

# 2024/25 BUDGET FINANCIAL STATEMENTS



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# 1. COMMUNITY FINANCIAL REPORT

## BACKGROUND

The following report outlines Council's budgeted financial position and performance for the 2024/25 financial year. The information contained in this report is based upon Council's budgeted Financial Statements for the three-year period commencing in 2024/25 with a comparison to the 2023/24 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 Housing, Local Government, Planning and Public Works (DHLGPPW) 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 2024/25 AT A GLANCE

Statement of Income and Expenditure (\$'000)		Financial Position (\$'000)	
Operating Revenue	406,288	Current Assets	83,505
Capital Revenue	172,081	Non-Current Assets	5,165,951
<b>Total Revenue</b>	<b>578,369</b>	<b>Total Assets</b>	<b>5,249,456</b>
Operating Expenses	394,822	Current Liabilities	137,831
Capital Expenses	15,500	Non-Current Liabilities	225,249
<b>Total Expenses</b>	<b>410,322</b>	<b>Total Liabilities</b>	<b>363,080</b>
<b>Net Result</b>	<b>168,047</b>	<b>Net Community Assets</b>	<b>4,886,376</b>
Capital Expenditure (\$'000)		Borrowings (\$'000)	
<b>Capital Works Program</b>	383,529	<b>Outstanding Borrowings</b>	242,538
<b>Repayment of Borrowings</b>	29,702	<b>Borrowings per Assessment \$</b>	3,200

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 2023/24 have continued to face significant uncertainty with high inflation levels, supply chain issues and rising interest rates. Additionally, the Tropical Cyclone Jasper Flooding Emergency clean-up and restoration works are expected to exceed \$130M. Acknowledging that external funding programs cover some elements, there are still a significant portion of costs to be Council funded. The Cairns Water Security Stage 1 (CWSS1) project also commenced in the year and is notably the largest infrastructure project Council has undertaken to date. Considering these factors, Council's 2024/25 Budget has endeavoured to strike a balance between maintaining essential service levels, the delivery of the capital works program, and keeping rates affordable.

The 2024/25 Budget sets out a record Capital Works program of \$383.5M and sees a rate rise of 6.7%.

## 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

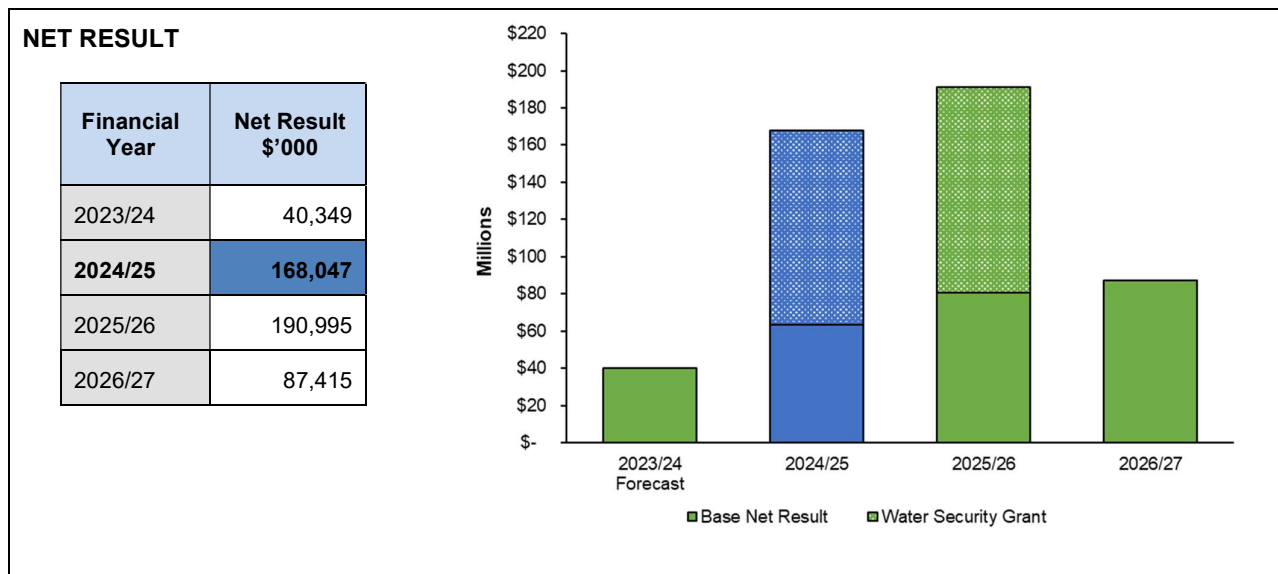
### STATEMENT OF INCOME AND EXPENDITURE

#### NET RESULT

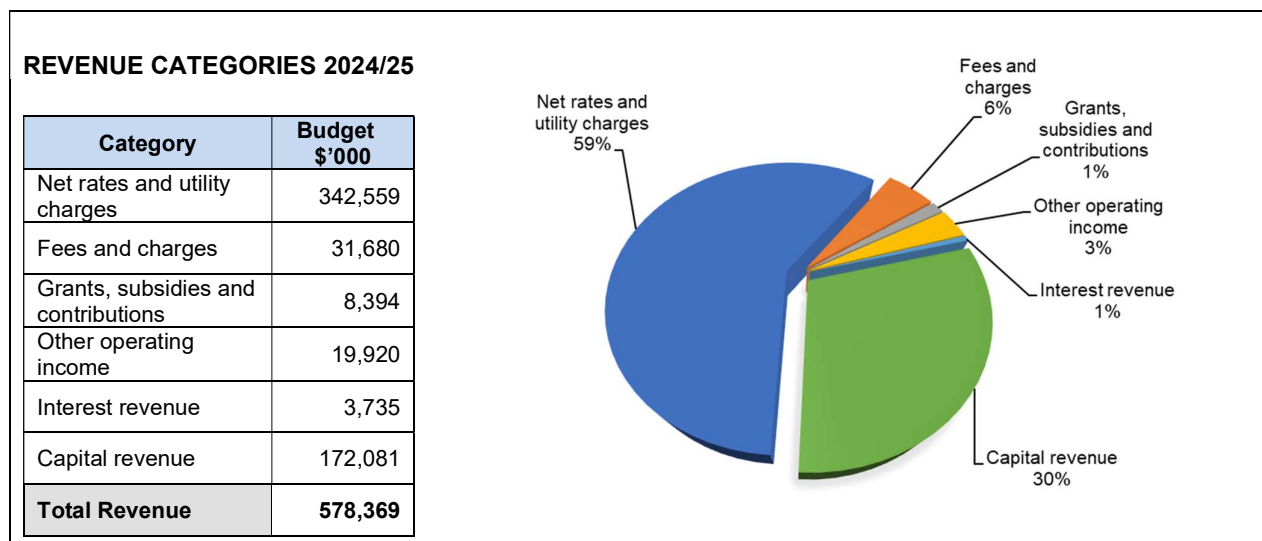
Council's net result reflects total revenue less total expenses. It incorporates capital income and expenditure however does not include expenditure amounts for capital projects.

Council has forecasted a net result of \$40.3M for the Financial Year 2023/24. This increases to \$168.0M in the Financial Year 2024/25 and \$191.0M in the Financial Year 2025/26 due to grant funding for CWSS1 in those years of \$104.6M and \$110.4M respectively.

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

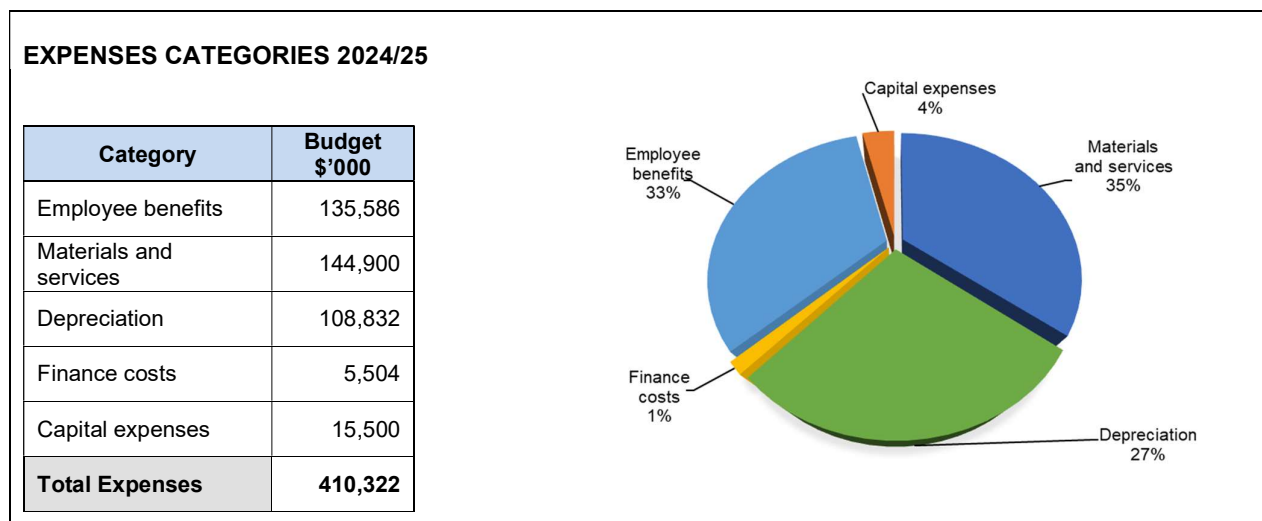


## REVENUE



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%, a price increase of 6.7%.

## EXPENSES



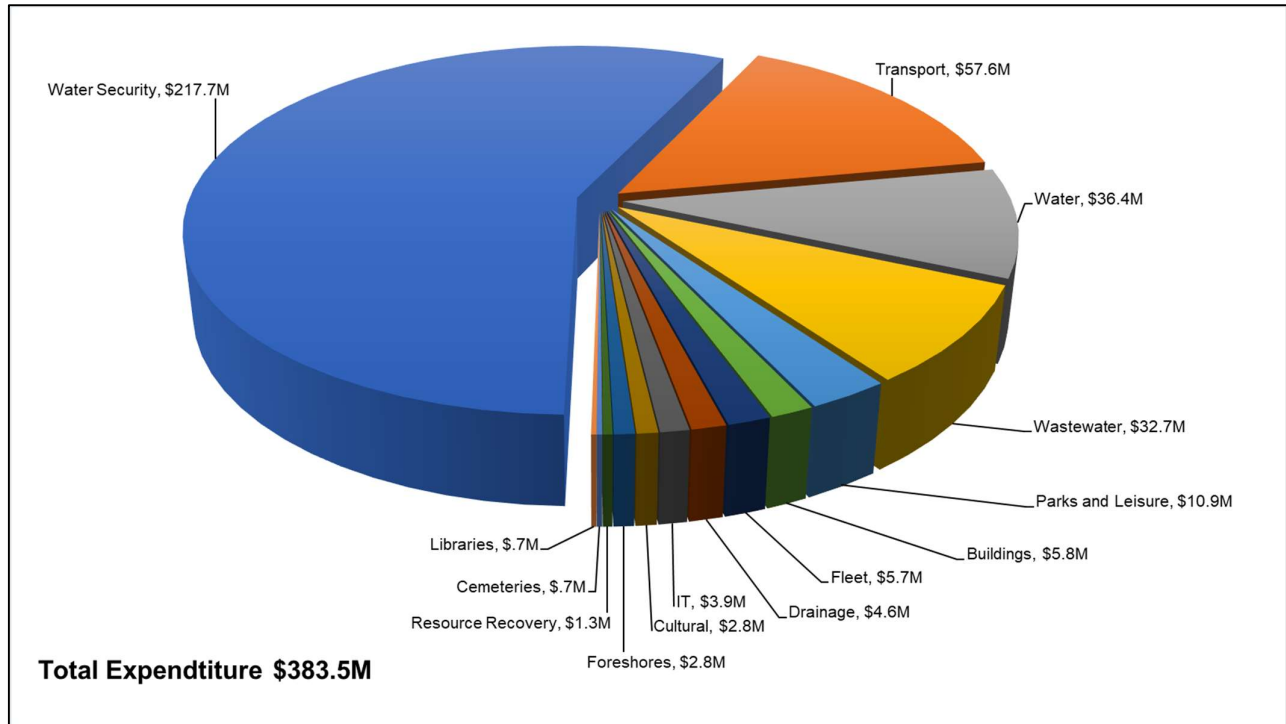
Materials and services together with employee benefits comprise 68% of Council's forecast total expenditure. Council is one of the region's largest employers whose strong workforce is responsible for the provision of water, wastewater, resource recovery services, maintenance, planning, lifestyle and community services and capital infrastructure for the community.

In addition to these expenses, depreciation makes up 27% 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

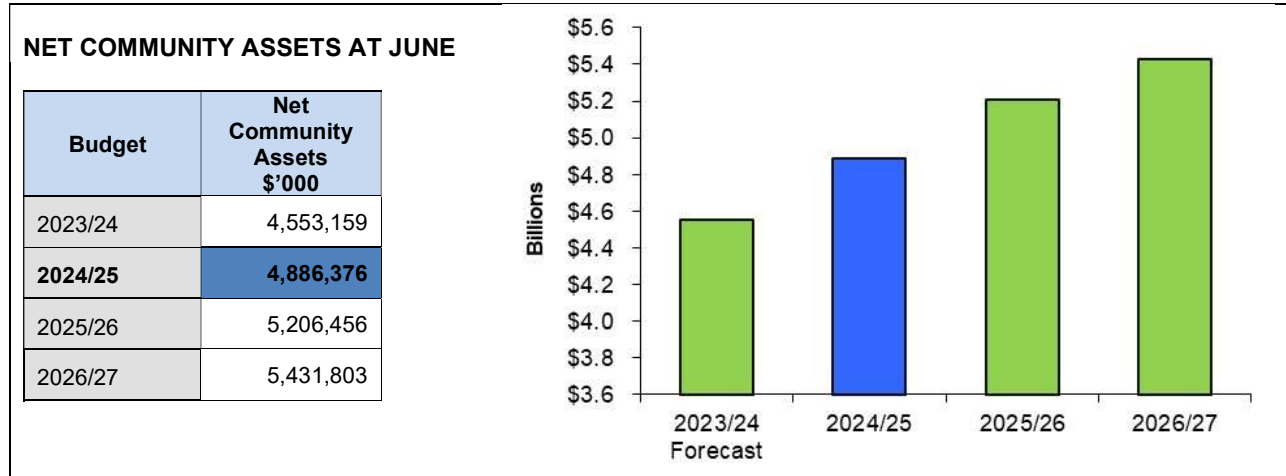
Council manages a very diverse range of infrastructure assets with a gross value in excess of \$6.8B. These assets cover categories such as land, buildings, plant and equipment, road and bridge network, drainage, water, sewerage and solid waste disposal. Council is responsible for the construction, upgrade 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 2024/25 is \$383.5M. 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 2024/25 year by asset category.



## STATEMENT OF FINANCIAL POSITION

Council manages \$4.6B 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.



## BORROWINGS

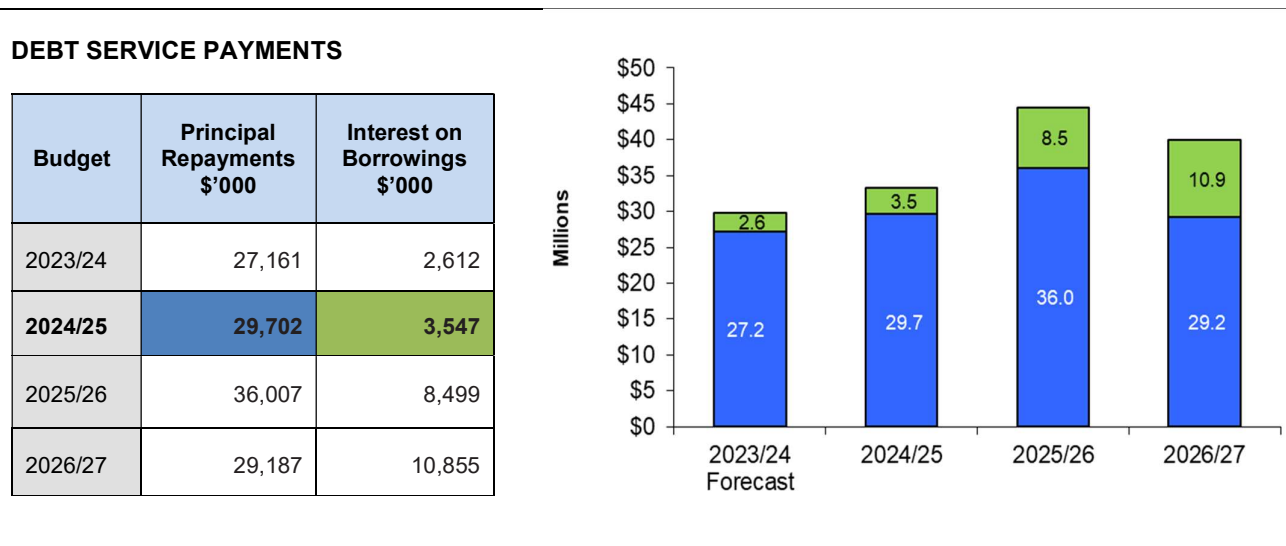
Borrowings are in line with Council's Debt Policy and are obtained from Queensland Treasury Corporation (QTC) with the exception of capital projects funded under interest-free loan agreements with Economic Development Queensland (EDQ).

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 significantly over the 2024/25 to 2026/27 financial years in line with the expenditure on CWSS1.

Currently, Council has commitments from the State and Federal governments to fund \$215M of the \$472M total project cost. Whilst Council continues to advocate strongly to both levels of government for 100% funding for the total project cost, Council's long term financial forecast currently only assumes \$215M of grant funding. This means that Council's long term debt balance is forecast to increase significantly, putting its net debt levels well outside Council's risk tolerance levels for most of the forecast period.







## MEASURES OF FINANCIAL SUSTAINABILITY

### FINANCIAL MANAGEMENT (SUSTAINABILITY) GUIDELINE 2024

On 15 March 2024 DHLGPPW released the Financial Management (Sustainability) Guideline to be implemented from the 2023/24 financial year. The purpose of the Guideline is to enable the Department to more effectively monitor performance and sustainability within the local government sector with the aim of providing more targeted support to Councils as required. A summary of the new ratios and the results over the 10 year forecast period is provided below:

Type	Measure	Target	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
<b>DHLGPPW Sustainability Ratios</b>													
<b>Financial Capacity</b>	Council Controlled Revenue *	N/A	88.8%	<b>92.1%</b>	92.4%	92.5%	92.5%	92.5%	92.4%	92.4%	92.5%	92.5%	92.5%
	Population Growth * <sup>1</sup>	N/A	1.6%	1.3%									
<b>Operating Performance</b>	Operating Surplus Ratio	Greater than 0%	(0.7%)	<b>2.8%</b>	3.2%	1.8%	0.7%	0.6%	0.3%	0.3%	0.0%	0.0%	0.1%
	Operating Cash Ratio	Greater than 0%	27.6%	<b>30.5%</b>	32.0%	32.1%	31.4%	31.7%	31.3%	31.3%	30.8%	31.0%	30.6%
<b>Liquidity</b>	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	3.8 months	<b>3.6 months</b>	N/A for long-term sustainability statement								
<b>Asset Management</b>	Asset Sustainability Ratio	Greater than 60%	64.1%	<b>94.5%</b>	76.5%	70.0%	134.7%	103.4%	88.1%	85.2%	66.2%	68.2%	69.1%
	Asset Consumption Ratio	Greater than 60%	67.1%	<b>67.9%</b>	68.2%	67.9%	67.6%	67.1%	66.5%	66.1%	65.6%	65.2%	64.7%
	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	1.4	<b>2.0</b>	2.0	2.2	2.2	2.1	1.9	1.8	1.7	1.6	1.6

\* 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 DHLGPPW ratios for all 10 years, noting the exception in the operating surplus ratio in FY24 which has been impacted by the net costs related to Tropical Cyclone Jasper recovery works.

## 2. BUDGETED FINANCIAL STATEMENTS

### Cairns Regional Council - Budgeted Statement of Income and Expenditure

	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	321,160	348,311	367,918	387,375
Less: rebates	(5,361)	(5,752)	(5,982)	(6,191)
<b>Net rates and utility charges</b>	<b>315,799</b>	<b>342,559</b>	<b>361,936</b>	<b>381,184</b>
Fees and charges	29,212	31,680	31,765	33,438
Interest revenue	5,877	3,735	3,361	3,480
Grants, subsidies and contributions	16,662	8,394	8,559	8,858
Miscellaneous revenue	20,897	19,920	20,618	21,339
	<b>388,447</b>	<b>406,288</b>	<b>426,239</b>	<b>448,299</b>
<b>Capital Revenue</b>				
Capital grants and subsidies	20,574	135,878	154,500	56,700
Contributions from developers	14,240	16,041	18,300	18,500
Contributed assets	22,375	20,162	20,363	20,568
	<b>57,189</b>	<b>172,081</b>	<b>193,163</b>	<b>95,768</b>
<b>TOTAL REVENUE</b>	<b>445,636</b>	<b>578,369</b>	<b>619,402</b>	<b>544,067</b>
<b>Operating Expenses</b>				
Employee benefits	131,670	135,586	140,931	145,871
Materials and services	148,000	144,900	147,149	156,647
Depreciation	107,501	108,832	114,293	125,306
Finance costs	4,116	5,504	10,146	12,543
	<b>391,287</b>	<b>394,822</b>	<b>412,519</b>	<b>440,367</b>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	14,000	15,500	15,888	16,285
<b>TOTAL EXPENSES</b>	<b>405,287</b>	<b>410,322</b>	<b>428,407</b>	<b>456,652</b>
<b>NET RESULT</b>	<b>40,349</b>	<b>168,047</b>	<b>190,995</b>	<b>87,415</b>
<b>Other Comprehensive Income</b>				
Increase/(decrease) in asset revaluation surplus	17,100	165,170	129,085	137,932
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>57,449</b>	<b>333,217</b>	<b>320,080</b>	<b>225,347</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		100,054		
Cairns Resource Recovery		38,963		
(iii) the local government's significant business activities		-		
Total of Cairns Water and Cairns Resource Recovery		<b>139,017</b>		

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

## Cairns Regional Council - Budgeted Financial Position

	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
<b>Current Assets</b>				
Cash assets and equivalents	28,339	25,621	26,208	25,477
Receivables	60,975	52,938	52,136	53,622
Inventories	4,764	4,946	5,070	5,196
	<u>94,078</u>	<u>83,505</u>	<u>83,414</u>	<u>84,295</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	4,722,696	5,165,951	5,518,814	5,765,616
	<u>4,722,696</u>	<u>5,165,951</u>	<u>5,518,814</u>	<u>5,765,616</u>
<b>TOTAL ASSETS</b>	<u>4,816,774</u>	<u>5,249,456</u>	<u>5,602,228</u>	<u>5,849,911</u>
<b>Current Liabilities</b>				
Trade and other payables	55,778	52,559	53,607	56,970
Borrowings	29,549	36,016	29,197	32,853
Other liabilities	12,226	25,066	26,051	4,947
Provisions	27,510	24,190	25,050	25,760
	<u>125,063</u>	<u>137,831</u>	<u>133,905</u>	<u>120,530</u>
<b>Non-Current Liabilities</b>				
Borrowings	119,691	206,522	243,334	278,492
Other liabilities	5,507	4,643	3,959	3,959
Provisions	13,354	14,084	14,574	15,127
	<u>138,552</u>	<u>225,249</u>	<u>261,867</u>	<u>297,578</u>
<b>TOTAL LIABILITIES</b>	<u>263,615</u>	<u>363,080</u>	<u>395,772</u>	<u>418,108</u>
<b>NET COMMUNITY ASSETS</b>	<u>4,553,159</u>	<u>4,886,376</u>	<u>5,206,456</u>	<u>5,431,803</u>
<b>Community Equity</b>				
Asset revaluation surplus	1,782,558	1,947,728	2,076,813	2,214,745
Retained surplus / (deficit)	2,770,601	2,938,648	3,129,643	3,217,058
<b>TOTAL COMMUNITY EQUITY</b>	<u>4,553,159</u>	<u>4,886,376</u>	<u>5,206,456</u>	<u>5,431,803</u>

## Cairns Regional Council - Budgeted Statement of Cash Flows

	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
<b>Cash flows from operating activities</b>				
Receipts				
Receipts from customers	388,612	400,578	414,949	434,361
Interest revenue	3,326	3,735	3,361	3,480
Operating grants and contributions	16,662	9,830	8,608	8,845
	<u>408,600</u>	<u>414,143</u>	<u>426,918</u>	<u>446,686</u>
Payments				
Payments to suppliers and employees	(299,781)	(288,253)	(287,330)	(299,579)
Finance costs	(2,612)	(3,547)	(8,499)	(10,855)
	<u>(302,393)</u>	<u>(291,800)</u>	<u>(295,829)</u>	<u>(310,434)</u>
<b>Cash provided by / (used in) operational activities</b>	<b><u>106,207</u></b>	<b><u>122,343</u></b>	<b><u>131,089</u></b>	<b><u>136,252</u></b>
<b>Cash flows from investing activities</b>				
Receipts				
Proceeds / (loss) from the sale of non-current assets	795	1,000	1,500	1,500
Proceeds from developer contributions and government grants and subsidies	32,243	163,895	173,101	54,096
	<u>33,038</u>	<u>164,895</u>	<u>174,601</u>	<u>55,596</u>
Payments				
Payments for property, plant and equipment	(139,568)	(383,254)	(335,096)	(231,392)
	<u>(139,568)</u>	<u>(383,254)</u>	<u>(335,096)</u>	<u>(231,392)</u>
<b>Cash provided by / (used in) investing activities</b>	<b><u>(106,530)</u></b>	<b><u>(218,359)</u></b>	<b><u>(160,495)</u></b>	<b><u>(175,796)</u></b>
<b>Cash flows provided from financing activities</b>				
Receipts				
Proceeds from borrowings	20,000	123,000	66,000	68,000
Payments				
Repayment of borrowings	(27,161)	(29,702)	(36,007)	(29,187)
	<u>(7,161)</u>	<u>93,298</u>	<u>29,993</u>	<u>38,813</u>
<b>Cash provided by / (used in) financing activities</b>	<b><u>(7,161)</u></b>	<b><u>93,298</u></b>	<b><u>29,993</u></b>	<b><u>38,813</u></b>
<b>Net increase / (decrease) in cash held</b>	<b><u>(7,484)</u></b>	<b><u>(2,718)</u></b>	<b><u>587</u></b>	<b><u>(731)</u></b>
Cash at beginning of reporting period	35,823	28,339	25,621	26,208
<b>Cash at end of reporting period</b>	<b><u>28,339</u></b>	<b><u>25,621</u></b>	<b><u>26,208</u></b>	<b><u>25,477</u></b>

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

	Total			
	2023/24 Forecast	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	4,495,710	4,553,159	4,886,376	5,206,456
Increase (decrease) to asset revaluation surplus	17,100	165,170	129,085	137,932
Increase (decrease) in net result	40,349	168,047	190,995	87,415
<b>Balance at the end of the period</b>	<b>4,553,159</b>	<b>4,886,376</b>	<b>5,206,456</b>	<b>5,431,803</b>

	Asset Revaluation Surplus			
	2023/24 Forecast	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	1,765,458	1,782,558	1,947,728	2,076,813
Increase (decrease) to asset revaluation surplus	17,100	165,170	129,085	137,932
<b>Balance at the end of the period</b>	<b>1,782,558</b>	<b>1,947,728</b>	<b>2,076,813</b>	<b>2,214,745</b>

	Retained Surplus/(Deficit)			
	2023/24 Forecast	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000
<b>Balance at the beginning of the period</b>	2,730,252	2,770,601	2,938,648	3,129,643
Increase (decrease) in net result	40,349	168,047	190,995	87,415
<b>Balance at the end of the period</b>	<b>2,770,601</b>	<b>2,938,648</b>	<b>3,129,643</b>	<b>3,217,058</b>

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

	2023/24 Original \$	2023/24 Forecast \$	2024/25 \$	2025/26 \$	2026/27 \$
<b>1 Rates and utility charges</b>					
General rates	139,111	138,633	146,289	152,142	157,467
Water	26,667	26,712	35,502	43,428	51,527
Sewerage	87,622	87,576	92,480	95,717	99,067
Special charges	966	960	993	1,028	1,064
Water usage	36,872	34,519	38,473	39,819	41,213
Cleansing charges	32,743	32,760	34,574	35,784	37,037
	<u>323,981</u>	<u>321,160</u>	<u>348,311</u>	<u>367,918</u>	<u>387,375</u>
Less: rebates	( 5,290)	( 5,361)	( 5,752)	( 5,982)	( 6,191)
	<u>318,691</u>	<u>315,799</u>	<u>342,559</u>	<u>361,936</u>	<u>381,184</u>

	2023/24	2023/24	2024/25	2023/24 Original vs 2024/25 Original Budget		2023/24 Forecast vs 2024/25 Original Budget	
	Original \$	Forecast \$	Original \$	Variance \$	Variance %	Variance \$	Variance %
<b>Rates and utility charges - value of change</b>							
<b>General rates and utility charges <sup>1</sup></b>							
General rates	139,111	138,633	146,289	7,178	5.16%	7,656	5.52%
Water	26,667	26,712	35,502	8,835	33.13%	8,790	32.91%
Sewerage	87,622	87,576	92,480	4,858	5.54%	4,904	5.60%
Cleansing charges	32,743	32,760	34,574	1,831	5.59%	1,814	5.54%
	<u>286,143</u>	<u>285,681</u>	<u>308,845</u>	<u>22,702</u>	<u>7.93%</u>	<u>23,164</u>	<u>8.11%</u>
<b>Water usage <sup>2</sup></b>	<u>36,872</u>	<u>34,519</u>	<u>38,473</u>	<u>1,601</u>	<u>4.34%</u>	<u>3,954</u>	<u>11.45%</u>

### Note 1

Movements in general rates and utility charges incorporates an assumed growth in rateable properties of 1.0% and an overall price increase of 6.7%.

### 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

	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	147,534	165,207	171,816	177,829
Fees and charges	2,817	2,988	3,018	3,199
Interest revenue	1,302	1,220	1,251	1,282
Other operating income	733	712	737	763
	<u>152,386</u>	<u>170,127</u>	<u>176,822</u>	<u>183,073</u>
<b>Capital Revenue</b>				
Capital grants, subsidies and contributions	629	104,857	110,359	-
Contributed assets	7,046	6,543	7,127	7,199
	<u>7,675</u>	<u>111,400</u>	<u>117,486</u>	<u>7,199</u>
<b>TOTAL REVENUE</b>	<b><u>160,061</u></b>	<b><u>281,527</u></b>	<b><u>294,308</u></b>	<b><u>190,272</u></b>
<b>Operating Expenses</b>				
Employee benefits	16,661	16,842	17,558	18,225
Finance costs	41	-	-	-
Materials and services	35,780	35,789	37,131	38,523
Depreciation	45,208	47,423	49,639	58,190
	<u>97,690</u>	<u>100,054</u>	<u>104,328</u>	<u>114,938</u>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	8,856	6,167	5,216	5,335
	<u>8,856</u>	<u>6,167</u>	<u>5,216</u>	<u>5,335</u>
<b>TOTAL EXPENSES</b>	<b><u>106,546</u></b>	<b><u>106,221</u></b>	<b><u>109,544</u></b>	<b><u>120,273</u></b>
<b>NET RESULT</b>	<b><u>53,515</u></b>	<b><u>175,306</u></b>	<b><u>184,764</u></b>	<b><u>69,999</u></b>
<b>Other Comprehensive Income</b>				
Increase in asset revaluation surplus	64,321	34,937	35,811	36,706
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>117,836</u></b>	<b><u>210,243</u></b>	<b><u>220,575</u></b>	<b><u>106,705</u></b>

## Cairns Regional Council - Budgeted Income Statement

### Cairns Resource Recovery

	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
<b>Operating Revenue</b>				
Rates and utility charges	32,760	34,574	35,957	37,215
Fees and charges	3,165	3,354	3,388	3,591
Interest revenue	322	289	296	304
Other operating income	8,194	8,314	8,605	8,906
Grants, subsidies and contributions	150	-	-	-
	<u>44,591</u>	<u>46,531</u>	<u>48,246</u>	<u>50,016</u>
<b>TOTAL REVENUE</b>	<b><u>44,591</u></b>	<b><u>46,531</u></b>	<b><u>48,246</u></b>	<b><u>50,016</u></b>
<b>Operating Expenses</b>				
Employee benefits	6,463	6,607	6,887	7,149
Finance costs	3	1	-	-
Materials and services	28,204	30,424	31,565	32,749
Depreciation	1,754	1,931	2,015	2,087
	<u>36,424</u>	<u>38,963</u>	<u>40,467</u>	<u>41,985</u>
<b>Capital Expenses</b>				
Loss on disposal of non-current assets	374	759	17	18
	<u>36,798</u>	<u>39,722</u>	<u>40,484</u>	<u>42,003</u>
<b>TOTAL EXPENSES</b>	<b><u>36,798</u></b>	<b><u>39,722</u></b>	<b><u>40,484</u></b>	<b><u>42,003</u></b>
<b>Net Result</b>	<b><u>7,793</u></b>	<b><u>6,809</u></b>	<b><u>7,762</u></b>	<b><u>8,013</u></b>
<b>Other Comprehensive Income</b>				
Increase in asset revaluation surplus	1,430	875	897	919
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>9,223</u></b>	<b><u>7,684</u></b>	<b><u>8,659</u></b>	<b><u>8,932</u></b>



## 4. 2024/25 LONG TERM FINANCIAL FORECAST

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

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>											
Rates and utility charges	315,799	342,559	361,936	381,184	400,995	415,819	430,380	445,452	461,922	478,097	494,840
Fees and charges	29,212	31,680	31,765	33,438	33,528	35,296	35,393	37,260	37,363	39,336	39,447
Interest revenue	5,877	3,735	3,361	3,480	4,208	4,438	4,743	4,994	4,736	4,884	5,034
Grants, subsidies and contributions	16,662	8,394	8,559	8,858	9,168	9,489	9,821	10,165	10,521	10,889	11,270
Other operating income	20,897	19,920	20,618	21,339	22,086	22,859	23,659	24,487	25,344	26,231	27,150
	388,447	406,288	426,239	448,299	469,985	487,901	503,996	522,358	539,886	559,437	577,741
<b>Capital Revenue</b>											
Capital grants and subsidies	20,574	135,878	154,500	56,700	51,000	25,800	26,600	27,400	28,200	29,100	29,900
Contributions from developers	14,240	16,041	18,300	18,500	18,700	18,900	19,000	19,200	19,400	19,600	19,800
Contributed assets	22,375	20,162	20,363	20,568	20,772	20,980	21,191	21,402	21,617	21,832	22,051
	57,189	172,081	193,163	95,768	90,472	65,680	66,791	68,002	69,217	70,532	71,751
<b>TOTAL REVENUE</b>	445,636	578,369	619,402	544,067	560,457	553,581	570,787	590,360	609,103	629,969	649,492
<b>Operating Expenses</b>											
Employee benefits	131,670	135,586	140,931	145,871	151,414	157,168	163,140	169,339	175,774	182,454	189,387
Materials and services	148,000	144,900	147,149	156,647	169,055	174,444	181,042	187,818	195,744	201,853	209,277
Depreciation	107,501	108,832	114,293	125,306	131,291	136,755	141,866	147,238	152,645	159,301	163,157
Finance costs	4,116	5,504	10,146	12,543	15,044	16,393	16,430	16,279	15,640	15,667	15,577
	391,287	394,822	412,519	440,367	466,804	484,760	502,478	520,674	539,803	559,275	577,398
<b>Capital Expenses</b>											
Loss on disposal of non-current assets	14,000	15,500	15,888	16,285	16,692	17,109	17,537	17,975	18,425	18,885	19,357
<b>TOTAL EXPENSES</b>	405,287	410,322	428,407	456,652	483,496	501,869	520,015	538,649	558,228	578,160	596,755
<b>Net result</b>	40,349	168,047	190,995	87,415	76,961	51,712	50,772	51,711	50,875	51,809	52,737
<b>Capital works program expenditure</b>	139,567	383,254	335,098	231,391	226,683	179,022	169,209	190,663	204,112	207,879	211,406
<b>Community Assets</b>											
Total assets	4,816,774	5,249,456	5,602,228	5,849,911	6,092,822	6,288,879	6,486,840	6,684,398	6,903,307	7,127,267	7,355,689
Total liabilities	263,615	363,080	395,772	418,108	439,931	434,071	426,159	412,266	415,407	417,189	416,970
<b>Net Community Assets</b>	4,553,159	4,886,376	5,206,456	5,431,803	5,652,891	5,854,808	6,060,681	6,272,132	6,487,900	6,710,078	6,938,719

## 5. 2024/25 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 2024/25 financial year:

- Cairns Water
- Cairns Resource Recovery

### 2024/25 ESTIMATED ACTIVITY STATEMENT

Description	Cairns Water \$'000	Cairns Resource Recovery \$'000
<b>Estimated Revenue</b>		
Services provided to the local government	11,389	5,924
Services provided to anyone else	176,670	46,531
Capital Grant Income	104,857	-
Community Service Obligations (net cost)	1,097	1,167
<b>Revenue Total</b>	<b>294,013</b>	<b>53,622</b>
<b>Estimated Expenses</b>		
Employee Costs	17,032	6,808
Materials and Services	48,085	37,316
Depreciation	47,423	1,931
Other Expenditure	6,167	759
Income Tax	52,592	2,043
<b>Expenditure Total</b>	<b>171,299</b>	<b>48,857</b>
<b>Estimated Surplus or (Deficit) before dividend:</b>	<b>122,714</b>	<b>4,765</b>

Capital Works expenditure is not included in the above statement. Councils' capital works program for 2024/25 includes \$1.3M for Cairns Resource Recovery and \$261.5M for Cairns Water (including \$217.7M for the CWSS1 project).

### 2024/25 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	62
	<b>Total</b>	<b>62</b>
<b>Wastewater</b>	Sewerage Rates Rates Based Financial Assistance	1,034
	<b>Total</b>	<b>1,034</b>
	<b>Total</b>	<b>1,096</b>

Activities	Community Service Obligation Description	Cost of CSO \$'000
<b>Waste Services</b>	Free Green Waste conducted four times a year	765
	Charity exemptions for waste disposal	176
	Collection and disposal relating to community clean up events	3
	Free hazardous waste disposal to prevent incorrect disposals	178
	Recycling services fee free of charge to schools	37
	In Kind Waste & Recycling Collections	7
	Donations of buy back shop items to charity	2
	<b>Total</b>	<b>1,167</b>