

**2025/26 BUDGETED  
FINANCIAL  
STATEMENTS**



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# 1. COMMUNITY FINANCIAL REPORT

## BACKGROUND

The following report outlines Council's budgeted financial position and performance for the 2025/26 financial year. The information contained in this report is based upon Council's budgeted Financial Statements for the three-year period commencing in 2025/26 with a comparison to the 2024/25 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 in the long term. 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 2025/26 AT A GLANCE

Statement of Income and Expenditure (\$'000)		Financial Position (\$'000)	
Operating Revenue	438,977	Current Assets	137,258
Capital Revenue	306,173	Non-Current Assets	5,802,093
<b>Total Revenue</b>	<b>745,150</b>	<b>Total Assets</b>	<b>5,939,351</b>
Operating Expenses	421,158	Current Liabilities	125,436
Capital Expenses	14,000	Non-Current Liabilities	154,998
<b>Total Expenses</b>	<b>435,158</b>	<b>Total Liabilities</b>	<b>280,434</b>
<b>Net Result</b>	<b>309,992</b>	<b>Net Community Assets</b>	<b>5,658,917</b>
Capital Expenditure (\$'000)		Borrowings (\$'000)	
<b>Capital Works Program</b>	421,848	<b>Outstanding Borrowings</b>	161,017
<b>Repayment of Borrowings</b>	31,424	<b>Borrowings per Assessment \$</b>	2,087

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 2024/25 have continued to face uncertainty from high inflation levels and supply chain issues, as well as significant difficulties attracting and retaining staff impacting service and capital project delivery.

The Cairns Water Security Stage 1 (CWSS1) project, the largest infrastructure project Council has ever undertaken, has advanced to detailed design and construction. Operational costs are budgeted to commence in FY27 when major construction is completed.

The 2025/26 Budget sets out a record Capital Works program of \$421.8M and sees the majority of ratepayers receiving a 5.9% rate rise or less.

## 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

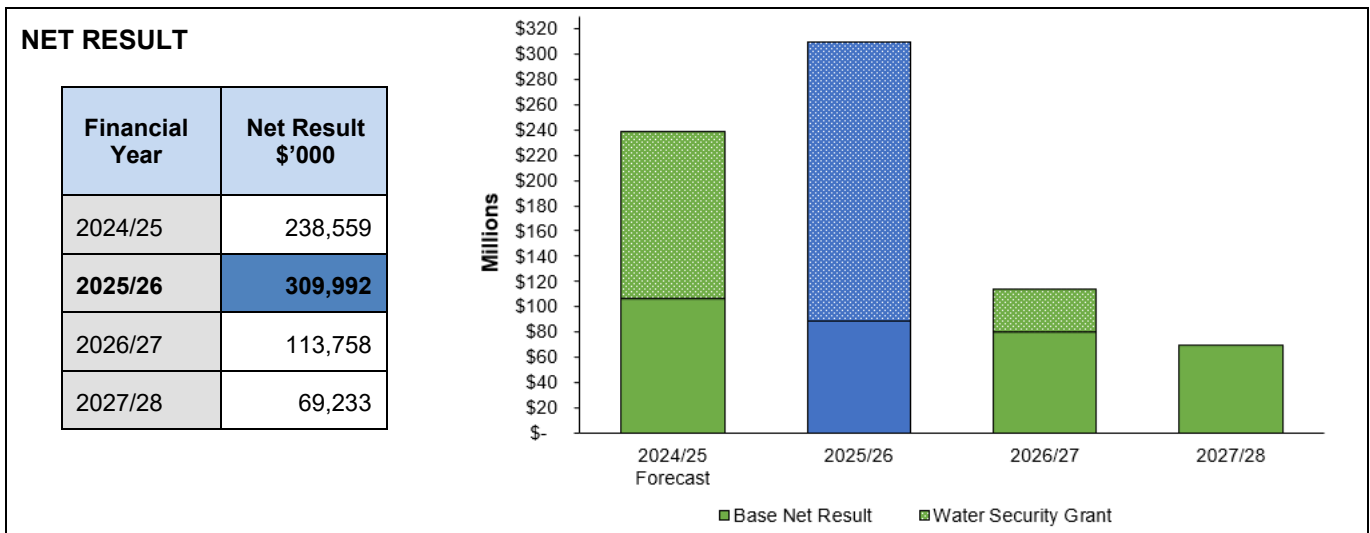
### STATEMENT OF INCOME AND EXPENDITURE

#### 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 \$238.6M for the Financial Year 2024/25, increasing to \$310.0M in the Financial Year 2025/26 due to grant funding for CWSS1 of \$221.6M. As the funding for CWSS1 drops off nearing completion, so does the net result in those years, \$113.8M and \$69.2M in Financial Years 2026/27 and 2027/28 respectively.

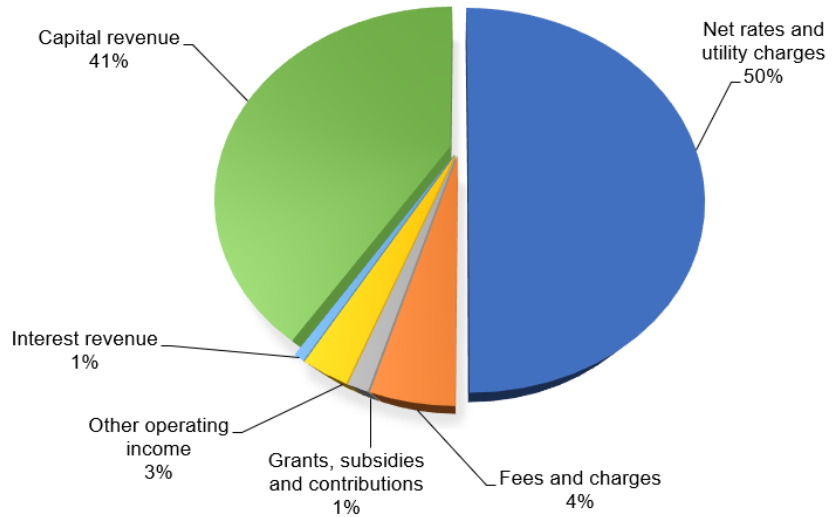
The following graph shows a breakdown of the net result and capital grant funding.



## REVENUE

### REVENUE CATEGORIES 2025/26

Category	Budget \$'000
Net rates and utility charges	373,350
Fees and charges	33,041
Grants, subsidies and contributions	8,506
Other operating income	19,512
Interest revenue	4,568
Capital revenue	306,173
<b>Total Revenue</b>	<b>745,150</b>



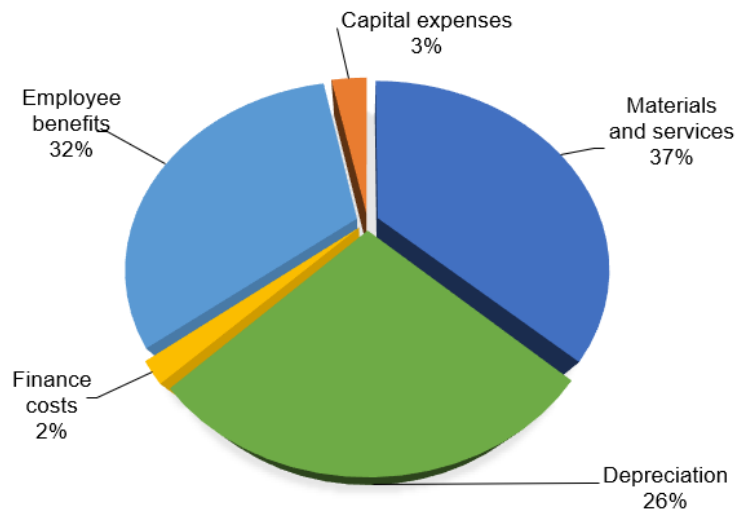
Rates and utility charges continue to be the major source of income for Council. Implicit in Council's revenue assumptions is a growth rate of 1.0% and a general rates price increase of 5.9%.

Due to the impacts of land valuation movements, not all ratepayers will receive the same increase. Overall, the majority of ratepayers will receive a 5.9% or less general rates increase.

## EXPENSES

### EXPENSES CATEGORIES 2025/26

Category	Budget \$'000
Employee benefits	141,389
Materials and services	160,549
Depreciation	111,257
Finance costs	7,963
Capital expenses	14,000
<b>Total Expenses</b>	<b>435,158</b>



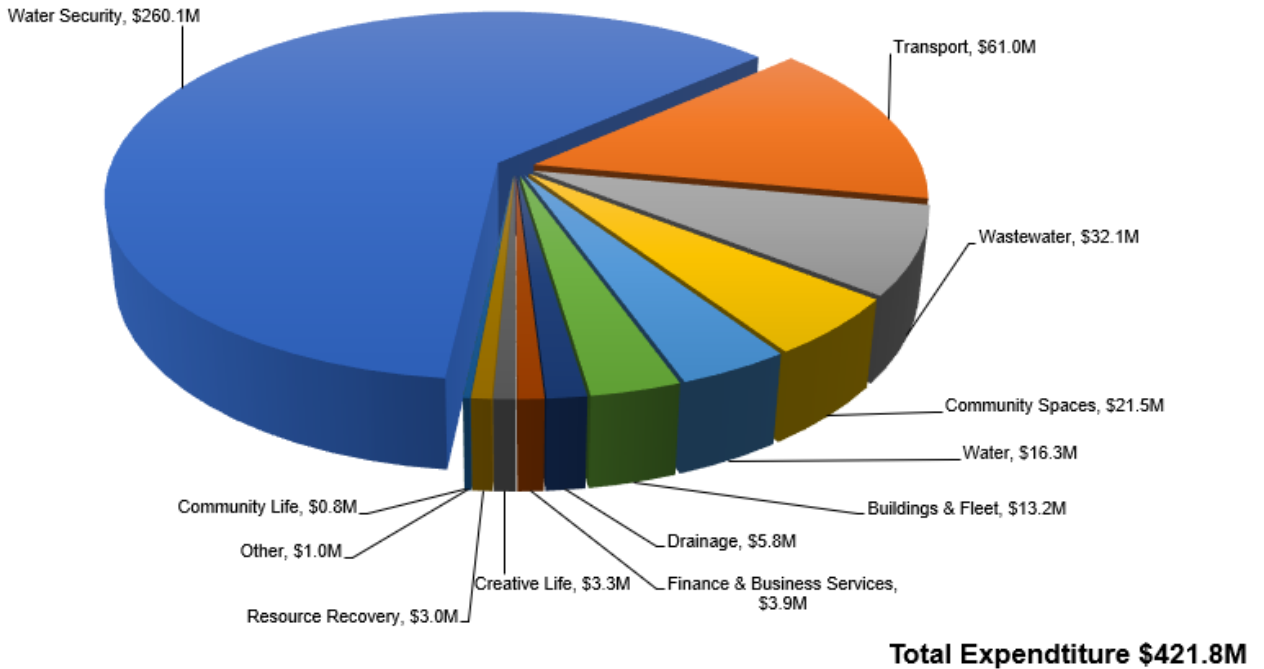
Materials and services together with employee benefits comprise 69% of Council's forecast total expenditure. Council is one of the region's largest employers whose strong workforce is responsible for the provision of water, wastewater, resource recovery services, maintenance, planning, lifestyle and community services and capital infrastructure for the community.

In addition to these expenses, depreciation makes up 26% 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 \$7.3B. 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 2025/26 is \$421.8M. 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 2025/26 year by asset category.

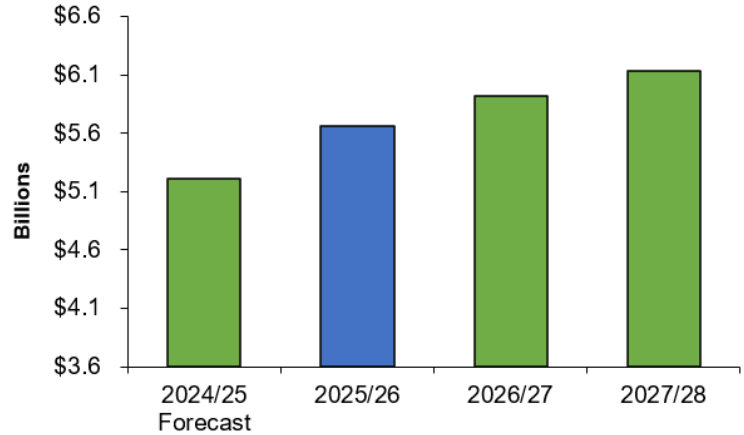


## STATEMENT OF FINANCIAL POSITION

Council manages \$5.2B 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
2024/25	5,215,255
<b>2025/26</b>	<b>5,658,917</b>
2026/27	5,917,630
2027/28	6,137,871



## 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).

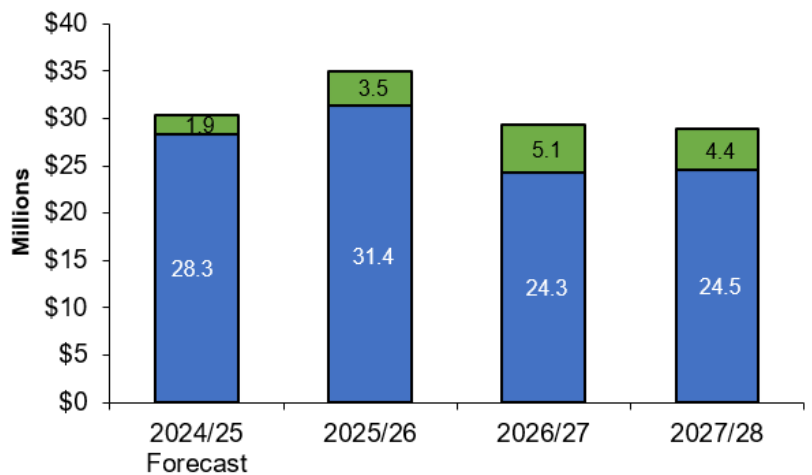
Borrowings are repaid on a monthly basis in accordance with the terms and conditions set by QTC. Council borrows to fund the construction of long term infrastructure assets that provide essential services and ongoing benefits to the community. These borrowings are set to increase in line with Council's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

Council also maintains an overdraft facility to effectively manage cash balances throughout the year in order to delay the drawdown of long term debt. Any drawdowns from the facility are typically fully repaid within one year.

Council's borrowings are projected to increase over the 2024/25 and 2025/26 financial years in line with the expenditure on CWSS1, peaking at \$161.0M.

### DEBT SERVICE PAYMENTS

Budget	Principal Repayments \$'000	Interest on Borrowings \$'000
2024/25	28,340	1,946
<b>2025/26</b>	<b>31,424</b>	<b>3,508</b>
2026/27	24,258	5,063
2027/28	24,530	4,440





## 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	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
<b>DLGWV Sustainability Ratios</b>													
<b>Financial Capacity</b>	Council Controlled Revenue *	N/A	91.5%	<b>92.6%</b>	92.6%	92.6%	92.9%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%
	Population Growth * <sup>1</sup>	N/A	2.0%	1.3%									
<b>Operating Performance</b>	Operating Surplus Ratio	Greater than 0%	4.5%	<b>4.1%</b>	4.2%	2.6%	3.0%	2.5%	2.6%	2.5%	2.8%	2.8%	3.4%
	Operating Cash Ratio	Greater than 0%	31.1%	<b>30.2%</b>	30.2%	29.7%	30.0%	29.7%	30.0%	29.9%	30.1%	30.2%	30.5%
<b>Liquidity</b>	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	7.2 months	<b>3.1 months</b>	N/A for long-term sustainability statement								
<b>Asset Management</b>	Asset Sustainability Ratio	Greater than 60%	88.5%	<b>93.8%</b>	76.5%	101.6%	99.4%	95.7%	97.3%	92.8%	96.2%	86.5%	89.1%
	Asset Consumption Ratio	Greater than 60%	68.5%	<b>69.7%</b>	69.9%	70.0%	70.2%	70.3%	70.3%	70.3%	70.3%	70.2%	70.2%
	Asset Renewal Funding Ratio *	N/A	100.0%	<b>100.0%</b>	N/A for long-term sustainability statement								
<b>Debt Servicing Capacity</b>	Leverage Ratio	0 - 4 times	1.1	<b>1.2</b>	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.6

\* Contextual ratios and not subject to audit

<sup>1</sup> 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

	2024/25 Forecast \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	347,483	379,643	401,840	424,908
Less: rebates	(5,873)	(6,293)	(6,576)	(6,872)
<b>Net rates and utility charges</b>	<b>341,610</b>	<b>373,350</b>	<b>395,264</b>	<b>418,036</b>
Fees and charges	32,235	33,041	34,778	34,868
Interest revenue	5,156	4,568	5,568	5,962
Grants, subsidies and contributions	10,230	8,506	8,804	9,112
Miscellaneous revenue	19,499	19,512	20,195	20,902
	<b>408,730</b>	<b>438,977</b>	<b>464,609</b>	<b>488,880</b>
<b>Capital Revenue</b>				
Capital grants and subsidies	177,879	265,322	69,660	32,100
Contributions from developers	13,481	18,673	18,500	18,700
Contributed assets	37,362	22,178	22,400	22,624
	<b>228,722</b>	<b>306,173</b>	<b>110,560</b>	<b>73,424</b>
<b>TOTAL REVENUE</b>	<b>637,452</b>	<b>745,150</b>	<b>575,169</b>	<b>562,304</b>
<b>Operating Expenses</b>				
Employee benefits	136,075	141,389	146,339	151,124
Materials and services	145,086	160,549	175,877	190,330
Depreciation	106,776	111,257	115,787	128,373
Finance costs	2,456	7,963	7,123	6,552
	<b>390,393</b>	<b>421,158</b>	<b>445,126</b>	<b>476,379</b>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	8,500	14,000	16,285	16,692
<b>TOTAL EXPENSES</b>	<b>398,893</b>	<b>435,158</b>	<b>461,411</b>	<b>493,071</b>
<b>NET RESULT</b>	<b>238,559</b>	<b>309,992</b>	<b>113,758</b>	<b>69,233</b>
<b>Other Comprehensive Income</b>				
Increase/(decrease) in asset revaluation surplus	196,389	133,670	144,955	151,008
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>434,948</b>	<b>443,662</b>	<b>258,713</b>	<b>220,241</b>
<b>Estimated Costs of Significant Business Activities for 2024/25</b>				
(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		103,827		
Cairns Resource Recovery		41,453		
(iii) the local government's significant business activities		-		
Total of Cairns Water and Cairns Resource Recovery		<b>145,280</b>		

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

## Cairns Regional Council - Budgeted Financial Position

	2024/25 Forecast \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
<b>Current Assets</b>				
Cash assets and equivalents	49,948	18,450	65,948	41,877
Receivables	69,017	113,712	54,901	56,301
Inventories	4,914	5,096	5,274	5,459
	<u>123,879</u>	<u>137,258</u>	<u>126,123</u>	<u>103,637</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	5,350,655	5,802,093	6,044,192	6,268,935
	<u>5,350,655</u>	<u>5,802,093</u>	<u>6,044,192</u>	<u>6,268,935</u>
<b>TOTAL ASSETS</b>	<u>5,474,534</u>	<u>5,939,351</u>	<u>6,170,315</u>	<u>6,372,572</u>
<b>Current Liabilities</b>				
Trade and other payables	65,602	69,252	63,670	68,545
Borrowings	28,046	24,258	24,530	21,496
Other liabilities	5,032	5,399	5,599	5,599
Provisions	28,288	26,527	27,539	28,439
	<u>126,968</u>	<u>125,436</u>	<u>121,338</u>	<u>124,079</u>
<b>Non-Current Liabilities</b>				
Borrowings	113,394	136,759	112,229	90,733
Other liabilities	4,307	3,071	3,071	3,071
Provisions	14,610	15,168	16,047	16,818
	<u>132,311</u>	<u>154,998</u>	<u>131,347</u>	<u>110,622</u>
<b>TOTAL LIABILITIES</b>	<u>259,279</u>	<u>280,434</u>	<u>252,685</u>	<u>234,701</u>
<b>NET COMMUNITY ASSETS</b>	<b><u>5,215,255</u></b>	<b><u>5,658,917</u></b>	<b><u>5,917,630</u></b>	<b><u>6,137,871</u></b>
<b>Community Equity</b>				
Asset revaluation surplus	2,192,564	2,326,234	2,471,189	2,622,197
Retained surplus / (deficit)	3,022,691	3,332,683	3,446,441	3,515,674
<b>TOTAL COMMUNITY EQUITY</b>	<b><u>5,215,255</u></b>	<b><u>5,658,917</u></b>	<b><u>5,917,630</u></b>	<b><u>6,137,871</u></b>

## Cairns Regional Council - Budgeted Statement of Cash Flows

	2024/25 Forecast \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
<b>Cash flows from operating activities</b>				
Receipts				
Receipts from customers	417,821	424,363	463,462	472,231
Interest revenue	5,324	4,568	5,568	5,962
Operating grants and contributions	9,068	9,852	9,094	9,103
	<u>432,213</u>	<u>438,783</u>	<u>478,124</u>	<u>487,296</u>
Payments				
Payments to suppliers and employees	(302,184)	(304,378)	(327,967)	(337,021)
Finance costs	(1,946)	(3,508)	(5,063)	(4,440)
	<u>(304,130)</u>	<u>(307,886)</u>	<u>(333,030)</u>	<u>(341,461)</u>
<b>Cash provided by / (used in) operational activities</b>	<b><u>128,083</u></b>	<b><u>130,897</u></b>	<b><u>145,094</u></b>	<b><u>145,835</u></b>
<b>Cash flows from investing activities</b>				
Receipts				
Proceeds / (loss) from the sale of non-current assets	1,082	1,000	1,500	1,500
Proceeds from developer contributions and government grants and subsidies	168,299	238,877	133,478	50,800
	<u>169,381</u>	<u>239,877</u>	<u>134,978</u>	<u>52,300</u>
Payments				
Payments for property, plant and equipment	(272,628)	(421,848)	(208,316)	(197,676)
	<u>(272,628)</u>	<u>(421,848)</u>	<u>(208,316)</u>	<u>(197,676)</u>
<b>Cash provided by / (used in) investing activities</b>	<b><u>(103,247)</u></b>	<b><u>(181,971)</u></b>	<b><u>(73,338)</u></b>	<b><u>(145,376)</u></b>
<b>Cash flows provided from financing activities</b>				
Receipts				
Proceeds from borrowings	40,000	51,000	-	-
Payments				
Repayment of borrowings	(28,340)	(31,424)	(24,258)	(24,530)
	<u>11,660</u>	<u>19,576</u>	<u>(24,258)</u>	<u>(24,530)</u>
<b>Cash provided by / (used in) financing activities</b>	<b><u>11,660</u></b>	<b><u>19,576</u></b>	<b><u>(24,258)</u></b>	<b><u>(24,530)</u></b>
<b>Net increase / (decrease) in cash held</b>	<b><u>36,496</u></b>	<b><u>(31,498)</u></b>	<b><u>47,498</u></b>	<b><u>(24,071)</u></b>
Cash at beginning of reporting period	13,452	49,948	18,450	65,948
<b>Cash at end of reporting period</b>	<b><u>49,948</u></b>	<b><u>18,450</u></b>	<b><u>65,948</u></b>	<b><u>41,877</u></b>

## Cairns Regional Council - Budgeted Statement of Changes in Equity

	Total			
	2024/25	2025/26	2026/27	2027/28
	Forecast			
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	4,780,307	5,215,255	5,658,917	5,917,630
Increase (decrease) to asset revaluation surplus	196,389	133,670	144,955	151,008
Increase (decrease) in net result	238,559	309,992	113,758	69,233
<b>Balance at the end of the period</b>	<b>5,215,255</b>	<b>5,658,917</b>	<b>5,917,630</b>	<b>6,137,871</b>

	Asset Revaluation Surplus			
	2024/25	2025/26	2026/27	2027/28
	Forecast			
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	1,996,175	2,192,564	2,326,234	2,471,189
Increase (decrease) to asset revaluation surplus	196,389	133,670	144,955	151,008
<b>Balance at the end of the period</b>	<b>2,192,564</b>	<b>2,326,234</b>	<b>2,471,189</b>	<b>2,622,197</b>

	Retained Surplus/(Deficit)			
	2024/25	2025/26	2026/27	2027/28
	Forecast			
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	2,784,132	3,022,691	3,332,683	3,446,441
Increase (decrease) in net result	238,559	309,992	113,758	69,233
<b>Balance at the end of the period</b>	<b>3,022,691</b>	<b>3,332,683</b>	<b>3,446,441</b>	<b>3,515,674</b>

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

	2024/25 Original \$	2024/25 Forecast \$	2025/26 \$	2026/27 \$	2027/28 \$
<b>1 Rates and utility charges</b>					
General rates	146,290	146,049	161,346	168,607	176,194
Water	33,805	33,707	37,875	44,692	51,688
Sewerage	92,480	92,201	97,266	101,643	106,217
Special charges	993	996	1,550	1,620	1,693
Water usage	40,169	39,914	45,066	47,094	49,213
Cleansing charges	34,574	34,616	36,540	38,184	39,903
	<u>348,311</u>	<u>347,483</u>	<u>379,643</u>	<u>401,840</u>	<u>424,908</u>
Less: rebates	(5,752)	(5,873)	(6,293)	(6,576)	(6,872)
	<u>342,559</u>	<u>341,610</u>	<u>373,350</u>	<u>395,264</u>	<u>418,036</u>

	2024/25 Original \$	2024/25 Forecast \$	2025/26 Original \$	2024/25 Original vs 2025/26 Original Budget Variance \$	2024/25 Original vs 2025/26 Original Budget Variance %	2024/25 Forecast vs 2025/26 Original Budget Variance \$	2024/25 Forecast vs 2025/26 Original Budget Variance %
<b>Rates and utility charges - value of change</b>							
<b>General rates and utility charges <sup>1</sup></b>							
General rates	146,290	146,049	161,346	15,056	10.29%	15,297	10.47%
Water	33,805	33,707	37,875	4,070	12.04%	4,168	12.37%
Sewerage	92,480	92,201	97,266	4,786	5.18%	5,065	5.49%
Cleansing charges	34,574	34,616	36,540	1,966	5.69%	1,924	5.56%
	<u>307,149</u>	<u>306,573</u>	<u>333,027</u>	<u>25,878</u>	<u>8.43%</u>	<u>26,454</u>	<u>8.63%</u>
<b>Water usage <sup>2</sup></b>	<u>40,169</u>	<u>39,914</u>	<u>45,066</u>	<u>4,897</u>	<u>12.19%</u>	<u>5,152</u>	<u>12.91%</u>

### Note 1

Movements in general rates and utility charges incorporates valuation changes, 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

	2024/25 Forecast \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	164,503	178,795	186,841	195,249
Fees and charges	2,804	2,970	3,148	3,180
Interest revenue	1,355	1,349	1,382	1,417
Other operating income	779	780	807	836
	<u>169,441</u>	<u>183,894</u>	<u>192,178</u>	<u>200,682</u>
<b>Capital Revenue</b>				
Capital grants, subsidies and contributions	132,081	221,587	33,553	1,346
Contributed assets	8,536	9,390	8,960	9,050
	<u>140,617</u>	<u>230,977</u>	<u>42,513</u>	<u>10,396</u>
<b>TOTAL REVENUE</b>	<b><u>310,058</u></b>	<b><u>414,871</u></b>	<b><u>234,691</u></b>	<b><u>211,078</u></b>
<b>Operating Expenses</b>				
Employee benefits	16,956	17,747	18,776	19,677
Finance costs	-	-	-	-
Materials and services	36,311	39,331	40,904	42,540
Depreciation	45,758	46,749	48,371	58,071
	<u>99,025</u>	<u>103,827</u>	<u>108,051</u>	<u>120,288</u>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	3,967	4,980	6,696	6,864
	<u>3,967</u>	<u>4,980</u>	<u>6,696</u>	<u>6,864</u>
<b>TOTAL EXPENSES</b>	<b><u>102,992</u></b>	<b><u>108,807</u></b>	<b><u>114,747</u></b>	<b><u>127,152</u></b>
<b>NET RESULT</b>	<b><u>207,066</u></b>	<b><u>306,064</u></b>	<b><u>119,944</u></b>	<b><u>83,926</u></b>
<b>Other Comprehensive Income</b>				
Increase in asset revaluation surplus	67,678	40,468	39,482	38,257
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>274,744</u></b>	<b><u>346,532</u></b>	<b><u>159,426</u></b>	<b><u>122,183</u></b>

## Cairns Regional Council - Budgeted Income Statement

### Cairns Resource Recovery

	2024/25 Forecast \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	34,606	36,540	38,184	39,903
Fees and charges	3,920	3,981	4,220	4,262
Interest revenue	347	365	374	383
Other operating income	8,946	8,553	8,852	9,162
Grants, subsidies and contributions	159	-	-	-
	<u>47,978</u>	<u>49,439</u>	<u>51,630</u>	<u>53,710</u>
<b>TOTAL REVENUE</b>	<b><u>47,978</u></b>	<b><u>49,439</u></b>	<b><u>51,630</u></b>	<b><u>53,710</u></b>
<b>Operating Expenses</b>				
Employee benefits	6,390	6,960	7,364	7,717
Finance costs	4	2	2	2
Materials and services	30,745	32,306	33,598	34,942
Depreciation	2,043	2,185	2,266	2,335
	<u>39,182</u>	<u>41,453</u>	<u>43,230</u>	<u>44,996</u>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	319	563	633	649
<b>TOTAL EXPENSES</b>	<b><u>39,501</u></b>	<b><u>42,016</u></b>	<b><u>43,863</u></b>	<b><u>45,645</u></b>
<b>Net Result</b>	<b><u>8,477</u></b>	<b><u>7,423</u></b>	<b><u>7,767</u></b>	<b><u>8,065</u></b>
<b>Other Comprehensive Income</b>				
Increase in asset revaluation surplus	1,255	826	770	711
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>9,732</u></b>	<b><u>8,249</u></b>	<b><u>8,537</u></b>	<b><u>8,776</u></b>

## 4. 2025/26 LONG TERM FINANCIAL FORECAST

### Cairns Regional Council - Long Term Financial Forecast (extract)

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>											
Rates and utility charges	341,610	373,350	395,264	418,036	436,553	454,015	472,176	493,103	512,827	533,341	556,991
Fees and charges	32,235	33,041	34,778	34,868	36,702	36,798	38,735	38,838	40,884	40,995	43,156
Interest revenue	5,156	4,568	5,568	5,962	5,072	4,923	5,361	5,738	6,165	6,456	6,849
Grants, subsidies and contributions	10,230	8,506	8,804	9,112	9,431	9,761	10,103	10,456	10,822	11,201	11,593
Other operating income	19,499	19,512	20,195	20,902	21,633	22,390	23,174	23,985	24,825	25,693	26,593
	408,730	438,977	464,609	488,880	509,391	527,887	549,549	572,120	595,523	617,686	645,182
<b>Capital Revenue</b>											
Capital grants and subsidies	177,879	265,322	69,660	32,100	25,800	26,600	27,400	28,200	29,100	29,900	30,900
Contributions from developers	13,481	18,673	18,500	18,700	18,900	19,000	19,200	19,400	19,600	19,800	20,000
Contributed assets	37,362	22,178	22,400	22,624	22,850	23,079	23,309	23,542	23,778	24,016	24,256
	228,722	306,173	110,560	73,424	67,550	68,679	69,909	71,142	72,478	73,716	75,156
<b>TOTAL REVENUE</b>	637,452	745,150	575,169	562,304	576,941	596,566	619,458	643,262	668,001	691,402	720,338
<b>Operating Expenses</b>											
Employee benefits	136,075	141,389	146,339	151,124	156,556	162,505	168,680	175,090	181,743	188,650	195,818
Materials and services	145,086	160,549	175,877	190,330	198,083	206,433	213,885	223,737	231,865	240,242	250,162
Depreciation	106,776	111,257	115,787	128,373	133,638	139,164	144,884	150,676	156,582	162,731	169,182
Finance costs	2,456	7,963	7,123	6,552	5,984	6,711	7,909	8,542	8,806	8,643	8,380
	390,393	421,158	445,126	476,379	494,261	514,813	535,358	558,045	578,996	600,266	623,542
<b>Capital Expenses</b>											
Loss on disposal of non-current assets	8,500	14,000	16,285	16,692	17,109	17,537	17,975	18,425	18,885	19,357	19,357
<b>TOTAL EXPENSES</b>	398,893	435,158	461,411	493,071	511,370	532,350	553,333	576,470	597,881	619,623	642,899
<b>Net result</b>	238,559	309,992	113,758	69,233	65,571	64,216	66,125	66,792	70,120	71,779	77,439
<b>Capital works program expenditure</b>	272,628	421,848	208,316	197,676	210,914	211,728	212,635	213,986	215,693	222,382	226,367
<b>Community Assets</b>											
Total assets	5,474,534	5,939,351	6,170,315	6,372,572	6,602,653	6,848,544	7,094,878	7,343,219	7,593,664	7,849,791	8,110,421
Total liabilities	259,279	280,434	252,685	234,701	242,586	261,682	273,332	280,316	280,040	277,711	267,986
<b>Net Community Assets</b>	5,215,255	5,658,917	5,917,630	6,137,871	6,360,067	6,586,862	6,821,546	7,062,903	7,313,624	7,572,080	7,842,435

## 5. 2025/26 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 2025/26 financial year:

- Cairns Water
- Cairns Resource Recovery

#### 2025/26 ESTIMATED ACTIVITY STATEMENT

Description	Cairns Water \$'000	Cairns Resource Recovery \$'000
<b>Estimated Revenue</b>		
Services provided to the local government	10,880	(723)
Services provided to anyone else	193,284	49,439
Capital Grant Income	221,587	-
Community Service Obligations (net cost)	1,135	1,201
<b>Revenue Total</b>	426,886	49,917
<b>Estimated Expenses</b>		
Employee Costs	17,990	7,225
Materials and Services	51,103	32,522
Depreciation	46,749	2,185
Other Expenditure	4,980	563
Income Tax	91,820	2,227
<b>Expenditure Total</b>	212,642	44,722
<b>Estimated Surplus or (Deficit) before dividend:</b>	214,244	5,195

Capital Works expenditure is not included in the above statement. Councils' capital works program for 2025/26 includes \$3.0M for Cairns Resource Recovery and \$308.5M for Cairns Water (including \$260.1M for the CWSS1 project).

#### 2025/26 ESTIMATED COSTS OF CARRYING OUT COMMUNITY SERVICE OBLIGATIONS

Activities	Description of the nature of the Community Service Obligation	Cost of CSO \$'000
<b>Water</b>	Water Rates Rates Based Financial Assistance	64
	<b>Total</b>	<b>64</b>
<b>Wastewater</b>	Sewerage Rates Rates Based Financial Assistance	1,071
	<b>Total</b>	<b>1,071</b>
	<b>Total</b>	<b>1,135</b>

Activities	Community Service Obligation Description	Cost of CSO \$'000
<b>Waste Services</b>	Free Green Waste conducted four times a year	781
	Charity exemptions for waste disposal	194
	Collection and disposal relating to community clean up events	3
	Free hazardous waste disposal to prevent incorrect disposals	174
	Recycling services fee free of charge to schools	41
	In Kind Waste & Recycling Collections	7
	Donations of buy back shop items to charity	2
	<b>Total</b>	<b>1,202</b>