 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments: credit risk, liquidity risk and market risk.

Risk management framework

Council is responsible for the establishment and oversight of a risk management framework, together with developing and monitoring risk management policies. Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council's audit committee oversees how management monitors compliance with Council's risk management policies and procedures, and reviews the adequacy of the risk managements framework in relation to the risks faced by Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables. Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982* .

No collateral is held as security relating to the financial assets held by Council. The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council.

23 Financial instruments and financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 13. The following lines of credit were available at the end of the reporting period.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Total contractual cash flows	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	$'000	$'000	$'000	$'000	$'000
2026					
Trade and other payables	55,965	-	-	55,965	55,965
Loans - QTC	19,124	54,352	3,004	76,480	72,858
Loans - EDQ	281	-	-	281	281
	75,370	54,352	3,004	132,726	129,104
2025					
Trade and other payables	66,199	-	-	66,199	66,199
Loans - QTC	29,927	66,892	9,588	106,407	100,929
Loans - EDQ	281	281	-	562	562
	96,407	67,173	9,588	173,168	167,690

The outflows in the table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Council is exposed to interest rate risk through investments and borrowings with QTC. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Council's loan from Economic Development Queensland is interest free and not subject to interest rate risk.

Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

(b) Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of the debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is discussed in Note 13.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

Notes to the consolidated financial statements
For the year ended 30 June 2026

24 National Competition Policy

Significant Business Activities of Council are:

- Cairns Utility Services which manages the water and wastewater activities.
- Cairns Resource Recovery which manages the solid waste activities.

Applying the Code of Competitive Conduct (CCC)
Applying the CCC requires the application of full cost pricing, identifying the cost of Community Service Obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO represents an activity's costs, which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

Below are the Activity Statements for the Significant Business Activities of which the Code of Competitive Conduct applies for the 2025/26 financial year, as required by Section 35 of the Local Government Regulation 2012.

2025/26 Activity Statements

Significant Business Activities	Cairns Water $'000	Cairns Resource Recovery $'000
Revenue		
Services provided to Council	11,116	6,674
Services provided to external clients	197,629	51,786
Capital grant income	174,891	-
Community Service Obligations (net of charges)	1,135	1,201
Revenue Total	**384,771**	**59,661**
Less: Expenditure		
Employee costs	19,297	7,878
Materials and services	51,763	41,645
Depreciation	47,271	2,204
Other expenditure	6,249	68
Income tax	74,110	2,360
Expenditure Total	**198,690**	**54,155**
Surplus/(Deficit) Before Dividend	**186,081**	**5,506**

2025/26 Community Service Obligations

Activities	CSO Description	Net Cost $'000
Water Services	Water Rates Based Financial Assistance	64
	Total	**64**
Wastewater Services	Sewerage Rates Based Financial Assistance	1,071
	Total	**1,071**
Resource Recovery Services	Free green waste initiative conducted four times a year	781
	Charity exemptions for waste disposal	194
	Free hazardous waste disposal to prevent incorrect disposals	174
	Recycling services free of charge to schools	41
	In Kind Waste & Recycling Collections	7
	Collection and disposal relating to community clean up events	3
	Donations of buy back shop to charity	2
	Total	**1,202**

Cairns Regional Council

Management Certificate
For the year ended 30 June 2026

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

(i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements as set out on pages 1 to 30 present a true and fair view, in accordance with Australian Accounting Standards, of Council's and its consolidated entity's transactions for the financial year and financial position at the end of the year.

Amy Eden	**Ken Gouldthorp**
Mayor	**Chief Executive Officer**
16 September 2026	16 September 2026

Cairns Regional Council

Current Year Financial Sustainability Statement - Audited
For the year ended 30 June 2026

Measures of Financial Sustainability

Type	Measure	Target (Tier 2)	Actual Current Year	5-Year Average	Actual Current Year	5-Year Average	Council Narrative
			Council		Consolidated		
Audited ratios							
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	6.3	5.4	6.4	5.5	Council has sufficient unrestricted liquidity to meet ongoing and emergent financial demands. Council maintains a Working Capital Facility (WCF) of $120M in order to support its cash flow requirements and as a contingency for emergent events. As at the reporting date, no draw downs had been made. The unused balance of the WCF is a large contributor to this result.
Operating Performance	Operating Surplus Ratio	Greater than 0%	8.1%	2.6%	8.3%	2.7%	The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Council ended the financial year with an operating surplus which can be utilised for capital funding or other purposes.
	Operating Cash Ratio	Greater than 0%	33.4%	30.2%	33.5%	30.3%	A positive cash ratio is generated in order to fund Council capital expenditure requirements.
Asset Management	Asset Sustainability Ratio	Greater than 60%	79.3%	72.2%	79.3%	72.2%	Over the long term this ratio indicates Council is sufficiently renewing its assets as they reach the end of their useful lives. During the current financial year, the increased deliverability of the capital works program contributed to the favourable movement in this ratio.
	Asset Consumption Ratio	Greater than 60%	68.7%	68.3%	68.7%	68.3%	Meeting the target indicates that Councils assets are broadly being consumed in line with their estimated useful lives.
Debt Servicing Capacity	Leverage Ratio	0 to 4 times	0.5	1.2	0.5	1.1	A ratio below 4 times is an indicator that Council has the ability to repay its existing debt. The reduction in the current year result compared to the long term average reflects the deferral of planned long term borrowings following receipt of additional grant funding for the Cairns Water Security Stage 1 project.

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the six reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2026.

Certificate of Accuracy
For the year ended 30 June 2026

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Amy Eden	**Ken Gouldthorp**
Mayor	**Chief Executive Officer**
16 September 2026	16 September 2026

Cairns Regional Council

Appendix A
For the year ended 30 June 2026

THE FOLLOWING REPORT DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS. IT HAS BEEN PROVIDED AS ADDITIONAL MANAGEMENT INFORMATION TO ASSIST THE READER IN THEIR ANALYSIS OF THE FINANCIAL STATEMENTS.

Cairns Regional Council

Current Year Financial Sustainability Statement - Unaudited
For the year ended 30 June 2026

Measures of Financial Sustainability

Type	Measure	Actual Current Year	5-Year Average	Actual Current Year	5-Year Average	Council Narrative
		Council		Consolidated		
Contextual ratios (unaudited)						
Financial Capacity	Council-Controlled Revenue	90.5%	90.3%	90.3%	90.1%	This result is driven by Council's high proportion of rates revenue (82.5%) and fees and charges revenue (7.7%) as a proportion of its total revenue.
	Population Growth	1.5%	1.3%	1.5%	1.3%	Inputs for this ratio are provided by the State. The higher current year result compared to the 5 year average is reflective of economic growth post the COVID-19 pandemic.
Asset Management	Asset Renewal Funding Ratio	100.0%	100.0%	100.0%	100.0%	Council is appropriately funding its required capital program as outlined by the Asset Management plans.

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2026.

Certificate of Accuracy
For the year ended 30 June 2026

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

____
Amy Eden
Mayor

16 September 2026

____
Ken Gouldthorp
Chief Executive Officer

16 September 2026

Cairns Regional Council

Long Term Financial Sustainability Statement - Unaudited
Prepared as at 30 June 2026

Measures of Financial Sustainability

Type	Measure	Target (Tier 2)	Council	Consolidated	Projected for the years ended (Council)								
			Actuals 30 June 2026		30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034	30 June 2035
Financial Capacity	Council-Controlled Revenue	N/A	90.5%	90.3%	92.7%	93.2%	93.4%	93.4%	93.5%	93.5%	93.4%	93.4%	93.5%
	Population Growth[1]	N/A	1.5%	1.5%	1.3%								
Operating Performance	Operating Surplus Ratio	Greater than 0%	8.1%	8.3%	4.4%	1.3%	2.4%	2.9%	2.9%	2.7%	3.0%	3.1%	3.6%
	Operating Cash Ratio	Greater than 0%	33.4%	33.5%	29.9%	27.8%	29.2%	29.9%	29.9%	29.6%	29.7%	29.6%	29.8%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	6.3	6.4	N/A for long-term sustainability statement								
Asset Management	Asset Sustainability Ratio	Greater than 60%	79.3%	79.3%	97.5%	88.6%	92.6%	94.2%	92.5%	73.5%	75.8%	81.6%	82.3%
	Asset Consumption Ratio	Greater than 60%	68.7%	68.7%	69.4%	69.9%	70.2%	70.3%	70.3%	70.3%	70.2%	70.2%	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 to 4 times	0.5	0.5	0.5	0.9	1.0	1.0	1.1	1.0	0.9	0.8	0.7

Notes

[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.

Cairns Regional Council's Financial Management Strategy

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have the above nine sustainability indicators that have been set by the Department of Local Government, Water and Volunteers to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The above ratios have been calculated using Council's most recently adopted budget review.

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2026

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Amy Eden
Mayor

16 September 2026

Ken Gouldthorp
Chief Executive Officer

16 September 2026